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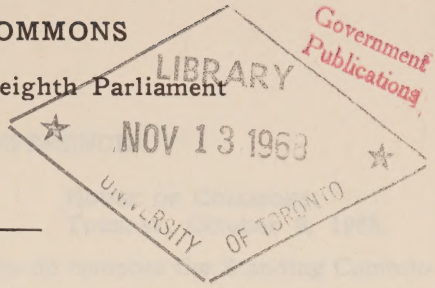
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HOUSE OF COMMONS

First Session—Twenty-eighth Parliament

1968



STANDING COMMITTEE

ON

TRANSPORT AND COMMUNICATIONS

Chairman: Mr. GUSTAVE BLOUIN

PROCEEDINGS

No. 1– 18

TUESDAY, OCTOBER 22, 1968

Including

APPENDIX A

Revised Main Estimates for 1968-69 relating to Communications, the Post Office, Canadian Transport Commission, National Harbours Board, and the St. Lawrence Seaway Authority.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1968

29105—1

STANDING COMMITTEE ON TRANSPORT AND COMMUNICATIONS

Chairman: Mr. Gustave Blouin

Vice-Chairman: Mr. Pat. Mahoney

and Messrs.

Caccia,	Horner,	Nowlan,
Carter,	Jerome,	Pringle,
Coates,	Laflamme,	Schreyer,
Corbin,	Lessard (*LaSalle*),	Serré,
Douglas,	Nesbitt,	Skoberg,
Godin,	Noël,	Thomas (*Moncton*)—(20).

(Quorum 11)

R. V. Virr,
Clerk of the Committee.

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HOUSE OF COMMONS
TUESDAY, October 8, 1968.

Resolved,—That the following Members do compose the Standing Committee on Transport and Communications:

Messrs.

Blouin,	Horner,	Nowlan,
Caccia,	Jerome,	Pringle,
Carter,	Laflamme,	Schreyer,
Coates,	Lessard (*LaSalle*),	Serré,
Corbin,	Mahoney,	Skoberg,
Douglas,	Nesbitt,	Thomas (*Moncton*)—(20).
Godin,	Noël,	

WEDNESDAY, October 16, 1968.

Ordered,—That, saving always the powers of the Committee of Supply in relation to the voting of public moneys, the items listed in the Revised Main Estimates for 1968-69, relating to the Canadian Transport Commission, Communications, the National Harbours Board, the Post Office and the St. Lawrence Seaway Authority, be withdrawn from the Committee of Supply and referred to the Standing Committee on Transport and Communications.

ATTEST:

ALISTAIR FRASER,
The Clerk of the House of Commons.

29105—1½

MINUTES OF PROCEEDINGS

TUESDAY, October 22, 1968.
(1)

The Standing Committee on Transport and Communications met this day at 11.10 a.m. for the purposes of organization.

Members present: Messrs. Blouin, Caccia, Corbin, Douglas, Godin, Laflamme, Lessard (*LaSalle*), Mahoney, Nesbitt, Noël, Pringle, Serré, Skoberg and Thomas (*Moncton*)—(14).

The Clerk attending and having called for nominations, it was moved by Mr. Pringle, seconded by Mr. Serré that Mr. Gustave Blouin be elected Chairman of this Committee.

On motion of Mr. Laflamme, seconded by Mr. Nesbitt,

Agreed,—That nominations be closed.

The Clerk put Mr. Pingle's motion and it was *resolved* in the affirmative.

Mr. Blouin took the Chair, thanked the members for the honour and requested their co-operation during the deliberations of the Committee.

The Chairman then called for nominations for the election of a Vice-President.

On motion of Mr. Corbin, seconded by Mr. Pringle,

Agreed,—That Mr. Mahoney be elected Vice-Chairman of the Committee.

On motion of Mr. Lessard (*LaSalle*), seconded by Mr. Serré,

Agreed,—That the Subcommittee on Agenda and Procedure be comprised of the Chairman, the Vice-Chairman and *FOUR* other members appointed by the Chairman after the usual consultations with the *Whips* of the different parties.

It was moved by Mr. Pringle, seconded by Mr. Lessard (*LaSalle*), that the Committee print 750 English and 350 French copies of its Minutes of Proceedings and Evidence until such time as Committee *Hansards* were produced in a single bilingual issue similar to the printing of Bills for House use.

After debate thereon, the motion was resolved in the affirmative.

On motion of Mr. Laflamme, seconded by Mr. Lessard (*LaSalle*),

Agreed,—That the estimates of Canadian Transport Commission, Communications, National Harbours Board, Post Office and St. Lawrence Seaway Authority be printed as an appendix to today's Proceedings. (See Appendix "A").

At 11.35 o'clock on motion of Mr. Lessard (*LaSalle*) the Committee adjourned to the call of the Chair.

R. V. Virr,
Clerk of the Committee.

APPENDIX "A"

COMMUNICATIONS

REVISED ESTIMATES, 1968-69

COMMUNICATIONS

No. of Vote	Service	1968-69	1967-68	Change	
				Increase	Decrease
		$	$	$	$
	A—GENERAL*				
1	Administration, Operation and Maintenance including the administration of the Radio Act and Regulations issued thereunder and authority, notwithstanding the Financial Administration Act, to make commitments for the current fiscal year for this Vote not to exceed $8,894,100 and to spend revenue received during the current fiscal year (Details, page 45)	4,971,100	4,975,000	.....	3,900
5	Research Satellite Program—To provide for the design and instrumentation of a series of satellites to carry out a scientific research program agreed upon jointly by the United States National Aeronautical and Space Administration and the Defence Research Board (Details, page 47)	3,500,000	3,000,000	500,000	
10	Payments to the Canadian National Railway Company as detailed in the Estimates and Canada's share of the cost of the International Radio, Telephone and Telegraph Organizations listed in the Details of the Estimates (Details, page 47)	509,000	627,800	.....	118,800
		8,980,100	**8,602,800**	**377,300**	
	B—POST OFFICE				
(S)	Postmaster General—Salary and Motor Car Allowance (Details, page 48)	17,000	17,000		
15	Postal Services including Canada's share of the upkeep of the International Bureaux at Berne and Montevideo (Details, page 48)	346,622,000	304,143,300	42,478,700	
	SUMMARY				
	To be voted	**346,622,000**	304,143,300	42,478,700	
	Authorized by Statute	**17,000**	17,000		
		346,639,000	**304,160,300**	**42,478,700**	

*Consisting of the Government Telecommunications Policy and Administration Bureau from the Department of Transport, a portion of the Telecommunications and Electronics Branch of that Department and elements of the Defence Research Telecommunications Establishment from the Defence Research Board.

Positions (man-years)		Details of Services	Amount	
1968–69	1967–68		1968–69	1967–68
			$	$
		A—GENERAL		
		COMMUNICATIONS		
		Vote 1—Administration, Operation and Maintenance including the administration of the Radio Act and Regulations issued thereunder and authority, notwithstanding the Financial Administration Act, to make commitments for the current fiscal year for this Vote not to exceed $8,894,100 and to spend revenue received during the current fiscal year		
		ADMINISTRATION, OPERATION AND MAINTENANCE		
		Salaried Positions:		
		Executive, Scientific and Professional:		
1		Senior Officer 2 (18,500–$23,500)		
1		Defence Scientific Service Officer 7 ($20,450–$24,250)		
2		Defence Scientific Service Officer 6 ($19,150–$21,250)		
4		($18,000–$21,000)		
4		($16,000–$18,000)		
13	2	($14,000–$16,000)		
20	5	($12,000–$14,000)		
39	20	($10,000–$12,000)		
1	23	($8,000–$10,000)		
	1	($6,000–$8,000)		
		Administrative and Foreign Service:		
5	1	($18,000–$21,000)		
1	1	($16,000–$18,000)		
2	1	($14,000–$16,000)		
8	1	($12,000–$14,000)		
7	6	($10,000–$12,000)		
23	7	($8,000–$10,000)		
2	1	($6,000–$8,000)		
		Technical, Operational and Service:		
9	2	($10,000–$12,000)		
106	42	($8,000–$10,000)		
264	287	($6,000–$8,000)		
8	49	($4,000–$6,000)		
		Administrative Support:		
4		($6,000–$8,000)		
188	59	($4,000–$6,000)		
34	102	(Under $4,000)		
		Prevailing Rate Positions:		
11		(Full Time)		
6		(Seasonal)		
763	610			
(760)	(610)	Continuing Establishment	5,300,300	3,837,000
(5)	(5)	Casuals and Others	28,000	19,000
(765)	(615)	Salaries and Wages (1)	5,328,300	3,856,000
		Overtime (1)	25,000	13,000
		Allowances (1)	26,000	9,000
		Pensions and Other Benefits (1)	500	300
		Travelling, Transportation and Removal Expenses (2)	336,000	165,000
		Freight, Express and Cartage (2)	14,700	5,700
		Postage (2)	16,100	13,000
		Telephones, Telegrams, and other Communication Services (2)	64,800	32,000
		Publication of Departmental Reports (3)	28,900	20,000
		Professional and Special Services (4)	361,600	55,000
		Administrative Services provided by the Defence Research Board (4)	1,577,300	
		Rental of Land and Buildings (5)	6,000	4,000
		Repairs and Upkeep of Equipment (6)	74,700	55,000

Positions (man-years) 1968–69	Positions (man-years) 1967–68	Details of Services	Amount 1968–69	Amount 1967–68
			$	$
		A—GENERAL (Continued)		
		COMMUNICATIONS (Continued)		
		Vote 1 (Continued)		
		ADMINISTRATION, OPERATION AND MAINTENANCE (Continued)		
		Repairs and Upkeep of Buildings and Works.....(6)	13,100	11,000
		Office Stationery, Supplies and Equipment.....(7)	81,100	57,000
		Materials and Supplies.....(7)	54,700	46,000
		Municipal or Public Utility Services.....(7)	9,000	8,000
		Sundries.....(12)	8,200	25,000
			8,026,000	4,375,000
		Less: Estimated Revenue.....(13)	3,923,000	
			4,103,000	4,375,000
		Expenditure Revenue		
		1965–66..... $ 3,698,058 $2,242,412		
		1966–67..... 4,208,241 2,782,128		
		1967–68 (estimated)..... 4,484,800 2,957,000		
		Other Personnel Establishment Details (Salaries Initially Chargeable to the Government Telephone Account and Later Recovered)		
		Salaried Positions:		
17	17	Technical, Operational and Service: (Under $4,000)		
2	2	Administrative Support: ($4,000–$6,000)		
19	19			
(19)	(19)	Continuing Establishment		
(2)	(2)	Casuals and Others		
(21)	(21)			
		CONSTRUCTION OR ACQUISITION OF BUILDINGS, WORKS, LAND AND EQUIPMENT		
		Services provided by the Defence Research Board .(4)	146,000	
		Construction or Acquisition of Buildings, Works and Land.....(8)	193,000	196,000
		Acquisition of Furniture and Furnishings.....(9)	17,100	
		Construction or Acquisition of Equipment.....(9)	512,000	404,000
			868,100	600,000
		Total, Vote 1.....	**4,971,100**	**4,975,000**

Positions (man-years)		Details of Services	Amount	
1968-69	1967-68		1968-69	1967-68
			$	$
		A—GENERAL (Continued)		
		COMMUNICATIONS (Continued)		
		Vote 5—Research Satellite Program—To provide for the design and instrumentation of a series of satellites to carry out a scientific research program agreed upon jointly by the United States National Aeronautical and Space Administration and the Defence Research Board (12)	**3,500,000**	**3,000,000**
		Expenditure		
		1965-66 $ 2,986,882		
		1966-67 4,326,032		
		1967-68 (estimated) 3,800,000		
		Vote 10—Payments to the Canadian National Railway Company as detailed in the Estimates and Canada's share of the cost of the International Radio, Telephone and Telegraph Organizations listed in the Details of the Estimates		
		PAYMENTS TO THE CANADIAN NATIONAL RAILWAY COMPANY OF THE DIFFERENCE BETWEEN REVENUES AND EXPENSES IN THE OPERATION AND MAINTENANCE OF TELECOMMUNICATION FACILITIES AS DETAILED IN THE ESTIMATES IN ACCORDANCE WITH AGREEMENTS ENTERED INTO WITH THE COMPANY WITH THE APPROVAL OF THE GOVERNOR IN COUNCIL		
		Canadian National Railway telecommunication system north of Yellowknife, from Fort Simpson to Inuvik in the Northwest Territories, the amount not to exceed $324,889 per year for ten years; estimated amount required in the current fiscal year	200,000	318,800
		Tropospheric scatter terminal station at Frobisher, N.W.T., estimated at	63,000	63,000
		(10)	263,000	381,800
		Expenditure		
		1965-66 $ 87,701		
		1966-67 175,047		
		1967-68 (estimated) 273,000		
		CANADA'S SHARE OF THE COST OF INTERNATIONAL RADIO, TELEPHONE AND TELEGRAPH ORGANIZATIONS		
		Canada's Share of the Cost of—		
		The International Telecommunication Union, Geneva, Switzerland	230,000	230,000
		The Inter-American Radio Office, Havana, Cuba	6,000	6,000
		Grant to the Canadian Radio Technical Planning Board	10,000	10,000
		(10)	246,000	246,000
		Expenditure		
		1965-66 $.....		
		1966-67		
		1967-68 (estimated) 259,000		
		Total, Vote 10	**509,000**	**627,800**

Positions (man-years)		Details of Services	Amount	
1968–69	1967–68		1968–69	1967–68
			$	$
		B—POST OFFICE		
		Approximate Value of Major Services not included in these Estimates		
		Accommodation (provided by the Department of Public Works)	35,364,300	30,850,700
		Accounting and cheque issue services (Comptroller of the Treasury)	750,000	590,000
		Contributions to Superannuation Account (Treasury Board)	15,967,000	11,709,900
		Contributions to Canada Pension Plan Account and Quebec Pension Plan Account (Treasury Board)	3,259,400	3,027,800
		Employee surgical medical insurance premiums (Treasury Board)	802,100	1,804,300
		Employee compensation payments (Department of Labour)	401,600	433,000
		Carrying of franked mail (included in these Estimates) (Post Office Department)	1,260,700	1,124,600
			57,805,100	49,540,300
		Statutory—Postmaster General—Salary and Motor Car Allowance		
		Salary (1)	15,000	15,000
		Motor Car Allowance (1)	2,000	2,000
			17,000	**17,000**
		Vote 15—Postal Services including Canada's share of the upkeep of the International Bureaux at Berne and Montevideo		
		DEPARTMENTAL ADMINISTRATION INCLUDING CANADA'S SHARE OF THE UPKEEP OF THE INTERNATIONAL BUREAUX AT BERNE AND MONTEVIDEO		
		Salaried Positions:		
		Executive, Scientific and Professional:		
1	1	Deputy Postmaster General ($26,500)		
2	2	Senior Officer 3 ($20,500–$25,750)		
2	1	Senior Officer 2 ($18,500–$23,500)		
1	1	Senior Officer 1 ($16,500–$21,250)		
1		($18,000–$21,000)		
	1	($16,000–$18,000)		
1	1	($14,000–$16,000)		
1	1	($12,000–$14,000)		
3		($10,000–$12,000)		
	4	($8,000–$10,000)		
		Administrative and Foreign Service:		
8	8	($18,000–$21,000)		
1	1	($16,000–$18,000)		
9	9	($14,000–$16,000)		

Positions (man-years)		Details of Services	Amount	
1968–69	1967–68		1968–69	1967–68
			$	$
		B—POST OFFICE (Continued)		
		Vote 15 (Continued)		
		DEPARTMENTAL ADMINISTRATION (Continued)		
		Salaried Positions: (Continued)		
		Administrative and Foreign Service: (Continued)		
16	13	($12,000–$14,000)		
34	20	($10,000–$12,000)		
128	113	($8,000–$10,000)		
87	55	($6,000–$8,000)		
1	4	($4,000–$6,000)		
		Technical, Operational and Service:		
4	2	($6,000–$8,000)		
20	17	($4,000–$6,000)		
	9	(Under $4,000)		
		Administrative Support:		
2	1	($8,000–$10,000)		
34	28	($6,000–$8,000)		
220	203	($4,000–$6,000)		
24	26	(Under $4,000)		
600	521			
(600)	(521)	Continuing Establishment	4,092,700	3,360,600
(46)	(2)	Casuals and Others	284,300	12,000
(646)	(523)	Salaries and Wages (1)	4,377,000	3,372,600
		Overtime (1)	5,000	5,000
		Travelling Expenses (2)	635,200	624,100
		Freight, Express and Cartage (2)	4,000	8,000
		Telephones and Telegrams (2)	35,600	26,400
		Publication of Departmental Reports and Other Material (3)	92,000	84,000
		Exhibits, Advertising, Broadcasting and Displays (3)	369,000	371,500
		Professional and Special Services (4)	80,700	45,400
		Corps of Commissionaire Services (4)	25,100	24,800
		Film Strips and Photography (4)	11,500	7,500
		Rental of Office Machines (5)	40,000	21,000
		Repairs and Upkeep of Equipment (6)	300	300
		Repairs to Office Equipment (6)	.....	100
		Repairs to Furniture and Furnishings (6)	1,000	6,000
		Photographic Equipment (7)	2,700	2,700
		Office Stationery, Supplies and Equipment (7)	138,500	108,700
		Acquisition of Furniture and Furnishings (9)	16,500	10,100
		Acquisition of other Equipment (9)	19,000	8,400
		Canada's share of the upkeep of the International Bureaux at Berne and Montevideo (10)	75,200	67,500
		Sundries (12)	36,200	15,900
			5,964,500	4,810,000
		Expenditure		
		1965–66 $ 3,100,774		
		1966–67 3,696,798		
		1967–68 (estimated) 5,021,900		

Positions (man-years)		Details of Services	Amount	
1968–69	1967–68		1968–69	1967–68
			$	$
		B—POST OFFICE (Continued)		
		Vote 15 (Continued)		
		OPERATIONS INCLUDING SALARIES AND OTHER EXPENSES OF STAFF POST OFFICES, DISTRICT OFFICES, RAILWAY MAIL SERVICE STAFFS, AND SUPPLIES, EQUIPMENT AND OTHER ITEMS FOR REVENUE POST OFFICES, INCLUDING ADMINISTRATION		
		Headquarters		
		Salaried Positions:		
		Executive, Scientific and Professional:		
1	1	Senior Officer 1 ($16,500–$21,250)		
2	1	($16,000–$18,000)		
3	4	($14,000–$16,000)		
5	4	($12,000–$14,000)		
15	11	($10,000–$12,000)		
	2	($8,000–$10,000)		
		Administrative and Foreign Service:		
2	2	($18,000–$21,000)		
	1	($16,000–$18,000)		
1		($14,000–$16,000)		
5	5	($12,000–$14,000)		
8	15	($10,000–$12,000)		
53	30	($8,000–$10,000)		
15	12	($6,000–$8,000)		
		Technical, Operational and Service:		
16	11	($8,000–$10,000)		
38	20	($6,000–$8,000)		
11	34	($4,000–$6,000)		
		Administrative Support:		
10	15	($6,000–$8,000)		
38	40	($4,000–$6,000)		
1	2	(Under $4,000)		
224	210			
		Staff Post Offices		
		Salaried Positions:		
		Executive, Scientific and Professional:		
1	1	($10,000–$12,000)		
2	2	($8,000–$10,000)		
		Administrative and Foreign Service:		
2	2	($18,000–$21,000)		
5	5	($14,000–$16,000)		
12	8	($12,000–$14,000)		
22	20	($10,000–$12,000)		
289	215	($8,000–$10,000)		
293	299	($6,000–$8,000)		
		Technical, Operational and Service:		
	1	($10,000–$12,000)		
13	9	($8,000–$10,000)		
5,949	379	($6,000–$8,000)		
25,003	29,102	($4,000–$6,000)		
1	1	(Under $4,000)		
4,006	3,749	(Part Time)		
		Administrative Support:		
31	19	($6,000–$8,000)		
523	457	($4,000–$6,000)		
64	51	(Under $4,000)		
33	10	(Part Time)		
		Prevailing Rate Positions:		
25	25	(Full Time)		
36,274	34,355			

Positions (man-years)		Details of Services	Amount	
1968–69	1967–68		1968–69	1967–68
			$	$
		B—POST OFFICE (Continued)		
		Vote 15 (Continued)		
		OPERATIONS (Continued)		
		District Offices		
		Salaried Positions:		
		Administrative and Foreign Service:		
1	1	($18,000–$21,000)		
14	14	($14,000–$16,000)		
13	13	($12,000–$14,000)		
33	29	($10,000–$12,000)		
189	166	($8,000–$10,000)		
42	32	($6,000–$8,000)		
		Technical, Operational and Service:		
	2	($8,000–$10,000)		
127	63	($6,000–$8,000)		
265	275	($4,000–$6,000)		
	10	(Under $4,000)		
		Administrative Support:		
46	46	($6,000–$8,000)		
473	415	($4,000–$6,000)		
52	61	(Under $4,000)		
1,255	1,127			
		Railway Mail Service Staffs		
		Salaried Positions:		
		Technical, Operational and Service:		
89		($6,000–$8,000)		
244	341	($4,000–$6,000)		
333	341			
38,086	36,033			
(36,067)	(34,154)	Continuing Establishment	213,787,000	182,333,100
(2,758)	(3,168)	Casuals and Others	9,123,500	10,714,000
(38,825)	(37,322)	Salaries and Wages (1)	222,910,500	193,047,100
		Overtime (1)	8,414,400	7,933,000
		Night Differential Payments for Operating Services (1)	1,737,000	1,715,000
		Isolation and Other Allowances (1)	212,000	108,000
		Mileage Allowance (1)	240,000	240,000
		Unemployment Insurance Contributions (1)	237,500	220,000
		Travelling and Removal Expenses (2)	733,000	604,000
		Freight, Express and Cartage (2)	115,000	95,000
		Telephones and Telegrams (2)	365,400	301,500
		Publication of Departmental Reports and Other Material (3)	84,000	87,600
		Corps of Commissionaire Services (4)	56,000	48,000
		Professional and Special Services (4)	55,000	37,000
		School Fees (4)	3,500	2,800
		Rental of Office Machines (5)	48,000	48,000
		Rental of Storage Space (5)	15,000	18,000
		Rental of Equipment (5)	330,000	113,000
		Repairs to Office Equipment (6)	.....	22,000
		Repairs to Furniture and Furnishings (6)	18,000	50,000
		Repairs and Upkeep of Equipment (6)	771,500	522,000

Positions (man-years) 1968–69	Positions (man-years) 1967–68	Details of Services	Amount 1968–69	Amount 1967–68
			$	$
		B—POST OFFICE (Continued)		
		Vote 15 (Continued)		
		OPERATIONS (Continued)		
		Office Stationery, Supplies and Equipment.....(7)	1,128,600	1,049,700
		Mail Bags and Letter Carrier Satchels.....(7)	1,167,000	1,159,000
		Uniforms.....(7)	1,387,000	1,476,000
		Materials and Supplies.....(7)	1,103,000	997,200
		Acquisition of Machine and Hand Tools.....(7)	28,000	23,000
		Public Utilities.....(7)	22,000	20,000
		Acquisition of Office Equipment.....(9)	25,000	25,800
		Acquisition of Furniture and Furnishings.....(9)	481,000	450,600
		Acquisition of Equipment.....(9)	3,132,500	2,631,000
		Sundries.....(12)	8,000	8,000
			244,827,900	213,052,300
		Expenditure		
		1965–66..... $160,948,418		
		1966–67..... 181,786,874		
		1967–68 (estimated)..... 213,356,300		
		TRANSPORTATION—MOVEMENT OF MAIL BY LAND, AIR AND WATER, INCLUDING ADMINISTRATION		
		Salaried Positions:		
		Executive, Scientific and Professional:		
1	1	Senior Officer 1 ($16,500–$21,250)		
		Administrative and Foreign Service:		
1	1	($18,000–$21,000)		
5	5	($12,000–$14,000)		
7	7	($10,000–$12,000)		
10	8	($8,000–$10,000)		
3	2	($6,000–$8,000)		
		Administrative Support:		
19	17	($6,000–$8,000)		
23	21	($4,000–$6,000)		
69	62			
(69)	(62)	Salaries.....(1)	569,300	507,700
		Overtime.....(1)	200	200
		Travelling Expenses.....(2)	15,000	10,000
		Telephones and Telegrams.....(2)	4,700	3,400
		Mail Service by Railway.....(2)	15,628,000	14,660,000
		Mail Service by Ordinary Land Conveyance, including Rural Mail Delivery.....(2)	46,910,000	41,938,000
		Mail Service by Air.....(2)	25,351,000	21,738,000
		Mail Service by Water.....(2)	2,607,000	2,705,000
		Repairs to Office Equipment.....(6)	.....	1,000
		Repairs to Furniture and Furnishings.....(6)	500	200
		Office Stationery, Supplies and Equipment.....(7)	10,000	8,800
		Acquisition of Furniture and Furnishings.....(9)	500	1,600
		Sundries.....(12)	500	100
			91,096,700	81,574,000
		Expenditures		
		1965–66..... $72,575,189		
		1966–67..... 78,904,367		
		1967–68 (estimated)..... 84,160,000		

Positions (man-years) 1968–69	Positions (man-years) 1967–68	Details of Services	Amount 1968–69	Amount 1967–68
			$	$
		B—POST OFFICE (Continued)		
		Vote 15 (Continued)		
		FINANCIAL SERVICES INCLUDING AUDIT OF REVENUE, MONEY ORDER AND SAVINGS BANK BUSINESS; AND POSTAGE STAMPS		
		Salaried Positions:		
		Executive, Scientific and Professional:		
1	1	Senior Officer 1 ($16,500–$21,250)		
		Administrative and Foreign Service:		
1	1	($18,000–$21,000)		
5	5	($12,000–$14,000)		
1	1	($10,000–$12,000)		
16	13	($8,000–$10,000)		
11	11	($6,000–$8,000)		
		Technical, Operational and Service:		
2		($4,000–$6,000)		
1	8	(Under $4,000)		
		Administrative Support:		
1	1	($8,000–$10,000)		
33	28	($6,000–$8,000)		
271	266	($4,000–$6,000)		
52	46	(Under $4,000)		
395	381			
(395)	(381)	Continuing Establishment	2,257,800	2,030,200
(23)	(20)	Casuals and Others	61,600	26,000
(418)	(401)	Salaries and Wages (1)	2,319,400	2,056,200
		Overtime (1)	5,000	5,000
		Unemployment Insurance Contributions (1)	1,200	500
		Travelling Expenses (2)	5,000	3,500
		Telephones and Telegrams (2)	9,600	6,900
		Security Transfer of Cash Deposits and use of Night Deposit Services (4)	38,000	37,000
		Rental of Accounting Machines (5)	628,400	376,400
		Repairs to Office Equipment (6)	.....	3,000
		Repairs to Furniture and Furnishings (6)	500	100
		Office Stationery, Supplies and Equipment (7)	126,800	75,500
		Money Order Forms (7)	183,400	163,400
		Manufacture of Postage Stamps and Stamped Postage Supplies (7)	1,394,600	1,914,600
		Postage Meter and Postage Register Supplies (7)	16,000	55,000
		Acquisition of Furniture and Furnishings (9)	2,000	9,900
		Acquisition of Other Equipment (9)	3,000	
			4,732,900	4,707,000
		Expenditure		
		1965–66 $ 3,550,572		
		1966–67 4,086,214		
		1967–68 (estimated) 4,960,100		
		Total, Vote 15	**346,622,000**	**304,143,300**

Positions (man-years)		Details of Services	Amount	
1968–69	1967–68		1968–69	1967–68
			$	$

B—POST OFFICE (Continued)

Comparison of Expenditures from Appropriations and from Revenue with Gross Revenue (exclusive of major services not included in these Estimates)

	Expenditures from Appropriations	Expenditures from Revenue	Total Expenditures	Gross Cash Revenue
	$	$	$	$
1965–66	240,174,954	38,511,972	278,686,926	276,050,558
1966–67	268,474,253	42,100,121	310,574,374	295,529,358
1967–68 (estimated)	307,498,300	46,340,000	353,838,300	335,698,000
1968–69 (estimated)	346,622,000	48,296,000	349,918,000	358,504,000

No. of Vote	Service	1968–69	1967–68	Change	
				Increase	Decrease
		$	$	$	$
	C—CANADIAN TRANSPORT COMMISSION				
50	Administration, Operation and Maintenance including the degaussing of Canadian Government ships and Canadian-owned merchant ships of 3,000 gross tons to 20,000 gross tons of Canadian registry or of United Kingdom registry if subject to re-transfer to Canadian registry under special intergovernmental arrangement (Details, page 537)	4,600,900	3,556,300	1,044,600	
55	Payment of operating subsidies as approved by Treasury Board to regional air carriers (Details, page 538)	3,000,000	3,000,000		
(S)	Railway Grade Crossing Fund (Details, page 538)	5,000,000	5,000,000		
60	Amount to be credited to the Railway Grade Crossing Fund, in addition to the amount to be credited to the Fund under the Railway Act in the current fiscal year, for the general purposes of the Fund and, notwithstanding section 30 of the Financial Administration Act, to authorize the making of commitments totalling $48,967,000 (in addition to any commitments in respect of which amounts are appropriated under this or any other Act) in the current and subsequent fiscal years (Details, page 539)	10,000,000	10,000,000		
(S)	Payments to railway and transportation companies of amounts determined pursuant to the provisions of the National Transportation Act (Details, page 539)	96,000,000	110,000 000	.....	14,000,000
65	Steamship Subventions for Coastal Services as detailed in the Estimates (Details, page 539)	11,033,300	9,727,000	1,306,300	
		129,634,200	141,283,300	.....	11,649,100
	SUMMARY				
	To be voted	**28,634,200**	26,283,300	2,350,900	
	Authorized by Statute	**101,000,000**	115,000,000	.....	14,000,000
		129,634,200	**141,283,300**	.....	**11,649,100**

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No. of Vote	Service	1968–69	1967–68	Change	
				Increase	Decrease
		$	$	$	$
	D—NATIONAL HARBOURS BOARD				
70	Payments to National Harbours Board, subject to the provisions of section 29 of the National Harbours Board Act, to meet reconstruction and capital expenditures during the calendar year 1968 as detailed in the Estimates (Details, page 541)	7,450,000	5,880,000	1,570,000	
75	Payment to the National Harbours Board to be applied in payment of the deficit (exclusive of interest on advances authorized by Parliament and depreciation on capital structures) expected to be incurred in the calendar year 1968 in the operation of the Jacques Cartier Bridge, Montreal Harbour (Details, page 541)	430,000	473,600	.....	43,600
80	To authorize expenditures by the National Harbours Board, either by itself or on behalf of or in co-operation with others for the construction of retaining walls along the banks of the St. Charles River between the proposed dam at the mouth of the river and Scott Bridge at Quebec Harbour; such amount to be credited to the National Harbours Board Special Account and to constitute an absolute grant without interest, notwithstanding sections 28 and 29 of the National Harbours Board Act (Details, page 541)	2,000,000	.....	2,000,000	
		9,880,000	**6,353,600**	**3,526,400**	
	E—ST. LAWRENCE SEAWAY AUTHORITY				
85	Operating deficit and capital requirements of Canals and Works entrusted to the St. Lawrence Seaway Authority with the approval of the Governor in Council, and to authorize, notwithstanding the Financial Administration Act or any other Act, the disbursement by the Authority of revenues derived from the operation and management of such Canals and Works (Details, page 542)	2,400,000	2,370,000	30,000	
90	Payment to the St. Lawrence Seaway Authority, upon application approved by the Minister of Transport, made by the Authority to the Minister of Finance, to reimburse the Authority in respect of the Welland Canal deficit incurred by the Authority during the calendar year 1968 (Details, page 542)	9,855,000	9,925,000	.....	70,000
		12,255,000	**12,295,000**	.....	**40,000**

Positions (man-years)		Details of Services	Amount	
1968–69	1967–68		1968–69	1967–68
			$	$
		C—CANADIAN TRANSPORT COMMISSION		
		Approximate Value of Major Services not included in these Estimates		
		Accommodation (provided by the Department of Public Works)	313,000	288,700
		Accounting and cheque issue services (Comptroller of the Treasury)	50,900	56,600
		Contributions to Superannuation Account (Treasury Board)	248,700	205,600
		Contributions to Canada Pension Plan Account and Quebec Pension Plan Account (Treasury Board)	26,300	21,900
		Employee surgical-medical insurance premiums (Treasury Board)	6,900	15,900
		Employee compensation payments (Department of Labour)	200	100
		Carrying of franked mail (Post Office Department)	21,400	19,000
			667,400	607,800

Positions (man-years)		Details of Services	Amount	
1968–69	1967–68		1968–69	1967–68
			$	$
		C—CANADIAN TRANSPORT COMMISSION (Continued)		
		Vote 50—Administration, Operation and Maintenance including the degaussing of Canadian Government ships and Canadian-owned merchant ships, of 3,000 gross tons to 20,000 gross tons, of Canadian registry or of United Kingdom registry if subject to re-transfer to Canadian registry under special inter-governmental arrangement		
		ADMINISTRATION		
1		President ($40,000)		
2		Vice-President ($35,000)		
5	3	Chairman ($27,000)		
9	9	Member ($24,000)		
		Salaried Positions:		
		Executive, Scientific and Professional:		
8	10	Senior Officer 1 ($16,500–$21,250)		
5		($18,000–$21,000)		
3	3	($16,000–$18,000)		
11	2	($14,000–$16,000)		
15	8	($12,000–$14,000)		
17	21	($10,000–$12,000)		
4	3	($8,000–$10,000)		
	1	($6,000–$8,000)		
		Administrative and Foreign Service:		
2	2	($18,000–$21,000)		
5	1	($16,000–$18,000)		
8	9	($14,000–$16,000)		
7	6	($12,000–$14,000)		
8	12	($10,000–$12,000)		
36	30	($8,000–$10,000)		
6	19	($6,000–$8,000)		
		Technical, Operational and Service:		
2	1	($14,000–$16,000)		
14	2	($12,000–$14,000)		
14	25	($10,000–$12,000)		
	2	($8,000–$10,000)		
	5	($6,000–$8,000)		
	1	(Under $4,000)		
		Administrative Support:		
3		($8,000–$10,000)		
41	16	($6,000–$8,000)		
122	114	($4,000–$6,000)		
29	50	(Under $4,000)		
377	356			
(377)	(356)	Continuing Establishment	3,405,500	2,978,200
(7)	(5)	Casuals and Others	28,000	18,500
(384)	(361)	Salaries and Wages (1)	3,433,500	2,996,700
		Overtime (1)	500	
		Allowances (1)	2,600	300
		Travelling and Removal Expenses (2)	274,500	177,000
		Freight, Express and Cartage (2)	3,000	2,400
		Postage (2)	3,900	1,600

Positions (man-years)		Details of Services	Amount	
1968-69	1967-68		1968-69	1967-68
			$	$
		C—CANADIAN TRANSPORT COMMISSION (Continued)		
		Vote 50 (Continued)		
		ADMINISTRATION (Continued)		
		Telephones, Telegrams and Other Communication Services....(2)	58,500	37,300
		Publication of the Annual Report....(3)	22,900	17,800
		Advertising....(3)	7,500	6,000
		Professional and Special Services....(4)	559,000	99,000
		Official Reporting Services....(4)	13,000	13,000
		Office Stationery, Supplies and Equipment....(7)	102,000	73,900
		Sundries....(12)	10,000	6,300
			4,490,900	3,431,300
		Expenditure		
		1965-66.... $ 2,524,037		
		1966-67.... 2,937,035		
		1967-68 (estimated).... 3,511,553		
		DEGAUSSING CANADIAN GOVERNMENT SHIPS AND CANADIAN-OWNED MERCHANT SHIPS, OF 3,000 GROSS TONS TO 20,000 GROSS TONS, OF CANADIAN REGISTRY OR OF UNITED KINGDOM REGISTRY IF SUBJECT TO RE-TRANSFER TO CANADIAN REGISTRY UNDER SPECIAL INTER-GOVERNMENTAL ARRANGEMENT....(12)	110,000	125,000
		Expenditure		
		1965-66.... $ 117,876		
		1966-67.... 113,469		
		1967-68 (estimated).... 90,000		
		Total, Vote 50....	**4,600,900**	**3,556,300**
		Expenditure		
		1965-66.... $ 2,641,913		
		1966-67.... 3,050,504		
		1967-68 (estimated).... 3,601,553		
		Vote 55—Payment of operating subsidies as approved by Treasury Board to Regional Air Carriers....(10)	**3,000,000**	**3,000,000**
		Expenditure		
		1965-66.... $....		
		1966-67....		
		1967-68 (estimated).... 3,000,000		
		Statutory—Railway Grade Crossing Fund (Chap. 234, R.S., as amended)....(10)	**5,000,000**	**5,000,000**

Positions (man-years)		Details of Services	Amount	
1968-69	1967-68		1968-69	1967-68
			$	$
		C—CANADIAN TRANSPORT COMMISSION (Continued)		
		Vote 60—Amount to be credited to the Railway Grade Crossing Fund, in addition to the amount to be credited to the Fund under the Railway Act in the current fiscal year, for the general purposes of the Fund and, notwithstanding section 30 of the Financial Administration Act, to authorize the making of commitments tota ling $48,967,000 (in addition to any commitments in respect of which amounts are appropriated under this or any other Act) in the current and subsequent fiscal years.....(10)	**10,000,000**	**10,000,000**
		Expenditure		
		1965-66..... $ 9,000,000		
		1966-67..... 10,000,000		
		1967-68 (estimated)..... 10,000,000		
		Statutory—Payments to railway and transportation companies of amounts determined pursuant to the provisions of the National Transportation Act.....(10)	**96,000,000**	**110,000,000**
		Expenditure		
		1965-66..... $.....		
		1966-67.....		
		1967-68 (estimated)..... 110,000,000		
		Vote 65—Steamship Subventions for Coastal Services as detailed in the Estimates		
		WESTERN LOCAL SERVICES		
		Service between—		
		Gold River and Zeballos, B.C.....	33,480	24,000
		Vancouver and Northern British Columbia Ports..	270,000	270,000
		Vancouver and West Coast of Vancouver Island B.C.	130,000	88,000
		EASTERN LOCAL SERVICES		
		Service between—		
		Burnside and St. Brendans, Newfoundland.....	14,500	
		Carmanville and Fogo Island, Nfld.....	27,500	27,500
		Cobb's Arm and Change Islands, Nfld.....	10,000	
		Dalhousie, N.B. and Maguasha, Que.	37,500	
		Grand Manan and the Mainland, N.B.....	259,000	259,000
		Greenspond and Badger's Quay, Nfld.....	25,000	
		Halifax, N.S. and Cupids, Nfld.....	40,000	

Positions (man-years)		Details of Services	Amount	
1968–69	1967–68		1968–69	1967–68
			$	$
		C—CANADIAN TRANSPORT COMMISSION (Continued)		
		Vote 65 (Continued)		
		EASTERN LOCAL SERVICES (Continued)		
		Service between—(Continued)		
		Halifax, N.S. and St. John's, Nfld.	220,000	
		Ile-aux-Coudres and Les Eboulements, Que.	33,000	33,000
		Ile-aux-Grues and Montmagny, Que. (summer)	6,500	6,500
		Ile-aux-Grues and Montmagny, Que. (winter)	1,700	1,700
		Iles de la Madeleine, Que., Cheticamp and Halifax, N.S.	35,000	35,000
		Iles de la Madeleine and Montreal, Que.	100,000	100,000
		Montreal, Quebec, Rimouski and North Shore Ports, Que.	770,000	
		Mulgrave, Canso and Arichat, N.S.	.....	52,400
		Owen Sound, Manitoulin Island and Georgian Bay, Ont.	213,735	157,000
		Pelee Island and the Mainland, Ont.	88,695	78,695
		Pictou, N.S., Charlottetown, P.E.I. and Iles de la Madeleine, Que.	278,000	278,000
		Portugal Cove and Bell Island, Nfld.	265,234	267,925
		Prince Edward Island and Newfoundland	82,900	82,900
		Prince Edward Island and the North Shore of the St. Lawrence River, Que.	35,000	35,000
		Prince Edward Island and Nova Scotia	912,625	819,700
		Quebec, Natashquan and Blanc Sablon, Que.	.....	430,000
		Rimouski and North Shore Ports to Blanc Sablon, Que.	.....	290,000
		Riviere-du-Loup and St-Simeon, Que.	21,000	21,000
		St. Lawrence River and Gaspe Ports to Chandler, Que.	43,000	43,000
		Sorel and Ile St-Ignace, Que.	43,000	43,000
		Trois-Pistoles and Les Escoumains, Que.	.....	5,000
		Twillingate and New World Island, Nfld.	63,400	63,400
		NEWFOUNDLAND COASTAL STEAMSHIP SERVICES		
		Financial Assistance to the operation of Coastal Steamship Services	6,973,531	6,215,280
		(10)	**11,033,300**	**9,727,000**
		Expenditure		
		1965–66 $ 9,365,273		
		1966–67 10,723,205		
		1967–68 (estimated) 11,684,510		

Positions (man-years)		Details of Services	Amount	
1968–69	1967–68		1968–69	1967–68
			$	$
		D—NATIONAL HARBOURS BOARD		
		Vote 70—Payments to National Harbours Board, subject to the provisions of section 29 of the National Harbours Board Act, to meet reconstruction and capital expenditures during the calendar year 1968 as detailed in the Estimates		
		Construction or Acquisition of Buildings, Works and Land—		
		Halifax (8)	4,087,000	3,848,000
		Saint John (8)	1,287,000	1,890,000
		Chicoutimi (8)	268,000	400,000
		Quebec (8)	2,700,000	2,540,000
		Prescott (8)	.....	400,000
		Churchill (8)	750,000	675,000
		Construction or Acquisition of Equipment—		
		Halifax (9)	.....	302,000
		Quebec (9)	.....	75,000
		Prescott (9)	440,000	300,000
		Port Colborne (9)	.....	86,400
		Churchill (9)	450,000	500,000
		Generally—Unforeseen and M scellaneous (12)	200,000	200,000
			10,182,000	11,216,400
		Less—Amount to be expended from Replacement and Other Funds (13)	2,732,000	5,336,400
			7,450,000	**5,880,000**
		Expenditure		
		1965–66 $ 747,467		
		1966–67 4,202,600		
		1967–68 (estimated) 4,658,000		
		Vote 75—Payment to the National Harbours Board to be applied in payment of the deficit (exclusive of interest on advances authorized by Parliament and depreciation on capital structures) expected to be incurred in the calendar year 1968 in the operation of the Jacques Cartier Bridge, Montreal Harbour (12)	**430,000**	**473,600**
		Expenditure		
		1965–66 $ 160,000		
		1966–67 1,548,963		
		1967–68 (estimated) 473,600		
		Vote 80—To authorize expenditures by the National Harbours Board, either by itself or on behalf of or in co-operation with others for the construction of retaining walls along the banks of the St. Charles River between the proposed dam at the mouth of the river and Scott Bridge at Quebec Harbour; such amount to be credited to the National Harbours Board Special Account and to constitute an absolute grant without interest, notwithstanding Sections 28 and 29 of the National Harbours Board Act (8)	**2,000,000**	

Positions (man-years)		Details of Services	Amount	
1968–69	1967–68		1968–69	1967–68
			$	$
		E—ST. LAWRENCE SEAWAY AUTHORITY		
		Vote 85—Operating deficit and capital requirements of canals and works entrusted to the St. Lawrence Seaway Authority with the approval of the Governor in Council, and to authorize, notwithstanding the Financial Administration Act or any other act, the disbursement by the Authority of revenue derived from the operation and management of such canals and works		
		Construction or Acquisition of Buildings, Works and Land....(8)	.....	85,000
		Construction or Acquisition of Equipment....(9)	45,000	55,000
		Operating Deficit....(12)	2,355,000	2,230,000
			2,400,000	**2,370,000**
		Expenditure		
		1965–66.... $ 1,899,563		
		1966–67.... 2,760,000		
		1967–68 (estimated).... 2,370,000		
		Vote 90—Payment to the St. Lawrence Seaway Authority, upon application approved by the Minister of Transport, made by the Authority to the Minister of Finance, to reimburse the Authority in respect of the Welland Canal deficit incurred by the Authority during the calendar year 1968		
		Deficit....(12)	**9,855,000**	**9,925,000**
		Expenditure		
		1965–66.... $ 8,175,000		
		1966–67.... 10,059,000		
		1967–68 (estimated).... 8,725,000		

No. of Vote	Service	1968–69	1967–68	Change	
				Increase	Decrease
		$	$	$	$
	National Harbours Board				
L120	Advances to National Harbours Board, subject to the provisions of section 29 of the National Harbours Board Act, to meet expenditures applicable to the calendar year 1968 on any or all of the following accounts:				
	Reconstruction and Capital Expenditures—				
	St. John's ..... $ 515,000				
	Trois Rivieres 277,000				
	Montreal 7,838,000				
	Vancouver 8,360,000				
	16,990,000				
	Less—amount to be expended from Replacement and other Board Funds 2,290,000				
		14,700,000	30,796,000	.....	16,096,000
—	Appropriation not required for 1968–69	.....	18,000,000	.....	18,000,000
		14,700,000	48,796,000	.....	34,096,000
	St. Lawrence Seaway Authority				
L125	Loans to the St. Lawrence Seaway Authority in such manner and subject to such terms and conditions as the Governor in Council may approve	41,000,000	45,500,000	.....	4,500,000
		147,295,000	161,975,001	.....	14,680,001

OFFICIAL REPORT OF MINUTES

OF

PROCEEDINGS AND EVIDENCE

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Translations under the direction of the Bureau for Translations, Secretary of State.

ALISTAIR FRASER,

The Clerk of the House.

Government
Publications

HOUSE OF COMMONS

First Session—Twenty-eighth Parliament

1968

STANDING COMMITTEE

ON

TRANSPORT AND COMMUNICATIONS

Chairman: Mr. GUSTAVE BLOUIN

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 2

FRIDAY, NOVEMBER 15, 1968

Revised Main Estimates (1968-69) of the Canadian Transport Commission.

WITNESS:

From the Canadian Transport Commission: Hon. J. W. Pickersgill, President.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1968

29107—1

STANDING COMMITTEE
ON
TRANSPORT AND COMMUNICATIONS

Chairman: Mr. Gustave Blouin

Vice-Chairman: Mr. P. M. Mahoney

and Messrs.

Carter,	Lessard (*LaSalle*),	[4] Perrault,
Corbin,	[3] Marshall,	Pringle,
Douglas,	[2] McGrath,	Schreyer,
Godin,	Nesbitt,	Serré,
Jerome,	Noël,	Skoberg,
Laflamme,	[1] Paproski,	Thomas (*Moncton*)—20.

(Quorum 11)

R. V. Virr,
Clerk of the Committee.

[1] Replaced Mr. Nowlan on November 14, 1968.
[2] Replaced Mr. Coates on November 14, 1968.
[3] Replaced Mr. Horner on November 14, 1968.
[4] Replaced Mr. Caccia on October 23, 1968.

ORDERS OF REFERENCE

WEDNESDAY, October 23, 1968.

Ordered,—That the name of Mr. Perrault be substituted for that of Mr. Caccia on the Standing Committee on Transport and Communications.

THURSDAY, November 14, 1968.

Ordered,—That the names of Messrs. Paproski, McGrath and Marshall be substituted for those of Messrs. Nowlan, Coates and Horner on the Standing Committee on Transport and Communications.

ATTEST:

ALISTAIR FRASER,
The Clerk of the House of Commons.

29107—1½

MINUTES OF PROCEEDINGS

FRIDAY, November 15, 1968
(2)

The Standing Committee on Transport and Communications met this day at 9.35 a.m., the Chairman, Mr. Blouin, presiding.

Members present: Messrs. Blouin, Carter, Corbin, Douglas, Jerome, Lessard (*LaSalle*), Marshall, McGrath, Nesbitt, Noël, Pringle, Schreyer, Skoberg, Thomas (*Moncton*)—(14).

Also present: Messrs. Hees, McCleave, Lundrigan and Moores, Members of Parliament.

In attendance: From the Canadian Transport Commission: Hon. J. W. Pickersgill, President, Mr. H. Arbique, secretary, Mr. L. L. Marks, Financial Adviser.

The Chairman announced that the following members had been appointed to the Steering Committee: Messrs. Blouin, Godin, Mahoney, Serré, Schreyer and Thomas (*Moncton*).

Pursuant to the Order of Reference, the Chairman called the Estimates of the Canadian Transport Commission and introduced the President Hon. J. W. Pickersgill.

Mr. Pickersgill briefly outlined the responsibilities, functions and operations of the Commission and was examined thereon by the Committee.

It was moved by Mr. Nesbitt that the Committee seek the permission of the House to continue its study of the transportation problems of the Atlantic Provinces.

After debate thereon, and the bells having rung calling the House to order, the Committee adjourned to the call of the Chair.

R. V. Virr,
Clerk of the Committee.

EVIDENCE

(Recorded by Electronic Apparatus)

Friday, November 15, 1968

• 0940

The Chairman: Good morning, gentlemen. I see we have a quorum.

I would first like to advise you that the Steering Committee is composed of Mr. Mahoney, Mr. Serré, Mr. Schreyer, Mr. Godin, Mr. Thomas (Moncton) and myself.

Our order of reference is the estimates of the Canadian Transport Commission. I will call Item 50.

Department of Transport

C—CANADIAN TRANSPORT COMMISSION

50 Administration, Operation and Maintenance including the degaussing of Canadian Government Ships and Canadian-owned merchant ships of 3,000 gross tons to 20,000 gross tons of Canadian registry or of United Kingdom registry if subject to re-transfer to Canadian registry under special intergovernmental arrangement, $4,600,900.

The Chairman: Before we begin I would like to introduce to you the hon. J. W. Pickersgill, President of the Canadian Transport Commission, and I will ask him to make an opening statement. Mr. Pickersgill.

Hon. J. W. Pickersgill (President, Canadian Transport Commission): Mr. Chairman, I think my opening statement will consist of introducing Mr. Arbique, the Secretary, and Mr. Marks, an administrative officer on the financial side. I really do not think there is anything I can say about the work of the Commission that would be very illuminating beyond the fact that it was established on September 19, 1967, so it has therefore been in existence for about 14 months. It would probably be very much better if I merely answered questions.

The Chairman: Thank you, Mr. Pickersgill. Mr. Nesbitt?

Mr. Nesbitt: As this is the first time the President of the Commission has been before us and as there are new members present who perhaps are unfamiliar with the Act, I wonder if Mr. Pickersgill could give us a brief resume of the activities of the Commission, and after that we can get into the questions.

Mr. Pickersgill: Perhaps it would be helpful to those members of the Committee who were not members of Parliament when the act was passed in 1967 if I were to explain that under the Act there was the Board of Transport Commissioners' which regulated railways, telegraphs and telephones—or, as we now call them, telecommunications—under the jurisdiction of Parliament. There was the Air Transport Board, which regulated civil aviation, and there was also the Maritime Commission, which performed certain functions with respect to water transport and in particular it dealt with ferry services and coastal steamship services, which were subsidized by the government. And it had other functions which were taken away from it before it became part of the Commission, and these were given to the Department of Industry. These three agencies were extinguished by the law and were replaced by the Water Transport Committee in the case of the Maritime Commission, the Air Transport Committee in the case of the Air Transport Board and the Railway Transport Committee in the case of the Board of Transport Commissioners.

• 0945

In addition, two other committees were provided for under the law. There was the Motor Vehicles Transport Committee, which at the time the law was passed it was indicated would be available to administer motor vehicle traffic. This is under the jurisdiction of the Parliament of Canada until such time as the Governor in Council may see fit to vest that jurisdiction or any part of it in the Canadian Transport Commission instead of allowing it under the Motor Vehicle Transport Act—which is the correct title of it—of 1954, which vested in provincial agencies and boards the federal jurisdiction in this field. Provision was also made for a Committee on Solids Pipe Lines. This was done because

there was a bill currently in Parliament to establish a particular solids pipe line company and it was felt that as there was no jurisdiction formally vested in any agency of government it would be as well to make provision for it.

I may say that up to the present time neither Part III, which deals with motor vehicle transport, or Part IV, which deals with commodity pipe lines, have been proclaimed. When I was the Minister of Transport I gave an undertaking that the motor vehicle transport part of the Act would not be proclaimed until there had been consultations with the provincial governments. This was not because the provincial governments or the provincial legislatures had any jurisdiction whatsoever, but because it seemed to me that these governments which had permitted their agencies to act as federal agencies for this particular purpose were entitled as a courtesy to be consulted. Also, because in the provinces, with very, very few exceptions, all highways are the physical property of the provincial or local authorities under the provincial jurisdiction and it seemed to me that it would be very difficult to have an effective federal jurisdiction of interprovincial and international commercial motor transport without a reasonable degree of understanding and cooperation with the provincial governments.

We were concerned, of course, because the Coughlin case was then before the Supreme Court, that we might be forced into exercising this jurisdiction rather suddenly if the decision of the Supreme Court had been different from that which it in fact took. It took the decision that the Act in all respects on which it was challenged was *intra vires* of Parliament and therefore still in operation. I would crave the indulgence of members not to ask me to speculate about when Part III might be proclaimed because the only answer I could give is whenever the Governor in Council so determines, and I am not privy to his intentions, if at the moment he has any.

The Chairman: Thank you, Mr. Pickersgill. Are there any other questions? Mr. McGrath?

• 0950

Mr. McGrath: Mr. Chairman, I would like to direct some questions to Mr. Pickersgill. I think he probably has a fair idea what he is talking about. For example, Mr. Chairman, in the Annual Report of the Canadian Transport Commission, the only one we have, ten lines were devoted to level crossing accidents in the Province of Quebec, and I think four lines were devoted to the abandonment of the rail passenger service in the Province of Newfoundland. Is this to infer that the Commission looks upon the abandonment of a total provincial railway passenger service as warranting only four lines in the Annual Report?

Mr. Pickersgill: I think these quantitative measurements have no qualitative significance, sir.

Mr. McGrath: You spoke about—well, it has a certain great deal of significance for some of us, Mr. Chairman.

The Chairman of the Commission in his preliminary remarks referred to areas of provincial jurisdiction. This is a question which is of a great deal of interest to some of us, because in their hearings in Newfoundland on the application of the CN to abandon rail passenger service, I think I am correct in stating that they implied in handing down their decision they were prepared to allow the CN to abandon their rail passenger service on the understanding that they would operate a bus service. Is this correct?

Mr. Pickersgill: Mr. Chairman, I think perhaps I should make my position as a witness as clear as I can about this particular matter, and perhaps I should apologize to the members of the Committee for not having pointed out that the Commission also has a research division as well as its regulatory functions. On the research side, of course, it is not dissimilar to any other department of government; in other words, the activities of the research division are either pure research, or advisory to the government, or in the way of enquiry.

On the regulatory side, the Commission is a court of record, and as a court of record it makes decisions after hearing the witnesses who appear at the hearing. Its decision is then rendered and under the law there are certain remedies open to anyone who disagrees with those decisions. I think it would be . . .

Mr. McGrath: Mr. Chairman, I would like to raise a point of order here because I think what Mr. Pickersgill is now saying is not at all germane to the line of questioning that I was asking. I think you must rule that my question was in order or not, because if we are to have these lectures from the witness on how we should conduct ourselves, I think we are going to make very slow progress.

The Chairman: I have asked Mr. Pickersgill for an opening statement, and questions thereafter. I think if you let Mr. Pickersgill finish what he had to say, we could consider your point.

Mr. McGrath: Mine was a very simple question, Mr. Chairman. Did the Commission in handing down its decision in Newfoundland allowing CN to abandon their rail passenger service do so with the understanding that CN would be operating a provincial bus service? I raised this in the context of his opening remarks whereby he referred to areas of provincial jurisdiction.

Mr. Pickersgill: I think the decision speaks for itself, sir, and I do not think there is anything I can usefully add to the decision, which was taken by certain of my colleagues on the Commission acting in the quasi-judicial capacity with which they were clothed by the Parliament of Canada.

Mr. McGrath: Well, that brings up another interesting question, Mr. Chairman. In relation to that particular reply, why was this application for the total abandonment of a rail passenger service in an entire province not heard by the entire Commission? Surely, it was important enough to warrant a hearing by a full Commission?

• 0955

Mr. Pickersgill: Well, without again venturing to give a legal opinion, since I am not a lawyer, it does seem to me that if one reads the Act carefully, it does not envisage hearings by the whole Commission of any case.

Mr. McGrath: I would just like to get back for a moment...

The Chairman: Yes, go ahead.

Mr. Carter: Mr. Chairman, may I have a supplementary to the question Mr. McGrath asked Mr. Pickersgill?

The Chairman: A supplementary question?

Mr. Carter: Yes. In its summation to the Transport Commission, the CNR set forth certain claims with regard to shelters, etc. They set forth certain plans they had with regard to bus shelters and facilities along the line. From a newspaper article I find that even now with the bus system not even started they have begun to cut back on these facilities, and I think where once they started out with 14 bus shelters or stations, I now find that these have been cut down to just three or four.

When you heard CNR's proposal to abandon the rail passenger service, was the decision rendered based on their summation at that time wherein they agreed to provide so many bus shelters and busses? Even now before they have started they have begun already to cut back on these facilities.

Mr. Pickersgill: I am afraid I have not had the benefit of reading the newspaper report to which Mr. Carter refers. I think the decision speaks for itself, and I would assume that if the decision is not properly carried out, the proper steps would be taken as provided by law in that regard. As Mr. Carter has said, the bus service has not yet started and, therefore, it might be very difficult to ascertain that anything laid down with respect to the bus service had not been carried out.

Mr. McGrath: Mr. Chairman, regarding that answer by the witness, I would just like to say that page 5 of the decision of the Commission, or at least the railway committee of the Commission, refers to the bus service, and reads:

> ...and substituted therefor a fast comfortable bus service operating over the highway.

Then they go on and give a description of the bus service. They talk about 39 seats and a lavatory, and what have you. My question, Mr. Chairman, is what right does the Canadian Transport Commission have to, in effect, usurp the provincial jurisdiction of the Government of Newfoundland, and more particularly their agency, the public utilities commission, who were the only body that had any authority to grant a franchise to operate a bus service in Newfoundland or to hear any evidence in relation to the granting of a franchise.

Mr. Pickersgill: I believe, Mr. McGrath—and I am simply repeating what I believe to be accurate hearsay here because I am not a servant of the Government of Newfoundland—that the legislation conferring upon the public utilities commission this jurisdiction was not proclaimed until after these hearings were held. I know, of course, that the jurisdiction of Parliament over motor vehicle transport which has existed in all other nine provinces had been conferred by the Motor Vehicle Transport Act, which is a federal act, upon the agencies in all other nine provinces, but was conferred upon the agency in New-

foundland only at the request of the Government of Newfoundland concurrently with the establishment of that jurisdiction provincially.

• 1000

Mr. McGrath: Of course, the witness has me at a disadvantage there, Mr. Chairman. I was of the opinion that the provincial government did have jurisdiction in this regard because two or three years ago following the completion of the Trans-Canada highway in Newfoundland, they heard two applications from independent operators to operate a provincial bus service, and at that time there was never any suggestion that they did not have jurisdiction in this matter. On the contrary, their decision was deferred leaving open the suggestion that there was obviously some knowledge on the part of the government of Newfoundland of the intent of the Canadian National to pull out its rail passenger service. It seems rather strange that even now the application of the CNR to operate a bus service was just heard by the Public Utilities Commission last week and a decision has yet to be rendered on it, which raises a very interesting question, Mr. Chairman. What if the Public Utilities Commission of Newfoundland exercises its right and its sovereignty in this matter and refuses the application of the CNR for a bus service? Where does that leave the Canadian Transport Commission with its decision to allow the CNR to abandon its rail passenger service based upon its application to provide a bus service?

Mr. Pickersgill: You know, sir, that I was once a member of Parliament and I know there is a rule, which I suppose most people regard as a very salutary rule, that witnesses should not answer hypothetical questions. I have no means of knowing what will happen about this application but I think I can, however, clear up one point which Mr. McGrath has raised, and I am trying to be as helpful as I can about those things I know about.

I may be totally wrong, and perhaps I was mistaken in even suggesting that I knew anything about what jurisdiction the Public Utilities Commission might have in respect of those services that come within provincial jurisdiction, but of course this particular bus service that was recommended by the Canadian National Railways would not come within provincial jurisdiction; it would be within the jurisdiction of Parliament because the Canadian National Railways is an interprovincial not an intraprovincial operation.

The Public Utilities Commission in acting on an application would be acting as the agent of the Government of Canada under the Motor Vehicle Transport Act of 1954. That jurisdiction was conferred upon the Public Utilities Commission by the Government of Canada by an Order in Council which, if my memory serves me correctly, was dated June 1.

The Chairman: A supplementary, Mr. Lundrigan?

Mr. Lundrigan: Could the Chairman say whether the Commission has received any commitment from the provincial government, through the Public Utilities Commission that the application of the CNR will be accepted in relation to the operation of buses?

Mr. Pickersgill: I can say with absolute certainty that there has been no communication whatever between the Public Utilities Commission and the Canadian Transport Commission on this matter.

Mr. Lundrigan: Therefore, would it not be logical to assume that in the event the Public Utilities Commission does not accept the application of the CNR, that would nullify the agreement of the Canadian Transport Commission which made its decision on the basis that the bus service would be provided in lieu of the rail passenger service?

Mr. Pickersgill: If that situation should arise it would certainly be a new situation.

Mr. McGrath: It raises a very interesting question and there seems to be a contradiction in this. The witness indicated that the Newfoundland Public Utilities Commission would be acting on this particular application as an agent of the Government of Canada. Of course, we must accept his superior knowledge of these matters and I have no reason to doubt his word. However, do we not have a conflict of jurisdiction here? Why, if the Government of Canada has jurisdiction in this matter, would the Newfoundland Public Utilities Commission have to hear an application in the first place since a body of the Government of Canada, the Canadian Transport Commission, has already in fact conferred upon them jurisdiction?

Mr. Pickersgill: As Mr. McGrath said, I do not want to give a lecture but I think perhaps to make the answer clear I have to go back to

1954. In 1954 the Privy Council in one of the last Canadian cases it heard decided that jurisdiction over commercial highway traffic which everyone up until then had believed to be under the jurisdiction of the provincial legislatures was, in fact, under the jurisdiction of the Parliament of Canada, and every undertaking of a commercial character in the motor vehicle field extending beyond the province was under the jurisdiction of Canada.

• 1005

Without entering into a long discussion about what the word "undertaking" means, the government of that day, the Government of Mr. Louis St-Laurent, in order to fill the vacuum, since nobody had any power to regulate these things once this decision was made, recommended to Parliament and Parliament enacted the Motor Vehicle Transport Act of 1954. Under that Act, wherever a provincial government would agree, the provincial body that regulated traffic within the province and undertakings within the province had conferred on it a jurisdiction as a federal agent to regulate traffic and to regulate undertakings that extended beyond the province.

Mr. McGrath: To grant franchises also?

Mr. Pickersgill: Oh, yes, but they were limited to doing them on exactly the same terms and on exactly the same basis as they did for the intraprovincial ones. Since then there has been another Privy Council decision, that power of the legislature cannot be delegated to Parliament and Parliament cannot be delegated to the legislature. They are in law acting as the agent of the Government of Canada but Parliament has prescribed exactly how that is to be done. It is to be done the same way as is done with an intraprovincial.

Mr. McGrath: Let me go back to my original question, Mr. Chairman. I want to pursue this because my original question is what brought this on. Why, then, is the Public Utilities Commission of Newfoundland hearing an application by the CNR? Why are they now sitting on that application before rendering a decision when, in fact, if the Government of Canada has jurisdiction in this area the decision was already made for them by your Commission?

Mr. Pickersgill: The Commission will not have the power to make any such decision until Part III is proclaimed. It is in the law but it has to . . .

Mr. McGrath: What is part III again?

Mr. Pickersgill: Part III is the part which gives the Commission direct jurisdiction over extra-provincial motor vehicle undertakings.

Mr. Lundrigan: Mr. Chairman, to follow up on that question, I have a supplementary. The Chairman said that the Public Utilities Commission has not rendered a decision. It had not been made prior to the CTC's decision to abandon rail passenger service.

Mr. Pickersgill: Yes, but it did not even have jurisdiction at that time.

Mr. Lundrigan: The Chairman also indicates that if it were not to render a decision in favour of the Canadian National Railways to operate a bus service it would be a new situation. That was his statement: a new situation. I do not know exactly what that means. It seems to me to imply that the old situation was that they were to render a positive decision.

There seems to be something amiss when we know that the Canadian National Railways has already purchased the buses, lavatories and all, and are ready to begin operations on April 15. The date they are going to run their buses has already been set. Now, I ask the Chairman of the Commission what would happen if the Public Utilities Commission did not accept the situation with respect to the operation of buses? Would the decision of the CTC then be rendered null?

Mr. Pickersgill: The decision of the CTC—and I really question whether I should try to interpret a decision which was made by the court and in doing so I am not going beyond what Mr. Lundrigan himself is doing—as I understand it, was with respect to the abandonment of a passenger train, and it was made a condition of abandonment that a bus service should be established. That is all. In other words, the decision did not authorize the establishment of a bus service; it merely said that the railway could not abandon the passenger service unless it established a bus service.

Mr. McGrath: Then you have answered our question because the decision would, in fact, be null if the Public Utilities Commission decided not to grant the application of the CNR to operate a bus service.

Mr. Pickersgill: I neither accept nor reject your legal interpretation.

• 1010

Mr. McGrath: It is not a legal interpretation. I agree with what the witness has just said. He answered the question. I wish to go to another question, because this is germane to the whole.

Mr. Pickersgill: I am sure, Mr. McGrath does not seek to be unfair to me.

Mr. McGrath: Oh, no.

Mr. Pickersgill: I merely want to say that I neither accept nor reject his conclusion on the decision...

Mr. McGrath: The evidence will show what was said.

Mr. Pickersgill: I hope I am not in contempt, sir, but I would like to finish my sentence.

All I was saying was that I would not like it to appear on the record that I either accepted or rejected Mr. McGrath's statement about what the effect would be upon the decision of the Transport Commission. That is a legal question in which I have no competence to give an answer.

Mr. McGrath: Mr. Chairman, I have far too much respect for Mr. Pickersgill's reputation as a parliamentarian, which I know firsthand, ever to try to put words into his mouth.

I was merely suggesting, and he has confirmed—as I think the evidence will bear out—that this is germane to a suggestion that has been made in the press, which has not been officially or categorically denied, to the effect that this whole matter came about as a result of collusive action between the Government of Canada, when the witness was Minister of Transport, and the Government of Newfoundland whereby, to get the Newfoundland Government off the hook of fulfilling a political promise to complete the Trans-Canada Highway, a deal was made by which if the Newfoundland Government allowed the Government of Canada to abandon the rail passenger service, they, in turn, would pay for 90 per cent of the cost of completion of the Trans-Canada Highway.

I suggest to you, sir, that that has not been officially denied, either by yourself, or by the Government of Newfoundland, or by the Premier of Newfoundland. The evidence of the questioning this morning has borne out the fact that this was a foregone conclusion, that the whole thing was cut-and-dried and that this is merely a façade that the Public Utilities Commission of Newfoundland is now presenting.

If we are to accept the evidence of Mr. Pickersgill—and surely his evidence on this must be accepted because he is Chairman of the Commission—I am not asking him to confirm or deny it; but I am asking whether it is not rather interesting that there has not been a categorical denial.

Mr. Pickersgill: Mr. Chairman, if you will permit me, I would like to say—and this has nothing to do with my present functions—that, this statement having been made by Mr. McGrath, I deny in the most categorical, emphatic fashion that there was ever any discussion whatsoever, direct or indirect, between me or, to the best of my knowledge, any other member of the Government of Canada and the Premier or any other Minister of Newfoundland about any connection whatsoever between this proposed bus service and the completion of the Trans-Canada Highway.

In fact, to the best of my knowledge, I certainly never knew that the CNR had any thought of establishing a bus service at the time the dceision was made to pay 90 per cent of the cost of the Trans-Canada Highway. It did not come to my notice at all until a long time after that.

Mr. Lundrigan: Mr. Chairman, I have a supplementary...

The Chairman: Just a moment, please. I would remind the Members of the Committee that we are not here to discuss political problems.

Mr. Lundrigan: No; this is a supplementary.

The Chairman: We are here to discuss the Estimates of the Commission. We are still on the opening remarks of Mr. Pickersgill, and I would therefore ask you to...

• 1015

Mr. Lundrigan: Mr. Chairman, for the record, and because I think Mr. Pickersgill would want to make it clear, he did very carefully in his remarks indicate that there was no collusion in respect of the bus service and the Highway. I do not know if it was intentional or otherwise, but he omitted reference to the abandonment of the rail passenger service. I am sure he would also like

to have on the record that there was absolutely no agreement between the Government of Newfoundland and the CTC about the abandonment of the CNR rail passenger service.

Mr. Pickersgill: You mean the Government of Canada, do you not?

Mr. Lundrigan: Very well, then; if you want to...

Mr. Pickersgill: Because the CTC did not exist at that time.

I totally agree. The decision relative to the Trans-Canada Highway was taken at a time when there was no discussion, of which I knew anything at all about abandoning the passenger service.

Mr. McGrath: Mr. Chairman, I accept your ruling. I did become a little bit political for a moment. Your ruling was well taken. I will try to stick to the straight-and-narrow in my questioning.

I wish to ask Mr. Pickersgill a question which refers to one I asked previously. A decision as important as this has constitutional overtones. For example, the spirit of Term 29 of the Terms of Union between Newfoundland and Canada, with which the witness is very familiar because he was one of the authors of it, has been violated. This is an argumentative point. It has also been suggested—and I am not a lawyer—that the letter of Term 31 has been violated by abandoning this rail service.

Surely a matter involving such important constitutional questions would warrant the whole Commission sitting in on this application?

Mr. Pickersgill: Sir, had there been any question of that sort the time to raise it, no matter who sat on the application, was when the case was being heard; and I do not know whether the question was raised or not.

Also, if Mr. McGrath will examine the National Transportation Act and the Railway Act, there are specific rules, laid down by the Parliament of Canada as part of the law of Canada, for dealing with decisions made by the Transport Commission; and the decision of any committee of the Commission is a decision of the Commission. I suggest that any person who is aggrieved or dissatisfied has remedies that were laid down by Parliament...

Mr. McGrath: Mr. Chairman, the witness is starting to lecture again. I think that is unfortunate because we were making some progress. I and Members of the Committee are aware of this.

I want to return to my question. Is Mr. Pickersgill, as Chairman of the Commission, satisfied that the terms of union between Newfoundland and Canada, whether in spirit or in letter, have not been violated by this decision?

Mr. Pickersgill: Mr. Chairman, I think this question is wholly beyond my competence to determine.

Mr. Hees: Mr. Chairman, the Commissioner under-rates his ability. I have worked with him, when he was on the other side of the House, for many years and I have the greatest confidence in his ability.

Mr. Pickersgill: Thank you, Mr. Hees. I appreciate that statement but I do not share it.

Mr. Hees: You wish you had not been so good, Jack?

Mr. McGrath: I have a supplementary. With great respect...

The Chairman: Order, please.

Mr. McGrath: Mr. Hees said that in a joking way, but, more seriously, the witness is, I suppose, one of the experts in Canada on the Terms of Union between Newfoundland and Canada. He probably had more to do with drafting them than anybody else in Canada. Certainly he is the author of Term 29.

I will put my question to him again. In his opinion, as Chairman of the Commission, and as an expert on the Terms of Union, bearing in mind the historical facts, have the terms been violated, either in spirit or in letter—and I am referring especially to Terms 29 and 31?

The Chairman: Order, please. I do not think this question is within our terms of reference.

Mr. McGrath: It relates to a decision of the Transport Commission and we are examining the evidence of the Transport Commission. Why is the question not relevant?

The Chairman: I think it is completely away from the terms of reference.

Mr. Pickersgill: Perhaps, sir, you might save time by letting me answer it, if you do not mind.

I must say I totally agree with your ruling. It seems to me that neither I nor the Canadian Transport Commission was set up to decide constitutional questions. If there has been a breach of the constitution there are appropriate ways in which that matter can be brought before the Courts; but one of those Courts is not the Canadian Transport Commission.

It would, I think, be an impertinence on my part, acting as a witness—whatever my private view might be—to try to prejudge the decision of the Courts of this country on whether or not the constitution has been violated.

Mr. McGrath: Is there presently before your Commission an appeal against this decision?

Mr. Pickersgill: Under the law there is no provision for an appeal to the Commission. There are provisions for appeals to other bodies. To the best of my knowledge no appeal has been made to any of those.

• 1020

Mr. McGrath: Mr. Chairman, the witness is now contradicting the Minister of Transport who, in reply to a question in the House of Commons on September 13 suggested that there was machinery for an appeal and this appeal had not been lodged with the Commission and acting upon this advice, to the best of my recollection, there was at least one competent body in Newfoundland—I believe it was the Newfoundland Federation of Labour—who lodged an appeal with the Canadian Transport Commission. Now, whose view are we to accept?

Mr. Pickersgill: I suggest the statute.

Mr. McGrath: I beg your pardon?

Mr. Pickersgill: I suggest that you read the law.

Mr. McGrath: I just want to know. The Minister of Transport in Parliament tells us that an appeal can be made to the Commission against the decision of the Railway Committee. You tell us that no such appeal can be made.

Mr. Pickersgill: No, no, I did not. I said that an appeal could be made.

Mr. McGrath: To whom?

Mr. Pickersgill: It is not for me to elucidate the law, but there are provisions for appeals to the Supreme Court and also to the Governor in Council.

Mr. McGrath: Do you mean to tell me that there is no appeal to this full Commission against the decision of one of its subsidiary committees?

Mr. Pickersgill: I am advised that a decision of the Railway Committee is a decision of the Commission, and that there is no appeal to the Commission against itself.

Mr. Lundrigan: Mr. Chairman, could I ask a very important supplementary? We are aware, then, that there is an area for rescinding this decision and an appeal can be lodged, and so on, but in view of the tremendous outcry from people across Canada—not only in Newfoundland but across Canada—and in view of the attitude taken toward the decision by the population of Newfoundland specifically, can the Commission set aside its own decision in this regard?

Mr. Pickersgill: Well, I would hesitate, sir, to express a view on a legal question of that sort.

Mr. Lundrigan: Well, Mr. Chairman, is there any machinery for the Commission's setting aside its own decision in this regard?

Mr. Pickersgill: I am not a lawyer, Mr. Lundrigan, and I think it is a salutary principle for witnesses to avoid expressing legal opinions. Certainly, if an application were made to the Commission be some interested party it would have to be dealt with in some fashion.

Mr. McGrath: Just to supplement that and to put the record straight with your permission, there is a very serious question of interpretation arising here. We have one version from the Minister of Transport in the House and we have another version from the Chairman of the Commission. I quote the Minister of Transport from *Hansard* of September 14, pages 22-23:

> I think this is a matter for the Canadian Transport Commission. However, I believe that this decision is subject to appeal, and to the best of my knowledge—although I could be wrong—no appeal has been launched up to the present time.

Mr. Pickersgill: I agree with that answer totally.

Mr. McGrath: Mr. Chairman, you will agree that the answer suggests an appeal can

be made to the Canadian Transport Commission.

Mr. Pickersgill: I do not; I emphatically do not suggest that it can.

Mr. McGrath: Well, to whom can the appeal be made? Surely you are not suggesting that you are an all-powerful body having the power to eliminate a complete public transportation system in a province and there are no avenues for appeal against this decision except the Supreme Court of Canada?

Mr. Pickersgill: I think, Mr. McGrath, I did say once before that there were provisions for appeal in the law and that I do not feel I should attempt to interpret the law.

Mr. Lundrigan: Mr. Chairman, could I ask my question again?

The Chairman: Just a moment. Mr. Thomas has asked a question.

Mr. Lundrigan: Mr. Chairman, this relates directly, and I do not want to monopolize...

• 1025

The Chairman: Do you have a supplementary?

Mr. Lundrigan: Yes, very much so. Mr. Chairman, I asked a supplementary question at the Chairman of the Canadian Transport Commission whether the CTC had the machinery to set aside its own decision and the Chairman could not really answer my question, but he said if an application were made by a responsible body then perhaps the question would no longer be hypothetical.

Mr. Pickersgill: No, I said if an application were made to the Canadian Transport Commission asking it to do something about its decision, as a matter of courtesy we would have to get the advice of our legal adviser whether or not we have the power to deal with it, and I cannot give that advice here.

Mr. Lundrigan: Have you received an application from some responsible body respecting your decision?

Mr. Pickersgill: We have received representations respecting the position but I do not think anything that might be described as an attempt to start a legal proceeding has taken place. If it had I would have told the Committee.

Mr. Lundrigan: Could you define the difference between an application and a representation? You say representations have been received but no application has been received.

Mr. Pickersgill: Well, the only way I can define it is that if somebody wrote a letter and said, "I apply to the Railway Transport Committee of the Canadian Transport Commission to set aside its decision for the following reasons", then I am sure we would have to follow the law which prescribes a certain person—who is not me—as the legal adviser, and he would have to give the Commission an opinion of whether we had any jurisdiction and if we had, of course we would have to act. If we had not, we would have to reply and explain why we did not have the jurisdiction, and I am sure that would be done as promptly as possible.

Mr. Skoberg: I have a supplementary, Mr. Chairman.

The Chairman: Mr. Marchand, do you have a supplementary?

Mr. Marchand (Kamloops-Cariboo): Yes.

The Chairman: I am sorry, Mr. Skoberg, Mr. Marchand is before you.

Mr. Marchand (Kamloops-Cariboo): Apart from the legal technicalities, terms of union, Mr. Pickersgill was a representative of the people of Newfoundland for many years. Newfoundland needs new industry and the basis for creating a better province or a better Canada is transportation. As a minister representing the people of Newfoundland, instead of wasting time on all these questions, would he give his opinion of whether it is just to abandon the railway and if so, why?

Mr. Pickersgill: I am afraid, sir, my answer would have to be that in my present capacity it would be a very improper and political act to give any such opinion and therefore I think, sir, I must respectfully say that I do not think my opinion as an official would be worth anything. If Mr. Marchand wants to discuss the matter with me privately I would be glad to.

Mr. Marchand (Kamloops-Cariboo): Well, we have got to...

The Chairman: Mr. Skoberg has a supplementary.

Mr. Skoberg: Mr. Chairman, it has been said that Part 3 of the Regulations...

Mr. Pickersgill: Of the Act.

Mr. Skoberg: ...of the Act has not yet been proclaimed. Am I correct in concluding that until such time as Part 3 is proclaimed the abandonment cannot be effective?

Mr. Pickersgill: Oh no; the two things have no relation to one another whatever.

Mr. Skoberg: Part 3 was your motor vehicle.

Mr. Pickersgill: Yes, that is right.

Mr. Skoberg: Under this particular portion this comes under the jurisdiction of your Commission. Until such time as that is proclaimed then you have no jurisdiction over the bus service in Newfoundland. Am I correct?

Mr. Pickersgill: That is correct.

Mr. Skoberg: Then until such time as Part 3 is proclaimed, how could you provide alternate service as suggested in the conclusion?

Mr. Pickersgill: I think it is very simple. I may be going beyond my brief, but nobody said in that decision that a bus service had to be established. What was said in that decision was that the train service could not be stopped until the bus service was established. In other words, the Commission was acting within its jurisdiction over railways to say that unless an alternate mode of transport was established, the railway would not be allowed to abandon the passenger service.

Mr. McGrath: Mr. Chairman, just to supplement that, I have the decision of the Commission here. There is no suggestion of an alternate mode of service. They refer to a bus service. They refer to a timetable of April of next year. They are quite specific. There are no ifs, ands, or buts in it. We are back to my original suggestion that there seems to be a conflict of jurisdiction.

• 1030

Mr. Skoberg: That is just the point and I believe it has been well taken. I cannot understand, Mr. Chairman, if Part 3 has not yet been proclaimed and with the decision as handed down referred to by Mr. McGrath, how you could possibly abandon that particular passenger service until this part is proclaimed.

Mr. Pickersgill: The bus service does not need to be established under Part III; it can be established equally well under a licence from the Public Utilities Commission.

Mr. Skoberg: I presume though that Canadian National had applied for this bus service.

Mr. Pickersgill: So I am informed.

Mr. McGrath: But they applied for the bus service after the Canadian Transport Commission rendered its decision. This is what we are getting at. And a decision has not been made on that application. They only met on the hearing last week.

Mr. Schreyer: I asked for a supplementary.

Mr. Chairman: Mr. Schreyer on a supplementary.

Mr. Schreyer: I now have two, if you will allow them.

Mr. Pickersgill, can you not be a little more definite. In reply to Mr. Lundrigan's question you said that you could not really say, that you would have to get legal opinion as to whether or not the Commission has the competence to consider de novo a matter which it had already rendered a decision on. It seems to me this is a pretty basic procedure. Either it has or it has not, and I would think that you are well able to answer that question now.

Mr. Pickersgill: Well I am not really well able to answer the question now, Mr. Schreyer. If I were still a Minister and still a Member of Parliament I would probably venture to do so, but under the law made by Parliament the Vice-President, in a case such as this, where the President is not a lawyer, is the official legal adviser of the Commission and he has given me no advice on this point.

An hon. Member: Is the Vice-President here?

Mr. Pickersgill: Not this morning. I can read the Act—I have no doubt that Mr. Schreyer has also read it because I had some experience with him—and there are certain sections of it in which the language used seems to me to be pretty clear. If somebody wanted his attention directed to them it could be done, but that would not really get us much farther forward because we can all read.

The Chairman: Have you another supplementary?

Mr. Schreyer: Yes, I do, Mr. Chairman, but I want clarification on this point.

I take it then, Mr. Pickersgill, that you are not saying that the Commission does not have the jurisdiction or the competence to consider again a subject matter which it has just rendered a decision on in the last calendar year.

Mr. Pickersgill: I am not saying that it has or that it has not.

Mr. Schreyer: I will now proceed to my second supplementary. I want to try to make a determination here, if possible. Mr. McGrath leads us to believe that there is nothing definite as to whether or not the CNR will be providing alternative bus service next spring; Mr. Pickersgill gives us to understand that it is part of the decision rendered that there will be no abandonment of the railway passenger service until such time as bus service is provided? Now what is the fact of the matter? Is it definite: no abandonment until bus service is provided?

Mr. Pickersgill: Well, actually, I interpreted it as a judgment.

Mr. Lundrigan: Which really means, Mr. Chairman, that there is no decision to abandon the rail passenger service in Newfoundland?

Mr. Pickersgill: No, I do not think that follows at all.

Mr. Lundrigan: There are certain conditions attached to the decision which have not been met which in actual fact therefore renders the decision before it null and void until a decision has been reached by another body. To that not correct, Mr. Pickersgill?

Mr. Pickersgill: Well, I am afraid that I cannot really add anything very illuminating to what I have tried to say.

Mr. McGrath: Mr. Chairman, perhaps I can supplement that answer because I have the evidence and the decision right here. Here is the decision handed down by the Railway Committee:

• 1035

The Railway Transport Committee of the Canadian Transport Commission hereby orders:

1. Subject to the following conditions, the Applicants shall, on April 15, 1969, discontinue passenger train service between St. John's and Port aux Basques, in the Province of Newfoundland, provided by Train Nos. 101 and 102 and each service on Mixed Train Nos. 203 and 204:

> (1) The bus service proposed by the Applicants and described in detail in the Judgment of Woodard, C., shall be inaugurated and continued as long as a requirement for passenger service continues, and the passenger facilities, including terminals and the shelters mentioned therein, with proper communication links, shall be provided and installed,

There is no doubt about that at all.

Mr. Pickersgill: No, I do not think there is any doubt about it either.

Mr. McGrath: It is specifically referred to. I just wanted to get the record straight on that, Mr. Chairman.

Mr. Pickersgill: Does that not bear out my answer, that the train cannot be abandoned unless those conditions are fulfilled.

Mr. McGrath: It bears out our contention that your decision is null and void because the Newfoundland Board of Commissioners of Public Utilities is the only authority that can grant the franchise for a bus service.

Mr. Pickersgill: Well, Mr. McGrath...

Mr. McGrath: You either have jurisdiction in this area or you do not?

Mr. Pickersgill: I feel you are perfectly entitled not only to express an opinion but to have an opinion of any sort as long as you do not ask me to subscribe to yours anymore than you subscribe to mine.

Mr. McGrath: I am merely a Member of Parliament asking the witness some questions.

Mr. Lundrigan: On a point of order, Mr. Chairman, the witness is not aware of the fact that he is not the Chairman of the Canadian Transport Commission and is not the Minister of Transport in the House of Commons. This is the way the Minister has been behaving. He has exemplified great qualities of a legal mind, of a very competent person, and he has done an excellent job of evading the issues. We have asked some very simple questions.

We are not here to try to put Mr. Pickersgill on the spot, Mr. Chairman. Mr. Pickersgill has tremendous experience. He is not going to worry about me putting him on the spot. We are here to try to justify the contentions of the people of the Province of New-

foundland, that the Canadian Transport Commission acted irresponsibly in its decision, and to this end we are trying to bring forward some evidence. The President of the Canadian Transport Commission has done an excellent job of politicizing his views here this morning, and I think the Chair should exercise jurisdiction.

The Chairman: Mr. McGrath, you have not asked a question. We do not have to interpret, on the one hand, what the Minister of Transport has said in the House of Commons and, on the other, what the President of the Canadian Transport Commission has said.

I will proceed to Mr. Thomas.

Mr. Thomas (Moncton): Thank you, Mr. Chairman. We have had a long discussion on a case of abandonment in the Atlantic provinces. I want to ask Mr. Pickersgill a question which relates to what looks to be another case of abandonment in the Atlantic region—I am hoping it is only temporary desertion. I am referring of course to a long standing over-all transportation problem in the Atlantic region. This is nothing new, and I am sure every member is aware of it. We have been urging the government to take some action for some years now. I think probably some members of this Committee have personal knowledge, of an attempt that was made last spring, when they encountered some of the problems that we have been talking about for a hundred years.

However, the thing that is bothering us in the Atlantic region now is that apparently these 80-odd briefs that were prepared at that time but never did get presented have been swept under the rug somewhere in the hope that they will go away. We ask questions in the House of the Minister of Transport and we get nothing but evasion—we cannot get a definite answer. We want to know what is being done, or what will be done. I know a task force has been appointed by the four premiers and they are presently working on a report, but here again they say it will be the end of the year before we get it.

There is one glimmer of hope, and I am hoping that this gentleman this morning can increase that hope. On September 13 the Minister said:

> The Canadian Transportation Commission is undertaking studies in relation to the transportation problems of the Atlantic region and I hope they will have a report, at least of an interim nature . . .

Of course, here is the sticker every time.

> . . . perhaps sometime later this year.

• 1040

Now on November 1, in reply to another question, the Minister of Transport said:

> I did not say the report was completed, Mr. Speaker, but I understand that an internal paper has been forwarded for consideration by our department. Just how extensive it is I cannot say, because I have not yet seen it.

Could Mr. Pickersgill tell us if this interim report has been presented and, if so, could he give us any idea what is being done and what is being proposed to be done?

Mr. Pickersgill: As to the accuracy of the Minister's statement, it is of course completely accurate and I am only too happy to corroborate that. Both the Research Section of the Canadian Transport Commission and the Transportation Policy and Research Division of the Department of Transport have been working, as the Minister said, on a paper to report to him, and it is felt that there are several other departments of government that are very greatly interested as well in these various problems of transport in the Atlantic Provinces. An interdepartmental committee is now in process of considering this document, but the document itself of course is in the first place advice to the Government.

I was a minister once and I know how I would have felt if officials had communicated to other people papers on which they had decisions to make. I am afraid that this kind of question can be pursued only in Parliament or in Committee with the Minister who is the official spokesman.

I do not think it would be proper for me because he may have an entirely different idea from the ideas we put forward.

Mr. Thomas (Moncton): I believe this is a proper question, sir. Can you tell us when you expect your report will be completed and in his hands? I know the Chairman of the Atlantic Task Force is very anxious to see your report before they finalize theirs. That is a fair question. When will it be completed?

Mr. Pickersgill: As a matter of fact I rather have a suspicion that the Minister of Transport would like to see their views before he finalizes his, and I think he is entitled to it.

Mr. Thomas (Moncton): Is this not what I am saying? It is a case of stalling.

Mr. Pickersgill: This is a matter that is within federal jurisdiction, that we are talking about, and the provincial premiers have indicated that they wish to express some views about it. It would seem to me to be logical that they should put forward their views. Maybe privately, maybe they do not want to make them public, but they should put forward their views to the Minister to help him make his recommendations to the Government.

Mr. Thomas (Moncton): One further question, sir. In December, 1967, the members of the task force met with the Minister of Transport here in Ottawa I believe, and at that time he gave them some assurance that he would review the implication of the increase in LCL rates with the possibility of maybe offering some easement.

Mr. Pickersgill: Yes.

Mr. Thomas (Moncton): Could you give your views on this? What are your views on the present LCL freight rates?

Mr. Pickersgill: I think there was a question answered in the House of Commons on that just the other day, if I remember rightly.

Mr. Thomas (Moncton): I have not seen a definite answer yet.

Mr. Pickersgill: These recollections about something that are not within my jurisdiction are a great mistake, but my recollection—I will say it just the same—was that the provincial premiers indicated that they wanted to express further views on this subject, and that the Minister is still waiting for those views, and that such a statement was made in the House only the other day.

Mr. Thomas (Moncton): One further question. The car lot rates are exempted from the increase for a two-year period. That is, a two-year freeze was put on the increase in car lot rates and that will expire in March, 1969.

Mr. Pickersgill: March 23.

Mr. Thomas (Moncton): March 23.

Mr. Pickersgill: And that is class and commodity rates.

Mr. Thomas (Moncton): And as I understand it, the reading that stops you indicates this freeze may be renewed by order of the Governor in Council. Is that correct? In other words, what action would be necessary to continue this freeze?

• 1045

Mr. Pickersgill: I do not think it can be by Order in Council, but I am speaking from recollections.

Mr. Thomas (Moncton): This is very important, sir. It can expire in March, 1969.

Mr. Pickersgill: What is in the Act is in the Act, and—

Mr. Thomas (Moncton): That is the way I read it. I am not a lawyer you see, but I would like . . .

Mr. McGrath: I wonder if I could raise a point of order at this time.

The Chairman: A point of order?

Mr. McGrath: Yes, in the interest of procedure and expediency of the conduct of the hearing, I wonder if perhaps we can have some sort of relevancy to the discussions. There are a number of us who still have a number of questions to direct to Mr. Pickersgill regarding the rail abandonment in Newfoundland, and with great respect to my colleague there are a number of questions also on LCL rates and other areas concerned with his line of questioning. Just so that we will not be going back and forth and having those examples of the figure skating and stick handling of the witness which was the same in the House of Commons, I am wondering if perhaps we could . . .

Mr. Pickersgill: I never could learn to skate.

Mr. McGrath: —in the interest of procedure, just stick to the line of questioning that was started on. I do not want to dominate the thing, but in my opinion this is a very important subject.

The Chairman: Yes, but I think, Mr. McGrath, we will have some other meetings, We have all these estimates of the Canadian Transport Commission to go through, so I think you will have ample time to pose questions.

Mr. Lundrigan: Do we have some guarantee that the Chairman will come with people who can answer the questions next time, like his Vice-Chairman and other people he does not have with him today, because obviously we are not getting answers to our questions. It

would be very much appreciated, and I am sure the Chairman of the Canadian Transport Commission would be in full agreement with me on that point, that we need definite answers to our questions. If we cannot get them here, where can we get the answers? I think he would be in agreement that next time he should come well equipped with people who can answer the questions directly.

An hon. Member: Including one from the CNR, Mr. Chairman.

Mr. Pickersgill: Mr. Chairman, I am at the service of the Committee to the greatest possible extent. I recognize that all officials have a duty to satisfy the legitimate inquiries of Members of Parliament, and I will do my very utmost to do that.

Mr. McGrath: I would suggest, Mr. Chairman, that the witness do a little more, because he knows that the practice of these Committees is that when estimates are being considered, all the senior officials of the Department or an agency appear. He comes here this morning without his legal advisor in the person of his Vice-President, or without any senior official from the Railway Committee—if that is the proper designation of the Canadian Transport Commission—and also to get back to my original point of order, Mr. Chairman, are we to proceed with the rule of relevancy and develop questioning on a specific subject, or are we going to bounce back and forth all over the place. I would like your ruling on this and not Mr. Pickersgill's, by the way.

The Chairman: Our term of reference is that we are going to proceed to Item No. 50 on estimates, so you can either ask questions about railway abandonment or railway rates...

Mr. McGrath: I am aware of that, Mr. Chairman, but I am asking you in your competence as presiding officer in the interests of the procedure and the questioning of the witness if we could stick to one specific subject at a time, instead of bouncing back from LCL rates, to abandonment, to something else. I mean this has been the procedure in all of the other Committees.

The Chairman: This morning is the first meeting of the Transport Committee. I think we have been very lenient about it. You have been asking all sorts of questions, and we have been shifting around as required, but we have to proceed through the estimates to item No. 50, and then again we can ask questions.

Mr. McGrath: We are prepared to stay on Item No. 50 until Mr. Pickersgill gets his pension, if that is necessary.

The Chairman: I do not accept this. Mr. Hees was asking.

• 1050

Mr. Hees: I would like to go back to the Newfoundland railway question, Mr. Chairman. When I had some responsibility for these matters, we naturally looked into the operation of the Newfoundland railway as far as efficiency and cost and so on was concerned. In view of the statement in Term 31 of the Act that adequate transportation would be provided—as I understand it including the railway, even though the railway at that time was not paying its way, as so many transportation facilities in Canada do not pay their way, as the Chairman knows—we decided that the Newfoundland railway was a satisfactory operation, that it was giving good service to the people of Newfoundland and that although it was not paying its way, it should be continued and encouraged and it was continued and encouraged in those days. I remember, as a matter of fact, travelling quite some distance on the railway. I think it was from Grand Falls to Port aux Basques, and I was very impressed by the operation of it. I thought it was a good railway.

Mr. Chairman, many of our transportation operations in Canada have never paid their way. I remember very well when I was the minister that we subsidized a Prairie—as they called it—milk run where we serviced about four or five cities in the West by air transport at a cost to the Canadian taxpayer of about $1 million a year because it was considered necessary to provide this transportation facility to the people in the West. I am wondering what has taken place between the time that I am talking about and now to make the Commission decide that they should go against Term 31 of the Terms of Union, as I read it, and decide to abandon this railway, in view of the fact that the people of Newfoundland and the Government of Newfoundland want this railway continued. Could the Chairman answer that point?

Mr. Pickersgill: I do not think I could, sir. Under the law, the Canadian National Railways was entrusted with the responsibility of operating the railway, applied for the abandonment of the passenger service and un-

dertook in its application to provide a bus service. This application was heard in accordance with the terms of the National Transportation Act and the Railway Act. A decision was rendered on that matter.

Whatever view anyone may have of that decision and, of course, this is a free country and people are perfectly free to criticize that decision, the law does provide for certain legal remedies that any aggrieved person can take. There is an appeal to the Governor in Council, as I said earlier and as Mr. Hees, of course, well knows because when he was minister, or shortly afterwards while he was still in the government, there was a very celebrated appeal. If anyone thinks there has been any error in law, there is an opportunity to appeal to the Supreme Court. And I would think that if anybody feels that the Canadian Transport Commission has in any way set aside the Constitution, the proper way to get that determined would be to go to the courts that have the competence to decide. But it is not a matter on which I could possibly have any jurisdiction.

Mr. Hees: Mr. Chairman, if I may say so, this seems to bring to light the fact that things have gotten slightly out of control with the appointment—with no reflection on the Chairman or the Commission—but it seems, from a practical point of view, that things have rather unfortunately gotten out of control in this way: that in the old days before the Commission was set up there was the Board of Railway Commissioners...

Mr. Pickersgill: The Board of Transport Commissioners.

Mr. Hees: ...the Board of Transport Commissioners, which came directly under the Minister of Transport. Theoretically, just as the Board of Transport Commissioners had the right to make their own decisions, practically they did not make a decision until it was okayed by the Minister of Transport. The former minister knows that.

Mr. Pickersgill: I can assure you, sir, that I have to differ with Mr. Hees because when I was Minister of Transport the Board of Transport Commissioners, acting as a court of record, scrupulously made their own decisions and I was never consulted or even advised until after a decision had been made.

I think it is a very serious reflection upon a court to suggest that at any time so distinguished a jurist as Mr. Kerr, or any of his predecessors, would ever have consulted the Executive about any act that they took in their judicial capacity. Certainly I would think it was wholly improper for any member of the Transport Commission acting on the judicial side to consult the government or any member of it before making a decision.

• 1055

Mr. Hees: Perhaps we should go back one step further, Mr. Chairman. I think the former minister and present Chairman would agree that these matters do not come up for decision by the Board of Transport Commissioners unless the Canadian National Railways, in particular, makes an application. I think the former minister will agree with this; that any sensible, practical chairman of the Canadian National Railways, just as any governor of the Bank of Canada in working with a government, discusses these matters as to what might be proposed and what they might be thinking of doing with the Minister of Transport or the Minister of Finance well ahead of time, and that whatever is done is worked out between the chairman of the Canadian National Railways and the Minister of Transport. I do not think there is any doubt in the former minister's mind that this is the way government actually operates.

In this way, if the system had worked the way it did before this Canadian Transport Commission was set up, the President of the Canadian National Railways would have come to the Minister of Transport and asked him, "What about this; do you think this is feasible; can we do it? This is what we, from an operating point of view, think should be done, for these reasons." Then it would be the decision, really, of the Minister of Transport, taking all factors into account, the service to the people of an area and things of that kind, over and above the actual operating efficiency of the railway in particular, that would have a great bearing on the decision made.

I feel that if that had been done in this case any sensible Minister of Transport—I think Mr. Hellyer is a sensible Minister of Transport as I think Mr. Pickersgill was a sensible Minister of Transport—if it had been done in this way, Mr. Chairman, we would not have this application for abandonment of this line before us at the present time. I think there is no more justification for the abandonment of this line today than there was ten years ago or five years ago. I think it is unfortunate that the thing has gotten out of control where sensible people could not bring to

bear on the decision the considerations of the provision of transportation to the people of a certain area irrespective of whether that transportation paid its way or not.

As the Chairman of the Transport Commission knows, a great many services are maintained in Canada that do not pay their way. I think that this should be treated in exactly the same way and I regret very much that this discussion is even taking place today because, as a former Minister of Transport and having studied this matter minutely in my day, I am convinced just as much today that this railway should be continued.

The Chairman: Mr. Nesbitt?

Mr. Nesbitt: Just one thing, as I realize we are going to have to adjourn.

There is a matter that I would like to bring before the Committee that I think should be decided at this moment. This particular Committee, last spring, was holding hearings in the Atlantic Provinces on questions of the Atlantic Provinces' transport problems. I think we should perhaps go into this question again.

I would like, Mr. Chairman, to move that this Committee request permission to continue the hearings that were being held in the Atlantic Provinces last spring and that these hearings be continued at the earliest convenience. I would move that this Committee ask permission of the House to so do.

The Chairman: I think we should take this up at the next meeting. As you know we do not have the authority to sit while the House is sitting and we have to go now as we hear the bell.

Mr. Nesbitt: Mr. Chairman, I would like to put this again, that we request permission to do this. I do not wish to set any specific times because that would be up to the Committee to decide, but I think we should have authority to do this and we cannot do it without authority from the House. I would move at this time that we request permission to continue hearing the Atlantic Provinces at the earliest convenience to the Committee.

The Chairman: Do you agree that we discuss this at the next meeting, as we do not have much time just now.

Mr. Nesbitt: No, I would like to put the motion now, Mr. Chairman.

The Chairman: You want to put the motion now. Do you have a seconder?

Mr. Jerome: Mr. Chairman, I think that motion is in order.

Mr. Pringle: Mr. Chairman, I would like to second the motion for deferment. It seems to me that we should learn more of the status of the hearings from the last effort to find out where we stand before we immediately ask for...

The Chairman: Is it agreed that we discuss this at the next meeting?

Mr. Nesbitt: No, Mr. Chairman. I have made a motion and I would like it put right now.

Mr. Pringle: Maybe we ought to vote on a motion to defer it to the nex meeting.

• 1100

Mr. Nesbitt: Oh, no. My motion is the first motion. I said that we request permission from the House to continue these meetings in the Atlantic Provinces.

Mr. Schreyer: On a point of order, Mr. Chairman. I think the motion to defer must be accepted and put to a vote. If it is defeated then we must vote on Mr. Nesbitt's motion. I suggest we proceed that way.

The Chairman: Yes. We have no authority now. Anything we decide now is without authority.

Mr. Nesbitt: It is only a request to the House.

The Chairman: Can we consider the request at the next meeting?

Mr. Nesbitt: No, I think we should do it right now; I have made the motion.

The Chairman: We are not allowed to consider the request at the present time.

Mr. Pringle: Mr. Chairman, I think we can consider the request at the present time, with all due respect.

The Chairman: No, we cannot.

Mr. Pringle: I feel there are many ramifications here that we should discuss before we make a request of this magnitude to the House with regard to barging off into. . .

Mr. Skoberg: Is the gentlemen speaking on the deferral motion or on the motion?

Mr. Pringle: I am speaking on the motion that we should defer until the next meeting.

The Chairman: We have no authority at the present time.

Mr. Nesbitt: Mr. Chairman, I respectfully suggest that you put the motion for deferment.

The Chairman: My decision is that we postpone the motion until the next meeting.

Mr. Nesbitt: I object to your decision, Mr. Chairman, and I would request that you put it to a vote.

The Chairman: We have no authority whatsoever. I am very sorry but the House is sitting and we have no authority.

Mr. Thomas: It was not sitting when the motion was put, with all due respect, sir.

The Chairman: We will have to discuss it at the next meeting. I am very sorry, but we have no authority for whatever decision we take at the present time.

Mr. Nesbitt: Well, if the government members wish to leave this to other parties, all right.

OFFICIAL REPORT OF MINUTES

OF

PROCEEDINGS AND EVIDENCE

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HOUSE OF COMMONS

First Session—Twenty-eighth Parliament

1968

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STANDING COMMITTEE

ON

TRANSPORT AND COMMUNICATIONS

Chairman: Mr. GUSTAVE BLOUIN

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 3

TUESDAY, NOVEMBER 19, 1968

Revised Main Estimates (1968-1969) of the St. Lawrence Seaway Authority.

WITNESSES:

From the St. Lawrence Seaway Authority: Mr. P. Camu, President; Mr. D. E. Taylor, Member of the Board; Mr. J. M. Martin, Director of Finance and Accounting.

ROGER DUHAMEL, F.R.S.C.
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STANDING COMMITTEE

ON

TRANSPORT AND COMMUNICATIONS

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Vice-Chairman: Mr. P. M. Mahoney

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[5] Groos,	Lessard (*LaSalle*),	Skoberg,
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[1] Howe,	Nesbitt,	

(Quorum 11)

R. Virr,
Clerk of the Committee.

[1] Replaced Mr. Paproski, on November 18, 1968.
[2] Replaced Mr. Perrault, on November 18, 1968.
[3] Replaced Mr. Serré, on November 18, 1968.
[4] Replaced Mr. Corbin, on November 18, 1968.
[5] Replaced Mr. Douglas (*Assiniboia*), on November 18, 1968.

ORDER OF REFERENCE

HOUSE OF COMMONS

MONDAY, November 18, 1968.

Ordered,—That the names of Messrs. Howe, Cyr, Howard (*Okanagan Boundary*), LeBlanc (*Rimouski*) and Groos be substituted for those of Messrs. Paproski, Perrault, Serré, Corbin and Douglas (*Assiniboia*) on the Standing Committee on Transport and Communications.

ATTEST:

ALISTAIR FRASER,
The Clerk of the House of Commons.

29109—1½

MINUTES OF PROCEEDINGS

TUESDAY, November 19, 1968.
(3)

The Standing Committee on Transport and Communications met this day at 9.40 a.m. The Chairman, Mr. Blouin, presiding.

Members present: Messrs. Blouin, Cyr, Carter, Godin, Groos, Howe, Jerome, Mahoney, McGrath, Nesbitt, Noël, Schreyer, Skoberg and Thomas (*Moncton*)—(14).

In attendance: From the St. Lawrence Seaway Authority: Mr. P. Camu, President; Mr. D. E. Taylor, Member of the Board; Mr. J. M. Martin, Director of Finance and Accounting.

The Committee had for consideration the main estimates (1968-69) of the St. Lawrence Seaway Authority. The Chairman introduced the President of the Seaway Authority, Mr. P. Camu, and requested him to make an opening statement regarding the operations of the Seaway.

Mr. Camu assisted by Mr. Taylor and Mr. Martin responded to questions of the Committee members.

Items 85, 90 and L125 relating to the St. Lawrence Seaway Authority were passed by the Committee.

The Chairman thanked the witnesses and they were permitted to retire.

On motion of Mr. Nesbitt, it was agreed that the Committee seek the authority of the House to resume study of the transportation problems relating to the Atlantic Provinces. The Chairman was instructed by the Committee to make the appropriate Report to the House.

At 11.05 a.m., the Committee adjourned to the call of the Chairman.

R. V. Virr,
Chairman of the Committee.

EVIDENCE

(Recorded by Electronic Apparatus)

Tuesday, November 19, 1968

• 0943

The Chairman: Order, please. We have with us this morning the Seaway Authority. I have the pleasure of introducing Mr. Camu to you, the President of the St. Lawrence Seaway Authority, and I would ask him now to present his opening statement. Mr. Camu.

Mr. P. Camu (President, The St. Lawrence Seaway Authority): Thank you, Mr. Chairman. Gentlemen, I have with me Mr. Taylor, who is a member of the Seaway Authority. Next is Mr. Martin, who is from Cornwall. He is the Director of Finance and Comptroller.

I would like to say two or three words about the Seaway as a whole. Our organization is a Crown corporation, Class D, Proprietary, and we operate a waterway from Montreal to Lake Erie. We have a staff of approximately 1,700 employees, scattered over this 1,000 mile stretch of the St. Lawrence River. We also operate a group of what we call non-toll canals or ancillary facilities, such as the Lachine canal in the Montreal area, the Cornwall canal in Cornwall and also the Sault Ste. Marie canal and lock. Our headquarters are in Cornwall, Ontario, and the head office, which is the executive, is in the City of Ottawa. We also have an engineering staff to look after the maintenance of our facilities and some of the major construction projects located in Montreal.

• 0945

The Seaway as such has been in operation since 1959 and we are now coming to the end of the ninth season of navigation. This season we will probably close around December 10 and it looks as if it will be perhaps not a record year, but rather close to the record year of 1966, when ships in transit through the Seaway were able to carry up to 49 million tons of commodities through the system. Up to last week, around November 15, the traffic in the section of the Seaway from Montreal to Lake Ontario reached a tonnage of about 41 million tons. Approximately 85 per cent of this tonnage was in bulk commodities, the two dominant items being grain and iron ore. On the other major section of the Seaway, the Welland Canal between Lake Erie and Lake Ontario, the traffic has always been higher because, in addition to the through traffic, there is also local traffic between the two lakes. The tonnage there these days is approximately 51 million tons of commodities. The year 1968 has been remarkable from that point of view, and we had an excellent recovery despite the strike by the Seaway employees for three weeks last summer, which you may remember.

Two votes are presented here as part of our budget for 1968-69. One is a vote of about $2,400,000 which is needed to cover the operation and maintenance of these non-toll canals, the Lachine, the Cornwall and the Sault Ste. Marie facilities. It also covers some very small ancillary facilities that are located in the Niagara Peninsula near the Welland Canal. The second vote relates to payment for the operation and maintenance of the Welland Canal, and the amount is $9.8 million. This is to cover the deficit from an operation standpoint of that canal. These are the two votes that we are presenting in the Blue Book. I do not think I will comment further. I would much prefer that we try to answer to our best ability the questions that the members of the Committee would like to raise.

The Chairman: Thank you, Mr. Camu. Do the members of the Committee have any questions?

Mr. Nesbitt: Yes, Mr. Chairman, I have some questions. Do you have any technological plans thought out to keep the Seaway open during the winter months? Do you have any comment to make on that subject?

Mr. Camu: We do not have any plans to keep the Seaway open on a 12 month basis. We have plans to firm up, as we call it, the end and the beginning of the season of navigation, which always gives us some problems. I am referring to this period from November 15 to December 10, which is the official clos-

ing date, or December 15, we will have to wait and see, but we always have ice and weather problems at that time of the year. In order to deal with the physical disabilities in the system. We have all kinds of techniques that we use, and we have spent some money in the past three years in improving the hydraulics of our two downstream locks, the locks in the Montreal area where the water, of course, is always colder than in the system above, and we have changed the hydraulics by increasing the flow that we control with gates, and so forth. We also usually increase the flow of water from, let us say, the second week of November, and we increase that by so many hundreds of cubic feet per second as we approach the limits of our season, which is around December 10 to 15. In the spring we work it in reverse sequence in order to be ready for April 1, which is the official opening date.

Mr. Nesbitt: Then there are no plans, as has sometimes been reported, for doing any research with a view to perhaps keeping the Seaway open all year round on a permanent basis.

Mr. Camu: Not at this moment. We already have enough problems in trying to stay in business as long as we can, and we try to solve these problems first. Perhaps later on we can deal with that, but for the time being we do not have any plans.

Mr. Nesbitt: I just have two other brief questions. What are the present plans for a projected second Welland Canal?

• 0950

Mr. Camu: I should also have mentioned that among the loans on the following page there is an amount of $41 million as part of these loans and this leads, of course, to an answer to your question. The plans are as follows. We got permission from the government to proceed with a Welland bypass, a reconstruction, construction of a new canal behind the City of Welland. It is a stretch of about 8.6 miles. It is a brand new canal. It is now being worked and the plans are going very well. The project started in the spring of 1967 and should be completed for the beginning of the 1972 navigation season.

Mr. Nesbitt: What is the proposed cost? Do you have any idea?

Mr. Camu: The original cost was around $110 million.

Mr. Nesbitt: There have been rumours that it might cost close to $1 billion. Would you care to comment on that?

Mr. Camu: No, the $1 billion is the figure that has been mentioned in connection with an entirely new seaway from Montreal to Lake Erie. There has been no work on this at all. This is just a section of it at that cost for which we have the permission of the government to proceed.

Mr. Nesbitt: I have one final question. In your view, as head of the Authority, what would be the general effect on the Seaway traffic—perhaps this is a general term but I would like to have your comment—if revenues were instituted in some or perhaps all of the canals and the locks? Would it affect trade and traffic to any great degree? Have there been any studies on this? I suppose there must have been.

Mr. Camu: In our case we have two sets of tolls. The main stream is a toll waterway, so we have a system of tolls from Montreal to Lake Ontario that we share with the Americans. They operate two locks and we operate five. This is a very simple tariff, where you have two tolls. One is a few cents on each gross registered ton, and the other one is a toll on the commodity, 40 cents for every ton of bulk and 90 cents for every ton of general cargo.

On the Welland canal we have a different system. It is a lockage fee; it is a flat $40 per lock per ship and since there are eight locks in line, each ship pays that fee as it proceeds up or down. We determined the effect of these tolls at the time of our renegotiation in April, 1967. We did a survey before, and you may recall that the proposal of the Authority was to increase our tariff by 10 per cent. It did not work at all and we had to continue with the same tariff for another five years, so the tariff right now is fixed until the year 1971.

Mr. Nesbitt: You say this proposed increase of 10 per cent would not work. I gather from that it was felt this would be a serious deterrent to the traffic going through the Seaway.

Mr. Camu: No, we did a study at the time and our economists as well as two firms of consultants worked on it and they came to the conclusion that a 10 per cent increase would not divert any traffic from the Seaway. In other words, we were trying to get as much as possible without chasing the traffic

away, and that was their opinion. They said perhaps there might be a one-million ton diversion of iron ore. Instead of coming up the Seaway to American sources located in Pennsylvania, that traffic would go, let us say, from Sept Iles straight to the Atlantic Coast. However, nobody was sure.

Mr. Nesbitt: And then up the Erie canal, I suppose.

Mr. Camu: No; straight to Norfolk, Baltimore, Philadelphia, and from there by rail to Pittsburg, for instance.

This was forecast by the economists as being a possibility if we went beyond 10 per cent.

Mr. Nesbitt: The 10 per cent was not instituted, I gather.

Mr. Camu: No, it was not.

Mr. Nesbitt: You say the economists felt that 10 per cent would be all right with this one possible reservation.

Mr. Camu: That is right.

• 0955

Mr. Nesbitt: What was the reason it was not instituted? You said you found it would not work.

Mr. Camu: The two authorities, we and the American corporation which is called the St. Lawrence Seaway Development Corporation, were in agreement to increase the toll by about 10 per cent and we submitted that to our respective governments but it was not approved.

Mr. Nesbitt: It was a government decision.

Mr. Camu: Yes, sir.

The Chairman: Mr. Groos?

Mr. Groos: I recall, about three years ago there was a collision in the Seaway or in the entrances to the Seaway—I cannot remember whether it was above or below Montreal—and at that time there was a great deficiency, it appeared, in navigational aids and in communications between ships travelling up and down the river and between pilots of different ships, and so on.

I believe a lot of work has been done on that and a fair amount of money has been spent on it. I wonder if you would outline to us exactly what the system is now? I would be interested to hear what happens. If a ship is approaching the Seaway, how does it get into the system and what navigational aids have you recently installed to look after that ship while it is proceeding through the system until it gets to Lake Erie?

Mr. Camu: I would have to make a distinction between below Montreal, which is navigation to sea level, and from Montreal above where you have navigation through restricted waters, canals, locks and so forth. Three years ago, I think, the accident you refer to was below Montreal outside of our jurisdiction.

Mr. Groos: That is what triggered it.

Mr. Camu: Yes, it may have been Lake St. Peter, where a vessel overturned completely in the channel, or something like that. I am sorry to say that we had a recent collision between two ships near Valleyfield; that was about two weeks ago. In that case, of course, there was no loss of life and only one of the vessels ran aground, and we were able to re-establish normal traffic within 24 hours. Our types of accidents, and there are some, are usually control. I may explain to you in order to answer your question what kind of traffic control we have in our own system.

The aids to navigation like buoys and lighthouses are the responsibility of the Department of Transport and they put these in our own waters at our request. We have nothing to do with the placing, the repairs or the moving of these facilities. We have a traffic control system run by dispatchers, the first of which is located at Beauharnois for the stretch from the port of Montreal to the American lock. Then it is under American jurisdiction in the American sector, and we pick it up again with another dispatcher at our Iroquois lock from the end of the American sector almost to the beginning of Lake Ontario.

We have another dispatcher that looks after the whole Welland canal area, and we have some jurisdiction on either side of the canal. Pilots are not under our jurisdiction. Every ocean-going ship entering the Seaway has to have a pilot, but the lakers do not have to because usually their masters and mates are fully qualified to navigate in narrow waters.

There are two types of accident or collision. I might be between two ships, as happened about two or three weeks ago, or sometimes it is against our own facilities like a ship hitting a wall or having trouble inside a lock when the lock is being flooded or emptied,

and in all these cases we conduct what we call an investigation right away with our own superintendent of operations and other officers.

The Board of Inquiry which is usually instituted is done by the Department of Transport which looks, I would say, more for human errors or is there to investigate what the various men responsible did. In our case, we mostly look at it to see whether anything happened to our facilities one way or another.

• 1000

There have been no major accidents in the Seaway since 1959, except for the case of the *Stonefax* which ran aground completely about two years ago and developed a hole and had to sit at the bottom of the Welland canal. We were able to remove that vessel before the end of the season of navigation, and the incident about two weeks ago near Valleyfield happened in a patch of fog that suddenly moved from inland, and it was very difficult to help in that case.

At every bridge we have radar and we also have very extensive facilities for traffic control over the river from Montreal to the Lakehead.

Mr. Groos: So you say that the Department of Transport places all these lights and so forth. You have no electronic navigational aids other than the radars on the bridges, and so forth?

Mr. Camu: Yes, we do. In the Welland Canal, which is about 26 or 27 miles long, we have a very sophisticated system where we use television to control the movement of ships in that stretch. I could describe this to you. It is a room about one-third the size of this one, and we have three men there 24 hours a day, seven days a week, during our 265 days of navigation. Each of the two despatchers looks after half of the canal, and he has four or five television sets in front of him. Each of these sets gives him a complete view of not only one or two locks, but also about a mile or two on either side of each lock. In addition to that we have a complete telemetric system where with lights and all kinds of signals he is able to see exactly the operation of each lock and what is happening. He also has a panel in front of him which covers the whole canal, and small models of ships move up and down. So by looking in front of him, he has a complete up-to-date account of where the ships are, how fast they move, where they are going, and so forth. With his own radio he is in constant contact with them as well.

We think this system, which started in 1967 at the beginning of the navigation season, is the most up-to-date and most modern in the world. We are now trying to do the same thing in the Montreal-Lake Ontario section. It is a little more complicated there, because the facilities are not so congested. In other words, between locks in some places we have a lake.

We are building up another extensive traffic control centre at Beauharnois having the same facilities, telemetry, television, radio, radar and all the other usual visual aids that are available to us.

Mr. Groos: You say that you have no pilots on board, because the ships that are operating in your facility are capable of inland navigation themselves. If you do not have any pilots on board, what is your responsibility, if any, for ships travelling up and down the canal should they get into difficulty?

Mr. Camu: I said there are no pilots on board the lakers, on board vessels of the Canadian and American domestic fleets, but there are pilots on all ocean ships going up and down.

Mr. Groos: Are these pilots provided by your authority?

Mr. Camu: No, sir. They are part of the Federation of St. Lawrence Pilots, and they come under the pilotage authority which is the Minister of Transport.

• 1005

Mr. Groos: Could you tell us from your knowledge what the federal government's responsibility is for ships that are travelling through the system? If they are in collision while they are under command of a pilot, who pays the bill?

Mr. Camu: If there is a collision between two vessels in our own waters, a board of inquiry will be conducted, and this board comes under the Department of Transport, not under us. We deal only with what we call an investigation to see if our facilities were not properly manned, or if something happened with our own people. But under the Canada Shipping Act we have no power to conduct a board of inquiry in the case of an accident as such.

Mr. Groos: Your system then differs considerably from the method of operation of the Panama Canal, where once the ship enters the system under a Panama Canal pilot, the company is completely responsible for that ship. If it gets into difficulty they repair it.

Mr. Camu: You are correct. The pilots of the Panama Canal are employees of the company. The pilots on the seaway are not our employees at all.

Mr. Groos: So we have the best of both worlds?

Mr. Camu: That is one way to look at it.

The Chairman: Mr. Howe.

Mr. Howe: Mr. Chairman, I would like to ask the witness a few questions about deficits year by year. Does the Commission foresee a time when the traffic will be great enough that there will not be any deficit?

Mr. Camu: It is difficult to answer. All this is related of course to our tolls policy. With the present tariff and with the traffic anticipated in the future it is difficult to present a better picture than the one we have now. It is not possible at the present time. If the traffic increases at a tremendous pace, and if we are able to increase our tolls also, then I think it would be possible for us to start collecting enough money, not only to pay for operation and maintenance, but also to start to amortize the capital invested as well as the interest that has been capitalized.

Mr. Howe: Of course this is a subsidy that is just the same as a freight rate subsidy. It is a subsidy of the St. Lawrence Seaway, is it not?

Mr. Camu: We operate at a net surplus, however, every year. We collect about $3 or $4 million that we give back to the government, but this is never enough to pay even the interest.

Mr. Howe: Well, suppose the government decided, as they did in the bill that we passed on transport last year, that freight rates had to be phased out at the rate of so much per year. Supposing they insisted that this thing pay, like a Crown corporation.

We see the government phasing out the joint programs of the provinces. Suppose they say you people have to make this pay, or else. What would happen? You told Mr. Nesbitt that extra tolls on some of these extra services might go up 10 per cent. Could you raise your entire revenue by 10 per cent and still maintain the volume of traffic on the seaway?

Mr. Camu: At the present time we feel that this would be possible. We do not think we would lose too much of the traffic, and this would be a very good contribution towards solving our financial problems.

Mr. Howe: Is there any suggestion that the government might tell you to do this?

Mr. Camu: We tried that in 1967, and we were unsuccessful. The next time around will be in the case of the Montreal-Lake Ontario section, and this will be reviewed in 1970, and the Welland Canal lockage fee will be reviewed in 1971. For the time being we live by an agreement between the two countries that confirms the agreement of the two entities. Therefore, we cannot do anything for the time being.

Mr. Howe: In reply to the questions Mr. Nesbitt was asking about twinning the Welland Canal, I understand, according to this newspaper article, that there is an interdepartmental committee working on that. Is this true?

Mr. Camu: That is correct, sir. The interdepartmental committee is studying now what I call Part II of our construction program. This is a project to construct another section of the canal, this time from the Niagara escarpment to Lake Ontario. This is the sector that involves the reconstruction of locks as well. An interdepartmental committee is looking at that specific proposal at this time.

• 1010

Mr. Howe: I have another question, Mr. Chairman, that has to do with Lake Erie. We hear many reports about what is happening there, that it is getting shallower all the time and that the bottom is building up. Do you foresee any problems there in the future with regard to maintaining a right of way or a passage through this lake?

Mr. Camu: No, we do not envisage any difficulty as far as navigation is concerned. It is true that it is the shallowest lake of the Great Lakes and perhaps also the most polluted, but as far as we are concerned, our requirements are determined by the depth of a lock. So we operate at 25 feet 9 inches, and that means, in fact, a depth of 27 feet or so. There is no difficulty in that lake where the average depth is about 80 feet. So from a

strictly navigation point of view I do not anticipate any difficulty at all in the main line or the main navigation channel through the lake.

Mr. Howe: One further question. You brought up the question of pollution. We do hear stories about the boats spewing out their garbage into the lakes. Do you people have authority to lay charges against boats that might do this?

Mr. Camu: Yes, it is in our regulations. It is forbidden for any ship to discharge anything in our waters. It is strictly forbidden and if it is spotted by our own people it does not take much time for us to move and lay a charge.

Mr. Howe: Have you had many prosecutions in this regard?

Mr. Camu: The Department of Transport is looking after the oil pollution for us. We ourselves have laid a few charges in cases of air pollution such as smoke coming out of stacks. This has happened several times. In fact, it does happen every season.

In the case if garbage we have not noticed anything. They are very careful, of course, in our waters. It may happen at night in the lakes in the open spaces, but this is impossible for us to really check. But as far as we are concerned every one of our lockmasters has instructions to deal with them.

Mr. Howe: In connection with the prosecutions, have there been any charges laid with regard to the oil slick, oil pollution?

Mr. Camu: This is done by the Department of Transport.

Mr. Howe: And do you not have any knowledge of anything like that?

Mr. Camu: No, we do not. There was one . . . Mr. Taylor will answer that.

Mr. D. E. Taylor (Member of the Board, The St. Lawrence Seaway Authority): Yes, sir, there was one prosecution last year, I understand, by the Department of Transport related to the Welland Canal and it was successful.

Mr. Howe: And what was the fine in that connection?

Mr. Taylor: Speaking from memory, I believe it was about $200.

Mr. Howe: It is not very large, is it?

Mr. Taylor: No.

Mr. Howe: The problem with a lot of our pollution is that the fines involved are not nearly large enough to deter the offenders or others from doing the same thing. Thank you very much, Mr. Chairman.

The Chairman: Have you a supplementary, Mr. Thomas?

Mr. Thomas (Moncton): I did not quite hear what the witness said on this 10 per cent increase. I was very much interested to hear him say that the Authority thought the rates could be raised by 10 per cent and that they had made this proposal, but to what authority would you apply to raise these rates? You said that you could not apply again until 1972. Did I hear you right on that?

Mr. Camu: The tariff of tolls is part of a joint agreement with the United States, and any one of the two partners cannot do anything without the agreement of the other.

• 1015

In 1959 the tolls were set firm for a period of five years and it was in the agreement that they should be reviewed a year before to determined what the tolls would be in the future. At the time we reviewed them, about 1964, we came to the conclusion that we did not know enough about traffic patterns and traffic forecasts, so the review was postponed for two more years, until 1966 to see what trends in shipping would develop in the Seaway. In 1966 we reviewed the tolls again to be effective on April 1, 1967, and we had economists working on this review to see what kind of tolls we could propose for the future.

In other words, how far should we go? How much could we ask from our customers to get more money, as much revenue as possible to cover our deficit, and on the other hand without losing a ton of traffic? These are the questions we asked and they produced all kinds of tables. They came up with statistical data and research and forecast studies and said, "This is how traffic looks for the future, and with that kind of traffic, having studies carefully these dominant commodities, we think you can go as far as asking for a 10 per cent increase. You will get more revenue and we do not think you will lose much traffic"—except the case I have indicated a moment ago about a possibility of some iron ore going by another route.

Mr. Thomas (Moncton): Yes, this is what I do not understand. The St. Lawrence Seaway Authority made this proposal and you were satisfied that this could be done. Were the U.S. authorities against you?

Mr. Camu: The St. Lawrence Seaway Development Corporation was also in agreement with us. The two authorities were in agreement and we made this proposal.

Mr. Thomas (Moncton): I still do not understand. Why was not the increase put into effect if you were both in agreement?

Mr. Camu: Mr. Taylor will amplify that part of it.

Mr. Thomas (Moncton): You both agreed that it could be done.

Mr. Taylor: If I may just amplify this a little. The St. Lawrence Seaway Development Corporation, which is our sister agency, agreed for purposes of public hearings to the 10 per cent increase, but did not agree with and did not support our Canadian proposal for a 10 per cent increase on the river section. Accordingly, since this is a joint agreement it was impossible to come to a conclusion on that.

If I may be permitted, though, there were very decided results from these toll hearings which were advantageous to Canada, we believe. In this same river section our percentage of the total revenue had been 71 per cent as set in 1959, I believe. This was raised to 73 per cent. Each percentage point amounts to about $250,000. So, in fact, Canada's revenue from the river section, that is from Montreal to Lake Ontario, amounted to about $500,000 a year more, which was in fact taken from the U. S. and given to Canada.

In addition to that the Canadian Government determined that a lockage charge would be instituted on the Welland Canal and to this the U. S. St. Lawrence Seaway Development Corporation agreed—that it would be included in the tariff of tolls. This lockage charge will produce in the year 1969 approximately $3,750,000, and this will increase to about five million dollars over the five-year period that we made an agreement for. In effect, the Canadian St. Lawrence Seaway Authority did obtain some part of its request.

Mr. Thomas (Moncton): On the basis of this year's revenues or those of the last year you have completed, how much in dollars would the 10 per cent increase in tolls amount to? Could you tell me that?

Mr. Taylor: To the Canadian Authority, about $1,600,000, if you take $16 million approximately as our share.

Mr. Thomas (Moncton): So you did just as well on the agreement.

Mr. Taylor: We wanted this in addition to it.

Mr. Thomas (Moncton): When will this come up again? Not until 1972?

Mr. Taylor: Yes, sir. I think the emphasis of the Canadian Authority on a more appropriate tool charge is related to our very substantial investment as compared to the American investment in the Seaway.

Mr. Thomas (Moncton): Thank you.

The Chairman: Mr. Godin?

[*Interpretation*]

Mr. Godin: Mr. Chairman, shortly after the introduction of the witnesses, would I be in order to put a question relating to navigation between Quebec and Montreal, on the St. Lawrence?

Mr. Chairman: Between Quebec and Montreal? I think this has nothing to do with..

Mr. Camu: This Sector of the river is outside of our jurisdiction.

Mr. Godin: Thank you very much.

[*English*]

The Chairman: Mr. Mahoney.

Mr. Mahoney: Can you give us an estimate, sir, of the grain tonnage that will be handled through the system during the current shipping season?

Mr. Camu: This current shipping season? It would be approximately, I would say, seven or eight million tons.

Mr. Mahoney: How does that compare with 1967?

• 1020

Mr. Camu: I have the 1967 figures here. It was about 11 million in 1967.

Mr. Mahoney: Would all this seven or eight million originate in Canada or would some of it originate in the United States?

Mr. Camu: No, this is American grain as well.

Mr. Mahoney: Have you any idea of the split on that?

Mr. Camu: Yes, I have that in the report.

Mr. Mahoney: An approximation will do for my purposes here.

Mr. Camu: Roughly, 20 per cent is the nearest figure I have.

Mr. Mahoney: Twenty per cent U.S.?

Mr. Camu: Yes.

Mr. Mahoney: During the current shipping season would you estimate that percentage would be any different or would it be much higher?

Mr. Camu: It is higher; American grain is higher.

Mr. Mahoney: Can you give me a guess on that at this point?

Mr. Camu: It is difficult because we are about a month late on our statistical data and nothing moved through the summer in Canadian grain. It is very hard at this time for me to tell.

Mr. Schreyer: I have a supplementary. The proportion of American grain going in transit through the Seaway is higher this year?

Mr. Camu: Yes, it is higher than last year, American grain compared to American grain.

Mr. Schreyer: Which is simply a reflection of grain sale patterns between the two countries.

Mr. Camu: Yes, the pattern of American grain is quite different. It is usually moving from ports like Chicago and Milwaukee and, of course, Duluth and it is usually going two ways, direct in ocean ships to overseas markets, or in Canadian and American lakers to the ports of Baie Comeau on the North Shore of the St. Lawrence River and to Port Cartier, and from there it is trans-shipped into ocean ships going overseas.

Very little American grain stops at the ports of Montreal, Quebec, Trois-Rivières or Sorel; this is mostly Canadian. The leading trans-shipment point for American grain is the two large elevators of Cargill Company at Baie Comeau and Dreyfus Company at Port Cartier.

Mr. Schreyer: I have other questions. Put me down for later.

Mr. Mahoney: I do not think we could really say that is necessarily attributable to American export policies. It might have something to do with the strike at the Lakehead.

Mr. Camu: That is right. It is difficult, because a lot of shipments of American grain even from the Middle West are going through New Orleans. In fact, New Orleans is the competing port for American grain with Chicago, for instance.

Mr. Nesbitt: It is the second largest port in the United States, is it not?

Mr. Camu: I think so.

An hon. Member: The main new commodity down there is corn.

The Chairman: Mr. Skoberg?

Mr. Skoberg: Mr. Chairman, we realize there is quite a bit of container traffic now moving. Do the facilities for handling these containers at the respective unloading points come under control of the Authority?

• 1025

Mr. Camu: I should like to make a comment if you will allow me. We do not operate ships. We operate only facilities, not like the CNR who operate not only the road bed but the trains, so that is a major difference. We watch carefully the pattern of shipping and we look at all these trends and we have noticed in the past three or four years that many ocean ships coming or going and dealing in the general cargo trade have containers on deck. These are not specially built cargo ships but the regular liners, but they do carry a lot of containers.

Already there are a few ships that have appeared in the Seaway this season that are specially built for bulk commodities but also have the capability to carry 400 to 500 containers on board. This is a new service between the ports at the Great Lakes and European ports. Some facilities are now being built in some of the major ports of the Great Lakes, but only the major ones. There are some; it is a beginning.

Mr. Skoberg: This would be unloading facilities?

Mr. Camu: Unloading and loading of containers, both.

Mr. Skoberg: The point, Mr. Chairman, is whether or not the Authority has to supply

the facilities for the unloading of these containers. Now, which jurisdiction does this come under?

Mr. Camu: We do not have any facilities of that kind. We are not, in other words, in the port business. We are not on that side of it.

Mr. Skoberg: I have another question, Mr. Chairman, getting back to the movement of traffic through the Seaway, I presume there is an operating code of rules for the movement of such traffic. Does this come under the Department of Transport or is this under the direct supervision of this Authority?

Mr. Camu: No, there are navigation rules published jointly by us and the United States corporations. There is a book called *The Seaway Handbook* which every captain must have on board when travelling through our waters.

Mr. Skoberg: Along the same line, Mr. Chairman, who would have jurisdiction over the safety and sanitary standards of the employees? Does this come within the scope of the Authority?

Mr. Camu: Do you mean our own employees?

Mr. Skoberg: Yes.

Mr. Camu: Of the 1,700 employees we have, which I mentioned at the beginning, approximately 1,100 are outside working right on the locks and throughout the system dealing with operation and maintenance. As any other employer, we have internal regulations dealing with the safety of employees, and so forth. We have all that.

Mr. Skoberg: I have a last question. Does the granting of contracts for any improvements to the Seaway come within your jurisdiction?

Mr. Camu: Yes, sir.

Mr. Skoberg: Are there any outstanding claims now before you that have not been settled?

Mr. Camu: There are no outstanding claims left.

The Chairman: Is that all, Mr. Skoberg? Mr. Cyr.

[*Interpretation*]

Mr. Cyr: I would like to come back to the operation and the deficit that is expected for next year. I believe that you mentioned a moment ago that, in 1967, you had thought of raising the rates by 10 per 100 in order to make up this $2,355,000 operating deficit. What kind of increase in rates should have been provided for 1968-1969 What is the percentage?

Mr. Camu: Here is my answer. We operate the seaway with a net surplus each year. But the sum we collect is not sufficient to amortize our debt and to pay the interests that are extremely high each year for a sum of that nature. In order to run the seaway and pay these expenditures entirely, we would need at least 25 million dollars per year. This amount is essential in order to meet the cost of maintenance operations, amortize the debt and pay off our interests. We are still far from reaching this objective.

Mr. Cyr: What kind of an increase in percentage rates, on the average, does this represent?

Mr. Camu: More than 10 per 100. It is impossible to give an exact figure unless we make a calculation right now.

Mr. Cyr: You have mentioned that the next readjustment that will be proposed to the government, and also to our neighbour, cannot be made before 1972.

• 1030

Mr. Camu: That is right. Not before the beginning of navigation season of 1972, because there is an agreement between our two countries dealing with this. It is a regular agreement with a time limit. The agreement was signed in 1967, and it will be in force for five years.

Mr. Cyr: According to the MPs who spoke earlier, including Mr. Howe, it seems that the Committee would agree to let the Seaway Navigation Commission try to balance its budget some day. If this is expected to occur by 1972, Mr. Chairman, maybe we might see Mr. Kierans as minister of Transport, at that time, as he considers himself an expert in balancing budgets.

This probably answers my question, Mr. Martin. It is agreed that all public services, for a specific amount of time, must be subsidized by the government, as is the case with the C.N.R. and for other concerns, including the Post Office.

[*English*]

The Chairman: A supplementary? Mr. Howe.

Mr. Howe: It has to do with the question of deficits in Canada. How does this compare with the United States? Do they have a surplus or a deficit in their operations?

Mr. J. M. Martin (Director of Finance and Comptroller, The St. Lawrence Seaway Authority): The United States deficit is approximately two-fifths of ours, sir. Let me give you some estimated figures for this year. By taking two-fifths of them you will see exactly what the state is with regard to the Americans. On the Montreal-Lake Ontario section, we estimate that this year we will make a profit before interest of about $12.5 million which we will pay over to the government as interest. However, the total interest bill will be about $17 million, so that we will show on this section a deficit of $4.5 million before providing for any repayment of debt. In the case of the Americans, the figures will be a profit of about $4 million and interest of about $5 million.

Mr. Howe: Does that indicate that they are a little more efficient than you are?

Mr. Martin: No. The proportions are pretty well the same, sir.

Mr. Howe: Yet they do not operate as large a part of the seaway as you.

Mr. Martin: They have two locks, whereas we operate five.

Mr. Howe: I see.

Mr. Camu: I may add that the rates of interest are the current rates, and they started at a lower rate of interest in 1959 and have been favoured by lower rates all the way. So that, of course, shows forth a better financial picture.

Mr. Howe: Or a more stable government? More stable interest rates? Thank you.

The Chairman: A supplementary? Mr. Schreyer.

Mr. Schreyer: Is the fact that they have a lower rate of interest an indication that it is somewhat artificial, or is it simply an indication of lower rates of interest generally in the U.S. money markets?

Mr. Martin: It is an indication of lower interest rates. The basis for determining what rate is to be charged is the same in both countries, namely, the rate of interest being paid by the government at the time the money is borrowed.

Mr. Schreyer: Long-term or short-term?

Mr. Martin: Long-term.

Mr. Schreyer: Thank you.

The Chairman: Mr. Nesbitt.

Mr. Nesbitt: In the world in which we live things are not always secure. Are there arrangements to provide for the safety and security of the seaway—I mean, some foreign ship on some occasion trying to block the canal, and things of that nature. I actually do not expect you to go into details if there are such arrangements, but is there any spot-checking of ships? Are there devices for checking against the possibility of a serious interruption of the canal by an explosion in a ship, or the sinking of a ship and blocking one of the locks?

• 1035

Mr. Camu: We do not have a disaster plan. On the other hand, we cope with what we call the "dangerous cargo" types of commodity, which are carried all the time. We have very strict regulations for them. They are classified. If there is a dangerous cargo ship coming up with chemicals or petroleum products which are highly volatile and so forth, this ship travels by day only, and is single in the lockage even if we could put two ships together, and so forth. There are all kinds of regulations like that dealing with this type of cargo. But in the case of a major eventuality, we do not have any specific plans.

Mr. Nesbitt: There are regulations, then, to allow for and try to prevent accidents, but there are no arrangements to attempt to check on deliberate sabotage or destruction.

Mr. Camu: No, except that a few years ago in the Montreal area there was some agitation, and there was a bomb threat on one of our bridges. As soon as this happened, we called in the RCMP to investigate all our facilities. Out of that they prepared a report, and we have various new facilities such as fencing, lights, and guards as well in remote areas?

Mr. Nesbitt: You have guards now actually on the seaway premises?

Mr. Camu: Yes. Not at all facilities, only at certain spots.

Mr. Nesbitt: But there are no security arrangements to check the possibility of some very serious or major sabotage of the canal.

Mr. Camu: No, it is almost impossible with the length of the territory we have to cover. It is just not feasible for us to do that.

The Chairman: A supplementary? Mr. Skoberg.

Mr. Skoberg: Are there any inspections of the ships that come into the seaway?

Mr. Camu: Yes, before they enter the seaway, it is done.

Mr. Skoberg: They are actually inspected?

Mr. Camu: Yes. In fact before a new ship comes into the seaway for the first time, usually they send the blue-prints of that ship to our own office in Cornwall in the winter. We look at all the facilities because for a ship to come into the system, they must have special equipment, like one or two extra winches, landing booms, and so forth, and if they do not have these they will not be admitted into our system.

Mr. Skoberg: What about the cargo?

Mr. Camu: No, the cargo is not inspected by us?

Mr. Skoberg: You do not know what is on board, other than what they tell you?

Mr. Camu: Their own declaration, yes.

The Chairman: A supplementary? Mr. Schreyer.

Mr. Schreyer: Yes, Mr. Chairman. I wanted simply to ask what the total bill was for security? Do you have that as a separate figure?

Mr. Camu: Yes, we do have that. It will take a few minutes.

Mr. Schreyer: It would be interesting to get this. I understand that you started this only one or two years ago?

Mr. Camu: Three or four years ago.

Mr. Schreyer: Prior to that you had no specific security arrangements?

Mr. Camu: No. We had fences all around and near the locks, but they were not, let us say, completely foolproof, or not completely fenced. But now we have that, and near bridges.

Mr. Schreyer: What is the nature of this security arrangement? Do you simply have a contract with some firm that provides security guards?

Mr. Camu: That is correct. We have a contract with a security agency.

Mr. Schreyer: You do not have the figures readily available as to what you are paying this firm?

Mr. Camu: Yes. In 1967 for the Montreal—Lake Ontario section, the amount was $109,022.

Mr. Schreyer: Then this would be your only expenditure for the specific purpose of security.

Mr. Camu: For security, yes.

Mr. Schreyer: And for that they provide how many personnel?

Mr. Camu: It is round the clock. It is difficult to estimate because it varies. Sometimes we have more over the weekend. But there may be 15 guards night and day at various points. Sometimes it is less during the year, sometimes more.

• 1040

Mr. Schreyer: Do you have in mind or have you discussed the desirability of perhaps discontinuing this practice?

Mr. Camu: We reduced the number of guards after two years. This year we have again reduced the number. This has been based on experience.

Mr. Schreyer: And hopefully in two years you can reduce it again.

Mr. Camu: I would like very much to do that, if it is possible.

The Chairman: Is that all?

Mr. Schreyer: I have other questions but . . .

The Chairman: You are next on the list, so you can carry on with your next question.

Mr. Jerome: May I ask a supplementary question first?

The Chairman: Yes, Mr. Jerome.

Mr. Jerome: It has to do with security. Do I take it that as the Seaway Authority you are not really concerned with the question of security other than for the protection of your property, as a manufacturer would want to protect his factory. For example, you are not concerned with such things as smuggled shipments or narcotics. This is really not your concern.

Mr. Camu: No. This is outside our jurisdiction.

Mr. Schreyer: Access to the ships can be had by those authorities who are concerned with the detection of such crimes, but this is not your problem?

Mr. Camu: No, not as such. However, ships cannot stop in our system. They cannot disembark or embark passengers. They cannot load or unload except at specific points. This must be done in ports, which are usually outside our system. If there is an emergency, such as a break-down and they need a motor, or something has to be repaired on a ship, then we help them. Otherwise it is impossible to discharge or load anything along the way.

Mr. Schreyer: Yes.

Mr. Camu: There are only one or two spots where this can be done; that is, inside the lock—it has to be done within a lockage—when, for instance, they need some special parts for the ship. There might also be a need for food or laundry. However, it is well controlled and restricted and it is always done in a matter of minutes and in sight of the lockmaster.

Mr. Jerome: But in respect to anything brought in illegally from outside the country on any of these ships, this is really not your concern. You are not a customs authority.

Mr. Camu: No, we are not.

Mr. Jerome: Or have anything to do with police detection, so you do not concern yourself.

Mr. Camu: However, all these ships are inspected at the Port of Montreal before they enter the Seaway. They are boarded there by officials of the Department of Agriculture, a customs inspector—all kinds of inspectors. We have a couple of our own ship inspectors who also go there sometimes when a ship is coming into the Seaway for the first time, and they look at the ship to see if it is fit to navigate in our waters. They go on board with about five or six officials of various federal government departments. There is even a doctor if there is a seaman on board who is sick, and so forth. That is done before they enter the Seaway.

Mr. Jerome: And done at Montreal, the first stop of the ship in Canada.

Mr. Camu: Yes, before they come in. There would be no use in their coming to our approach lock and we find out something then. They would have to call on two tugs, turn the ship around and go back to the port to be fixed.

Mr. Jerome: Thank you.

Mr. Schreyer: Do you have the estimates as shown in this document? Perhaps you could help me to try to understand the way some of the figures are presented here.

I notice that reference is made to a deficit in two separate places. One is an operating deficit of $2.3 million and the other one, I take it, is the deficit relative to the Welland Canal alone. If you add the $9.8 million and the $2.4 million it gives you a total of $12.2 million. Is this your estimated total net deficit of operation?

Mr. Camu: Mr. Martin will answer that question for you.

• 1045

Mr. Martin: The $9.8 million relates to the Welland Canal and the $2.4 million relates to the non-toll canals, which were entrusted to us by the government in 1959. In addition to these two deficits, we incur the interest deficit that I mentioned ealier in respect to the Montreal-Lake Ontario section.

Mr. Schreyer: This is my other question. There seems to be a strange pattern of alternation each year. I notice at the very bottom of the page, and I take it this is the expenditure to the Crown, that in 1965-66 it was $8 million, the next year it was $10 million, last year it was $8 million and this year it is $10 million again. It seems to have almost the same rhythm as a motor. Is this not so?

Mr. Martin: It may seem to but it does not quite. In 1966-67 we had a very expensive wage settlement that affected our figures rather substantially. Then in 1967-68 we had labour peace. Again this year, you may recall, we had a strike which resulted in a wage settlement, which in turn resulted in a 7½ per cent increase in our payrolls.

There is another reason for the fluctuation. Maintenance is sometimes a great deal heavier in one year than it is in another. The reason for this is that the work is done as planned by our engineering branch but in some years there are very heavy jobs and in other years there is not so much work.

Mr. Schreyer: Mr. Martin, what is the total appropriation that the Crown must make this year to satisfy the authorities' needs? Is it simply a case of adding those two bold type figures?

Mr. Martin: That is right.

Mr. Schreyer: The $9.8 million and $2.4 million?

Mr. Martin: These are operating needs, Mr. Schreyer. Other than that, of course, we require money to finance the capital expenditures, and these are to be found on the following page.

Mr. Schreyer: Yes.

Mr. Martin: It is $41 million for capital expenditures.

Mr. Camu: The major amount of which is this construction on the Welland Canal.

Mr. Schreyer: On the twinning.

Mr. Camu: We used to call it the "twinning" but we have now changed it to "modernization".

Mr. Schreyer: Yes. How many years do you anticipate you will require amounts of this range for that same purpose?

Mr. Camu: This project will continue until 1972. The new 8.9 miles of canal will open—and I think we are on time—on April 6, 1972.

Mr. Schreyer: Subsequent to 1972 do you anticipate capital needs in that same range for some other purpose? To put it another way, do you have anything in the nature of a substantial capital expenditure on the drawing board or in the planning stage for 1972?

Mr. Camu: Yes. This is the proposal that is now being studied by the interdepartmental committee for the other section of the Welland Canal from the escarpment to Lake Ontario.

Mr. Schreyer: For the sake of clarification, Mr. Mahoney, you made some reference to a strike as having perhaps a direct bearing on the proportion of American to Canadian grain moving through the Seaway. What particular strike were you thinking of?

Mr. Mahoney: The grain handlers at the Lakehead.

Mr. Camu: You see, Port Arthur and Fort William were not shipping grain at all from the end of the Seaway strike, which was July 15, until the beginning of September. During that time American grain was flowing down the St. Lawrence.

Mr. Schreyer: Yes, but this is the point on which I would like clarification. In order to make that statement one must assume we had waiting markets to which to move this grain. I do not know, perhaps this is a digression, but I would like to get your view on whether it can be said that the grain handlers strike had the effect of reducing grain movement through the Seaway, particularly when it can be counter-alleged in the opposite direction that in any case there were no markets to which to move this grain. Would it have moved had there been no strike? Do you get my point? Is it valid to assert that the grain handlers strike resulted in a reduction of movement of grain through the Seaway? That is my question.

• 1050

Mr. Camu: It is a very good question. We are not interested of course, in the source of the product nor where it goes; we are in the middle, where the grain is moving through our facilities.

To compare it with other commodities, the strike in our own system lasted for about three weeks and at the end of it we said to ourselves, "Have we lost something? Shall we be able, in the remainder of the season, to recoup part of the traffic?" So far we have; we are, in fact, ahead of last year and almost in line with the record year of 1966.

I do not know whether grain will follow the same pattern, but I can tell you that after the settlement of the strike of grain handlers at the Lakehead a tremendous number of large ocean ships and lakers came down with grain a little earlier than usual, in September and in October. Therefore, instead of having a regular flow of Canadian grain down towards the lower St. Lawrence and eventually to the world markets we had nothing for two months and then a big rush in September and part of October. Now it is down again to regular, normal traffic.

Mr. Schreyer: One could infer from all that that although the timing of the movement may have been much different the total volume and end result will be about the same.

Mr. Camu: I hope so; because we are interested in carrying as much commodity as possible; and I hope that at the end of the year the figure I have given you will be higher. This we will see in the remaining four weeks during which there will be much grain coming down.

Mr. Schreyer: Thank you, Mr. Chairman.

The Chairman: If there are no further questions, gentlemen, shall Vote 85 carry?

Yes, Mr. Skoberg?

Mr. Skoberg: On the question I asked about any outstanding claims by some of the contractors who were doing the work, it is whether or not these are satisfied claims, or are there contractors who are still unsatisfied with the settlement made?

Mr. Camu: I do not think there are any unsatisfied contractors at this time.

To clarify my answer, are you talking about the claims relative to the construction of the Seaway in the period 1954-59? After that, in 1960, we had a tremendous number of claims, to the amount of about $45,000,000 from at least two or three dozen contractors. It took three and a half years to clean that up, at a cost of roughly $11,000,000 to $12,000,000. This was done through a Committee of Treasury Board, with our own chief engineer and one or two other representatives, mainly engineers, from the Department of Public Works, as I recall, and from National Harbours Board. It went through a special committee, and it went very well. I was there then and I remember that we were able to clean up everything except one. He went to the Exchequer Court, and the judgment was that we had to pay $85,000 which was about what had been our original intention anyway.

After that there was a lapse, with no construction at all, and then we started construction on the Welland Canal around 1965, with major improvements, and so forth. In this second major period of construction, we are dealing with any claims, as we go along, through progress reports rather than waiting until the end and getting a big claim and having an unsatisfied person. We try to solve the problems, if any, as we go along, with each individual contractor.

• 1055

The Chairman: Shall Vote 85 of the Estimates carry?

Item 85 agreed to.

Item 90 agreed to.

Item L125 agreed to.

The Chairman: When we adjourned our meeting on Friday. Mr. Nesbitt had made a motion to resume the study of the transportation problems.

Mr. Nesbitt: To request permission.

The Chairman: To request permission from the House?

Mr. Nesbitt: Yes.

The Chairman: To study the transportation problems of the maritime provinces.

I understand that quite a few briefs have been presented to the Transportation Committee.

Mr. McGrath: Perhaps before we proceed we should excuse these gentlemen. They are very busy.

The Chairman: Perhaps you are right, Mr. McGrath. If there are no further questions we can release them.

Mr. Camu: I would like to thank you, gentlemen, for a very good inquiry this morning.

The Chairman: Thank you very much, Mr. Camu, Mr. Martin and Mr. Taylor. Goodbye, and best of luck with the St. Lawrence Seaway. I understand there is a great deal of traffic these days.

Mr. Skoberg: Mr. Chairman, while we have a quiet moment I have a question.

I asked these gentleman about the handling of containers at port facilities. Does this come under the National Harbours Board and if so, when do we discuss that particular aspect?

The Chairman: If I may answer you, I think some of the containers come under the National Harbours Board. Naturally, the traffic that goes up the lakes is part of the Seaway.

Mr. Skoberg: I am concerned about the boat facilities.

The Chairman: Yes; the National Harbours Board. Relative to containers, I suppose I can say that the National Harbours Board is

building some wharf facilities at the present time. Am I right?

Mr. Nesbitt: We will be coming to that when we have officials of the Harbours Board here.

That is the only question I have.

The Chairman: Yes. We will fix a date for the National Harbours Board at our next meeting.

To revert to Mr. Nesbitt's motion is it agreed, that we get permission from the House to sit as soon as possible?

An hon. Member: Yes; as soon as is convient.

The Chairman: Does everybody agree?

Mr. Skoberg: Mr. Chairman, I doubt that you really know what investigations were made, or what type of briefs were being accepted at the time that the hearings were broken off.

The Chairman: Mr. Skoberg, I understand there are over 20 briefs.

An hon. Member: Eighty-two.

The Chairman: I beg your pardon?

An hon. Member: Eighty-two.

The Chairman: Eighty-two briefs; therefore, I do not know the details of them.

Mr. Thomas (Moncton): Mr. Chairman, they are all embodied in last year's Transportation Committee reports.

Mr. Skoberg: I am not really worried about what is in the individual briefs but about the purpose of the investigation. In other words what were the terms of reference of the committee that was travelling about the country at that time?

The Chairman: To study the transportation problems of the maritimes.

Mr. Skoberg: A broad study?

The Chairman: Yes. Our clerk, Mr. Virr, can send you the briefs and the terms of reference.

Mr. Skoberg: The only reason, Mr. Chairman, for my raising this is that I sometimes doubt the merit of our travelling around the country holding hearings unless there are definite terms of reference. If there were, and some progress was made at that time I am completely in favour of the motion as it now stands.

The Chairman: There are definite terms of reference. These people spend a lot of time and money preparing briefs because they actually have big problems in transportation. I live in that part of the country, although not in the maritimes—across the Gulf—and I know that we also have many very, very urgent problems in transportation.

Mr. Skoberg: Mr. Chairman, I am not doubting that there are problems. I have listened to, and been on many of, these groups who have presented briefs to committees travelling throughout the country. Invariably, when the committees get back and report no action is taken. Unless the recommendations made by this Committee are accepted and adopted there is no use the people on the property itself presenting briefs.

• 1100

This has been the problem throughout the piece, that we send committees travelling throughout the country, and the recommendations of the Committees are never accepted nor ever adopted in any shape or form.

Mr. Howe: It is up to the government to ensure that they are accepted.

Mr. Schreyer: On a point of order, Mr. Chairman, do you require a seconder for that motion? If you do, I will second it.

The Chairman: Yes. The motion is as follows: Mr. Nesbitt moved that the Committee request permission of the House to resume its study of the transportation problems of the Maritimes.

Some hon. Members: The Atlantic Provinces.

The Chairman: Yes, the Atlantic Provinces.

Mr. McGrath: Mr. Chairman, I would not want to miss that bus ride across Newfoundland in January.

The Chairman: All in favour? Mr. Cyr.

[*Interpretation*]

Mr. Cyr: Mr. Chairman, you say that the terms of reference were made last year, before you went to the Atlantic Provinces. But, the terms of reference were made by another government and another Parliament. Is it the Committee or the government

that issued the terms of reference? If this was done by another government, they ought to be issued anew. Are they still in force at the present time?

The Chairman: To answer your question, Mr. Cyr, I believe that the terms of reference had been studied, as you mentioned, and, accordingly...

[*English*]

Mr. McGrath: Mr. Chairman, on a point of order, that is the whole purpose of the motion.

The Chairman: Yes, it is, but I just wanted to explain a few words to Mr. Cyr.

[*Interpretation*]

This had been studied. Now, the Committee Secretariat has developed these briefs and they are going to be under study again and are going to be presented to the Committee. I believe that according to the motion under study now, we are to request permission, first from the House, to authorize us to go and study, on the spot, transportation problems in the Maritimes. I should add that the House of Commons will give us other terms of reference.

[*English*]

An hon. Member: Perhaps the House will give us another Order of Reference.

The Chairman: If it is agreed, yes. Mr. Schreyer?

Mr. Schreyer: Mr. Chairman, the point Mr. Cyr raises is a technical point which must be met, and I should think the simple way to do it is for this Committee to pass the motion. The motion will suggest its own terms of reference and then the House in taking action, at least, on that motion will be granting the terms of reference to the Committee when it deals with the motion. There is no problem.

The Chairman: Yes. The motion will determine the new terms of reference. Am I correct? All in favour?

Motion agreed to.

The Chairman: The next meeting, gentlemen, will be on November 21, at 11.00 a.m.—next Thursday—to discuss the National Harbours Board estimates. Mr. Pickersgill of the Canadian Transport Commission will return on November 28.

Mr. Nesbitt: That is next Tuesday?

• 1105

The Chairman: That is Thursday; a week from this coming Thursday.

Mr. Howe: Mr. Chairman, apparently this Committee is having the same problem as a lot of other committees in getting the reports on time. How is the Committees Branch getting along? Are they getting them into shape so that we can have the Minutes from meeting to meeting?

The Chairman: The report of the last meeting has not been received from the Committee Reporters yet. It should be up today and will go to the printers tonight, so we will have it by Thursday.

Mr. Howe: For people that are being moved off and on the Committee it is rather hard to keep up with the questioning and know what has gone before if you do not have the Committee reports in your hand.

The Chairman: I think we are running into the same problem again. It is the translation. There is a slow process in the translation.

Mr. Howe: Well, let us speed it up.

The Chairman: If there is nothing else, the meeting is adjourned. Thank you very much.

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OF

PROCEEDINGS AND EVIDENCE

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Translations under the direction of the Bureau for Translations, Secretary of State.

ALISTAIR FRASER,

The Clerk of the House.

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Publications

HOUSE OF COMMONS

First Session—Twenty-eighth Parliament

1968

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STANDING COMMITTEE

ON

TRANSPORT AND COMMUNICATIONS

Chairman: Mr. GUSTAVE BLOUIN

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 4

THURSDAY, NOVEMBER 21, 1968

Revised Main Estimates for 1968-1969 relating to the National Harbours Board

WITNESSES:

From the National Harbours Board: Mr. H. A. Mann, Chairman; Mr. J. E. Lloyd, Member; Mr. L. R. Stratton, Chief Engineer and Mr. J. S. Dron, Chief Treasury Officer.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1968

29249—1

STANDING COMMITTEE ON TRANSPORT AND COMMUNICATIONS

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Vice-Chairman: Mr. Pat. Mahoney

and Messrs.

[3]Allmand,	Jerome,	[1]Nowlan,
Carter,	Laflamme,	Pringle,
Corbin,	Lessard (*LaSalle*),	Schreyer,
[4]Douglas,	McGrath,	[2]Serré,
[5]Godin,	Nesbitt,	Skoberg,
Howe,	Noël,	Thomas (*Moncton*)—(20)

(Quorum 11)

Robert Normand,
Clerk of the Committee.

[1]Mr. Nowlan replaced Mr. Marshall, on November 20, 1968.

[2]Mr. Serré replaced Mr. Howard (*Okanagan Boundary*), on November 20, 1968.

[3]Mr. Allmand replaced Mr. Cyr, on November 20, 1968.

[4]Mr. Douglas replaced Mr. Groos, on November 20, 1968.

[5]Mr. Corbin replaced Mr. LeBlanc (*Rimouski*), on November 20, 1968.

CORRIGENDUM

Issue number 3—Minutes of Proceedings and Evidence

Page 3-5 R. V. Virr, *Chairman of the Committee,* should read R. V. Virr, Clerk of the Committee.

ORDER OF REFERENCE

HOUSE OF COMMONS

WEDNESDAY, November 20, 1968.

Ordered,—That the names of Messrs. Nowlan, Serré, Allmand, Douglas and Corbin be substituted for those of Messrs. Marshall, Howard (*Okanagan Boundary*), Cyr, Groos and LeBlanc (*Rimouski*) on the Standing Committee on Transport and Communications.

ATTEST:

ALISTAIR FRASER,
The Clerk of the House of Commons.

29249—1½

REPORT TO THE HOUSE

THURSDAY, November 21, 1968

The Standing Committee on Transport and Communications has the honour to present its

FIRST REPORT

Your Committee would greatly appreciate the opportunity of resuming its study of the Transportation problems of the Atlantic Provinces.

Respectfully submitted,

GUSTAVE BLOUIN,
Chairman.

(*Text*)

MINUTES OF PROCEEDINGS

THURSDAY, November 21, 1968.
(4)

The Standing Committee on Transport and Communications met this day, at 11:00 a.m. The Chairman, Mr. Blouin, presided.

Members present: Messrs. Allmand, Blouin, Corbin, Douglas, Godin, Howe, Lessard (*La Salle*), Nesbitt, Nowlan, Schreyer, Serré, Skoberg, Thomas (*Moncton*)—(13)

Also present: Messrs. Bell, Groos, Hogarth, Lewis and McCleave.

In attendance: From the National Harbours Board: Messrs. H. A. Mann, Chairman of the Board; J. E. Lloyd, Member of the Board; L. R. Stratton, Chief Engineer and J. S. Dron, Chief Treasury Officer.

The Chairman called item 70 ($7,450,000) of the Revised Estimates for the fiscal year ending March 31, 1969, relating to the National Harbours Board. He called upon Mr. H. A. Mann, Chairman of the Board to make a statement.

Mr. Mann made a short statement following which he and representatives of the Board were questioned by members.

During the questioning of the witnesses, a question was directed to Mr. Mann requesting certain information contained in documents pertaining to an agreement between the Keyser Coal Corporation and the National Harbours Board.

Mr. Mann drew the attention of the Committee to the fact that the information sought was of a confidential nature and therefore he did not have, at this moment, the authority to answer.

And debate arising thereon, the Chairman was ordered by the Committee to obtain the following information from the authorities concerned:

1. How to proceed to force a witness to answer questions put to him by members of the Committee.
2. If a Committee room would be available for a 2:00 o'clock meeting this afternoon, should the witness be authorized by his superiors to divulge the information deemed to be confidential.

Following a suggestion made by members to visit certain ports where Harbours' containers are in operation, the Chairman stated that the suggestion would be studied at the next meeting of the subcommittee on Agenda and Procedure.

At 1.00 p.m. the questioning of the witnesses continuing, the meeting was adjourned to the call of the Chair.

Robert Normand,
Clerk of the Committee.

EVIDENCE

(Recorded by Electronic Apparatus)

Thursday, 21 November, 1968.

• 1109

The Chairman: Gentlemen, our witnesses today are Mr. H. A. Mann and his colleagues. Mr. Mann is Chairman of the National Harbours Board. Mr. Mann?

Mr. H. A. Mann (Chairman, National Harbours Board): The Board is a Crown corporation which reports to the Minister of Transport and administers some of the major harbours in Canada from St. John's, Newfoundland, through the north of Churchill to Vancouver, British Columbia.

I think the best thing to do, sir, in order to give the Committee the greatest possible time, would be merely for us to stop talking and be ready for questions from the members.

The Chairman: I thank you, Mr. Mann. Do any of the members have questions to pose to Mr. Mann? Mr. Allmand?

• 1110

Mr. Allmand: Mr. Mann, I want to ask you some questions about the port of Montreal. To begin with I would like to ask questions relating to the facilities for longshoremen. Last spring we were told by the Minister of Labour and the Minister of Transport that the National Harbours Board would construct certain waiting rooms and rest room facilities for the longshoremen and I understand that one prototype has been built. I would like to know what progress has been achieved with respect to the construction of other waiting rooms and rest room facilities.

Mr. Mann: Perhaps I could put this into the context of the situation, Mr. Allmand. The rest room and amenities matter really arose out of the Picard report, which was a report commissioned by the Department of Labour in order to look into the relations between the Shipping Federation of Canada and the International Longshoremen's Association.

We were not involved in this investigation because we were not the employers of the ILA.

It was in the Picard report that the recommendations were made with regard to the provision of amenities for workers in the port, and the report did point out that this was a responsibility of the employer in this case, therefore, the Shipping Federation of Canada. However, realizing our responsibility as a port authority and not wanting to wait until the two parties had come to an agreement, we went ahead on our own motion, and provided longshoremen's facilities at Montreal.

We have finished the first one, which was duly dedicated by the Minister of Labour some little while ago. I believe the second one is under construction and plans are being readied, in conjunction with the unions, for additional facilities, so we are looking forward to having decent and dignified facilities for labour in the port of Montreal within a relatively short time.

Mr. Allmand: Can you tell us exactly how many of these buildings or sheds or whatever they are will be constructed in all?

Mr. Mann: I do not have the details here, Mr. Allmand. We could get you that information. I believe it is in excess of four or five, if that is correct.

A Witness: It is more than that.

Mr. Mann: Is it more than that? For the sake of accuracy I would like to take this as a question to be answered in writing to the Committee if that is all right.

Mr. Allmand: Very good. Now I want to ask some questions with respect to National Harbours Board plans for containerization in Montreal. Last week they opened containerized facilities but these were provided by the Manchester Liners in Montreal, and many people are wondering whether the National Harbours Board is going to try to participate in the building of containerized facilities in the Montreal harbour. Can you tell us whether there are any plans by the National Harbours Board to do this and what they are?

Mr. Mann: Indeed I can, sir. I hope you will not mind my making a factual correction of your remarks. You said that these facilities were provided by Manchester Liners, this is factually not quite correct. In fact, the facilities were provided by the National Harbours Board. They are under lease to Manchester Liners via their agent in Canada, Furness Whithy and Company Limited, but the wharf was provided by the National Harbours Board, the berth was provided by the National Harbours Board, the buildings were provided by our Montreal administration of the National Harbours Board. Only the crane was provided by Manchester Liners who had, however, the option of having that crane provided by us on a repayment basis and chose not to exercise that option.

Mr. Allmand: Was the capital investment involved in erecting and supplying the crane made by Manchester Liners?

Mr. Mann: It was made by Manchester Liners on their own choice, having had the opportunity of having it done by the National Harbours Board and having refused to take that opportunity.

Mr. Bell: Mr. Chairman, may I make a suggestion in order to make our procedure easy for everybody? Three of us here are interested in this competitive containerized situation in the Eastern ports, Montreal, Halifax and Saint John, and I am wondering if Mr. Mann would find it easier, when he talks about Montreal, to relate the plans the National Harbours Board has and what it has done in each one of the ports. If we get into some narrow arrangements on cranes in Montreal I find it difficult to fit that in to what I have in mind in Halifax.

• 1115

I am just giving Mr. Mann an invitation to expand, if Mr. Allmand does not mind.

The Chairman: Do you mean, Mr. Bell, to explain briefly the situation in each of the ports?

Mr. Bell: Yes; in other words, take the opportunity to expand generally about these three ports and it could be that they want to bring in other ports. It is just that there is some competition from the new containerized plans and I think it would save time; that is my main reason for mentioning it.

The Chairman: Yes, to give brief explanations on the three ports mentioned...

Mr. Allmand: With respect to containerization.

The Chairman: Yes. Would that be all right, Mr. Mann?

Mr. Mann: Perhaps if the Committee will allow us to do so we should accept containerization in its over-all ambiance and then deal with the matter specifically. We rather suspected containerization would rank high on the interest agenda of the Committee and if you will permit us to do so we will make the statement along those lines.

First of all, containerization is a relatively new development. The first overseas container ship that presented itself in any European port did so only in 1966. That does not mean, however, that container services had not been in operation prior to that; it dates back to about the early 1950's, but at that time it was mainly a question of captive movements of American steamship companies, particularly on such runs as United States to Hawaii and United States to Puerto Rico. These were nice captive movements, but the penetration of the container concept into overseas traffic is relatively more recent.

Containerization is a breakthrough in the handling of general cargo. It is not necessarily the only way of rationalizing general cargo handling because there are people of some repute and experience, such as Inter-Olsen Lines in Norway, who have deliberately chosen not to go into container movements but have adapted a Canadian pioneered system, namely, the side-port loading system, which is in operation now by Canada Steamship Lines and Clarke Steamship Lines in Newfoundland. They have chosen to adapt that to overseas movement and it is a very efficient way of doing things.

The third trend in general cargo rationalization is one that finds its concrete realization in the so-called "lash" concept, that is, lighters aboard ship, which is basically a way of loading lighters—small lighter barges—aboard a mother ship and floating them off at destination. This, of course, requires no water depth at all and, therefore, denigrates the role of the harbour even further that it is already being denigrated by containers.

It should be realized that container movements—the container concept—has some trailing effects on ports. Not necessarily in order of importance, but I hope fairly completely, this is what happens in a container era. The role of the port itself becomes less

important. You are now dealing with a systems approach and the systems approach, ideally, is what has been called the house to house movement of merchandise, that is, from the shipper's door to the receiver's door using an inland carrier at origin and a harbour at transferring the container, a steamship line, a harbour of unloading the container, an inland factor on the other side and then the receiver's door.

• 1120

Now, this is the ideal system. There are variations of that and I hope you will not mind if I do not go into details, because they become rather unnecessarily complex.

Basically, the point we want to make is that a container movement cannot be looked on as a harbour function; it is a system function requiring at least in the Canadian context, an ocean carrier, a harbour and an inland carrier working in conjunction. The traditional role of the harbour is, in the opinion of many people, now becoming less important. Instead of a harbour being a collection and distribution point for general merchandise with a high degree of labour intensity, what you are getting now is the harbour merely being a quick transfer point for boxes of varying sizes—they are standardized—which come off a ship at a very rapid rate, require a minimum of handling by people and then are transferred to an inland carrier to go to destination.

It is to that context that our ports must adapt themselves. Now, what have we done with it? What you require in a container era is a berth sufficiently long for a container vessel—and the vessels, by the way, do vary in size quite appreciably. The berth must be sufficiently deep. Unless there be any misunderstanding about this, container vessels have a very shallow draft; you do not require ships of a very deep draft. None of the container vessels, I believe, now in existence or planned, is over 32 feet of draft.

Then you require a crane to take the containers out of what they call the cellular holds of the vessel and the crane is a specialized piece of equipment which works with a high speed. You then require an area to marshal the container and facilities for taking them off harbour property to inland destinations which, in the Canadian context or anybody's context, can be either rail or truck.

Now, this is quite a change from the traditional concept of harbours with their berths, the aprons on which the cargo is landed and the transit shed and all the many people that handle cargo. It is to this context therefore, Mr. Chairman, that we must adapt ourselves and are adapting ourselves. Let me just go through the availability of sites, if I may for a minute, at the various ports we have.

At St. John's, Newfoundland, container movements have not yet been mooted at all and we have, at this juncture, no existing site for container movements, but one could be made available with sufficient lead-time. The problem has not arisen, chiefly because of the nature of the traffic at St. John's, Newfoundland. At Halifax we are currently building Pier C, which is actually being built on the old Seaward Defence site and I believe a tender was just opened for the second stage of this a week ago today. I believe it is slated to be ready to operate by June of 1970. This area will provide berthing and handling facilities for containers on a scale and of a kind that will be equal to anything in any major harbour in the world. At Saint John, New Brunswick, we have a site already in existence. This site is at Pier I side and Navy Island and it has been known as a container site for some time. We have again in Saint John a sufficiently large and a sufficiently well located area to handle containers.

• 1125

At Quebec we have sites at both Anse au Foulon and at the Battures Beauport. Actually, sir, discussions are currently taking place with regard to container services to Quebec, and I would like to bring to the attention of the Committee an announcement made by Canadian Pacific on September 16 of this year respecting the operation of a container service to Quebec. We dedicated Canada's first overseas terminal at Montreal last Friday and I would again like to point out so there will be no doubt left in anyone's mind that this container terminal was provided by the port and released to the Manchester Liners, with the exception of the crane which, by their own choice, was acquired by the lessee. In Montreal we have additional sites available, and as traffic is reasonably anticipated we will bring these sites into operation. We do not operate any ports on the Great Lakes, and any questions about Toronto and the future of general cargo in Toronto in the container era I think would have to be answered by the Department of Transport, under whose tutelage the National Harbours Board comes.

At Vancouver we have just called tenders for a container crane which will be installed at Centennial Pier and which we hope will serve the container traffic, as we now see it, for a number of years. We have no problem at all in Vancouver with regard to the provision of sites. It is almost an "embarras du choix". We have a number of sites and the question is to use the most rational site.

This, sir, is a general survey of the situation as it exists today.

Mr. Allmand: Mr. Mann, I would like to follow up with a few specific questions.

The Chairman: Do you want to come back to your original question, Mr. Allmand?

Mr. Allmand: Yes. As I understand it, you said that the National Harbours Board would have made the capital investment for the cranes if this was an option, but that Manchester Liners preferred to make the investment themselves. Do you make that same offer on other sites? For example, in Quebec City, where Canadian Pacific hopes to develop a containerized port, will Canadian Pacific be obliged to make the capital investment for the cranes or will the National Harbours Board do that?

• 1130

Mr. Mann: The offer is open to anyone. We must operate our enterprise in a non-discriminatory fashion, and we cannot say to one person that we will do something for him that we are not prepared to do for another. This is subject to a policy adopted by the Board and which is very clear in that regard.

Mr. Allmand: There have been allegations made that Montreal is lagging behind the eastern American ports in containerization and that we stand to lose business to Boston, New York and to other ports if we do not containerize quickly enough. You say that there are other sites available in Montreal. I would like to know whether the National Harbours Board could develop these sites quickly if it was felt that we were really losing business to the American ports because of containerization.

Mr. Mann: We believe we can, sir. I think we should have a look at these allegations. As we so well know, an allegation is one thing, but proof is another. Allegations can be made much more easily than proof can be furnished, and the statistical proof of this so-called loss is not there at all. It is quite true that some companies have chosen to route traffic to New York in containers. I think it would be proper to find out why this has been done. In some cases it has been done at the request of the buyers overseas. In some cases it has been done because New York, being what it is and being in a class by itself, is an immediate hinterland that has more people than all of Canada combined, it has a magnetism which is very difficult to resist, and therefore it can also command frequency of sailings that we in our Canadian context cannot match to quite the same extent. However, I would point out very quickly that for a country with our population and traffic generation we are doing exceedingly well in serving the world with steamship lines.

So, we are conscious of potential traffic losses to other ports and these traffic losses could be caused by a number of factors: the option of the buyer overseas, the frequency of sailings and the labour situation. We might have a strike and they might not. It might be the other way around.

Mr. Allmand: One hears there is a high rate of pilferage at Montreal, and in discussing the advantages of containerization you did not point out that one of the great advantages of containerization is that I understand you reduce pilferage to a great degree.

Mr. Mann: Mr. Chairman, if there are any questions on pilferage I would be delighted to deal with that subject on its own . . .

Mr. Allmand: All right.

Mr. Mann: . . .because I think it probably merits some remarks, Mr. Allmand. You have been interested in this matter.

Mr. Allmand: We will leave it until later.

The Chairman: We can come back to this. Do you have a supplementary?

Mr. Allmand: I have many other questions but the other members do as well, so I will stop after two questions that can be answered very quickly, sir.

With respect to the Champlain and Jacques Cartier Bridge, are there plans to reduce or eliminate the tolls on those two bridges?

Mr. Mann: I believe the Jacques Cartier Bridge has been without tolls since 1962.

Mr. Allmand: Yes, I meant the Champlain.

Mr. Mann: The Champlain Bridge is under tolls. We are following government policy on

this. I am afraid there is not very much I can about the matter until there is a change in policy approach. At this juncture and by using tokens it costs a commuter exactly eight cents to cross Champlain Bridge. If he chooses not to use tokens it costs him the magnificent sum of 25 cents, which is considerably less, by the way, than some American toll bridges.

Mr. Allmand: Where does the payment for the bridge stand? Are the tolls meant to keep the bridge up or is it to pay off the capital cost?

Mr. Mann: Both.

Mr. Allmand: I see. When will the capital cost be paid?

Mr. Mann: Again, we could try and make a stab at getting this for the Committee, if we can take this as written notice. Could we do this?

The Chairman: Very well.

Mr. Allmand: That will be fine. I will come back later.

The Chairman: Mr. Corbin?

Mr. Corbin: Mr. Chairman, most of my questions were answered in the general statement which was made by Mr. Mann, but I have a few supplementaries to ask.

For example, you mentioned a site in Newfoundland that could be developed but you did not give us the name of that site. Could we have it, please.

Mr. Mann: It is in St. John's harbour. If you are familiar with St. John's harbour you will realize there are only two possibilities: on the shore opposite the city and in the bend that carries on from the marginal wharf that we now operate.

• 1135

Mr. Corbin: Thank you, Mr. Chairman.

I would have preferred that we had opened this meeting by a very broad general statement about National Harbours Board policy, because there are a few members here—anyhow, I will skip that request.

I would like to know if the National Harbours Board is in such a position that it can effectively recommend or promote the development of one site more than another in the matter of container facilities. What is your policy in this respect?

Mr. Mann: That is a very pertinent question, Mr. Chairman. We are, of course, in some difficulty about this. It is very easy for us to say that all our ports are good, but it is very difficult for us to say that one port is better than anotther. This is a restriction, of course, on us; it is not an unnatural restriction. Whether it inhibits the development of Canadian ports is an academic question.

As you know, there are a considerable number of private interests doing promotion, and among them are local groups in our ports with whom we operate, in many cases most harmoniously, and who show considerable enthusiasm, and who are supported by us. In addition, there are steamship lines who, of course, have an economic stake in promoting the use of a port they run to. There are organizations such as the railway companies who do a fair amount of promotion. So there are already in the field a number of promoting agencies, quite apart from the full resources of our Department of Trade and Commerce, which are at our disposal.

The question of the efficacy of promotion, which I take it is what you are coming to, is again one which can of course not be quantitatively measured. The Port of New Orleans, for instance, if I may just give one example, has been very promotion-conscious, and yet finds that it is faced with a slippage of traffic and a very bad financial situation. Whether this is due to promotion, I must leave to somebody's judgment. It is very difficult to quantify these things.

Mr. Corbin: Perhaps I can get down to a specific case I have in mind, the case of Halifax and Saint John. You have the situation now in Saint John where there is a Canadian Pacific Railway terminal, and on the other hand Canadian Pacific is developing container facilities at the Port of Quebec. In Halifax you have the other side of the story, where you have CN facilities. What happens here? What can you do to—what is the limit of the direction you can give to either of these interests to develop one site rather than another one?

Mr. Mann: The limits of the port authority are very narrow. As I mentioned at the outset of our statement, we are dealing with a systems approach, and the partners in the system are ocean steamship companies, inland transportation companies, and the port.

You mentioned the case of Canadian Pacific. It is a rather interesting case because

it illustrates exactly what happens. Here is a company that has traditionally called Saint John, New Brunswick, its home port. It has phased out its passenger operations at Saint John. They looked very carefully—and we know they did, because they visited sites at Saint John; they visited sites at other ports—at the over-all economics of a container movement from Europe to Canada. They came to the conclusion that Quebec was the terminal they wanted to use. I am just trying to see whether I can find the phrase used in their announcement. If you will forgive me, Mr, Chairman.

• 1140

Mr. Corbin: You cannot in any case at any time tell Canadian Pacific Railways, for example, that they should, or that it would be preferable for them to develop a container site in Saint John, rather than in Quebec City. You cannot do this?

Mr. Mann: You cannot force. You are dealing with...

Mr. Corbin: But you can suggest, and hope for the best.

Mr. Mann: You can suggest that sites are available and you can suggest, with all due deference, until the cows come home, but if they lose a dollar the suggestion will be totally useless. You are dealing with free enterprise—or private enterprise, I suppose would be a better way of putting it—components, namely shipping companies and inland transportation companies, and unless the government wishes to assume a role of dictating to the private sector the routing of its freight through gateways and inland channels—and we have chosen in the national transportation policy not to do that—there is a very little a harbour authority can do other than hold sites available, advise the users and potential users of these sites, and hope that some rational decision can be made.

Mr. Corbin: I understand very well. As a matter of fact you follow trend and demand.

Mr. Mann: We anticipate demand reasonably.

Mr. Corbin: You have a notion that there will be a demand for them in the future.

Mr. Mann: I think so, sir. We are no different from other port authorities. The Port of Hamburg is one of the leading world ports, and since we in this country always feel better when we can use somebody else as an example to look at, particularly a successful one, will you permit me to quote the policy of the Port of Hamburg. I make apologies; I have to translate this from German, and my English rendering of it may not be as good as it should otherwise be.

The Chairman: Well, it is very nice if you can translate it from German.

Mr. Mann: "The concept of the investment policy of the Senate"—this is the Senate of Hamburg—"is based on the principle of anticipated demand. That is, construction will be carried out at a rate demanded by the foreseeable, and with great probability expectable, traffic."

This, really, is the policy that is being followed by us. So we are not at all unique. I wish we could lay claim to being more often unique.

Mr. Corbin: Thank you, Mr. Mann.

The Chairman: Mr. Skoberg.

Mr. Skoberg: Thank you, Mr. Chairman. Mr. Mann, you referred to the fact that some of the development is being carried on jointly with your Harbours Board, the railways, and the steamships. How do you set rules and regulations governing the operation of these ports and harbours as it refers to containerization, the transportation phase of it? It bothers me that once again we may have a hodgepodge set-up of facilities with no rules and regulations which, in the end, will affect the economic structure of that community, which we have seen so much of in the past, and I am wondering what rules and regulations you do have set up at this time?

•1145

Mr. Mann: We have a general policy, Mr. Chairman, for the development of container facilities. I think one should be careful not to make a general policy a straitjacket. Deliberately, the general policy has to be stated in general terms, and we would be very happy to file a copy of this general policy with the Committee. We try to avoid a hodgepodge, we try to achieve rationalization to the extent that it can be done, and we certainly attempt to avoid any kind of discrimination of treatment.

Mr. Skoberg: Further to this, Mr. Chairman and Mr. Mann, what direct consultations have you had with the railway companies that are involved in these particular ports, and is

there a close working relationship at all times with the companies involved?

Mr. Mann: Indeed there are. We in this country are very fortunate that we only have to deal with two railway companies, so we are better off than some American ports, and I can assure the Committee that our working relationship with both Canadian National Railways and Canadian Pacific Railway is extremely close—it must be.

Mr. Skoberg: Another question, Mr. Chairman. It was stated on November 6 that the National Harbours Board last month refused a Saint John, New Brunswick request for a container-handling crane. You referred to the fact that the Manchester Liners have installed their own crane at the port of Montreal. Do you not think it would be better if the National Harbours Board itself provided a standard facility at these particular ports?

Mr. Mann: Sir, while there is an over-all look to a container terminal, it is difficult to talk about exact standards. Let me give you an example. The Manchester Liners service, because it has restrictions in Manchester with the Manchester Ship Canal, is using vessels of a certain size and a certain beam. It is also using 20 foot containers. Therefore, it does not require a container crane at the port which has a capacity very much greater than is required to handle a 20 foot container. Another service may come with ships very much bigger than this and with a wider beam looking forward to using either 20 foot containers or 40 foot containers and requiring a crane that has an outreach much larger than the one required for Manchester Liners. And that service might also require the handling of 40 foot containers which are heavier and therefore require a bigger crane or the marriage of two 20 foot containers in one lift. So that to talk about a standard, you can talk about it in terms of providing a wharf, a well lighted paved service area and inland connections, but the exact mechanical components of that terminal have to vary from service to service. There is no standard formula on this.

Mr. Skoberg: You suggested that the Manchester Liners have put the crane in but are leasing the facilities at Montreal.

Mr. Mann: That is correct.

Mr. Skoberg: What would the terms of that lease be and just what authority does that give the Manchester Liners in that particular port?

Mr. Mann: The authority is restricted by the terms of our arrangement with them. The terminal has to be available as well to other vessels that want to use it. This may not be necessary as you have a number of container terminals but for the first one a common user approach certainly is a required or desirable thing.

Mr. Skoberg: Thank you.

The Chairman: Mr. Schreyer.

Mr. Schreyer: Mr. Mann, is it correct to say that the policy of the National Harbours Board is now to encourage greater use of containerization in transportation?

Mr. Mann: The first paragraph of our policy, Mr. Schreyer, reads as follows:

> The Board encourages the movement of containers through its ports and is prepared to co-operate fully with all modes of transportation in the development and facilitation of such movements.

Mr. Schreyer: Thank you. Is it possible to say at what point in time the National Harbours Board started this intensive drive, if I can put it that way, to make greater use of containerization?

• 1150

Mr. Mann: It is possible to say, sir, that we started this prior to June 15, 1967. In fact I should perhaps mention in passing, Mr. Chairman, that the first effort to arouse interest in Canada in container movements was one generated by the National Harbours Board away back in 1961 when we called Canada's first container conference in Toronto. We at that time felt that containers were certainly the coming thing and we got together a lot of people—a lot of interest at this conference. We then tried to have a continuing mechanism, which required a minor input of money by the interested parties, to keep the flame alive, to nourish it and to increase it, and we found to our dismay and discouragement that no one was terribly interested. It was only when other people started in other ports that the Canadian public got a hold of this idea. I am really saying this so that we have something on the record that shows that we have not been asleep at the switch.

Mr. Schreyer: I was not suggesting that National Harbours Board was, but that leads me to another question. Who really is able to

determine the pace or the rate of increase in the use of containerization? I do not suppose it is the National Harbours Boards? Is it the shipping companies, the inland transportation companies, or is it a combination of two or three?

Mr. Mann: Basically, it is a very difficult question because it is a deceptive one and I do not want to give a facile answer.

Mr. Schreyer: I ask it, Mr. Mann, only because it is clear that National Harbours Board policy is to encourage greater use of this mode, but it does not really determine whether or not this in fact will be done.

Mr. Mann: I will make a stab at answering this. It is a difficult question and we are conscious of the difficulty of it. I suppose one should really start out by saying that the shipper is the king in this whole thing—he pays the freight. The shippers' demands of course are very important in this and he is becoming aware of the advantages of containerization.

I do not want to take the time of the Committee to go into these advantages unless there are specific questions. If I may, I will leave it at that point.

The next thing of course has to do with the decision the steamship companies themselves make; they have to make the agonizing decision, particularly when it has vessels that are not yet amortized and still have a lot of life in them, as to whether or nor to join this containerization game. It is an open question how many of these steamship companies are going to get their fingers burnt. It is interesting to note, because of the high capital investment and the high risk factor involved, the formation of consortia of steamship companies because the single company simply cannot undertake it.

• 1155

Then the other thing of course is support itself. It must be got ready, it must be available, it must help in being an efficient link. When we talk about the port now surely we have to have a subdivision. There is the physical facility and there is the attitude of labour to the matter, and the pace may be influenced in so far as support is concerned by both the physical development and the attitude of labour. Containerization is the most contentious issue in the current negotiations on the American east coast between the ILA and the shipping companies. It is a real problem and a human problem because containerization is not labour-intensive and you have all the problems of automation thrown at the labour force in a port. Then going beyond that—and this is why the answer is so different Mr. Schreyer—you have the inland carrier. If there is no equipment, available and even more so if the rate structure is not favorable to container movement, you can do whatever you want, on the shipside and the portside and you will not have a container movement. This is particularly important if we may point it out, in the context of the Atlantic ports and the context of Vancouver, where you have long distance to centres of industrial gravity and where the inland factor in the Canadian context probably becomes the most single significant factor.

Mr. Schreyer: Mr. Chairman, I have four questions. I will try to get through them as quickly as I can. Mr. Mann, if you have not already done so, could you now indicate in a very approximate way—I realize you would not have the exact figures—what percentage of the total cargo tonnage that moves through your facilities now goes by way of containerization?

Mr. Mann: It is still a very minor part, sir. I do not think we have the exact statistics handy. We could make a stab at it, if that is all right. Can we take this as a question?

Mr. Schreyer: Yes. All I really expect is a rough approximation.

Mr. Mann: At this juncture we can say generally that it is minor as compared with the ordinary, conventional cargo.

Mr. Schreyer: Are you hopeful that it will increase dramatically?

Mr. Mann: It is not a matter of hoping, sir. It will increase.

Mr. Schreyer: Thank you.

Mr. Mann: There is no way out.

Mr. Schreyer: I noticed in a press release from the office of the Minister of Transport that a survey was made a couple of years ago of West Coast commodity movements through your facilities. I further understand that the total cargo tonnage moving through the Vancouver facilities is expected to double in about 12 years.

Mr. Mann: Yes.

Mr. Schreyer: That being so, what program of capital construction do you have presently underway there?

Mr. Mann: The cargo survey was a survey of all commodities. Just so there will not be any confusion on the record, this was not only with regard to general cargo, and therefore its significance in containerization, but it was with regard to general cargo in foreign trade, bulk cargo in foreign trade and all cargo in domestic trade. I just wanted to make it clear that we are in the same ball park on this.

The forecast showed that there was going to be a very rapid growth in bulk movements through the port complex of Vancouver. The outlook for grain particularly seemed good. The outlook for potash, although we seem to have run into a temporary down on that, was optimistic. Sulphur was one of the leading growth commodities and coal was mentioned prominently. It is interesting—if I may digress for one second—to see how one has to watch these economic forecasts. The forecast was that by 1975 we could expect the export of about 5 million tons of coal through the port of Vancouver. We think we will reach this figure by the end of 1970 and we have to adjust our upward targets quite considerably because of the bullishness of coal export situation in the Vancouver context.

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In response to that a number of developments have taken place. We now have bulk capacity in Burrard Inlet which is highly modern and highly capable. We also have grain capacity which has recently been augmented—this year in fact—by the latest Canadian elevator built by Saspool on a site leased by the National Harbours Board. This is a very modern terminal and it is built along the same lines as our No. 4 terminal in Montreal. We also have commenced construction of an outer port complex at Roberts Bank. This is well underway and I think it is rather interesting to recall that we let the contract in May, I believe. Is that correct, Mr. Stratton.

Mr. Stratton: Did you say "Roberts Bank"?

Mr. Mann: Yes, Roberts Bank. At the end of April we let the contract for the creation of 50 acres of land three miles out to sea and a connecting causeway to the uplands. The work has gone so well that by now the 50 acres are complete and they are working on the causeway. I think there is just a little bit more to do on the 50 acres. To show you how quickly this can be done, the first coal for export to Japan should move over that facility from the Fernie-Michel area by December of 1969 or January of 1970 at the latest.

Mr. Schreyer: Thank you. If you are in fact proceeding with construction at Roberts Bank—if this is not too sensitive an area—has this problem with the government of British Columbia as to jurisdiction been resolved?

Mr. Mann: There are no arrows flying, sir, and no bombs planted, and we have had discussions with the Province of British Columbia. In fact, we are now constructing a causeway over land to which the Province of British Columbia holds legal title, and we have an arrangement with the Province of British Columbia on this matter.

Mr. Schreyer: So as far as the National Harbours Board is concerned there is no problem of jurisdiction or otherwise at Roberts Bank.

Mr. Mann: There is a problem of the final resolution of the matter, which becomes a government policy matter. Meanwhile we, as the hired hands, are proceeding to provide the West Coast with an export harbour for Canadian coal, which is part of a contract requirement. We cannot wait.

Mr. Schreyer: If you are proceeding in this way, Mr. Mann, what is left to be resolved? You say that the final resolution must still be made.

Mr. Mann: As the Minister of transport has repeatedly mentioned in public, the question of administration of Canadian harbours is under intensive study and I should think that this particular Roberts Bank problem is a very good one to be resolved within that context.

Mr. Schreyer: Can you say in a general way whether the National Harbours Board is making as intensive an effort in the Vancouver harbour area to provide for containerization as it is in the East Coast ports?

Mr. Mann: I would think so, sir, bearing in mind the uncertain nature of the demand for a container movement between Japan and say we will have containers but it is not quite so easy to substantiate the statement quantitatively. From what we know there will be a container movement between Japan and

Vancouver starting in the near future. But this movement is not necessarily one in full cellular hold container ships but may very well turn out to be a movement which is a combination of containers and conventional break bulk services, and for that you require a facility that is somewhat different from the full-scale container terminal. And this is what we are providing.

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Mr. Schreyer: Is it correct to say that your financial statement for each year's operation alternates, with one year a slight operating loss and the following year a surplus balance?

Mr. Mann: We are very fortunate, Mr. Schreyer, to have as a member on our Board a chartered accountant, and I would dearly like to turf this question over to my good friend, Jack Lloyd.

Mr. J. E. Lloyd (Member of the Board, National Harbours Board): The changes, of course, reflect differences in revenues and expenditures, and the Harbours Board has addressed itself to the problem of how we can improve this information. To that end we hope to be able to provide more comprehensive financial statements in the future.

Today's planning conditions, Mr. Schreyer, I think you will agree demand a different approach perhaps from that developed in the past. Almost two years now have been spent on that aspect of the management problems of an organization of this kind. This has to do with loaned boats, for example. It has been the practice to lend boats or moneys to harbours. Obviously if you lend boating moneys to harbours where there is not sufficient revenue to pay interest then up accumulates the interest and up goes the deficit figure. And to the layman looking at these figures there tends to be some confusion as to its significance.

The Auditor General has had comments on this subject in his annual reports and at the last meeting of the Public Accounts Committee he undertook to find solutions to that problem. How should the capital be provided to the National Harbours Board? We are about ready now to carry on discussions with the Treasury Board officials to reach a conclusion on that subject.

We should say, Mr. Chairman, that the Board did start out with every harbour it inherited with tremendous arrears of interest There were some partial write-offs and there was a policy of trying to build up replacement funds at the same time. This became unrealistic as time went on, so that it is a little premature to analyze what has happened except to say that there are changes to be made in the method of reporting.

If you want any specific explanation on any specific point I will be happy to deal with it now.

Mr. Schreyer: No. My question was prompted by the fact that in 1966, after allowing for depreciation and interest costs, your net operating position was $1.2 million deficit. I was wondering whether in this year it has changed substantially one way or the other. That is for the year in which the estimates are before us.

Mr. Lloyd: Dealing with 1967?

Mr. Schreyer: Yes.

Mr. Lloyd: If you take the over-all expenditures you find, for example, that Vancouver shows an almost break-even position—a little better perhaps for 1967. You find that Montreal is about four years in arrears in interest which runs about $4 million a year and then you find that the remainder of the ports except Trois Rivières, Port Colborne and Port Prescott, which are grain elevator ports, except for those three, the rest of them are all in deficit positions. In fact, Halifax and St. Jean, Quebec, are not paying any interest whatsoever. But the interest is shown as an expense. Obviously if you have drawn your accounts to show huge capital loan liabilities and do not adjust them to reality, you keep on accumulating these interest charges, and the deficit just gets bigger and the interest arrears get bigger. What you have in a consolidated statement is just precisely that: you have a net figure. You have to look at each port to understand the significance of the income earning capacity, if you like, or the deficit incurring situation at each unit.

• 1210

Mr. Schreyer: Mr. Chairman, if you will allow me one more question I will then pass.

The Chairman: Yes, go ahead.

Mr. Schreyer: Mr. Mann, can you explain the case of the port of Churchill. It had a good reputation over the years for having a very short period of turn-around time—short periods of delay. The shipowners were quite happy. But in the last two years or so this

good reputation has slipped somewhat. There have been more lengthy delays, longer turnaround times. Can you say why this has happened?

Mr. Mann: I do not quite know whether that really is so, Mr. Schreyer, and I am not casting any aspersions on your statement...

Mr. Schreyer: Well, I am only going by reports.

Mr. Mann: Yes. I think one of the things that should be borne in mind is that the nature of vessels that present themselves—and this can be readily ascertained from the number of vessels we get—is changing. Instead of getting the smaller vessels that used to carry the grain, we are now getting very much larger vessels and these, by the nature of things, take a bigger load and stay in port a little longer. Whether the statement was based on that or not I cannot tell you.

Mr. Schreyer: I take it from your answer that the problem, if it does exist, is not so severe that it has been brought to your attention.

Mr. Mann: We have been able, Mr. Schreyer, to ship out of Churchill every bushel of grain that the Wheat Board has been able to sell, or offer for sale, through Churchill and for which sales were made. The port has not suffered because of anything inherent in it. We have fulfilled our requirements in so far as the Wheat Board is concerned.

Mr. Schreyer: Thank you.

The Chairman: Mr. Bell.

Mr. Bell: Mr. Chairman, I want to explore this business of the establishment of container facilities and its relationship to the National Harbours Board. Many of my questions have been asked, and asked quite well, by previous questioners.

First of all, I would like to say that I have always felt that the National Harbours Board—just so that I will not be misunderstood—has always been quite fair in not preferring one port over another, particularly where you have this unique competitive situation in eastern Canada. But I do want to satisfy myself that at least in these new modern moves which may mean the life and death of the ports, the Harbours Board is being scrupulously fair in these arrangements that take place.

First of all, Mr. Mann, in just going over what you have said, am I right in assuming that generally speaking a particular steamship line, probably the leader of a consortium—and you have mentioned CPS in the case of Quebec and the Manchester lines in Montreal—will decide for various reasons that it likes a port for what it has in mind and it comes to the National Harbours Board and says: "What have you to offer? Let us sit down and talk business." I believe that that is substantially right; that there is generally no previous other contact.

Then what part of the matters that they are concerned in would you talk about? For example, how important is the availability of your services? How about wharfage rates? How about labour? Can you give us a little more detail there, please?

Mr. Mann: I can make a stab at it. Monsieur le président. Let us come to the concrete case that Mr. Bell referred to. Since there have been enough press statements about the matter we would have no hesitation in saying here that interest has been evinced by a container service by a consortium consisting of Clarke Traffic Services, a Canadian company; Bristol City Line, a British company; and Compagnie Maritime Belge, a Belgian company, in a container service using one of the two Atlantic ports under our jurisdiction as a stop-off point on the way to the United States.

The companies involved are conscious and aware, and have been made aware, of the existence of physical facilities for the handling of containers and we are currently discussing with the steamship interests, with involvement of local groups in Halifax and Saint John, the very naughty question of how the rabbit should run.

Mr. Bell: There has not been any decision yet?

Mr. Mann: There has been no decision as of 12.14 p.m. of this day.

Mr. Bell: Well, this leads me to repeat my question. After these initial examinations have been made by them, they come to you people and you talk to them. First of all, is there a final agreement signed? What kind of agreement do you sign for the use of the wharves? I do not exactly understand this agreement. Can you give me an idea of the agreement that you sign, in general terms, in Montreal and Quebec City? Let us get away from Halifax and Saint John because we are

friendly rivals—at least the members of Parliament are.

• 1215

Mr. Mann: I cannot tell you, Mr. Bell, what agreement we have signed in Quebec City because we have not started the final negotiations or even the initial negotiations with Canadian Pacific. We have had some preliminary talks, but there have been no negotiations on any agreement.

In Montreal, as can be witnessed by the fact that the first containership has already been called, we have an agreement with Manchester Liners, and this is for the lease of the facility and it is a long-term lease.

What needs to be done obviously in the case of one or the other of the two Atlantic ports under our jurisdiction, Halifax and Saint John, is to come to an agreement following a determination by the users of which port they want for the use of a container terminal. What we must do, and must be sure we do, and are in fact doing, is to be absolutely certain that any conditions we want them to meet are on all fours with regard to those ports, because this Board certainly will not—and I want to emphasize this very strongly—will not discriminate between either Halifax or Saint John. Our offer will be fair for both ports, and will be on all fours insofar as both ports are concerned.

Mr. Bell: Are you involved in any way in railway rates, rates of any kind other than the wharfage? I assume the wharfage is not a factor: they are set rates.

Mr. Mann: No. As a Board we are not and cannot be involved in the railway rates.

Mr. Bell: And can you tell me what you said about the cranes? Is your policy one of no cranes at the moment, or have you any information in that regard about the future?

Mr. Mann: I am sorry...

Mr. Bell: What did you say about che connection of National Harbours Board and cranes?

Mr. Mann: Cranes?

Mr. Bell: Yes, cranes.

Mr. Mann: I am sorry, you had me on trains there because of railway rates. The policy of the Board is that, unless the company chooses to finance it, which is the European pattern, we will make available a crane and lease it to the company operating the service, and hopefully get our money back over a reasonable period of time.

Mr. Skoberg: Who requested the crane at Saint John which was turned down by the National Harbours Board?

Mr. Mann: We had a meeting with a number of local interests—it was a very constructive meeting—in Saint John some little while ago at which the province and the city were also represented, and which a request was made to us to build a container crane. At the end of the that discussion, there was quite general consensus that it was rather difficult to do this unless there was some reasonably anticipated demand for it. I read earlier the policy of the Port of Hamburg on this, and our policy is no different.

At the time the request was made to us there was not even a nibble of a service, and it was represented to us that if we put the crane up it would attract the traffic. This does not necessarily follow. Had we had the crane up in Saint John it would not necessarily have made any difference to Canadian Pacific in its choice of Quebec as the terminal for its service, which was arrivd at quite independently of the existence of a crane, and was indeed decided before any crane existed in Quebec.

• 1220

So it was this—it was not the refusal to build a crane. It was an attempt by us to communicate to the people in Saint John that you just do not build these things in thin air. You must have some reasonable expectation of a demand for it. It does not mean you have got to have it signed with a double signature and an ironclad guarantee, but it does mean that you should have some hope that this monumental structure you build will be used, and at that time we did not have that hope.

Mr. Bell: In other words, a crane at the moment is not a factor, a major factor, in the negotiations. Would you agree with that Mr. Mann?

Mr. Mann: I beg your pardon.

Mr. Bell: The availability of a crane is not the major thing at the moment in these negotiations.

Mr. Mann: Not at all.

Mr. Bell: Well, I will try to sum up what I have been questioning Mr. Mann on. I have

had absolutely no experience at all—very few have had—but I see three major factors when a consortium is faced with deciding on a port. There are the facilities, of which you are the major supplier; there is a labour factor; and there are the general transportation costs.

I do not know whether that is fair, but these are the three major things, and you have told us here today and past experience has certainly born it out, that you cannot prefer one port over another, and you really are offering apart from some geography and this and that, almost the same facilities in each port. So if there is competition—and of course when the St. Lawrence comes into competition with Halifax and Saint John there are many other factors—but if there is competition between these ports, it is merely a case of a labour problem as much as anything, and the insurmountable transportation costs and rates. In other words,what you are trying to say is that you are out of the picture once you have set up your facilities and made the offer.

Mr. Mann: Yes. If we have facilities available which serve the trade that demands them, then really the trade must make up its mind on the combination of factors that you, Mr. Bell, have pointed out, namely the cost to the steamship company of reaching port A vis-à-vis port B, the labour situation at port A vis-à-vis the other, and the inland rate and service factor from one port vis-à-vis another.

Mr. Bell: Would you foresee the time when all your ports will have these container facilities about which we have been talking?

Mr. Mann: When all ports will...

Mr. Bell: When all your Eastern Canadian ports will have some of these containers?

Mr. Mann: I do not think that all ports will have container facilities. This, I think, is why the interest is so very great, and legitimately so very great, because we are in a new ball game.

Now, again, there are different schools of thought. There is the loads centre school of thought which says that only a couple of ports on the North American continent will attract everything. Proof? None.

There is the other theory that points out that in the European context most major ports have attracted at least one major container service. That is an empirical proof. Now, how that is going to look in 1985 I do not think any one of us can say, but we do know this—and we, on the Board, are very conscious of it—that we must go on with our efforts to provide container facilities that can be offered to steamship companies and that we must do so in co-operation with the steamship companies and the inland carriers. Because, as we mentioned earlier, this is a systems approach we are now talking about. The unilateral decision of a port authority is completely insignificant.

Mr. Bell: Then it is a fact. The one that gets the initial early start in these container facilities will be in a position to get into the large land—bridge concept of bulk containerization? Or do you think that that is something different?

• 1225

Mr. Mann: You have just used a new concept, Mr. Bell, that of the land—brige. With your permission, sir, I will come back to that in one second.

The Chairman: Go ahead.

Mr. Mann: It is not necessarily so, that a port that gets a container service in 1969 or 1970 is going to be the only port that is going to have that. If that were so, Canadian Pacific, knowing full well what Manchester Liners plans were for Montreal, would have gone to Montreal. The proof of the pudding is right there. They have chosen not to go to Montreal. They have chosen to go to Quebec.

It therefore follows that if you have a...I should not be so didactic. It could be the case, Mr. Bell, that if one Atlantic port gets a container service in 1969 or 1970, the other one might very well get one in 1971. Because it may be to the advantage of another consortium of steamship companies, running cellular-hold ships in a full container service, to prefer the other one.

Mr. Bell: We are talking about the future, but I think it is important, Mr. Chairman. I find myself confused.

You are going to have three containerized ports in Eastern Canada, one in Montreal, one in Quebec City and one in Halifax or Saint John. At least you are going to have these, and I think it is reasonable to assume there will be more.

Mr. Mann: We are going to have three container facilities. That is not to say that we have three containerized ports. Because, coexisting with container movements, will be

conventional break bulk movements and also side port movements. You have this co-existence.

Mr. Bell: At most, then, if there are only three of these types of facility ports, all you have done is that you have knocked out one. There has been no decision on whether it is going to be Montreal, Quebec or one of the other two. It is just the case that one, Halifax or Saint John, will have been knocked out of the race, and it will still go on for the big future business.

Mr. Mann: Yes; and I do not know that you can say that it has been knocked out. For the purposes of the concrete traffic that we can now see—and we are talking about the consortium traffic that I mentioned earlier—there is a race on now between Halifax and Saint John. I do not think we can unilaterally say go here or go there.

Mr. Bell: No; and I do not want to start that. All through the years we have always competed in various ways; and there are differences in types of cargo, and so on.

However, I will leave the questioning, and I wish to thank Mr. Mann for this answers.

I do suggest that, as it is shaping up now, indirectly, perhaps the National Harbours Board cannot do anything about it; but by not doing anything it may be that one national port for which you have responsibility may be left out of this business.

I do not know where that leaves your final responsibility and authority, but probably this matter of ports is all under review anyway.

Mr. Mann: It is difficult to see what one can do. Does one bring into being two fully containerized facilities at Halifax and Saint John and then hope that, *expost facto*, a company will use them; and, meanwhile, if it does not work out that way, one of these facilities would be used—and, moreover, has been, in a sense, tailored to the demands of a particular service and may not be responsive to the demands of another one? Is that the course of action we should follow?

Mr. Bell: I do not know. I do not criticize the National Harbours Board as much as others who have said that you have not done enough in the promotional field; but by not doing anything you have caused provincial governments and cities and everybody else—the lines themselves—to be involved in facilities, and this may turn out to the detriment of ports that were supposed to be getting equal treatment under this...

• 1230

Mr. Mann: I have a little problem, Mr. Chairman, with the phrase "by not doing anything". I do not quite know...

Mr. Bell: By not building up facilities in one port more than the other, if you like. Undoubtedly, we have lost some international business to the United States because we have not preferred one port over the other.

Mr. Mann: Mr. Bell, we have had available in Saint John for, I believe, five years, Long Wharf, and when we built the shed on it we built a 50 foot apron, against the opinions of some of the local people. We did that because we thought that when container movements came about we would have enough room to put a container crane in front of that and use the wharf and the shed as a break bulk shed. We looked forward that far.

That has been in existence for how long five or six years?

Mr. L. R. Stratton (Chief Engineer, National Harbours Board): Roughly five years.

Mr. Mann: This has been known, and yet no container service has offered.

In addition to Long Wharf, which I think has roughly 11 acres, we now have available the Pier 1 Navy Island site with a total of 17 acres, which is more than ample for any container facility; and this is known.

We found, when dealing with the container facility for Manchester Liners in Montreal that our engineers had to work very closely with their engineers and operational people in order to provide a facility the traffic flow of which was geared to optimize that operation.

You cannot just build these on a mass production basis, because the service requirements are different. The Manchester Liners ships will have a capacity of 500 containers; the ones the consortium talks about are very much larger than that; so obviously the design requirements are different.

What we have done, and done repeatedly and frequently and intensively has been to point out to steamship companies the availability of these sites.

Mr. Bell: That is fine, Mr. Chairman. In many years, I am glad the National Harbours Board has not decided on one big eastern

Canadian port, but I am simply saying we may have to pay a price internationally by having at least three now still in this competitive field.

Mr. Mann: I do not think we will, quite frankly. The United States has gone the same way, and so have the Europeans. You could theoretically make a case for the European Common Market to concentrate on one port, be it Rotterdam, Antwerp, Amsterdam or Hamburg. They have chosen not to do that. As a consequence, there are container facilities built at each one of them, and at Rotterdam and Antwerp all that the port authority does is to provide a wharf and an area and say to private enterprise, "Be our guests. We will lease it to you. You pay for the cranes, the sheds, the van carriers, and so on". They have no involvements in this at all. That is it. And it is private enterprise that does these things.

Mr. Bell: Thank you, Mr. Chairman.

The Chairman: Mr. Hogarth?

Mr. Hogarth: What is the present projected size of the part of Roberts port now being constructed?

Mr. Mann: The first phase has a site of approximately 50 acres, with a causeway connecting it to the uplands.

Mr. Hogarth: What is the projected cost?

Mr. Mann: The contract for phase one was three million, eight hundred and forty-two thousand and some odd dollars.

Mr. Hogarth: Where did that money come from?

Mr. Mann: The money was furnished by the National Harbours Board.

Mr. Hogarth: Was any other port budget depreciated because of that cost? Was it taken from the port of Vancouver's budget?

Mr. Mann: I might say, Mr. Hogarth, that the Port of Roberts Bank is part of the Port of Vancouver, so it was . . .

• 1235

Mr. Hogarth: Was it taken from that part of the port of Vancouver that is in the city of Vancouver?

Mr. Mann: Yes, it was taken out of our consolidated funds for port of Vancouver.

Mr. Hogarth: What is the projected depth of Roberts port?

Mr. Mann: Sixty-five feet below low water.

Mr. Hogarth: How many harbours in Japan have a depth of 65 feet?

Mr. Mann: Very few at the moment.

Mr. Hogarth: Are there any?

Mr. Mann: We have not got the up to date list, sir, but we do know that the companies receiving the coal that is under contract from the Fernie-Nichel area, people like Yawato Steel, and so on, will have available . . .

Mr. Hogarth: Will it have a depth of 65 feet?

Mr. Mann: It will have a depth of approximately that.

Mr. Hogarth: How many ports on the East Coast of Canada are projected to have a depth of 65 feet?

Mr. Mann: Halifax now has a depth of over 70 feet. I think that is about the major port, and we have sites available at other locations that have that depth.

Mr. Hogarth: Are you planning building at those sites?

Mr. Mann: If there is any reasonable demand for it, sir, we will.

Mr. Hogarth: I see. Are there any plans now to do it?

Mr. Mann: Not at the moment. There is no problem at Halifax because it is already in existence.

Mr. Hogarth: Has an agreement been entered into by the National Harbours Board with the Kaiser Steel Corporation for the operation of Roberts Bank?

Mr. Mann: There have been discussions about such an agreement; the agreement has not yet received the approval of the Government of Canada.

Mr. Hogarth: Have proposals been made by the Kaiser Steel Corporation concerning the operation agreement with respect to Roberts Bank?

Mr Mann: Yes.

Mr. Hogarth: What is the proposed term?

Mr. Mann: Mr. Chairman, I am in your hands. Certainly it is not the wish of the Board to hold anything back, but the documentation concerning the discussions between the Board and Kaiser Coal Canada Limited is before the Governor in Council now. Whether we are permitted under these circumstances to talk about it, I am not sure.

Mr. Hogarth: The House made an Order three weeks ago that allowed for the tabling of these documents and I submit there is no privilege with regard to them.

Mr. Mann: Mr. Chairman, perhaps this is a matter that should be directed to the Minister.

Mr. Hogarth: It is an Order in the House to table these.

The Chairman: Yes.

Mr. Hogarth: Therefore, I think I can inquire from this witness what those documents might contain, if they ever get filed. What is the proposed term in those agreements?

Mr. Mann: Mr. Chairman, I am sorry, I am in your hands. The propsed term...

Mr. Hogarth: I want to know, what is the proposed term of the occupation of Roberts Bank port by the Kaiser Steel Corporation in the proposal that is at present before the government.

Mr. Mann: Let me assure you first of all that we are not trying to evade anything because I do not think we have anything to evade.

Mr. Hogarth: Of course not, so that is the proposed term?

Mr. Mann: Now, second—may I?

Mr. Hogarth: Yes, by all means.

Mr. Mann: Second, we have not at this point got the approval of the Government of Canada for the discussion that we have had with Kaiser Coal, so even if one said that the proposed term was X years and the Government of Canada does not sanction this sort of thing, we really are dealing with...

Mr. Hogarth: I want to know what the proposed term is that they might or might not sanction.

Mr. Mann: Mr. Chairman, if I am directed by the Committee to give this information I will, of course, be in the hands of the Committee.

Mr. Hogarth: I ask, Mr. Chairman, whether the Committee is entitled to have this information? I suggest it should be.

The Chairman: If there is an Order in the House I do not think Mr. Mann is obligated to answer this question.

Mr. Hogarth: With respect, Mr. Chairman, the documents have not yet been filed despite the fact that the Order was made some weeks ago, and it is my submission that if they are not going to file the documents in due course I can at least ask this witness what he knows about it. There is no privilege that I can think of, none whatsoever, and Parliament is entitled to know these things.

The Chairman: Yes, I know. Is it the opinion of the Committee that Mr. Mann should answer this question?

Mr. Hogarth: There is only one Order under dispute and that is the confidential memorandum between the government employees and the Minister, but the orders were made on the motion of Mrs. MacInnis and on the motion of Mr. Rose and all documents were to be tabled, with the exception of the confidential ones. I am not asking about any confidential documents. I want to know what Kaiser has proposed.

• 1240

Mr. Mann: We are dealing at this juncture with a document that is before Council. Now, whether or not that is a confidential document perhaps is a matter for determination by the law officers of the Crown.

The Chairman: So far as I know there are no confidential documents involved in this.

Mr. Hogarth: No proposal by the Kaiser Steel Corporation to the Government of Canada could possibly be confidential. I am not saying that anybody is to reveal what advice has been given.

The Chairman: Mr. Allmand?

Mr. Allmand: Will this Committee reconvene on Harbours Board matters after lunch or later or do you intend to finish everything by noon?

The Chairman: We would like to finish this by 1 o'clock, if it is possible.

Mr. Allmand: I see; I was going to say that if we were not going to finish perhaps you as Chairman could take this request under advisement, but if you are going to finish by noon you had better make a decision right away.

The Chairman: If the Committee agrees, I think you could answer, Mr. Mann, to the best of your ability as you have done so far.

Mr. Mann: Is that a direction of the Committee, sir?

The Chairman: Do you all agree?

Mr. Allmand: Mr. Chairman, I for one would abstain because I am not familiar with the document in question, and if there is some dispute I do not consider myself competent to vote on that particular question.

The Chairman: To tell you the truth, I am not very familiar myself. I am putting this to the Committee, and if all the Committee are in favour I would let Mr. Mann continue and give his answer.

Mr. Lessard (LaSalle): Mr. Chairman, I do not think we could force anyone. I think we should follow the idea of Mr. Allmand to leave it up to you to inquire at noon whether you could allow Mr. Mann to give this information.

The Chairman: Mr. Skoberg?

Mr. Skoberg: Mr. Chairman, Mr. Mann said this is confidential information and naturally he will not give it. If it is not confidential then we are entitled to an answer here and now. There is only one way of looking at it, either it is or it is not. Now, if has been tabled as such and the question, in my opinion, should be answered right here, but I believe it is up to Mr. Mann to say whether this is confidential or not.

Mr. Allmand: Mr. Chairman, there is also the point that Mr. Hogarth brings up that there has been an Order for return. I am not familiar enough with the Order for return to know whether it refers explicitly to these particular documents.

Mr. Hogarth: It refers to documents in general.

Mr. Mann: Perhaps I will describe the situation as it exists and then the Committee can determine the confidentiality or otherwise of it. The situation as it exists now is that officers of the National Harbours Board have had discussions with officers of Kaiser Coal Canada Limited concerning a lease of property on Roberts Bank in Vancouver. These discussions have led to some conclusions by the two parties that have been embodied in a document now before the Governor in Council.

Documents before the Governor in Council are clearly labelled "Confidential", and "Property of the Government of Canada". The fact of the matter is that as of now the Governor in Council has not issued an Order in Council, so one could make the deduction that until such time as an Order in Council exists there is no agreement between Kaiser Coal Canada Limited and National Harbours Board because we have no capacity to make such an agreement. It could therefore be well the case that if the Governor in Council so directs we must re-open negotiations with Kaiser Coal or forget the whole thing.

At the moment the only document we have is one clearly labelled "Property of the Government of Canada; Confidential to the Governor in Council". This is the factual situation. We have no wish to hold anything back, but I wonder whether this is not a matter which should be put either to the law officers of the Crown or to our Minister for determination. I feel that our capacity to act on Mr. Hogarth's request is somewhat restricted, with all due respect, Mr. Hogarth.

• 1245

The Chairman: Does this give you the explanation?

Mr. Hogarth: No, sir. I cannot see any privilege connected with these proposals at all. I think we are entitled to have the information pertaining to the negotiations, what the proposed term is, what the proposed rent is, what restrictions are on the use of this port, what options to renew might be in this lease and what options they have on other lands other than the acreage that Mr. Mann has described. I think that Parliament is entitled to know these things, and I can see no privilege connected with it at all.

Mr. Mann: May I make a suggestion, Mr. Chairman, that might be helpful. If it is acceptable, the problem could be put to the Minister of Transport and if we are authorized so to do we will be more than happy to supply the answer in writing and to subject ourselves to any additional questioning by the Committee. We would be delighted to do that.

This might provide a solution to the problem that we are facing now.

Mr. Hogarth: Mr. Chairman, I take the position that the disclosure of these documents should not be left to the discretion of the Minister of Transport. This is a Committee of Parliament, we are inquiring into the operations of the National Harbours Board, and I think we are entitled to know all aspects of its operations, including the nature of these negotiations and what draft agreement has been put forward.

The Chairman: Would you permit your Chairman ample time to get advice on this.

Mr. Hogarth: Of course.

Mr. Allmand: So that we will not waste time, could I suggest that we reconvene at two o'clock, a half hour before Parliament sits to dispose of this one point. This will give the Chairman time over the lunch period to take this point under advisement. But let us finish up the rest of it now.

The Chairman: Is that all right?

Mr. Hogarth: I am quite agreeable to the witness getting advice but I will never be agreeable to his withholding the documents.

In any event, Mr. Mann, you were quoted in the Vancouver *Sun Province* on either April 8 or April 9 of this year to the effect that there would be one communication channel between the mainland proper and Roberts Port. Was that a correct quote?

Mr. Mann: This was our hope and policy—to the extent of course that we cannot influence that; it is beyond us. We felt, and we made it quite clear at the time, that we wanted to avoid a multiplicity of communication channels to the port.

Mr. Hogarth: Yes, I appreciate that. I am merely asking if you were correctly quoted along that line.

Mr. Mann: I have not the quote in front of me sir, as I—

Mr. Hogarth: I say that you were quoted to the effect that there would be one communication channel between the mainland proper and the port. Is that a correct quotation?

Mr. Mann: Yes, inasmuch as this pertains to the land under our jurisdiction, which is the causeway, there will be one communication channel to the port.

Mr. Hogarth: You were further quoted in the same article as saying that there would be consultations with the lower mainland Regional Planning Board before that channel was determined. Was that a correct quote?

Mr. Mann: I do not know.

Mr. Hogarth: Does it appear inconsistent with what you said at the time?

Mr. Mann: I do not think so, because...

Mr. Hogarth: I am sorry, witness. Why would the lower mainland Regional Planning board be particularly interested in the location of the causeway which is only a few hundred yards long?

Mr. Mann: They are not.

Mr. Hogarth: No, so your reference was, was it not, to the whole communication channel to the port through the lower mainland?

Mr. Mann: That was the hope that we expressed at the time.

Mr. Hogarth: What communications or consultations did the National Harbours Board have with respect to the location of that channel?

Mr. Mann: We had no direct consultations with the lower mainland Regional Planning Board on the channel itself for the very simple fact...

Mr. Hogarth: All right, I just want yes or no answers so we can get through this quickly. Do you have any communications with them at all?

Mr. Mann: With all due respect, if I may, I realize that yes and no answers are easy but they are also perhaps somewhat misleading.

Mr. Hogarth: All right, if you wish to qualify, go ahead.

Mr. Mann: I am not qualifying, I would like to explain if I may. The location of the railway line—and this is what we are talking about...

Mr. Hogarth: Yes.

Mr. Mann: ... is not one within the determination of the Nationa Harbours Board. We can only go as far as the port facility. We can go one step further, and we have gone one step further, by expressing a hope that there would be an efficient communication channel—preferably one—to that port.

• 1250

Mr. Hogarth: If it was not something over which the National Harbours Board had any authority, why did you suggest in April that the lower mainland Regional Planning Board would be consulted?

Mr. Mann: As I said, I would have to see the thing in its context.

Mr. Hogarth: Perhaps we can get that at two o'clock too.

Mr. Mann: Yes, perhaps we can.

Mr. Hogarth: Tell me why it is that the jurisdictional question as between the province and the federal government was not settled before Roberts Bank Port was built?

Mr. Mann: I cannot tell you that because presumably conversations have been taking place between the province and the federal government on this matter and no conclusion was reached.

Mr. Hogarth: But why was it not settled before the port was constructed?

Mr. Mann: I suppose one or the other, or both parties were not able to come to a settlement. I think that is the factual explanation of the thing.

Mr. Hogarth: Is it not so that the federal government has moved into the expenditure of these millions of dollars in a questionable area of jurisdiction?

Mr. Mann: In the opinion of the law officers of the Crown the jurisdiction was not questionable, Mr. Hogarth.

Mr. Hogarth: I see. Then there is no problem between the federal government and the provincial government in the federal government's eyes with respect to who owns or who is going to operate this port.

Mr. Mann: There is no problem in the opinion of the law officers of the Crown in the proprietary rights of the Government of Canada for the area in which the port facilities—that is, the 50 acres—are located. I am sorry, let me correct myself: There is no problem equally with regard to the property rights over part of the causeway, namely that part that lies between low water and high water. That is clearly within provincial proprietary rights other than any existence of private rights that may be there.

Mr. Hogarth: Where does the problem arise?

Mr. Mann: The problem arises in coming to a final agreement on the area between low water and high water. That is the chief problem in so far as we are concerned.

Mr. Hogarth: And why was that not resolved before the port was built?

Mr. Mann: I cannot answer that. It was just not resolved. Discussions were not fruitful.

Mr. Hogarth: Suppose they end up adverse to the federal government's position, what effect will that have on the port?

Mr. Mann: I am sorry, sir, but that is a hypothetical question and I cannot answer it.

Mr. Hogarth: Well that is a simple question, Mr. Mann.

Mr. Mann: I cannot answer it.

Mr. Hogarth: If they are determined to be entirely within the provincial jurisdiction what effect will that have on the operation of this port?

Mr. Mann: It will have the effect which will result from the determination of a policy by the Government of Canada which I am not familiar with and none of our Board is familiar with at this point because it has not been made.

Mr. Hogarth: What is the maximum coal capacity for shipment from the Vancouver city harbour?

Mr. Mann: For coal?

Mr. Hogarth: Yes.

Mr. Mann: We would have to get the information, Mr. Hogarth.

Mr. Hogarth: Could you do that for me?

Mr. Mann: Could we have your question rephrased, Mr. Hogarth?

Mr. Hogarth: I want to know what amount of bulk coal could be shipped from Vancouver city harbour.

Mr. Mann: Yes.

Mr. Hogarth: I mean what its capacity is for the shipment of bulk coal?

Mr. Mann: I can tell you now it is a little difficult to answer because you are putting it

on bulk coal rather than bulk cargo. We have bulk cargo figures but I do not think, sir, that we have the bulk coal figures.

Mr. Hogarth: They could be obtained, could they?

Mr. Mann: The bulk cargo is I think what you are probably interested in.

Mr. Hogarth: I am interested in coal.

Mr. Mann: Yes.

Mr. Hogarth: Bulk coal shipments from the Vancouver city harbour.

Mr. Mann: I do not think we have the coal breakout.

Mr. Hogarth: Are you telling us that Roberts port was built without knowing how much capacity the Vancouver city harbour could handle?

Mr. Mann: Not at all, sir. What I am saying or perhaps should have said a few minutes earlier, and I am sorry I am a little late in this, is that it was part of the contract between the Japanese coal buyers and the providers of the coal, namely Kaiser Coal Canada Limited, that a port at Roberts Bank be available for the shipments. It was in response to that . . .

• 1255

Mr. Hogarth: The result of that is that the Japanese dictated the construction of Roberts Bank port.

Mr. Mann: That is an inference which you are drawing, sir.

Mr. Hogarth: That is a fair inference, is it not?

Mr. Mann: I do not know whether it is fair or not. It is a fact that the port is being built in fulfillment of a contract.

Mr. Hogarth: Why could they not ship out of Vancouver harbour? What reason did the Japanese give?

Mr. Mann: The reason that they gave was that they would have ships which would draw in excess of the currently available draft at first narrows. Also, they actually did not want to go beyond the second narrows and since the shipment originated on the Canadian Pacific Railway there may have been a connection between the fact that the north shore of Vancouver is served by Canadian National Railways and Port Moody is served by Canadian Pacific Railway.

I was not privy to the conversations and the negotiations so it is very difficult for us to say what the exact reasons were.

Mr. Hogarth: Mr. Chairman, I will return at 2 o'clock with regard to the questions pertaining to the Kaiser Agreement.

Are you privy, sir, to the agreement between the railway companies with respect to the operation of this port?

Mr. Mann: No.

Mr. Hogarth: Have you any knowledge of it at all?

Mr. Mann: I have heard about it.

Mr. Hogarth: Do you know what it contains?

Mr. Mann: I have a rough idea, sir.

Mr. Hogarth: Do you take the same position on that agreement as you have with respect to the Kaiser Agreement?

Mr. Mann: It is even worse, because it is not even an agreement to which we are a party.

Mr. Hogarth: I appreciate that, but I am asking about things of which you have knowledge. Is your position with respect to that agreement the same as the position you have taken with respect to the Kaiser Agreement?

Mr. Mann: I would think that it would have to be, sir. Apart from that I would be talking from an incomplete knowledge, and it might be more useful to the Committee to have as witnesses officers of the railway companies concerned who can give more authoritative information.

Mr. Hogarth: I think we would determine from the little that we can learn of it from you as to whether we should pursue the matter further. Would you seek advice on that, too, during the noon hour recess?

Mr. Lessard (LaSalle): Most of my questions were asked by Mr. Bell, but I would still like to ask one question of Mr. Mann regarding the National Harbours Board. Do you have any plans to increase the winter traffic at the Harbours Board in Montreal?

Mr. Mann: Mr. Lessard, the plans are not ones that we can make. We have the facilities available; they can be used by commerce. The

extent to which they are used is dictated by a number of factors: the availability of high-strengthened ships, particularly to Class 1 Lloyd specifications; the level of the insurance premiums; and the state of the river in the winter, whether it is open or not. However, like a 24-hour pharmacy, we are open year-round, and any ship that presents itself will and can be handled.

Mr. Lessard (LaSalle): Are you expecting an increase for 1969-70?

Mr. Mann: I do not have the latest figures. We do know that Louritzen Lines have pulled out, but that the Russians are coming in. I am just advised that it will be about the same.

Mr. Lessard (LaSalle): Are you providing any facilities for the traffic for the winter at the moment?

Mr. Mann: I am sorry, I do not quite know what you have in mind, Mr. Lessard, as far as facilities are concerned. We have the facilities there in so far as we control them, namely the berths, the sheds and the wharfs, the railway and the road system, and the labour force. Is there anything else you had in mind, sir?

Mr. Allmand: I just read an article in the newspaper the other day that some new line intended to compete by putting in a new set of icebreaking ships or ships that could withstand...

Mr. Mann: Mr. Allmand, this may be a reference to the container service by *Manchester Liners.*

Mr. Allmand: That is right; it is.

Mr. Mann: Manchester Liners are using this route the year round, and their ships are strengthened to Class 1 Lloyd specifications.

Mr. Allmand: That would mean there would be an increase in winter traffic in that area anyway.

• 1300

Mr. Mann: There will certainly be a new ball game because you have a container service year-round to Montreal.

Mr. Allmand: But as far as the Harbours Board itself is concerned, if there is an increase in winter traffic, the Harbours Board is prepared to handle it?

Mr. Mann: We always have been, and we can.

Mr. Lessard: Mr. Chairman, are we coming back at 2 o'clock, or only after the Orders of the Day?

The Chairman: I do not think that we will have very much time between 2 o'clock and 2.30. We cannot sit while the House is sitting. We have no authority to sit while the House is sitting. Could we have another session with the Harbours Board at another date? Are you available?

Mr. Mann: We would be more than delighted, sir; we are available to the Committee at any time.

The Chairman: I think we should have another session—I am in the hands of the Committee—because I cannot see that we will have very much time between 2 o'clock and 2.30.

Mr. Skoberg: Mr. Chairman, in addition to that, I wonder whether or not the steering committee would take into consideration, in co-operation with the Harbours Board, arranging a tour of some of the facilities of these containers some time in the future. Could this be arranged if it was convenient? I am sure it would be interesting.

The Chairman: It is an excellent suggestion. As a matter of fact we have to ask for an order of the House to hear the brief presented from the Maritimes, and maybe at the same time we could take the opportunity of visiting the ports or construction that has already begun and where there are containers already handled.

Mr. Skoberg: I would not want to complicate that with the Atlantic hearings.

The Chairman: No, but perhaps at the same time it could be arranged that we visit the container facility ports.

Mr. Mann: Mr. Chairman, if it should be the wish of the Committee to see the container operation that now exists in Montreal, if you could give us a convenient date which we can co-ordinate with the presence of a vessel there, which I think would make it more interesting, I am sure we could make arrangements to have the Committee tour the facility and get proper explanations as to how it works—whenever you notify us.

Mr. Lessard (LaSalle): We should leave it to the steering committee to decide with the Harbours Board.

The Chairman: Would that be all right?

As I explained earlier we will not have very much time to discuss these things this afternoon.

Mr. Allmand: The only reason that I suggested 2 o'clock was that I thought that was the only thing, but since there are many things and many other people, perhaps we should come back at a time to be decided upon between your steering committee and the witnesses.

The Chairman: I think next Tuesday is a day that is pretty well filled up, but anyway we can discuss that at the steering committee.

An hon. Member: What about tomorrow morning at 9.30?

The Chairman: That is something that I cannot answer. Tomorrow there are other committees; quite a few committees are sitting tomorrow morning. We will discuss this with the steering committee and will advise you.

Mr. Thomas (Moncton): Mr. Chairman, just before we break up, what is the prospect of getting reports of these proceedings a little more quickly than we are now? We have had three meetings.

The Chairman: We run into some problems. As you know we cannot get these reports back until they are fully translated.

Mr. Thomas (Moncton): Could the English reports not be distributed first?

The Chairman: It was agreed upon earlier that we would wait until the translation was made and present both.

Mr. Thomas (Moncton): It is very difficult, for example when we have the same witness back on a second day. It would be nice to have a report of the proceedings of what went on the first time.

Mr. Allmand: We sought the authority of the House last Friday to set up the translating of these proceedings by using tapes. That would be much quicker. It was accepted as an order of the House on Friday.

The Chairman: As soon as we can get the reports you will have them. I think the report of the first sitting will be out today or tomorrow. As you know some other committees have priority for translation. The translators are pretty busy translating two committees that I know of that have priority.

Mr. Allmand: Mr. Chairman, maybe our report could get precedence over that other place.

Mr. McCleave: I hope the Committee will give me the courtesy as a non-member of the Committee of asking a question. If, not, I do not know whether I could come back another day; I am too busy with committees for that, but I did put my name in.

• 1305

The Chairman: I did not have your name, Mr. McCleave, but as a non-member of the Committee you have questions to ask?

Mr. McCleave: I have one. Everything else has been answered—asked, really.

The Chairman: It depends on Mr. Mann. Are you prepared to answer?

Mr. McCleave: I would like to ask Mr. Mann whether, having seen the tenders for the Phase II development of Pier "C" in Halifax, he is satisfied that this can be kept on schedule—no flies in the ointment.

Mr. Mann: Perhaps I might ask our Chief Engineer to answer that, Mr. McCleave.

Mr. Stratton: The low tenderer has informed me that he expects to beat the completion date on that contract. He expects actually to finish that contract by the end of next year rather than in April of the following year.

Mr. McCleave: This is on the development for which tenders have just closed?

Mr. Stratton: That is right, sir. That is the whole wharf plus all the fill. It will not speed the job up too much because there we have to put in our water lines and pave, and we cannot pave in winter. There will be some pick-up, but not too much.

Mr. McCleave: Thank you.

The Chairman: The meeting is adjourned to the call of the Chair. Thank you, very much.

OFFICIAL REPORT OF MINUTES

OF

PROCEEDINGS AND EVIDENCE

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Translations under the direction of the Bureau for Translations, Secretary of State.

ALISTAIR FRASER,

The Clerk of the House.

5

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HOUSE OF COMMONS

First Session—Twenty-eighth Parliament

1968

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STANDING COMMITTEE

ON

TRANSPORT AND COMMUNICATIONS

Chairman: Mr. GUSTAVE BLOUIN

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 5

FRIDAY, NOVEMBER 22, 1968

Revised Main Estimates for 1968-1969 relating to the National Harbours Board

WITNESSES:

From the National Harbours Board: Mr. H. A. Mann, Chairman; Mr. L. R. Stratton, Chief Engineer.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1968

29251—1

STANDING COMMITTEE ON TRANSPORT AND COMMUNICATIONS

Chairman: Mr. Gustave Blouin

Vice-Chairman: Mr. Pat Mahoney

and Messrs.

Allmand,	Jerome,	Nowlan,
Carter,	Laflamme,	Pringle,
Corbin,	Lessard (*LaSalle*),	Schreyer,
Douglas,	McGrath,	Serré,
Godin,	Nesbitt,	Skoberg,
Howe,	Noël,	Thomas (*Moncton*)—(20).

(Quorum 11)

Robert Normand,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

FRIDAY, November 22, 1968.
(5)

The Standing Committee on Transport and Communications met this day at 9.30 a.m. The Chairman, Mr. Blouin, presided.

Members present: Messrs. Allmand, Blouin, Corbin, Douglas, Howe, Lessard (*La Salle*), Noël, Skoberg, Thomas (*Moncton*) (9).

Also present: Mrs. MacInnis and Messrs. Hogarth and McCleave.

In attendance: From the National Harbours Board: Messrs. H. A. Mann, Chairman of the Board; J. C. Lloyd, Member of the Board, L. R. Stratton, Chief Engineer and J. S. Dron, Chief Treasury Officer.

The Chairman referred to Mr. Mann's evidence of November 21, pertaining to certain confidential material. After a brief discussion thereon and having consulted with the proper persons, the Chairman ruled that the information sought was of a confidential nature and that further questioning thereon, would not be accepted by the Chair.

The Committee resumed consideration of item number 70—($7,450,000.)

At 11:00 a.m., the division bells ringing, item number 70 was allowed to stand and the Chairman adjourned the meeting until Thursday, November 28, 1968, at 9:30 a.m.

Robert Normand,
Clerk of the Committee.

29251—1½

EVIDENCE

(Recorded by Electronic Apparatus)

Friday, November 22, 1968.

• 0947

The Chairman: We do not have the quorum we need, but I think we can start. I understand there are some members still to arrive, and when they do we will have the necessary quorum and then we can regularize the meeting. Is that agreeable to the Committee?

Mr. Howe: Mr. Chairman, there are some members here who are not on the Committee.

The Chairman: Some of them are not on the regular members' list, but because of the fact that we have to return to the House at 11 o'clock, I think...

Mr. Allmand: I think we could hear the evidence, Mr. Chairman. If we have no resolutions to pass, I think we can hear evidence or ask questions.

The Chairman: As far as I know we have no resolutions. Is it agreeable to the Committee that we start?

Gentlemen, when we rose yesterday Mr. Hogarth had asked for information concerning contracts on the Roberts Bank Port construction job, and I replied that I would seek the information he wanted. The advice we have received is that these documents are of a confidential nature and therefore the information cannot be divulged.

Mr. Hogarth: First of all, Mr. Chairman, I would like to correct a remark I made yesterday. I spoke of two motions for return that were made in the House on October 31. One was on the motion of Mr. Rose, the member for Fraser Valley West, and the other on the motion of Mrs. MacInnis, the member for Vancouver-Kingsway. I led you to believe that this Kaiser contract which I am interested in was encompassed in those motions. I checked those motions last night and they only pertain to the railway agreements, that is to say, the railway communications and they would not apply to the Kaiser agreement. I wish to have my remarks in that connection corrected to that effect.

The Chairman: Do they pertain to the railway?

Mr. Hogarth: Yes, they only pertain to the railway...

The Chairman: Rather than the construction?

Mr. Hogarth: Yes. This agreement we are concerned with has nothing to do with the construction of the port. This is the operation of the port. The construction of the port is being carried out by the National Harbours Board but, as presently contemplated, the operation of the port will be done by the Kaiser Coal Corporation.

• 0950

Yesterday, I led you to believe that the order for return that had been agreed to in the House encompassed this Kaiser agreement. However, the order was not broad enough; it only encompassed the railway agreement.

I just wanted my remarks corrected to that effect. I take it from what you have told us this morning that I am precluded from asking any questions of this witness pertaining to the proposed Kaiser Corporation contract with the National Harbours Board for the operation of that port. Is that correct?

The Chairman: That is correct.

Mr. Hogarth: On what basis, sir, are the documents confidential?

The Chairman: First of all, these documents are between the National Harbours Board and Kaiser, and some of them are confidential. I believe there is the request in the House for these documents.

Mr. Hogarth: I do not think so, sir. There may be. A debate in the House is now pending on communications; whether or not communications between members of the public service pertaining to Roberts Bank Port are to be disclosed. However, I would respectfully suggest that that has nothing to do with the proposals that have been entered into,

either finally or in draft form, between the Kaiser Corporation and the National Harbours Board. I am not asking for any confidential information exchange between members of the public service, I do not think that can be disclosed, but certainly any proposals between Kaiser Corporation and the National Harbours Board surely can be enquired into. I cannot see how they could possibly be privileged.

The Chairman: My ruling is that this information cannot be given at this time.

Mr. Hogarth: Perhaps I could return when you have a full quorum and possibly ask the Committee to deal with that ruling. With the greatest respect, I think that ruling is incorrect.

The Chairman: If you do not mind, we will pass to some other items. Mr. Skoberg.

Mr. Skoberg: Further to what has been said, I think one of the questions that was asked by the member was what the guaranteed annual coal shipment was from Roberts Bank. I do not think this would be confidential. There must be some figures to show what the guaranteed minimum shipment would be from that port.

Mr. Hogarth: No, I did not ask that question. I asked what the capacity of Vancouver City harbour was for the exportation of coal.

Mr. Skoberg: That was at Vancouver harbour?

Mr. Hogarth: Vancouver City harbour.

Mr. Skoberg: Yes. Then I will ask this question as a supplementary to what we have been discussing, Mr. Chairman. When will the port at Roberts Bank be open and what is the guaranteed annual minimum coal shipment from Vancouver City harbour?

The Chairman: Perhaps Mr. Mann could anser that question.

Mr. H. A. Mann: Chairman, National Harbours Board): The target date for shipments from Roberts Bank is either December 1969 or January 1970. The contract that was entered into between Kaiser Coal Corporation and a consortium of Japanese steel companies was for 45 million long tons over 15 years, therefore the minimum shipment will be three million tons per year.

Mr. Skoberg: I realize the answer was given yesterday so far as the harbour of Vancouver is concerned, but could this amount of coal be handled at the other port quite easily?

Mr. Mann: Could the volume of three million tons have been handled in Burrard inlet? The answer is yes, if the Japanese had allowed it to be handled that way. The contract which was entered into after long negotiation between the mining company and the Japanese purchasers required that shipment be over facilities other than those in Burrard Inlet. The answer has to be qualified to that extent.

Mr. Skobert: Why would that be?

Mr. Mann: The Japanese looked at the situation in Vancouver harbour and after looking at their own transport economics they came to the conclusion that shipment through a facility at Roberts Bank—or not within Burrard Inlet—would form an integral part of the contract which they were willing to sign.

• 0955

Mr. Skoberg: Mr. Mann, there is definitely an agreement between the National Harbours Board and the Japanese coal firms?

Mr. Mann: There is no agreement between the National Harbours Board and the Japanese coal firms.

Mr. Skoberg: This agreement would be with whom, then?

Mr. Mann: This agreement, which does not become an agreement until it is approved by the Governor in Council, is between the National Harbours Board and Kaiser Coal Limited.

Mr. Skoberg: And this has not been approved as yet?

Mr. Mann: Not at this point.

Mr. Skoberg: In other words, the National Harbours Board went ahead with the port at Roberts Bank without any agreement with Kaiser Coal Limited or the Japanese?

Mr. Mann: The National Harbours Boar went ahead with the construction at Roberts Bank on the reasonable expectation that the traffic would materialize. Otherwise we would not have built.

Mr. Skoberg: Based on these two sources?

Mr. Mann: That is correct.

The Chairman: Mr. McCleave.

Mr. McCleave: Mr. Chairman, as a follow-up to a question I asked yesterday, I wonder if Mr. Mann could indicate whether a request has been made for a waterfront crane for the properties of the National Harbours Board at Halifax, and what if anything is being done about such a suggestion?

Mr. Mann: We have had requests for the installation of a bridge-type gantry crane for the handling of containers at both Halifax and Saint John. We are currently negotiating with the shipping interests that would be expected to use either one of these ports, and of course the crane is part of these negotiations.

The Chairman: Mr. Howe.

Mr. Howe: Mr. Chairman, I have a few questions on containerization in connection with carrying freight. Do you feel that the containerizing that is going on, the projects that are going forward, will reduce freight costs?

Mr. Mann: They should, I think, in the long run. Please do not let me use the term "long run". I think Keynes once said that in the long run we are all dead. They should, in the foreseeable future, reduce freight costs. There are a number of reasons for this. For instance, the shipper overseas who uses a container instead of the conventional break-bulk method finds that he can pack his commodities in the kind of package that he uses in domestic freight rather than in overseas freight. He does not have to pay a lot of money, for instance, for heavy crating. The damage and loss in containers should be reduced when compared to conventional break-bulk movements. This is particularly so in the case of damage because you have less handling if you put a number of commodities into closed, sealed box. For instance, we think that eventually insurance rates, even if they do not go down at least they will not keep rising to the extent that they have been rising. These are some of the factors. Also, competition between container consortia by the early 1970's will probably have a downward effect on freight rates because of heavy competition, and the traditional rating indulged in by steamship conferences will have to come under rather close scrutiny because it is not a very useful rating system in a container era. I think on the whole, Mr. Howe, the answer to your question is that we think, there will be a downward trend or at least an arrest of the upward trend of costs.

Mr. Howe: That is good, because the freight rates have really been going up since the transport bill of last year, when they were phasing out the $18 million a year on freight rates. This has really had an upward effect on freight rates.

I have another question with regard to containerizing. At the present time the cost element is not a big factor. Is it the faster movement of goods from one part of the country to the other that is going to be facilitated by containerizing?

• 1000

Mr. Mann: I am sorry, I do not quite understand the full import of your question.

Mr. Howe: The point I am making is that this is an innovation. We are not sure whether it is going to reduce the freight rates. Is it going to increase the service or make it speedier or faster?

Mr. Mann: Yes, it probably will. One may not put in minor qualifications, but if you have a direct movement from a shipper overseas to a receiver in Canada, and that direct movement can be effected in a container, then of course there is no question that the movement will be much, much faster because you eliminate a lot of intermediate steps. Where you get a multitude of commodities in a container, and you have to go through an unstuffing or unpacking operation and a resorting operation, the time saving will not be great.

Mr. Howe: In connection with this whole program, would it not be necessary to have some agreement or understanding with the railroads that they would provide the possible handling facilities for these products from the Maritime points right across to the Pacific coast, for instance? Are the railways entering into any agreements to give faster freight train service across Canada?

Mr. Mann: The railways along with everybody else have entered into this new ball game and they are making available at inland terminals, such as the Concord terminal I in Toronto, container-handling facilities. They are also providing specialized cars for the carriage of containers. At the moment these are chiefly modified existing cars, but new cars are being looked at. So, the railway is very heavily involved in, (a), the provision of rolling stock; (b), the provision of handling equipment at inland and possibly at some port terminals; (c), the provision of faster

service for this type of traffic and (d) of course, the all-important provision of suitable incentive rates for the carriage of containers. I think that is pretty well the extent of the railway involvement.

Mr. Howe: Are there special types of containers to handle certain specialized merchandise? Suppose frozen foods are containerized, does the container itself contain a unit to maintain the temperature?

Mr. Mann: Yes. There are specialized containers which have refrigeration or heating facilities much along the lines of the thermalking units on highway trucks, for instance. If these containers have to be marshalled for any length of time at the port electrical outlets have to be provided so that protection can be continued while the container is in port.

Mr. Howe: This brings up the question of returnable containers. They would not be disposed of at one end or the other, when unloaded. Are they quite expensive?

Mr. Mann: I cannot give you the price off hand but they are very expensive—certainly more expensive than if you were handling pellets. The question of the provision of containers, their routing, their control and their disposition is one that plagues steamship companies and inland carriers quite a lot. I think this is a worldwide problem. It is quite possible that what will emerge in the long run will be either a continental or an intercontinental container pool much along the lines of what is presently being done on the North American continent with regard to railway cars where you have agreements between the American Association of Railways and the Canadian railways for per diem charges and routing and return of cars. We can see this coming eventually in the field of containers.

Mr. Howe: This is going to increase the cost of your containerizing program though because you are going to have to build storage areas where you are going to set up these pools.

• 1005

Mr. Mann: Well when I mentioned "pool" I was not thinking of it so much in terms of a physical location as a method of interchange. There is nothing to be gained by storing these units for any length of time. You can only make money with them if they keep moving, much as our freight cars do now. There will undoubtedly be a requirement for the marshalling or storage of containers, but that would merely be another way of storing freight instead of building warehouses at inland locations—and it probably would be a cheaper way of doing it.

Mr. Howe: I have a question on vote 75. Are we still on vote 70?

The Chairman: We are still on the first vote, yes, vote 70.

Mr. Howe: Then those are all the questions I have on vote 70, Mr. Chairman.

The Chairman: Mr. Allmand, I think when we rose yesterday you were talking about...

Mr. Allmand: I have new questions now.

The Chairman: ...pilferage at the Port of Montreal.

Mr. Allmand: I want to ask Mr. Mann about passenger service. Two years ago we opened up two new passenger terminals at the Port of Montreal—very good passenger terminals, but since that time we have lost the *Carmania* and the *Carinthia* I think and now I understand that we have lost the *Batory*—it has made its last trip to Montreal. Is it correct that all we have left are the two Canadian Pacific ships and the *Alexander Pushkin*.

Mr. Mann: I think that is essentially correct. The *Batory* was lost merely because she faltered with old age. There may be a possibility that the Poles will replace her with a new passenger vessel which might or might not trade into Montreal. Passenger trade has been going down quite significantly. The ships you mentioned, the ones that end in "ia" of course are all the Cunard ships and Cunard, as we know, has made its decision to get out of the business other than perhaps for the new *Queen Elizabeth II*. Now what the future will bring is not at all certain at this juncture. It may well be that some cruise possibilities will open up which might use Montreal Harbour.

Mr. Allmand: I was going to ask Mr. Mann if the National Harbours Board has any program to promote passenger trade to Montreal. I was also going to ask how much we spent on those two passenger terminals which were opened in 1967 and which seemed to have been built at the end of the passenger years. One wonders whether that money was properly spent.

Mr. Mann: I think it becomes very much a matter of guessing. We did not—and we think

properly—give in to the urgings of some who felt that we should build a completely new magnificent passenger terminal in Montreal Harbour, because we were afraid of the future. It was for that reason that we used the upper storeys of two existing sheds which had been in existence for quite some time. The use of these sheds cut down the investment in passenger facilities and yet provided standards of passenger handling to which the public had become accustomed.

• 1010

Now I cannot offhand give you the figure, because I have not got it here, that we spent on the two passenger terminals, but if the Committee would like to have that figure we would be very happy to break it out. I do not think we have it with us now.

Mr. Allmand: You do not have it with you?

Mr. Mann: No, unfortunately not.

Mr. Allmand: I would like to have that figure. With all due respect, sir, we asked several questions yesterday and the figures were not available. I am just wondering if next year, when you come to the Committee, you could try to arrange to have more figures available so that we could proceed more quickly. Yesterday I asked for two figures and you promised to give them to us, which is quite all right, but it would be better I think if you could try and have them here we ask the questions.

Mr. Mann: It is a point well taken, Mr. Chairman. We came here of course prepared to discuss the 1968-69 estimates. What Mr. Allmand is asking now refers to a matter several years back and it is a little difficult to have all the material with you all the time.

Mr. Allmand: That is right, but I think it is relevant. Is anything being done to promote the use of these passenger facilities by the National Harbours Board?

Mr. Mann: Not by us directly other than our literature containing references to them. I suppose we would have to enter into advertising campaigns in competition with steamship companies. Is that what you have in mind?

Mr. Allmand: Yes. I was wondering if you did really try to bring shipping companies to Montreal by promoting your harbour.

Mr. Mann: Oh, our people are talking to shipping companies all the time, if that is what you mean.

Mr. Allmand: You do not solicit whatsoever.

Mr. Mann: Oh yes. Admittedly, we have not gone out and placed full page ads in European magazines promoting the charms of travel by sea up the St. Lawrence Seaway. We have not done that, but we talk to shipping companies all the time.

Mr. Allmand: My other question is on pilferage. Is it correct that the Smith Commission is still operating?

Mr. Mann: That is correct.

Mr. Allmand: Since the Smith Commission started to operate have any measures been taken to curtail pilferage, and has the rate of pilferage gone up or down in that period?

Mr. Mann: In answer to part one of the question, the measures that we have been taking are quite independent of the Smith Commission—and I will be quite happy to enlarge on that. The rate of pilferage was never quantifiable. You could not put a figure on pilferage, much as there have been figures bandied around.

We asked DBS to put a team into Montreal harbour to help us assess the rate of pilferage. The team reported back and said that on the documentation available from the shipping companies it was impossible to get exact figures, or statistically valid figures, on pilferage.

Mr. Allmand: Did not the insurance companies have claims?

Mr. Mann: The insurance companies made statements which, however, did not differentiate well enough between pilferage and damage, and also were not at all conclusive on the location of the pilferage. It could very well be that an alleged pilferage loss reported in Montreal actually took place overseas. These, of course, were not figures with which DBS could work along the standards that they are used to in this country.

Mr. Allmand: Can you say whether the amount of pilferage has decreased or increased?

Mr. Mann: Yes, I think one can, by using the same technique as that used by those who said it was high, which is impression and experience. I can give you some references. if I may, Mr. Chairman?

The Chairman: Yes, go ahead, Mr. Mann.

Mr. Mann: For example, the *Gazette*, on page 4 of its issue of Friday, November 22, has an item in the column by Fitz, which reads as follows:

> The shrinkage of looting from Montreal Harbor has caused one down-at-the-heels establishment selling everything from tools to toys to almost go "legit". It has been forced to switch its buying into regular channels instead of acting as a fence for stolen goods.

Mr. Allmand: Perhaps we should call Fitz as a witness.

• 1015

Mr. Mann: That is your privilege, sir. I can also read to you from a speech made on October 9, 1968, to the Chambre de commerce belge-luxembourgeoise by Mr. William Baatz who was Chairman of the Montreal Port Council and who had, on previous occasions, been rather critical of pilferage in Montreal harbour. This is what Mr. Baatz had to say:

[*Interpretation*]

> "There were serious problems of security: thorough investigations have been followed up since last April, by measures taken at the level of the National Harbours Board, to restore the normal conditions of protection for private property, especially for goods in transit in the harbour. Since then, we have stopped hearing about spectacular thefts such as were all too often reported by the newspapers last winter."

[*English*]

This, I think, is not a bad testimonial from a man who had pronounced himself rather critically on pilferage at the Port of Montreal.

The *Financial Post* of November 2, 1968, quotes Captain N. E. Rees-Potter, Terminal Manager for Canadian Overseas Shipping Limited, Montreal, as follows:

> 'We'd like to take some of the credit ourselves, but we know the harbor police deserve the most.'
>
> Another cargo superintendent spoke of a '100 per cent improved situation' all over the waterfront.

We also have reason to believe that the re-organization of our police force, which has put it on a professional basis and, in Montreal, under the direction of police Director Hobbs, who has a distinguished record with the Montreal City Police, is beginning to pay off very handsomely. The complaints to us about pilferage at Montreal are practically nil. I checked as late as this morning with the Director of our Security Police and he told me that Director Hobbs of our Montreal contingent had not received one complaint of pilferage from a shipper this year.

Let me quickly say that this does not mean that there is no pilferage. I think that would be unreasonable.

Mr. Allmand: What about the article that appeared in the Montreal *Star* in Bruce Taylor's column about a month ago and about which I asked a question in the House? Mr. Taylor said he entered the Port at night with another person, that nobody stopped him, and that he found a constable, or a protective officer, asleep in the back of a car somewhere near a shed. I am trying to recall the article from memory...

Mr. Mann: You are pretty well right on.

Mr. Allmand: I asked the Minister in the House about that, but I did not get a full reply. I understood there was going to be an investigation, or something of that sort.

Mr. Mann: Mr. Chairman, I thought a full reply had been given. If my memory does not trick me, it was as follows—and we have a very interesting police report on the matter—that Mr. Taylor indeed entered the Harbour—at least we think it was Mr. Taylor—in a car which our police officers knew belonged to the head of a private investigation and guard agency. For that reason, it is never checked, because we think that when the head of that agency enters the Harbour at any hour he does so on legitimate business. We believe Mr. Taylor was in that car. Hence, Mr. Taylor is quite right in saying that he was not checked when he went into the Harbour.

I leave you to draw the conclusion on whether Mr. Taylor's statement was right on or half off.

Mr. Allmand: I recall now that this was part of the answer given in the House.

When do you expect the final Smith report?

Mr. Mann: I do not know. This is in the hands of Mr. Justice Smith. I cannot answer that.

Mr. Allmand: Does he make interim recommendations to you when he feels...

Mr. Mann: Mr. Justice Smith was appointed not by the Minister of Transport but by the Minister of Labour under the Industrial Relations and Disputes Investigation Act.

• 1020

Mr. Allmand: I knew that that was so, but I thought perhaps he might communicate recommendations from time to time if he felt there was...

Mr. Mann: No; I am not aware of any.

Mr. Allmand: Thank you very much.

The Chairman: Mr. Douglas?

Mr. Douglas: I wish to ask the witness a little bit more about Roberts Bank.

Are there any provision for, or any thought of providing, grain handling facilities at Roberts Bank?

Mr. Mann: Not at this moment; there is available an area that could be used for the handling of grain if the grain trade felt it desirable. If it were felt that the facilities at Burrard Inlet, with which you are undoubtedly familiar, were not adequate then provision could be made at Roberts Bank. The sites are available, or will be available.

Mr. Douglas: They would have to build terminal elevators there if they wanted to make use of Roberts Bank.

Mr. Mann: That would be correct, sir.

Mr. Douglas: I have another question on containerization. I do not know whether or not you are the proper person to ask, but would there be any advantage to the handling of grain by containerization?

Mr. Mann: I am not sure of that. However, Mr. J. A. McDonald, who is the Vice-President of Canadian National Railways, made a speech in Winnipeg several months ago in which he dealt with the possibility of using containers in grain traffic.

If the Clerk of the Committee would also be good enough to remind us of this we will try to get a copy of that speech for you.

Mr. Douglas: Thank you. I expect that containers would be advantageous in other agricultural products such as linseed oil, rape-seed oil and probably meat or dairy products?

Mr. Mann: I am not qualified to answer that, sir.

Mr. Douglas: Thank you very much.

The Chairman: Mrs. MacInnis?

Mrs. MacInnis (Vancouver-Kingsway): As you know, Mr. Chairman, I am not a member of the Committee, but I am a West Coast member and I wish to ask a few questions about Roberts Bank.

The Chairman: You can still ask questions of Mr. Mann while he is here.

Mrs. MacInnis (Vancouver-Kingsway): First of all, I wanted to clear up a little point in an earlier question.

Am I correct, Mr. Mann, that you said that the Japanese interests put in their contract, or insisted, that the shipping of coal should be made from Roberts Bank rather than from Vancouver harbour?

Mr. Mann: That is correct.

Mrs. MacInnis (Vancouver-Kingsway): Well then, how do you reconcile that with what I think was your other statement that the National Harbours Board has no contract with Japanese interests?

Mr. Mann: I think it is very easily reconciled, Mrs. MacInnis, with all due respect. The contract is between the mining company, in this case Kaiser Coal who bought the Crowsnest deposits and a consortium of Japanese steel companies. It is in that contract that the requirement to use Roberts Bank is found.

It was then obvious to us that there would be a volume of traffic that would be moving through Roberts Bank, and since the contract had been signed and the volume had to move by a certain time, it was only reasonable that facilities be provided to facilitate the export of this coal from the Fernie-Michel area.

Mrs. MacInnis (Vancouver-Kingsway): Do you mean, then, that it was in the contract between Kaiser Coal and the Japanese interests that the coal had to be moved through the new port rather than Vancouver?

Mr. Mann: That is correct.

Mrs. MacInnis (Vancouver-Kingsway): Would the National Harbours Board not have any say, though, in that connection? Was the National Harbours Board consulted?

Mr. Mann: No. We were not part of the negotiations between the Kaiser people and the Japanese.

Mrs. MacInnis (Vancouver-Kingsway): In other words, you just had to take what they said.

Mr. Mann: We had to make a decision as to whether we were willing to handle three million tons of coal per year over 15 years guaranteed with a volume that might grow, or whether we should let that traffic go. It was also possible that had we not responded to what any port authority would think is a very good volume of traffic, the traffic might even have gone through a United States port and therefore been lost to Canada altogether.

Mrs. MacInnis (Vancouver-Kingsway): Now let me ask about the facilities at Roberts Bank port. Who is going to build the facilities?

• 1025

Mr. Mann: As I mentioned yesterday, Mrs. MacInnis, when you were not here—and I think this is as far, Mr. Chairman, as I can go—we have let a contract for the creation of a 50-acre site and a connecting causeway to the uplands. The contract was let, I believe, at the end of April in the amount of $3,842,000. It will provide a 50-acre site protected from the sea with a 65-foot depth and a causeway to connect it to the uplands. This is the extent at this juncture of National Harbours Board investment.

Mrs. MacInnis (Vancouver-Kingsway): Where does the provincial government come in on the building of facilities?

Mr. Mann: To my knowledge they do not come in at this juncture at all.

Mrs. MacInnis (Vancouver-Kingsway): Is this in spite of the fact that the former Minister of Public Works made the statement that water lots were under provincial jurisdiction? Has that nothing to do with it?

Mr. Mann: I am not familiar with that statement.

Mrs. MacInnis (Vancouver-Kingsway): I believe that he made that statement. But that does not bring it in at all?

Mr. Mann: I do not think the water lots on which we are constructing, Mrs. MacInnis, are under provincial jurisdiction.

Mrs. MacInnis (Vancouver-Kingsway): They are?

Mr. Mann: They are not.

Mrs. MacInnis (Vancouver-Kingsway): They are not. Well, we will have to find out what the Minister meant.

Mr. Mann: Oh, I am sorry, let me clarify this so that there will be absolutely no doubt about it. My colleagues and associates have just brought this to my attention. I mentioned yesterday in an answer to Mr. Hogarth, I believe, that the 50-acre site is on property which is that of the federal government, but part of the connecting causeway will traverse property which belongs to the Province of British Columbia. To that extent I must modify my answer.

Mrs. MacInnis (Vancouver-Kingsway): Who has jurisdiction over the causeway in that case?

Mr. Mann: At the moment we have an arrangement with British Columbia which allows the construction of the causeway to go on. The final arrangements as to property rights will be subject to further negotiations and talks.

Mrs. MacInnis (Vancouver-Kingsway): When I was on the Coast I heard gossip the way one hears gossip that some of these facilities were going to be leased, or were going to be built by foreign-owned companies. Is that true?

Mr. Mann: There are lots of rumours, Mrs. MacInnis. This gets us into the matter which I think is subject to the resolution of the Committee and perhaps I would like to defer the answer to that until the Committee has decided. I think Mr. Hogarth wanted a resolution.

Mrs. MacInnis (Vancouver-Kingsway): In other words, this is under the privileged part at the moment. I suppose, Mr. Mann, that you would not be in a position to know anything about the definitive legal opinion that is supposed to be being sought on provincial jurisdiction versus federal jurisdiction in the matter of that rail link to—

Mr. Mann: No, I am sorry. This is a little outside my—I was going to say province—but outside our scope.

Mrs. MacInnis (Vancouver-Kingsway): By the way, has a final decision been made as to where that rail link is to go?

Mr. Mann: I read in the papers, Mrs. MacInnis, that Mr. Bennett has made a final decision.

Mrs. MacInnis (Vancouver-Kingsway): Mr. Bennett's decisions are not always final. I was just wondering whether from your point of view a final decision has yet been made?

Mr. Mann: I am sorry, I can have no point of view of the matter. I can only say that our interests really are legitimate and legal involvement only begins at the point where the rails hit the end of that causeway. Beyond that is beyond the jurisdiction of the National Harbours Board, so it is a little difficult for me to enter into opinions on other jurisdictions.

Mrs. MacInnis (Vancouver-Kingsway): As far as the National Harbours Board is concerned, is everything cleared up? Do you feel that it is clear sailing on that 50-acre site?

Mr. Mann: We think that we can proceed in the full expectation that the port facility will be used by the end of December 1969 or the beginning of January 1970.

• 1030

Mrs. MacInnis (Vancouver-Kingsway): And is it clear federal operation of the port facilities, without any provincial participation?

Mr. Mann: At this juncture, where we sit today, we are building that facility. It is part of Vancouver Harbour, and unless government policy with regard to port administration changes, we will administer the Roberts Bank facility much the same way as we administer our facilities in the port of Vancouver for our inlet division.

Mrs. MacInnis (Vancouver-Kingsway): Thank you very much, sir. There has been so much discussion that I wanted to get some of these things cleared from your point of view.

Mr. Hogarth: May I ask a supplementary question?

The Chairman: Yes, Mr. Hogarth.

Mr. Hogarth: Mr. Mann, you stated that unless the National Harbours Board moved in and built this port, you would be letting the traffic go; that is to say this one contract on the export of coal from Michel. But is it not so that if you had not done that, the provincial government was going to build the port?

Mr. Mann: I could not speculate on that. There had been statements made that the provincial government would build the port.

Mr. Hogarth: Yes, so that the alternative was that if the National Harbours Board did not build the port, there was every probability that the provincial government would.

Mr. Mann: I do not know, Mr. Hogarth, whether that was a probability. The fact of the matter was that the only engineering that was done for this port was done by the National Harbours Board, or by the Government of Canada.

Mr. Hogarth: I appreciate that but the port was the conception of the provincial government in the first place, was it not?

Mr. Mann: I do not know whether the port was the conception of the provincial government. There were people who as far back as the early part of this century—

Mr. Hogarth: Oh, I appreciate that there has always been a port contemplated either on Roberts Bank or Sturgeon Bank, but in this particular instance when the coal export arrangement was made, was it not the position of the Government of the Province of British Columbia that they were going to build a port?

Mr. Mann: They made statements to the effect that they would build a port.

Mr. Hogarth: Yes, and is not the jurisdiction of the National Harbours Board under the British North America Act confined to shipping and navigation, with nothing whatsoever being said about harbours? That is to say, the land side of harbours.

Mr. Mann: I am sorry. Would you mind asking this again?

Mr. Hogarth: I put it to you that under Section 91 of the British North America Act, the federal government jurisdiction pertaining to harbours is described in the phrase "Navigation and Shipping" but it says nothing about harbours per se, does it?

Mr. Mann: Are you familiar with Section 108 of the British North America Act?

Mr. Hogarth: No. You could refresh my memory.

Mr. Mann: Section 108 deals with the jurisdiction of the federal government over harbours.

Mr. Hogarth: I see. What does it specifically say about provincial government powers over harbours?

Mr. Mann: I am sorry, now I must plead that I am not a man of your cloth and I...

Mr. Hogarth: You were about to refresh my memory.

An hon. Member: It is partly legal opinion.

Mr. Hogarth: I put it to you that there is still a real jurisdictional dispute whether or not the provincial government might participate in the operation of this harbour. There is still some question of that, is there not?

Mr. Mann: The Minister of Transport has made repeated statements to the effect that the whole question of harbour administration is currently under review.

Mr. Hogarth: I appreciate that, but one of the possibilities in that review is participation by the provincial government in the operation of West Coast harbours.

Mr. Mann: Mr. Hogarth, with all respect you are putting that forward as a possibility.

Mr. Hogarth: I just ask you if you agree or not?

Mr. Mann: There are lots of possibilities.

Mr. Hogarth: Fine. May I just ask one more supplementary question?

The Chairman: A supplementary question?

Mr. Hogarth: Yes. How much of the 50 acres you speak of will be required for the use of the Kaiser Corporation, do you know?

Mr. Mann: The 50 acres of terminal sites, Mr. Chairman, that are being built will be capable of handling more than three million tons a year for whoever might ship that traffic and whoever might operate that facility.

Mr. Hogarth: My question was relatively simple: How much of the 50 acres is contemplated to be used by the Kaiser Corporation?

Mr. Mann: We are getting into the substance of the matter that is still under review by the committee, and I do not think I should be asked to answer at this point.

Mr. Hogarth: Well, just from the point of view of logistics, without any reference to the contract or any confidential memorandum, considering the quantity of coal that it is anticipated will be exported, how much of the 50 acres will be necessary for the use of the Kaiser Corporation?

Mr. Mann: I cannot tell; you have coupled this with "for the use of the Kaiser Corporation". The plans made by our Board for the creation of that facility were made in view of a minimum anticipated through-put of three million tons of coal. Certainly, they were made with expansion in mind. How much you can put through, Mr. Hogarth, is not only a function of the size of the terminal, but also of the capacity of the equipment and the kind of the equipment so, therefore, it makes it a little difficult for me to answer that question.

• 1035

Mr. Hogarth: I see. Do you not know from the point of view of logistics just how much of that 50 acres is going to be used or is available for use by Kaiser Corporation?

Mr. Mann: I wish you would leave this out. I can tell you that three million tons initial through-put will be accommodated on the 50 acres.

Mr. Hogarth: Thank you. I have just one more question. Is it not so that the provincial government...

Mr. Mann: I have just been given some very important information that I should bring out. The 50 acres, quite apart from the number of tons that can be handled, was the minimum required for the laying out of a railway loop line to handle unit trains.

Mr. Hogarth: I appreciate that the railway has to be accommodated on the port site too, but I have just one more supplementary question. Has the provincial government not taken up 2,000 acres immediately inshore for its use?

Mr. Mann: The provincial government has expropriated 2,000 acres abutting the uplands all around the port side and going from Canoe Pass, skirting the Indian Reservation, right down to Tsawwassen Causeway.

Mr. Hogarth: Do you know to what use it anticipates putting those lands?

Mr. Mann: No, I do not, sir.

Mr. Hogarth: Have you any idea whatsoever?

Mr. Mann: I would not speculate.

The Chairman: Mr. Douglas?

Mr. Douglas: My question has to do with harbour facilities and was prompted by a question on the other side of the table. Is it possible for foreign corporations to build facilities in Canadian harbours and has it been done?

Mr. Mann: Oh, yes indeed. In the strait of Canso we have had what has hitherto been described as the Canadian member of the worldwide Gulf family, otherwise known as BA...

Mr. Douglas: It will soon be known as "Gulf" again.

Mr. Mann: . . . build port facilities. This is nothing uncommon. We have American iron ore companies building port facilities in Canada.

Mr. Douglas: Thank you.

Mr. Skoberg: I have a supplementary to that. To get back to Roberts Bank and the questions that have been asked by Mr. Douglas, do any of the companies that have built the port facilities have jurisdiction and the administration over that port?

Mr. Mann: Could you nail me down a little tighter?

Mr. Skoberg: You just suggested there have been companies that have built port facilities. Do they have complete jurisdiction and administration of the ports on which they have built facilities?

Mr. Mann: My problem, I think, arises out of whether we are talking about a port or a specific dock or area in a port.

Mr. Skoberg: All right, we will bring it right back to Roberts Bank.

Mr. Mann: Yes.

Mr. Skoberg: I concluded that you said there is now no agreement between the National Harbours Board and Kaiser Coal or any Japanese firm; there is no valid agreement.

Mr. Mann: That is correct.

Mr. Skoberg: You say that you cannot tell us whether or not Kaiser Coal or the Japanese firm will build the facilities because it is still under review and confidential. Correct? Could you tell us now, though, that the National Harbours Board will have complete jurisdiction and administration of that port? Would you stand for letting Kaiser Coal or anyone else have jurisdiction and administration of the port at Roberts Bank?

Mr. Mann: I think the answer to that is very simple. As a port authority we behave like most other port authorities. We make very certain that we have jurisdiction over the port that we administer.

The exact details of how this is done vary from place to place, because we are not a monolithic centralized organization, but certainly there is the over-riding authority and jurisdiction of the port authority which remains in all of our harbours.

Mr. Skoberg: I just hope that you are prepared to stick by that and make sure that we do have jurisdiction if there is public money being expended.

Are there any other indications of other shippers at this port of Roberts Bank at this time?

Mr. Mann: There has been quite a vivid interest in additional areas at Roberts Bank.

Mr. Hogarth: What additional areas has there been interest expressed in?

Mr. Mann: Our first phase, as I mentioned, Mr. Chairman, consists of the creation of 50 acres and a causeway to connect this.

The next phase will be the creation of another 232 acres abutting the 50 acres, and completing the eastern part of the spine of that causeway.

Mr. Hogarth: And your suggestion is that these other interests have shown interest in the additional area that will eventually be built.

Mr. Mann: That is correct, sir.

Mr. Hogarth: That leaves the original 50 acres to Kaiser, does it?

Mr. Mann: Not necessarily.

Mr. Hogarth: Has anybody else shown interest at all in the 50 acres that they are presently constructing?

Mr. Mann: I am trying quite frankly, Mr. Chairman, to weigh how far we are getting into what I am not supposed to talk about without their ruling.

Mr. Hogarth: May I say, Mr. Mann, that I am inclined from what we know to date to call this Kaiser Port, not Roberts Port, and I just want to know if anybody else has shown an inclination to . . .

Mr. Mann: Mr. Hogarth, with all due respect, we are inclined to call it the Port of Vancouver or Delta Port, or anything else that will enhance the prestige of the Port of Vancouver and the lower mainland.

Mr. Hogarth: Well, if we could see the agreement, Mr. Mann, I think maybe my mind might be changed, but in the meantime I am just going in that direction.

Mr. Mann: I am in the hands of the Committee, sir.

Mr. Douglas: I would like to enquire further into the building of facilities at harbours and ports. If someone, either foreign or domestic, wants to build a facility at a port, I suppose a long-term lease is drawn up to make certain that both parties are protected. Is this so? And if it is, what term of years is usually applied?

Mr. Mann: There is no standard answer to that because circumstances vary both as to the type of facility required and the port in question. I must say, again, that contrary to what has been said, we do not operate a monolithic centralized organization working from a hideaway in Ottawa. We are responsive to local variations, and you will find when you go through our operations that there are very significant local deviations. So that it is impossible to answer this question in just one way.

• 1045

Mr. Douglas: The Saskatchewan Wheat Pool built a terminal elevator at Vancouver recently. How long is their lease?

Mr. Mann: I believe, and I am working from memory, that their land lease—we did not build the facility—is for a term certain of 30 years.

Mr. Douglas: Thank you.

Mr. Mann: This may be subject to correction. I am working from memory.

Mr. Allmand: Earlier this year certain people in Montreal had alleged that traffic in Montreal would be greatly reduced owing to the labour troubles last year and still pending, and because of the St. Lawrence Seaway strike. Have you any figures on the total traffic to date this year? Did the traffic go down in Montreal this year, or did it go up, or did it remain the same? I realize the season is not closed yet, but just the figures up to date, and a prediction to the end of the season, if you could.

Mr. Mann: For the period January 1, 1968, to the end of October, 1968, we are down 7 per cent over the corresponding period in 1967. The main downward trend is in interior domestic traffic, which is down more than foreign traffic.

Mr. Allmand: Would that be due to the Seaway strike this summer?

Mr. Mann: I think that would have a very significant influence.

Mr. Allmand: What about foreign traffic or traffic down river towards the ocean?

Mr. Mann: Again using the same period January 1, 1968, to October, 1968, and comparing 1967 and 1968, we are down 3 per cent on foreign traffic. Again, of course, the season is not over and the final tally has not been made.

Mr. Allmand: Are you concerned about this? Do you think this is due to the labour dispute, the St. Lawrence Seaway dispute, or other causes?

Mr. Mann: I do not know whether you can pin it entirely on the labour dispute. Undoubtedly it has had its effect. There might have been changes in trading patterns or commodity movements which would have had an influence. In 1967 I suppose the traffic would have been swelled slightly by Expo-generated traffic and, therefore, the comparison must take that into account.

I think it would be more significant if at the end of the year we did what we normally do and struck the total figures, and also looked at variations in the commodities concerned because that will give us a better chance to get into the nub of the thing. But the figures are down slightly on foreign traffic, 3 per cent, and more significantly on internal domestic traffic.

The Chairman: Mr. Skoberg.

Mr. Skoberg: Do you negotiate directly with your employees under the National Harbours Board?

Mr. Mann: With our own employees, yes.

Mr. Skoberg: Are you in agreement with the recommendations of the Freedman Commission that there should not be any unilateral change in the contract conditions during the life of that contract?

Mr. Mann: I am not sufficiently familiar with the Freedman Commission Report. This was a report on run-throughs, I believe.

Mr. Skoberg: Or he laid down the basis...

Mr. Mann: That was on railways. I am not familiar enough with it to comment intelligently for the purposes of this Committee.

Mr. Skoberg: I will put it this way. Does your Board at any time make material changes in the working conditions of your employees during the life of that contract?

Mr. Mann: We recently had this matter looked at by the Department of Manpower, and the CNTU, I believe, participated in the enquiry. This resulted in the so-called Cohen Report. That Report made recommendations which have been implemented by us for compensation to employees displaced owing to technological change. We would be very happy to furnish a copy of that.

Mr. Skoberg: This Report then said that there should be no material changes in the life of a contract.

Mr. Mann: I am not sure about that particular point, sir.

Mr. Skoberg: I hope that you appreciate the fact that we have just discussed the Labour estimates. This is part of the problem of the whole labour unrest, that material changes are being made, and I would hope that your Board would look favourably at it.

Mr. Mann: I think perhaps I could help Mr. Skoberg more by making available a copy of the Cohen Report which would be of interest to him and which would deal with the matter.

Mr. Skoberg: I would appreciate having a copy, but the principle of the Report is most important.

Mr. Mann: We have accepted the principle of the Report and actually applied it. So, if the Report is of some use we would be delighted to furnish it.

Mr. Skoberg: Thank you.

The Chairman: Are there any more questions? If there are no more questions, and owing to the fact that we still do not have a quorum, we will have to adjourn this meeting.

• 1050

Mr. Skoberg: Mr. Chairman, may I make a statement. With the greatest respect to your ruling, and I know that you made if after careful thought, I hope to motivate one of the members of the Committee to appeal that ruling as soon as the quorum is present, and I just wanted to make you aware of that. I would ask that the witness be available if the appeal is successful. I think the details of this agreement are most important to people on the West Coast.

The Chairman: Do you have any questions?

Mr. Lessard (LaSalle): That is something we should wait to discuss when we have a quorum.

The Chairman: Thank you. This is what I was going to suggest.

Mr. Hogarth: When you have a quorum this is what I hope to do. I do not know whether I will be successful.

The Chairman: That is quite all right.

The meeting is adjourned. Next Thursday we will revert to the Canadian Transport Commission.

Mr. Allmand: Do I understand that you stood the items on the National Harbours Board?

The Chairman: Yes.

Mr. Allmand: Of course we have no quorum, so we have to stand them.

Mr. Douglas: Who will the witness be at the next meeting?

The Chairman: Mr. Pickersgill.

OFFICIAL REPORT OF MINUTES

OF

PROCEEDINGS AND EVIDENCE

This edition contains the English deliberations and/or a translation into English of the French.

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Translations under the direction of the Bureau for Translations, Secretary of State.

ALISTAIR FRASER,

The Clerk of the House.

JAN 10 1969
Government Publications
6

HOUSE OF COMMONS

First Session—Twenty-eighth Parliament

1968

STANDING COMMITTEE

ON

TRANSPORT AND COMMUNICATIONS

Chairman: Mr. GUSTAVE BLOUIN

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 6

THURSDAY, NOVEMBER 28, 1968

Revised Main Estimates (1968-1969) of the Canadian Transport Commission.

WITNESSES:

From the Canadian Transport Commission: The Honourable J. W. Pickersgill, President.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1968

29253—1

STANDING COMMITTEE ON TRANSPORT AND COMMUNICATIONS

Chairman: Mr. Gustave Blouin

Vice-Chairman: Mr. Pat Mahoney

and Messrs.

Allmand,	Jerome,	Pringle,
Carter,	Lessard (*LaSalle*),	Schreyer,
Corbin,	McGrath,	Serré,
Douglas,	Nesbitt,	Skoberg,
Godin,	Noël,	[1] Smith (*Saint-Jean*),
Howe,	Nowlan,	Thomas (*Moncton*)—(20).

(Quorum 11)

Robert Normand,
Clerk of the Committee.

[1] Mr. Smith (*Saint-Jean*) replaced Mr. Laflamme, on November 27, 1968.

ORDER OF REFERENCE

HOUSE OF COMMONS
Wednesday, November 27, 1968.

Ordered,—That the name of Mr. Smith (*Saint-Jean*) be substituted for that of Mr. Laflamme on the Standing Committee on Transport and Communications.

ATTEST:

ALISTAIR FRASER,
The Clerk of the House of Commons.

29253—1½

(*Text*)

MINUTES OF PROCEEDINGS

THURSDAY, November 28, 1968.
(6)

The Standing Committee on Transport and Communications met, this day, at 9.30 a.m. The Chairman, Mr. Blouin, presided.

Members present: Messrs. Allmand, Blouin, Corbin, Douglas, Godin, Lessard (*LaSalle*), Mahoney, McGrath, Nesbitt, Noël, Nowlan, Pringle, Schreyer, Serré, Skoberg, Smith (*St. Jean*), Thomas (*Moncton*)—(17).

Also present: Messrs. Peddle and Benjamin, Members of Parliament.

In attendance: From the Canadian Transport Commission: The Honourable J. W. Pickersgill, President and Messrs. H. Arbique, Secretary; L. L. Marks, Financial Adviser.

The Chairman opened the meeting and asked for a motion to regularize the meeting held on Friday, November 22, 1968. On motion of Mr. Lessard, it was

Resolved,—That the Evidence adduced at the meeting held on Friday, November 22, 1968, be made part of the official records of the Committee.

Then the Chairman read the First Report of the Subcommittee on Agenda and Procedure for the meeting held on November 26, 1968.

FIRST REPORT

The Subcommittee on Agenda and Procedure of the Standing Committee on Transport and Communications met at 11:00 o'clock this morning. The Chairman, Mr. Blouin, presided.

Members present: Messrs. Blouin, Mahoney, Schreyer, Serré, Thomas (*Moncton*) (5).

Your Committee agreed unanimously to the following decisions and recommendations.

1. That on Thursday, November 28 next, the Honourable J. A. Pickersgill, Chairman of the Commission, be invited again with his officials, respecting the estimates of the Canadian Transport Commission.
2. That on Tuesday, December 3, Mr. H. A. Mann, Chairman of the National Harbours Board be recalled with his officials, provided consideration of the estimates of the Canadian Transport Commission has been completed.
3. That on Thursday, December 5, the Honourable E. W. Kierans be called with his officials, respecting the estimates of the Post Office, provided that consideration of the estimates of the National Harbours Board has been completed.

4. That on Tuesday, December 10, the Honourable E. W. Kierans be recalled with his officials, respecting the estimates on Communications, provided that consideration of the estimates of the Post Office has been completed.

5. That the Committee report to the House asking that the scope of the Order of Reference dated October 16, 1968, be enlarged authorizing the Committee to study:
   (*a*) Transportation problems of the Atlantic Provinces.
   (*b*) Claims of the Great Slave Railway Company against the Canadian National Railway Company.

At 11:45 o'clock a.m., the Subcommittee adjourned.

Thereupon, on motion of Mr. Mahoney

Resolved,—That the First Report of the Subcommittee on Agenda and Procedure be adopted with the following amendment:

That sub-paragraph "b" of paragraph 5 be deleted and that the following be substituted therefor:

"Claims against the Canadian National Railway Company in respect to the Great Slave Railway Company."

The Chairman then called item 50 of the Canadian Transport Commission .....$ 4,600,900.

After putting a question to the witness, Mr. McGrath moved, That the Chairman of the Railway Transport Committee and the Vice President of the Canadian Transport Commission be called before this Committee in regard to the Revised Main Estimates of the Canadian Transport Commission.

And debate arising thereon, Mr. Allmand moved as a dilatory superseding motion that the motion under consideration be referred to the Subcommittee on Agenda and Procedure for consideration and report.

After further debate, the question being put on the above motion, it was, by a show of hands, resolved in the affirmative: Yeas: 9, Nays: 6.

The Committee resumed questioning of the witnesses. The Committee recessed from 11:30 a.m. to 1.45 a.m.

Upon reconvening, it was moved by Mr. Mahoney and

Resolved,—That the names of Messrs. Allmand and Nesbitt be substituted for that of Messrs. Mahoney and Thomas (*Moncton*) on the Subcommittee on Agenda and Procedure for today's meeting only.

The questioning of the witnesses then resumed and later, it was moved by Mr. Douglas

Resolved,—That the name of Mr. Skoberg be substituted for that of Mr. Schreyer on the Subcommittee on Agenda and Procedure for today's meeting only.

On a motion of Mr. Skoberg, it was

Resolved,—That an adequate representation of the Subcommittee on Agenda and Procedure attend the Transportation Conference to be held in Toronto from February 9 to February 12, 1968.

Then on a motion of Mr. McGrath

Resolved,—That the Canadian Transport Commission be requested to postpone the implementation of its decision to abandon railway service in Newfoundland until such a time as the Committee travel to Newfoundland to study the transportation problems of the Atlantic Provinces.

After debate, the question being put on the motion, it was by a show of hands, resolved in the affirmative: Yeas: 6, Nays: 5.

At 1.30 p.m. the Committee adjourned to the call of the Chair.

Robert Normand,
Clerk of the Committee.

EVIDENCE

(Recorded by Electronic Apparatus)

Thursday, November 28, 1968

• 0940

The Chairman: Order, please. Good morning, gentlemen.

First of all, may I have a motion to regularize the evidence heard at our meeting on Thursday, on November 22, at which we did not have a quorum?

Mr. Lessard (LaSalle): I so move.

Mr. Douglas: I will second the motion.

The Chairman: We have with us this morning Mr. Pickersgill, who was with us previously, and we are on Vote No. 50. If members have any questions...

Mr. McGrath: Mr. Chairman, I wish to ask one question on the line of questioning at our last meeting with Mr. Pickersgill on the Commission's decision to abandon the rail passenger service in Newfoundland.

Since then the Public Utilities Commission of Newfoundland has ruled on the application of CN to operate provincial buses. You will recall, Mr. Chairman, that the subject of the jurisdiction of the...

The Chairman: Just a moment, please, Mr. McGrath. There is something wrong with the technical section of our service. They cannot hear you.

An hon. Member: Someone has gone for a technician.

Mr. Schreyer: While we are waiting for him, can you tell me, Mr. Chairman, if the report of the subcommittee on Agenda and Procedure has been dealt with?

The Chairman: Yes.

Mr. Schreyer: When was it dealt with?

The Chairman: We had the Subcommittee meeting last Tuesday.

• 0945

Mr. Schreyer: Mr. Chairman, was it not the intention of the Subcommittee last Tuesday that the first item of business today would be to present to the Standing Committee their recommendations and that we would dispose of them and then go on to question Mr. Pickersgill?

The Chairman: I have the report of the Subcommittee. You are suggesting that it be adopted by the regular meeting? Is that correct?

Mr. Schreyer: Unless you have some reason for doing otherwise. That was my understanding. That is why I am a little puzzled.

The Chairman: I bring to your attention the report of the Subcommittee arising out of its meeting. It reads: (*See Minutes of Proceedings*).

Mr. Mahoney: The last sentence is not quite accurate. It should be, "Claims against the Canadian National Railways in respect of the Great Slave Lake line."

The Chairman: Would you repeat that, Mr. Mahoney?

Mr. Mahoney: "Claims against the Canadian National Railways in respect of the Great Slave Lake line."

The Chairman: Will somebody move to change this last item?

Mr. Mahoney: I so move.

Mr. Schreyer: I will second that.

Mr. Skoberg: Mr. Chairman, relative to the motion that you now have to change that item, referring to claims against the CNR in respect to the Great Slave Lake line, are the operational requirements of the Great Slave Lake Railway included therein, or do these...

The Chairman: What we have is a brief. There is a whole file on the Great Slave Lake Railway claim. Is that what you are referring to?

• 0950

Mr. Skoberg: Yes. I presume the operational requirements of the Great Slave Lake Railway will be considered by this commission? Is that correct?

The Chairman: By the Canadian Transport Commission? No. It is against Canadian National Railways.

Mr. Skoberg: But this Commission sets the regulations, not Canadian National Railways. Therefore, I presume that Mr. Pickersgill will handle the operational requirements. Is that not correct?

The Chairman: I do not think so; but I can ask Mr. Pickersgill. He is here.

Mr. Skoberg: I would hope that the CNR does not set the regulations.

The Honourable J. W. Pickersgill (President, Canadian Transport Commission): I am afraid I really do not quite understand the question.

Mr. Douglas: I think two different things are being talked about. The Chairman is still thinking about the claims and Mr. Skoberg is referring to the general operation of the Great Slave Lake Railway, and is asking when we will have an opportunity to discuss that. Is that not correct?

The Chairman: The general operations of the Great Slave Lake Railway?

Mr. Douglas: That has nothing to do with the claims we were talking about. It is a completely separate item.

The Chairman: I see. What we discussed in the Subcommittee was the claim only.

Mr. Skoberg: For clarification, Mr. Chairman, would Mr. Pickersgill care to deal with the operational requirements of the Great Slave Lake Railway, in this Committee, or should we leave that for general discussion when the claims against the CNR are being discussed?

The Chairman: What was understood at the Subcommittee was that we would leave the discussion about the general conditions...

Mr. Thomas (Moncton): Mr. Chairman, it was to hear the claims from the various contractors, was it not?

The Chairman: Yes.

Mr. Thomas (Moncton): I do not know what department has responsibility for the operations of the Great Slave Lake Railway but this had nothing to do with the operation of the railway. This is a special hearing on the claims of the various contractors.

The Chairman: Is the Committee in favour of this last change?

Some hon. Members: Agreed.

Mr. Schreyer: Mr. Chairman, did you assign a date for that last item?

The Chairman: Assign a date?

Mr. Schreyer: Did you assign a date? Have you fixed a date for these claims to be brought before the Committee?

The Chairman: No, we did not fix any date. Everything depends on whether we will be finished with the estimates on December 12. When we are through with the Estimates we will hear the Great Slave Lake Railway claim.

Mr. Schreyer: Thank you.

The Chairman: The Clerk points out that we also have to wait for the order of the House.

Mr. Douglas: That is what I was going to ask. I understood you were going to ask for an order of the House to permit us to deal with these claims.

The Chairman: Yes, we are. Next Tuesday a report will be presented to the House.

Mr. Nesbitt: I presume, then, that between now and Tuesday, Mr. Chairman; the first report of this Committee will be prepared for submission to the House and that it will contain a request to have a hearing on the claims against the CNR concerning the Great Slave Lake Railway and also a request that the Committee, at some date agreed by the House, visit the Atlantic Provinces?

The Chairman: That is correct. That report will be presented to the House on Tuesday.

Is that agreed?

Some hon. Members: Agreed.

The Chairman: Gentleman, we can now go back to where we started. The equipment is working and everything is all right.

Mr. McGrath, will you put your question?

Mr. McGrath: I wished to ask one or two questions along the line of those raised at the last meeting when Mr. Pickersgill was present.

• 0955

Since then the Public Utilities Commission of the Province of Newfoundland has made

its decision on the application of the Canadian National Railways to operate a bus service within the Province of Newfoundland. You will recall, Mr. Chairman, that this matter was raised during the meeting of the Committee on November 15, and there were a number of questions about jurisdiction and the right of the Province of Newfoundland, or its agency, the Public Utilities Commission, to make a ruling on this.

I have not read the evidence, but as I recall it, Mr. Chairman, Mr. Pickersgill stated that the Newfoundland Public Utilities Commission would be acting in this particular matter as an agent of the government of Canada in that it would be making a decision under the Motor Vehicle Transport Act. Is that correct?

Mr. Pickersgill: That is my understanding, yes.

Mr. McGrath: And that this, in effect, would be done because it would be an extra-provincial bus service operating out of—

Mr. Pickersgill: It is an extra-provincial undertaking. Canadian National Railways is an extra-provincial undertaking.

Mr. McGrath: Mr. Chairman, the Public Utilities Commission of the Province of Newfoundland does not agree with Mr. Pickersgill. I have here a newspaper clipping of December 2, and I will just read the pertinent section dealing with this particular matter:

> The Railway had also sought to have a licence issued under the Motor Transport Act to operate the bus service, rather than a certificate under the Motor Carrier Act—

which I understand is a provincial statute.

> The Railway had argued that "the pith and substance of the undertaking" is to provide a connecting service across Newfoundland with the ferry service to and from the mainland of Canada and that the "local" or "intermediate" runs are subsidiary to the overall operation. This in effect would make it an extra-provincial operation as well as an intra-provincial one.

I continue with the quotation:

> However, the Board rejected this argument and said it finds the proposed CN bus operations, being wholly and solely within the provincial jurisdiction,

and I would also suggest they are saying within provincial jurisdiction, are subject only to the Motor Carrier Act. I would like to ask Mr. Pickersgill if he would care to comment on that?

Mr. Pickersgill: No, I do not think I would care to comment on that at all. That is a question of law, and the Public Utilities Commission is acting within its own ambit, and if they are wrong, of course somebody will—as would be the case if we were wrong, and somebody was interested, he would take it into the courts. Therefore it would be very improper for me to make any comment on that.

Mr. McGrath: How does this decision affect future decisions of the Board regarding the Motor Vehicle Transport Act, any other provincial statute that may come into conflict with it, and the subsequent proclamation of Section 3 of the Transport Act?

Mr. Pickersgill: I am afraid, Mr. McGrath, I am not quite bright enough to understand that question.

Mr. McGrath: Mr. Chairman, perhaps I should rephrase the question. How does this decision affect any subsequent hearing of the Board, similar to the hearing of the CNR?

Mr. Pickersgill: By the Board, you mean...

Mr. McGrath: Not by the Board. I mean by the Commission. I beg your pardon.

Mr. Pickersgill: I do not think it would have any effect at all. Part Three has not yet been proclaimed by the government, and therefore there is no question whatever that until Part Three is proclaimed, the Public Utilities Commission has jurisdiction. Whether it has jurisdiction under the provincial statute or under the federal statute is a question of law. But there is no question that at the present time it has the sole power to decide whether there should be a bus service or not.

• 1000

If Part Three is proclaimed, a new question might arise, but it has not been proclaimed yet.

Mr. McGrath: I realize this is a hypothetical question and I do not really expect an answer, Mr. Chairman, but if the Public Utilities Commission of Newfoundland had ruled under the provincial statute against the application, it would be rather interesting to see what the position would be *vis à vis* the

Canadian Transport Commission and its decision.

Mr. Pickersgill: All I can say is I am very glad that did not happen.

Mr. McGrath: I just have one other question, Mr. Chairman. Has the Commission received an application, or has it had discussions with the Canadian National Railways regarding the abandonment of rail passenger service in the province of Prince Edward Island?

Mr. Pickersgill: I do not think there is any application. I have the timetable here and I just guessed that possibly this question might arise. I looked at the timetable and I think I should not take up the time of the Committee by reading it, but it appears that the Canadian National Railways has a bus service which operates from Charlottetown to Amherst, Nova Scotia. It has been operating for some time, and it is shown in the timetable. It seems to provide a quite ample service.

The timetable also shows a passenger train which, I was informed by the Chairman of the Railway Transport Committee, is composed mostly of freight cars, on which there is one, or possibly there may be two, passenger cars, and that that is the sole service that the Canadian National Railways provides on Edward Island or out of Prince Edward Island on rails.

Mr. McGrath: I come back to my question, then. I gather that there have been discussions with Canadian National Railways regarding proposed application to the Commission, or to the Railway Transport Committee of the Commission, for abandonment of the service in P.E.I.

Mr. Pickersgill: I do not think there has.

Mr. McGrath: Why would you refer to the schedule? Why would this be...

Mr. Pickersgill: I am a member of the public, and I...

Mr. McGrath: Why do you as Chairman of the Commission concern yourself with the schedule of the Canadian National Railways service in P.E.I. if in fact you were not contemplating an application to have the service abandoned.

Mr. Pickersgill: You know, Mr. McGrath, even I read the newspapers.

Mr. McGrath: Yes, but you cannot divorce yourself from the role that you are now in as Chairman of the Commission. You know that there has been a question raised in the House on this matter and I am suggesting to you, Mr. Pickersgill, that obviously from your reply you are entertaining or considering an application, or a proposed application for abandonment in P.E.I., or else you would not be concerned with the bus service, and with...

Mr. Pickersgill: Would you like to know really why I asked the question?

Mr. McGrath: No, I do not think I would, Mr. Pickersgill.

Mr. Pickersgill: I did not think you would.

Mr. McGrath: I think the record will show who is right on this matter. I would just like to ask one other question, Mr. Chairman, and that is in view of the questions of this subject at the meeting on November 15. Am I right in assuming, sir, that you did not bring any more of your officials with you than we had at that time, and if this is so, would you mind telling the Committee why you did not bring your Vice-Chairman who is responsible for legal matters, or your legal adviser, why you did not bring the Chairman of the Railway Transport Committee of the Commission with you, because it seems to me that this is in contempt, if you like, because the Committee indicated that it would like to have these officials here. Certainly the suggestion was made that it is unusual for a Committee to be examining estimates without having all of the senior officials of the department concerned present.

Mr. Pickersgill: I examined very carefully the *Proceedings* as they were reported, and I think that any of the questions that were asked I informed myself about, and I am quite prepared if anyone wants to repeat any of those questions to give an answer to them this morning.

Mr. McGrath: In other words, we are not going to be given the opportunity to examine the Chairman of the Railway Transport Committee of your Commission, or your legal adviser. Is that correct? Is that what you are saying?

• 1005

Mr. Pickersgill: I am not responsible for the proceedings of the Committee, sir. I was asked to come. I know one or two members

of the Committee did make certain suggestions at the last meeting at which I was present, but I heard no motion, I received no instructions about the matter and I thought I ought to inform myself about the points that were raised so I would be able to deal with them. If any other points are raised with which I cannot deal, I will certainly do my very best to provide the information.

Mr. McGrath: I will make the motion, Mr. Chairman, that this Committee call the Chairman of the Railway Transport Committee of the Canadian Transport Commission.

The Chairman: You are making a motion that the Chairman of the Railway Transport Committee be brought to the Committee? The motion is being put to the members.

Mr. Allmand: Before we begin with it I would like to ask questions on that motion.

The Chairman: Just a moment, please.

Mr. Lessard (LaSalle): Before the motion is put, we would like to know for what reason, for what purpose. Mr. Pickersgill is here to answer all the questions.

Mr. Peddle: Is there a seconder for the motion?

The Chairman: It does not need a seconder. Mr. Allmand.

Mr. Allmand: Mr. Chairman, it was my understanding that the President of the Canadian Transport Commission was the chief officer of that organization and was competent and responsible for the operations of that organization, and that the chairmen of the various committees are responsible to him and that he is the man who is supposed to answer the questions, not the Chairman of the Committee.

I am not an expert on the statute, although I was here when it was passed clause by clause, but Mr. Pickersgill, is it correct for me to state that you are the one who is responsible for the operation of the Canadian Transport Commission and not the chairmen of the various committees? Is that your understanding of your role?

Mr. Pickersgill: I think that is not an incorrect interpretation of the statute, with one exception, that if the Commission requires a legal opinion on which to base its proceedings as a Commission, I have not the right to give that. The person who has the right to give that is the Vice-President, but the Vice-President is the legal adviser to the Commission. He is not the legal adviser to anybody else.

Mr. Allmand: Therefore, any policy matters come under your responsibility.

Mr. Pickersgill: Ultimately, yes. I have to take the responsibility finally. Yes, that is right.

The Chairman: Mr. Schreyer, you want to talk on the motion?

Mr. Schreyer: Yes, I would support the motion, although I am a little puzzled. I was of the impression that when the Chair was going to get in contact with Mr. Pickersgill, the Chair was going to ask that Mr. Pickersgill bring some of his advisers with him. I want to ask Mr. Pickersgill if he did not receive a specific request that he bring certain officials with him.

Mr. Pickersgill: No, I did not receive any such request, and I did not understand that there was any decision. I mean, I was here. I did not understand that there was any decision by the Committee in that respect, and I did not feel that apart from the one or two legal questions that were put to me at the last meeting, which I hesitated to answer without advice—I think it turns out that the answers that I would have given would not have been incorrect.

But apart from that, I did feel that any questions on matters of fact I would be just as competent to answer as any of the chairmen of the committees. I have with me the Secretary and the Financial Adviser, because I understood the Committee was considering the estimates and I would not pretend to carry all those figures in my head, and I felt I did need help right here in order to satisfy members of the Committee on those points.

• 1010

Mr. Schreyer: Mr. Chairman, I just want to speak briefly. Mr. Pickersgill's answer reassures me that he certainly is not going counter to a specific request that was made of him, and I think that is the important point.

Nevertheless, I support the motion for the reason that I suspect some members here would feel better if they did have a chance to question one or two officials of this Commission other than Mr. Pickersgill. No one for a moment, sir, doubts your competence, but I suspect that 30 years of partisan effort leaves the impression in some minds that you cannot overnight divest yourself of that image, and

some of us would rest easier if we could question other officials who work with you.

[*Interpretation*]

The Chairman: Mr. Noël.

Mr. Noël: Mr. Chairman, I am against this motion, because we want to put questions to Mr. Pickersgill. On November 15, we tried to put questions to him, but he was not in a position to answer the Committee with all the required assurance. Now he is ready to answer those questions. I wonder why a motion is being put to bring here the person he has consulted, since Mr. Pickersgill himself is ready to answer. I think this would be childish! Therefore, I am against the motion because all the questions can be answered by Mr. Pickersgill. And, if he cannot do so, he will consult his legal adviser.

[*English*]

The Chairman: Mr. Thomas, do you want to speak on the motion?

Mr. Thomas (Moncton): Mr. Chairman, while there may not have been any specific request for Mr. Pickersgill to bring other officials with him, my impression after the November 15 meeting certainly was that the next time Mr. Pickersgill appeared here he would have certain other officials wih him. The reason I say that is because I asked Mr. Pickersgill a question which I thought was very pertinent and very important. I asked him what procedure was necessary to make application to continue the freeze on freight rates. I thought it was by Order in Council. Mr. Pickersgill answered me, "I do not think it can be by Order in Council, but I am speaking from recollections."

I understood him to say, in an aside at that time, that the next time he was here he would have his legal officer with him. He no doubt has the answer to this question today, but what if other questions of a similar nature come up today and Mr. Pickersgill says he cannot answer them? This is why I was under the impression that he would bring other people with him today.

The Chairman: Mr. Allmand.

Mr. Allmand: Mr. Thomas suggested that there may be questions that Mr. Pickersgill might not be able to answer today. Should we not wait and see if that is so. Let us put the questions to Mr. Pickersgill and if he is not able to answer them then I would think that perhaps we should call other officials if he feels other officials are better placed to answer them.

This morning I reread the evidence of the last meeting and I cannot see any questions that Mr. Pickersgill should not be able to answer along this line. As a matter of fact the questions this morning seem to be pretty much a repetition of the questions at the last meeting.

Mr. McGrath: Just wait awhile, Mr. Allmand.

The Chairman: Mr. Douglas.

Mr. Douglas: Mr. Chairman, I was going to say almost the same thing. We are presupposing already that the answers will not be forthcoming to questions that may be asked today. I would like to move that this motion be tabled until the end of our meeting to see whether or not we really require to take the time of these people and ourselves to call at some future date more officers of this Commission who may not be present today. I will make that motion that we defer consideration of the motion just put until the end of the meeting.

The Chairman: Have you finished?

Mr. Douglas: I move that it be tabled.

The Chairman: There is already a motion by Mr. McGrath to the effect that Mr. Pickersgill bring legal officers.

Mr. Pickersgill: I wonder, sir, would it be rude of me to ask what the motion really was, because that was not the way I understood it.

Mr. McGrath: You are quite correct. The motion was that the Chairman of the Railway Transport Committee of the Commission be called. If this motion succeeds, then I intend to move that the legal adviser, the Vice-Chairman, be called.

Mr. Pickersgill: The Vice-President, you mean.

Mr. McGrath: The Vice-President.

The Chairman: I am sorry, I was wrong, Mr. McGrath.

• 1015

Mr. McGrath: You were half right, Mr. Chairman.

Mr. Douglas: Mr. Chairman, I have no objection to these people being called if we find they are necessary but right now I have

no way of knowing if they will be necessary and I will vote against the motion.

Mr. Nesbitt: Mr. Chairman, I was just going to say, we have been members of the Committee for some time. Some of the members, with great respect, are perhaps new at the job here. I feel that Mr. Pickersgill will probably agree that a great deal of time may well be saved at the hearings here, if the Vice-president of the Commission and the Chairman of the Railway Transport Committee are permitted to come because otherwise a great deal of the Committee's time will be spent wrangling about this and making motions and asking all sorts of questions, unless, of course, Mr. Pickersgill has some objection to either of these gentlemen appearing. A great deal of time would be saved if we agreed to call them later today.

Mr. Allmand: Mr. Chairman, the order in which the witnesses are usually called is generally determined by the steering committee. Could we not refer this motion to the steering committee, because we have already passed a motion at the beginning of the meeting to call a list of witnesses, including the Postmaster General and others. Would it not be better for the steering committee to consider this motion at the earliest possible opportunity after this meeting so that you can determine, considering what took place at this meeting, if these particular witnesses are necessary? I move that this Mr. McGrath's motion be referred to the steering committee for decision and to report back to this Committee.

The Chairman: Well, we are facing three motions now.

Mr. Douglas: Mr. Chairman, you did not accept my motion because you already had a motion.

The Chairman: But there is one motion already, so we have to deal with that motion.

Mr. Allmand: No, I think it is a matter of procedure. I am making a motion to refer that motion, which takes precedence.

Mr. McGrath: Mr. Chairman, may I just make one observation? I find it difficult to understand why there is not general acceptance of my motion because the reason would appear obvious. We have been examining Mr. Pickersgill on a matter concerning a decision of the Railway Transport Committee of his Commission concerning the rail service of an entire province. In addition to that this morning we discussed the rumour or the proposed application, if you like, of the CN before the same Railway Transport Committee to abandon the service in another province. Surely the reasons for bringing the Chairman of that Committee before this Committee should be obvious and I find it difficult to understand why it would not receive general agreement.

The Chairman: Mr. McGrath, we have to deal with your motion first. Are the members ready to vote on that motion?

Mr. Allmand: Mr. Chairman, if we deal with Mr. McGrath's motion first, mine becomes meaningless. Mine is a procedural motion to refer the motion.

The Chairman: As far as procedure is concerned, yours is an amendment.

Mr. Allmand: How can we deal with Mr. McGrath's motion first? If his motion is passed or defeated it makes mine meaningless. I am moving to refer his motion to the steering committee for decision.

Mr. Schreyer: On a point of order

The Chairman: Mr. Schreyer.

Mr. Schreyer: Yes, Mr. Chairman, I suggest that a motion to table or refer is always in order and must be put to a vote first before you proceed with the main, substantive motion. Mr. Allmand's motion should be taken up first.

• 1020

Mr. Corbin: Mr. Chairman, on a point of order, if I understand things correctly, the motion was made on the basis that a formal request or a motion had been adopted at our last sitting to have the Vice-President here. In the minutes of our meetings of November 15, there was no such motion adopted. For that reason, that should be rejected.

Mr. McGrath: No, that suggestion was never made, that there was a motion adopted at out last meeting. What I did say was that there seemed to be the general impression at the last meeting from the comments of members of the Committee that the absence of these senior officials should be noted and that at the next meeting, when the Commission was again called, these officials would be present.

Mr. Corbin: That was the feeling, but I thought you said—

Mr. McGrath: No, I did not, no.

Mr. Corbin: That is the impression you left with me this morning.

Mr. McGrath: I am sorry.

The Chairman: Order.

Mr. Mahoney: I would respectfully suggest that if this carries on the way it is we may never find out whether or not it is necessary to have the Chairman of the Railway Transport Committee or the Vice-president of the Commission at all. In the interests of getting on with this, Mr. McGrath might think of withdrawing his motion at the present time, leaving it to a later stage of the proceedings this morning when it becomes apparent or not if such people will be called. Let us find out if the President of the Commission in fact can answer the questions put to them.

Mr. McGrath: I do not accept that Mr. Chairman, with great respect, because it is apparent to me from the questioning at the last meeting on November 15 and the questioning this morning that we need the Chairman of the Railway Transport Committee here.

Mr. Lessard (LaSalle): Mr. Chairman, I think you should put the question and be done with it.

The Chairman: I think you are right, Mr. Lessard. According to the rules, superseding motions, though independent in form are moved in the course of debate and questions which they seek to set aside. They are divided into two classes, namely dilatory motions; the previous questions.

Mr. Allmand: I move that Mr. McGrath's motion be referred to the steering committee, to be dealt with as soon as possible after this meeting and that a report be made to the Committee at its next meeting on this motion.

Mr. Nesbitt: For the clarification of Mr. Allmand's motion, when he says, "as soon as possible after this meeting", does he man after this meeting this morning? Perhaps he could make it a little more specific; for instance, at noon today or something of that nature.

Mr. Allmand: I would leave that up to the Chairman and the steering committee. I am not on the steering committee.

The Chairman: We are trying to sit here as long as possible; that is, until 1 o'clock.

Mr. Allmand: I will let you decide, sir.

The Chairman: Well, I think "after 1 o'clock"?

Mr. Allmand: I leave that up to you to decide, Mr. Chairman.

The Chairman: I say after 1 o'clock. Is that agreeable? On the motion put by Mr. Allmand, is there any seconder?

Mr. Pringle: I second the motion.

Motion agreed to.

Mr. Nesbitt: On a point of order, Mr. Chairman, the members of the Committee are changing from time to time and I have the right to some assurance that all the people who voted on this motion are, in fact, members of this Committee at the present time. A great many people come in and I would like some assurance on that.

The Chairman: Yes, the people who have voted are all regular members of the Committee. Do you want their names

Mr. Nesbitt: No. If I have your assurance, Mr. Chairman, that is quite adequate for me.

The Chairman: They are all regular members of the Committee. There are a few members at the present time who are not regular members but those who voted are regular members of the Committee.

Mr. Thomas (Moncton): Who here are not members of the Committee?

The Chairman: Are you asking who are not regular members of the Committee?

Mr. Thomas (Moncton): Yes.

• 1025

The Chairman: Mr. Benjamin, Mr. Peddle.

Mr. Thomas (Moncton): Mr. Chairman, as a member of the steering committee I would like to ask when the steering committee will meet to consider this. Time is important now.

The Chairman: At the last meeting of the steering committee we did not fix any date for the next one.

Mr. Thomas (Moncton): I am talking about this motion that you have just put.

The Chairman: Yes. We said after 1 o'clock this afternoon.

Mr. Thomas (Moncton): When do you think you will have a time? "After 1 o'clock is when very nebulous.

The Chairman: The House is not sitting today so we can meet at 3 o'clock. Is this agreeable?

Mr. Serré: Mr. Chairman, as we have other meetings this afternoon could we not meet

right at 1 o'clock and discuss the time of our steering committee meeting?

The Chairman: Right after this meeting?

Mr. Serré: Yes.

The Chairman: Are there many members who belong to other committees? We can meet right after this meeting if you wish: would that be satisfactory?

Mr. Thomas (Moncton): No. The reason I asked, is that I will not be here this afternoon.

The Chairman: There is a suggestion that we adjourn for 15 minutes and meet right away with the steering committee, and then carry on with the business of the Committee.

Mr. Allmand: Right now?

The Chairman: Yes.

Mr. Allmand: Or right after the meeting?

The Chairman: Right after the meeting, at 1 o'clock. Is that agreeable?

Mr. McGrath: I thought you were suggesting Mr. Chairman, that we adjourn now for 15 minutes and I thought that was a very good suggestion.

The Chairman: No, no, not right now; at 1 o'clock. Is that agreeable?

Mr. Nesbitt: Mr. Chairman, there are a great many questions members, would like to ask Mr. Pickersgill covering a rather broad field. For instance, there is rail and passenger service, and I would like to question Mr. Pickersgill on the subject of airlines. I was wondering if we could get some sort of modus operandi so that members asking questions would be able to carry through for perhaps a number of questions. For convenience sake if any member of any part of the Committee has a whole series of questions he would like to ask rather than to break up the line of questioning, we should arrive at some tentative agreement to carry through in that way dealing with one subject at a time so it will be a little more orderly.

The Chairman: We are still on Item 50 and naturally I am receiving as many questions as possible.

Mr. Nesbitt: Yes, but the Canadian Transport Commission has control of many different subjects.

The Chairman: Are we all ready for questions? The next member I have on the list is Mr. Nowlan.

Mr. Nowlan: Mr. Chairman, if we are going to proceed with questioning I want to ask Mr. Pickersgill questions on two different phases of the Canadian Transport Commission. One is Part III of the Act. I can remember Mr. Pickersgill sitting in about the same physical position in a different capacity in this room a little over a year ago when the National Transportation Act was discussed, amended and defined, and one of the clarion calls for the Act was that different modes of transport were, in effect, to be put on a competitive basis, and pay as you go was sort of the philosophy.

I would like to ask Mr. Pickersgill a general question. What negotiations or discussions, if any, have there been with the trucking industry about the implementation or proclamation of Part III of the Act so that the trucking industry can inherit supposedly some of the benefit of this new competitive philosophy of transportation, which was the purpose of the Act.

Mr. Pickersgill: There have been a number of meetings between representatives of the Canadian trucking associations and the Chairman and other members of the Motor Vehicle Transport Committee, and these gentlemen have met with me in informal discussions about some of the problems that would be involved in the implementation of Part III whenever the government saw fit to proclaim it. The Canadian trucking commissions have made public representations. As recently as the day before yesterday in Toronto Mr. Lewis the President of the Canadian Trucking Associations made a public speech in which he indicated the way in which the Trucking Associations felt it would be desirable to implement Part III, if the government decided to bring it into operation.

Mr. Nowlan: I imagine Mr. Pickersgill is also quite aware of the countermove on the part of some provincial capitals to keep the trucking industry in the balkan condition that it is in, each province in effect setting its own regulations and exercising control of the industry, which I am advised carried over one-third of the value of goods in Canada. I think Mr. Robarts made a speech just the other day, in which he said that Queen's Park should keep its interest in the trucking industry. I just wonder how far the Transport Commission has gone in deciding what it is going to do with Part III of the Act.

Mr. Pickersgill: Mr. Nowlan, you will appreciate that I am only a humble public servant.

Mr. Nowlan: You do not fool me with that humility. If I were as humble as you I would not have to worry.

Mr. Pickersgill: I do not think that any member of the Committee would expect me to make any comments of any description on the speech by the Premier of Ontario.

Mr. Nowlan: No, I appreciate that.

An hon. Member: That is political sagacity.

Mr. Pickersgill: Perhaps it is bureaucratic prudence.

On the second point, I do hope that Mr. Hellyer will consult me before he decides to recommend to the government that Part III is to be proclaimed. But he has no obligation to consult me at all. He is perfectly free because he is the Minister of Transport; he would have to recommend that and the government would have to agree to it. You can see what limitations I operate under. I do not think that I should express a view. However, I would be very glad to give any member of the Committee a copy of the speech I made in Toronto on Tuesday, just after Mr. Lewis spoke, in which I tried to set out what the state of the law was and what some of the problems were. But I also tried to be very correct, and when I was asked what I thought about the implementation of Part III—I was speaking to the Ontario association—I had no choice but to say, and no desire but to say, that that is a matter for the Government of Canada to decide.

Mr. Nowlan: I appreciate that, Mr. Chairman, and thank Mr. Pickersgill for that answer, as far as it goes. I would like to know if the Commission itself is taking any initiative in resolving the multitude of problems that Part III will undoubtedly create because Mr. Pickersgill, wearing another hat, deserved and received praise, as well as condemnation from different sources in stimulating the Transportation Act, which also involves a lot of problems. You showed initiative as a Minister bringing that Act to the fore and up to date, with all the perils therein. Is the Commission just sitting back listening to the trucking industry or is it taking the initiative to resolve some of the problems that Part III would create?

• 1035

Mr. Pickersgill: We are trying very hard to figure out several different ways in which there could be an administration so that if we are asked we will be able to advise the government that it could be done this way or it could be done that way, or it could be done in another way.

I think, in the light of what Mr. McGrath said a little earlier, that there does appear to be some difference of view as to what the Privy Council meant by an undertaking, and if that became a dispute probably nobody but a court of law could settle that. But within those limits we had understood that an undertaking was a company or an individual engaged in the motor vehicle transport industry and that if any of his operations crossed the provincial boundary he was solely under the legislative jurisdiction of the Parliament of Canada; if, on the other hand, all his operations were completely within a province he was solely under the legislative jurisdiction of the legislature. That is the way I understand the Privy Council decision.

It has been suggested—and the Supreme Court made a very important decision, as you know, Mr. Nowlan, quite recently in the Coughlen case—by the Canadian Trucking Associations and by others that if Part III was implemented the direct administration by our Commission should be confined to that part of operations that crosses the boundary, and all those parts of the operation that are entirely within the province should be left under the Motor Vehicle Transport Act so that the provincial boards, acting as agents of the government of Canada, would administer that part of it. Now we are examining that and have been for some time, ever since the Coughlen decision came down, to see whether that would be legally, and what is just as important, practically possible. That is the system in the United States. I think you know that. The Interstate Commerce Commission only regulates the traffic that actually crosses the boundary. In other words, they have the concept of operation rather than the concept of undertaking.

Mr. Nowlan: I have one further question for Mr. Pickersgill, regarding this point, Mr. Chairman. He certainly was well known for giving opinions in the past and I just wondered—it may not be fair—if he would care to give an opinion today, in his present capacity, on this: that for the trucking industry whose operations crosses provincial boundaries it certainly is in the interest of future development of the trucking industry to have Part III proclaimed if the industry is to grow as Canada is growing and as the industry is growing within provincial boundaries now.

Mr. Pickersgill: Mr. Nowlan, it is not my business to express an opinion on that point. My business is to do what Parliament and the Governor in Council, having been given certain powers by Parliament, tell me to do.

Mr. Nowlan: The Minister should give that opinion.

Mr. Pickersgill: The Minister or the government as a whole. I would give my opinion to the Minister but I do not think I should give it in public.

Mr. Nowlan: But you are in private, as a work of the Commission, discussing different ways to—

Mr. Pickersgill: I think that is our duty.

• 1040

Mr. Nowlan: Mr. Chairman, I have one other area of questioning and I will not be too long. This is more parochial than Part III and it concerns something called the Digby-Saint John ferry. This, Mr. Chairman, as Mr. Pickersgill well knows, has some political overtones and political history—it certainly has a long history in Nova Scotia. I would like to know from Mr. Pickersgill, as the head of the Commission, just what the present status is of the negotiations between the government and the CPR on the ferry and wharf facilities, and why this matter should not be made public so that people will know just who is dragging his feet.

Mr. Pickersgill: If I understand the facts correctly—and I think I do, I do not think anybody is dragging his feet. An agreement was made some time ago between the government—I think Mr. Hellyer mentioned this in the House—and the CPR that the CPR would go ahead and ask for tenders for a ship—I understand those tenders have been received and are being evaluated—and that the Department of Public Works would go ahead with the building of a wharf. The provincial governments of Nova Scotia and New Brunswick had agreed to provide certain facilities and I understand that as between the Government of Canada and the government of the provinces everything is practically settled. That is my understanding. That was the latest report I had on these negotiations. I believe there is some "dispute"—perhaps dispute is the wrong word.

Mr. Nowlan: ...difference of opinion.

Mr. Pickersgill: ...or haggling or bargaining going on between the Canadian Pacific and the government as to how much the Canadian Pacific will pay, but that is not holding up anything because the government gave an assurance.

Mr. Nowlan: Mr. Chairman, I am interested in Mr. Pickersgill's answer because if he is correct this certainly is a fact that I am not aware of. It really is not what Mr. Hellyer said in the House. I asked him if there has been an agreement between the Canadian Pacific and the government—

Mr. Pickersgill: Well there has not.

Mr. Nowlan: There has not been an agreement?

Mr. Pickersgill: No, there has not been an agreement. However, there was an understanding that the work would not be held up pending an agreement, that they would go ahead to procure the ship and build the landings, and that if an agreement between the two could not be reached some other means would be found to operate the ship. As I understand it—and I think I am very well informed about this because I ask questions on it about every three days—there is no time whatever being lost and these negotiations can go on while the work is being done.

Mr. Nowlan: At this stage is there anything prejudicial in having the light of publicity fall on the areas of haggling so that the thing can be tied down? As you appreciate, Mr. Chairman, as I think Mr. Pickersgill appreciates, this thing has ebbed and flowed in direct proportion to the tides in the Bay of Fundy. With a change in ministers and a change in government there was almost an agreement in 1963 before an unfortunate event occurred and that government went out of power and a new government and a new minister came in.

Mr. Pickersgill, how would the Minister or the Transport Commission prejudice the present position by making a direct statement to the people on the area of haggling and who the haggler is.

Mr. Pickersgill: I can answer that very simply. The question is how much the CPR is going to pay for the use of the wharf. I understand that if there is not agreement about that, the ship will be operated anyway in some other way.

Mr. Nowlan: Mr. Chairman, can Mr. Pickersgill answer me this? Is there a timetable

for completion of the ferry facilities at both the Digby and the Saint John end? If so, what is it?

Mr. Pickersgill: I do not believe that the tender has been let for the ship yet. The tenders were received only about two weeks ago, I believe, and I do not think this is an undue period for the examination of tenders for a ship that is going to last, we hope, for a long time.

• 1045

Mr. Nowlan: But my question, Mr. Chairman, was not about the ship but whether there is a timetable in Public Works for completion of the ferry facilities.

Mr. Pickersgill: Yes, the time table for the facilities is that they are to be ready by the time the ship is built.

Mr. Nowlan: But when is that?

Mr. Pickersgill: I did not submit any of the tenders. You know it takes a certain length of time to build this ship, and that might be one of the considerations that would govern which tender would be accepted. I understand there is more than one tender. While they are being evaluated I think you would agree that no businessman would start discussing that kind of question in public.

Mr. Nowlan: Then the present situation, Mr. Chairman, is that there is nothing in contract or agreement at the moment between the government and the Canadian Pacific Railway or a firm, and the Canadian Pacific Railway has not let the tender for the ferry. Is that correct?

Mr. Pickersgill: That is quite correct, unless it has happened in the last two days. But I think I am quite correct in saying, and I am going to hazard saying it anyway, that the government has said that a ship will be built and will be operated and if it cannot reach the terms of the Canadian Pacific it will be operated in some other way. I think that is just as far as I can go.

The Chairman: Mr. Skoberg.

Mr. Skoberg: Mr. Chairman, I would like to ask Mr. Pickersgill whether or not there has been any application before the Railway Transport Committee for crossing protection signals at the crossing where a serious accident occurred in which two students were killed out of Peterborough. Have there been previous requests before the Committee for crossing protection signals?

Mr. Pickersgill: I wonder if I could ask one of the officials beside me. That is the kind of factual question I want to be absolutely sure of. We have a list available and I will have one of them telephone and I think I will have an answer in a very few minutes.

Mr. McGrath: Why, all of a sudden, must we refer to officials, Mr. Chairman? Mr. Pickersgill is well versed on all matters of the Commission, and all of a sudden we now have to refer to officials.

Mr. Pickersgill: I do not carry all the details in my mind. I said that, I think, sir.

Mr. Skoberg: In the operation of the Great Slave Lake Railway, has the Railway Transport Committee assumed responsibility for the operational requirements of the freight that is moving on that line?

Mr. Pickersgill: What is this about operational requirements?

Mr. Skoberg: You have an operational order that should be issued by the Board.

Mr. Pickersgill: Do you mean, has its operation yet come under the jurisdiction of the Railway Transport Committee?

Mr. Skoberg: That is correct. It has?

Mr. Pickersgill: I believe it has not yet.

Mr. Skoberg: After three years of revenue traffic being carried on this line, is there any good reason why the Committee has not assumed responsibility?

Mr. Pickersgill: I believe the usual thing is that at a certain point after a railway has been constructed, when all the contracts are settled and the cost of it is known, it is regarded as complete and then comes under the jurisdiction. Up until that time it is under construction, even though it may be carrying traffic.

Mr. Skoberg: You are not suggesting, Mr. Pickersgill, that you would have to wait for the Canadian National Railways to say that the construction has been completed before we intervene?

Mr. Pickersgill: No, no. We have inspectors who would determine that.

Mr. Skoberg: Would you not conclude, though, that with the carrying of revenue traffic on that line for three years there should have been an operational order issued by this time?

Mr. Pickersgill: Well, perhaps there should have been.

Mr. Skoberg: Will you look into it?

Mr. Pickersgill: Yes, I will be very glad to.

• 1050

Mr. Skoberg: The other day I asked a question. I understand that there is some indication that the Canadian Pacific Railway may have made approaches to downgrade their "Canadian" passenger train, and I am wondering whether or not you are aware of any approaches to the Railway Transport Committee in this regard.

Mr. Pickersgill: There has been no application to my knowledge and I am sure I would have heard about it. There has been no application whatever to discontinue the train.

Mr. Skoberg: I am not referring to discontinuing; I am referring to a downgrading. I will refer specifically to the place—from Winnipeg to Calgary—where it has been suggested that the CPR may put a day liner on.

Mr. Pickersgill: Well, that would be substituting one train for another. To the best of my knowledge there has been no such application.

Mr. Skoberg: Even if they called it the "Canadian" it would still be a substitution and would have to come before the Board. Is that correct?

Mr. Pickersgill: I do not believe there has been any application of any kind with respect to the "Canadian".

Mr. Skoberg: They would have to come before the Board, though, if they wanted to downgrade that train.

Mr. Pickersgill: I am not so sure about that.

Mr. Skoberg: I would like a definite answer, Mr. Pickersgill.

Mr. Pickersgill: I cannot give you a definite answer.

Mr. Skoberg: Could I expect one?

Mr. Pickersgill: Yes.

Mr. McGrath: Has the matter been discussed with the CPR?

Mr. Pickersgill: No. Not to my knowledge.

Mr. McGrath: Has the Chairman of the Railway Transport Committee discussed the matter with the CPR?

Mr. Pickersgill: Not to my knowledge; and I think he would have told me.

Mr. Skoberg: I would like to have the assurance that you will have an answer as to whether or not they have to come before the Transport Commission.

Mr. Pickersgill: Oh, yes. I will get an answer to that.

Mr. Skoberg: It would appear that this is an indication of why we could have had other people from the Department with Mr. Pickersgill.

Mr. Chairman, in regard to the Roberts Bank question, which has been coming up quite frequently lately, could you tell me who has control of the rail link between the Crow's Nest and Roberts Bank at this particular time?

Mr. Pickersgill: There is no rail link between the Crow's Nest and Roberts Bank at the present time.

Mr. Skoberg: Well, the contemplated rail line that will be there.

Mr. Pickersgill: I did read a copy of the British Columbia *Gazette* which was sent to me—I think it appeared on my desk yesterday—in which the Minister who has the responsibility in British Columbia for the building of railways that are wholly within the province had approved a certain route for a rail link between the existing railways and Roberts Bank.

Mr. Skoberg: Of course, Mr. Pickersgill, this line is there now and I am wondering who has jurisdiction over the line.

Mr. Pickersgill: I am assured—I have not gone there on the spot to look at it—but I am assured there is not a rail line.

Mr. Skoberg: I think possibly one of the members from B.C. could clarify that quite easily.

Mr. Pringle: Are you talking about the CPR?

Mr. Skoberg: Yes. The CPR is there now.

Mr. Pickersgill: At Roberts Bank?

Mr. Pringle: I think you are referring to Fernie, B.C. and Natal and the Crow's Nest pass—the old Kettle Valley line and the CPR line that runs into the Fraser Valley. It ceases to be, as I understand it, a coal line for the CPR at Mission, when it crosses the bridge and joins the CNR track to Fort Langley, and from Fort Langley on it becomes the new route. Is that correct?

Mr. Pickersgill: My understanding is that the coal moves now and will continue to

move up that railway that was the main line up through that valley. Is it the East Kootenay?

Mr. Pringle: Yes.

Mr. Pickersgill: It does not move over the Kettle Valley.

Mr. Pringle: No, that is right.

Mr. Pickersgill: Then it follows the main line and at the present time, of course, it is shipped at Port Moody. But my understanding is that the coal will be moved under the new scheme when Roberts Bank is completed. It will be moved over a part of the CNR line—I think it is from Mission City—and then a railway has to be built and there may be little bits and pieces. A little bit of the Great Northern will be used. There are little bits and pieces but mainly all it is is a route, and I think the route follows rather closely an old railway that used to be there a long time ago just north of the airport, the Boundary Bay airport. Unfortunately I have not had an opportunity to go to British Columbia and look over this place recently.

Mr. Pringle: I can verify, Mr. Chairman, that there is no railroad from Fort Langley to Roberts Bank at the present time.

Mr. Skoberg: That is what the whole fight is about now, as to the route of the proposed spur line.

Mr. Pickersgill: That is what I understood.

• 1055

Mr. Skoberg: Getting back to the question, regardless of the route and all of the implications that are involved, the jurisdiction over rail lines will still come under this Canadian Transport Commission, will it not?

Mr. Pickersgill: Do you mean that once a railway is built the traffic would come under our jurisdiction?

Mr. Skoberg: You can word it any way you want.

Mr. Pickersgill: Well, the way you word it does rather make a difference, as people find when they go into the courts. If things are not worded properly you very often do not...

Mr. Skoberg: I did not know we were in a court. I am just wording it along the lines as I understand it.

Mr. Pickersgill: I am trying to give accurate answers.

Mr. Skoberg: It will come under our jurisdiction. Is that correct?

Mr. Pickersgill: Do you mean the traffic?

Mr. Skoberg: All right, the traffic.

Mr. Pickersgill: The traffic would come under the jurisdiction of the Canadian Transport Commission. I presume if it is a whole movement over a system most of which is under the jurisdiction of Parliament, it would certainly, for many purposes at any rate, come under the jurisdiction of the Commission. Once a railway is built, it carries the traffic.

Mr. Skoberg: What responsibility does the Canadian Transport Commission assume in so far as distribution of boxcars is concerned?

Mr. Pickersgill: I understand that if there are complaints that Canadian boxcars being hoarded by American railroads, or if there are arguments to the effect, as there sometimes have been, that American cars are unduly delayed here in Canada, this is something that the Railway Transport Committee certainly looks into. In fact, they are looking into this very question at the moment.

Mr. Skoberg: In view of the discussion that has been going on in the House, then, the Railway Transport Committee are looking into the number of boxcars across the line and also the equitable distribution of boxcars in Canada.

Mr. Pickersgill: The distribution within Canada.

Mr. Skoberg: What about the equitable distribution? Are you concerned about that?

Mr. Pickersgill: Well, there are as many views of the equitable distribution of boxcars as there are rural members of Parliament, if I may make an improper kind of answer to that question.

Mr. Skoberg: I think you realize the importance of the distribution and I hope you will be looking into it.

Mr. Pickersgill: As a matter of fact, in so far as it concerns wheat I think that most of the dealings are direct between the Canadian Wheat Board and the railways.

Mr. Skoberg: Are we assuming responsibility? Is your Department assuming responsibility to look into this box car situation?

Mr. Pickersgill: It is a nice question whether or not we could order the railways to put boxcars here, there and everywhere and whether 73 that would be a real interferrence with their management functions.

Mr. Benjamin: You do have the authority to order this if you wanted to use it?

Mr. Pickersgill: Well, that is a nice question.

Mr. Skoberg: Well, I am just wondering where we are at here. We have the Canadian Transport Commission—

Mr. Pickersgill: Let me put it this way. When we get complaints about a lack of box cars, we draw them to the attention of the railways and if there is much substance in the complains we usually get results. Whether this is moral suasion, or whether behind it is a legal power to order them, is another question. But the inspectors of the Railway Committee are constantly dealing with these problems.

Mr. Skoberg: Have you drawn this to the attention of the railroad up to date?

Mr. Pickersgill: Oh, a dozen times.

Mr. Skoberg: With what results, or what answer did you get?

Mr. Pickersgill: Well they vary. Sometimes the railways are able to show that the position they have taken is now wholly unreasonable. Quite often someone down the line has not been very careful and when it gets to higher management in the railways they correct it pretty fast. They do not like to be criticized any more than anyone else does.

Mr. Skoberg: Well, I think we are not worried about the criticism, we are worried about action, really.

Mr. Nesbitt: A supplementary question before Mr. Skobert goes on. I think the point that Mr. Skobert has raised is a very important matter of principle and what I would like to bring up or raise is this. When there is a conflict between the management policy of one or other of the major railways in Canada and the public interest, does the Canadian Transport Commission have the authority to make the decision or make an order, after having heard both sides of the matter?

Mr. Pickersgill: Mr. Nesbitt, you are a distinguished member of the Bar and I am only a layman, but would you not, if you were putting that question in a court, make it rather more specific?

Mr. Nesbitt: Well, then, let me ask you a specific question, directed to you through the Chairman of this Committee. Does the Canadian Transport Commission have the power or the authority to issue an order when the management policies of the railway conflict with the public interest? If you would like a specific example, I would be very glad to provide that.

Mr. Pickersgill: I do not think that we could assume to define the public interest in any way in which it is not defined in the law. I do not think that we can make an arbitrary decision that we know what the public interest is unless it is part of the law, and therefore, one would have to subject, I think, any individual circumstance to examination. It would depend upon whether there was any provision in the Railway Act or in the National Transportation Act by which Parliament had vested in the Commission the authority to act, and if it did, of course, it could act.

Mr. Nesbitt: Mr. Chairman, I would like to pose an example to Mr. Pickersgill and perhaps then he could give us an answer.

I dislike using examples from my own area, but I happen to be familiar with this one and it could happen any place in Canada, so I will use it.

In this case, Canadian National Railways operates a dayliner service between the cities of Widsor, London and Brantford, Ontario, and southwestern Ontario to the City of Toronto. It is designed for business people who are going down and wish to avoid taking their cars into Toronto and all its transportation problems. It returns late in the afternoon. It is a heavily patronized service.

There happen to be two large communities, my own, the City of Woodstock, which has 75 major industries, some employing up to 1,000 people, and a population within ten miles of the railway of some 40,000 to 50,000 people. The CNR has decided that it will not make a stop at Woodstock or at Chatham, but they do stop at Brantford.

The City of Woodstock feels, in this particular case, that this is a form of discrimination and that the industries there have parent or subsidiary industries in the City of Toronto and there is a great deal of traffic back and forth. Some intermediate official of the CNR decides that the dayliner will not stop, which entails only a matter of four minutes at the most on the schedule. Is there any recourse that the municipalities in this case, would have via the Canadian Transport Commission against the decision of some junior official of Canadian National Railways?

Mr. Pickersgill: I think, Mr. Nesbitt, an application would have to be made to the Commission with all the facts. The railways would have to be given the opportunity.

Mr. Nesbitt: Oh, certainly. But there is an opportunity of appealing to the Commission.

• 1105

Mr. Pickersgill: It is not a question of appealing in the ordinary sense. It is a question of applying this. I am thinking of appeal in the legal sense. It is a question of making an application and if that application comes within the four corners of the law, then we have a duty. If it does not, of course, we would be usurping a function that Parliament did not give to us.

Mr. Nesbitt: Does the Commission have authority to hear applications of this nature?

Mr. Pickersgill: It has authority to hear certain kinds of applications with respect to passenger service as they are set out in the law.

Mr. Nesbitt: Would it have authority to hear an application of the example I just cited.

Mr. Pickersgill: I think it would be really prejudging a case for me, sitting here, to try to—because it really depends on the stated facts and details whether or not there is jurisdiction, does it not?

Mr. Nesbitt: Perhaps the Vice-President of the Commission might be able to assist you in answering questions of this nature?

Mr. Pickersgill: I think he would probably want a very detailed statement of the facts and perhaps he would hesitate. After all, he is not the legal adviser of anyone except the Commission, and as his advice might be rather relevant in the determination of the case, it is just conceivable that he might consider the giving of his advice in advance of the hearing or of an application to be prejudicial to applicants or to the railway.

After all, Mr. Nesbitt, in any of these cases, as you know well, the Railway Transport Committee or any other of the Committees before whom there are parties, is sitting as a court of record, and the only place where those cases can be tried surely is within the court with both parties present. To express opinions outside the court when the court is not sitting about what would or would not happen in a particular case would, I think, be something that no one who might have to sit in judgment in the matter would want to do in advance.

Mr. Nesbitt: There is one thing . . .

The Chairman: You are still on the same supplementary?

Mr. Nesbitt: Yes, the same supplementary. Mr. Pickersgill has just told us that he does not want to give general replies to questions as to the jurisdiction of the Commission. Then I cited a specific example, and he still seems a little uncertain. Could Mr. Pickersgill outline to us what authority the Commission does have to deal with such applications.

Mr. Pickersgill: It has precisely the authority given to it by Parliament.

Mr. Nesbitt: Well, what is that?

Mr. Pickersgill: If you ask Mr. Hellyer that question in the House, Mr. Nesbitt, the Speaker, I think, would not permit him to answer because what you would be asking him to do and what you are asking me to do is give a legal interpretation of a statute.

Mr. Nesbitt: I am not asking a legal interpretation, Mr. Pickersgill. I am asking, since there seems to be a great deal of uncertainty as to what applications the Commission can even hear, I would like to know from you, as head of the Commission, what authority the Commission has under the statute passed by Parliament, what kind of applications may be heard?

Mr. Pickersgill: I think I can only say that the statute speaks for itself, and if anyone feels that he has a case he is certainly free to make an application and to state his facts and then the Committee—it is just like asking leave to appeal to the Supreme Court—would decide whether it had jurisdiction. If he was not satisfied, there are other legal remedies.

Mr. Nowlan: A further supplementary. What applications have you heard to date? What type of application have you heard to date specifically?

Mr. Pickersgill: Well, specifically there have been very few because the Committee has been largely concerned with the costing order. It has heard a number of applications about agency consolidations and things of that sort, and rendered judgments in them. It has heard an application for a certain rather well-advertised passenger train and rendered a decision in respect of it. But as I say, since

the Railway Committee of the Commission has been largely engaged in the very long proceedings over the costing order, it has not yet had an opportunity since the Canadian Transport Commission was established to hear any new cases.

I do not think the kinds of cases that it can hear were really radically altered by the National Transportation Act. I think they are the same kinds of cases that the Board of Transport Commissioners were able to hear under the Railway Act before. I do not recall—with respect to the particular kind of thing that Mr. Nesbitt has referred to—except, of course, in cases where a railway applies for an abandonment of a passenger service or an abandonment of a branch line, there is one new feature and that is if the Commission refuses to allow it to be abandoned when there is a loss, then the government is expected to pay the loss, according to the Act, and not throw the burden on the railways, only 80 per cent in the case of a passenger service but probably the total loss in the case of a branch line.

• 1110

Mr. Nesbitt: One final question. Does the Commission have authority to order the supplying of passenger services in whole or in part to specific parts of the country, either municipalities or parts of provinces?

Mr. Pickersgill: Do you mean supplying new passenger services that do not now exist?

Mr. Nesbitt: Yes, or in varying degrees.

Mr. Pickersgill: A passenger service that is declared by the Commission to be a passenger service cannot be abandoned without the permission of the Commission, but I do not think that it would be within the powers of the Commission to order a new service to be established.

Mr. Nesbitt: Even if the Commission felt after hearing representations that it were in the public interest to do so?

Mr. Pickersgill: I do not see how you could do it. How could we tell the Canadian Pacific Railway that they had to start a service that does not now exist and in their business judgment they think should not exist, any more than we could tell an airline that it has to start a new service, or any more than we could tell a bus company or a trucking company.

Mr. Nesbitt: How about the Canadian National Railways?

Mr. Pickersgill: I do not think that we could do it. I think Parliament could do it. If Parliament wanted to tell the Canadian National Railways that they have to provide a service, then I think that could be done, but I do not think it would be within...

Mr. Nesbitt: It would not be within the ambit of the Commission.

Mr. Pickersgill: No, I do not think so, because we are supposed to treat the Canadian National Railways, as I understand it, in exactly the same way as we treat private railways. Certainly that was my understanding when I was Minister of Transport. It was what Mr. Meighen suggested when the question of the relationship between the Canadian National Railways and Parliament and the government came up years ago, and it has been followed, I think, invariably by governments ever since, that the Canadian National Railways is supposed to run a businesslike operation and that its duties are to be imposed upon it, they should be imposed by statute. But if they try to relieve themselves of certain functions they are now performing, whether they be a private company or a public company, then they do have to apply, and those things are set out in the law.

Mr. Nesbitt: Well this is very interesting. To discontinue an existing service or to vary it in some way that implies discontinuance—

Mr. Pickersgill: There is quite a large measure of variation that does not come within the law. If it is considered a matter of management it does not come within the law.

Mr. Nesbitt: Who makes that decision?

Mr. Pickersgill: Presumably the people who are running the undertaking.

Mr. Nesbitt: What the management of the CN or the CPR might think constitutes a management problem might not be thought to be such in somebody else's view. Who decides?

Mr. Pickersgill: If anybody thinks that in any way a railway or any other carrier is not carrying out its obligation under the law that person can take whatever legal remedies there are to provide it—and there are a lot of them provided in the Railway Act.

The Chairman: Have you finished, Mr. Nesbitt?

Mr. Nesbitt: I do not wish you to take offence to personal remarks, Mr. Pickersgill, but it is really like pinning jelly to the wall.

Mr. Pickersgill: Mr. Nesbitt, if you, as a member of the Bar, were to put a specific case before the Commission you would get an answer and you would get it quickly.

The Chairman: Mr. Skoberg.

Mr. Skoberg: Mr. Chairman, listening to what Mr. Nesbitt has been saying, I would hope that the CTC does not become a rubber stamp in respect of these railroads' applications.

Mr. Pickersgill: It certainly does not.

• 1115

Mr. Skoberg: I have heard too many suggestions and I have seen too many things happen. Reports have been given out prior to the completion of certain hearings that something is going to happen. And this is no myth; it has happened exactly along these lines.

At one time the Board of Transport Commissioners issued an annual report, the format of which we all recognized. Has any decision been made to discontinue this type of publication?

Mr. Pickersgill: The Commission has made one report already. It is true that it was only for a short period. The Commission was established on September 19, 1967 and the report therefore did not cover a full year. Because the Commission is different from the Board of Transport Commission, the report is different in form, but there is an obligation under the law for the Commission to make an annual report.

Mr. Skoberg: Is it correct that we will continue to have the annual report of the Board of Transport Commissioners in the format that it used to appear.

Mr. Pickersgill: No, I do not think so. I think there will be some changes.

Mr. Skoberg: Whose decision is that?

Mr. Pickersgill: This is a purely internal matter for us, and if Parliament does not like it they can censure us.

Mr. Skoberg: This then leads to my next question. Who is actually responsible for the policy of the CTC, is it the Minister of Transport or this Commission here?

Mr. Pickersgill: I do not quite know what you mean by "policy".

Mr. Skoberg: You said that you expected some changes would be made in this particular annual report and that if Parliament did not like it they could do something about it.

Mr. Pickersgill: We are not changing anything. There has only been one annual report.

Mr. Skoberg: I only want to know if we are going to continue with that type of report? It was an excellent report as such.

Mr. Pickersgill: Well, I am not sure. It was pretty experimental because it was the first time we had ever done it with a consolidated Commission. I am not sure that it was entirely satisfactory and that we will not try to make some improvements in the report next year. If there are any criticisms of it we would like to have them because we like to know what kind of information people want that is not now in the report.

Mr. Skoberg: Who is actually responsible for the policy of the Canadian Transport Commission?

Mr. Pickersgill: I am afraid I do not know what you mean precisely by "policy".

Mr. Skoberg: Who is setting the policy for the Commission? Is it the Minister?

Mr. Pickersgill: What do you mean by "policy"?

Mr. Skoberg: You have policy and you have regulations. The regulations put into effect the policy once it has been established. Is that right?

Mr. Pickersgill: As I understand it, the policy of the Canadian Transport Commission was established by Parliament in the National Transportation Act.

Mr. Skoberg: But there is no new policy being established by this particular Canadian Transport Commission?

Mr. Pickersgill: I do not see how there can be. Only Parliament could change our mandate.

Mr. Skoberg: Well, I hope that is right.

Mr. Pickersgill: If we do anything we are not empowered to do by Parliament, we can be taken into court.

Mr. Skoberg: Another question, Mr. Chairman. Some time in September I asked a question in the House on jurisdiction respecting safety of railway workers. Now this was taken as notice by Mr. Hellyer and on September 24 Mr. Richardson answered and said that a judgment would be made shortly. Has

any decision been made in so far as the Railway Transport Committee is concerned on a general order setting out whether or not it has jurisdiction over safety as it relates to railway employees?

Mr. Pickersgill: My recollection is that that decision was rendered fairly recently and if you would like me to get the full details, I would be glad to.

• 1120

Mr. Skoberg: If it had been rendered I would expect that there should have been an acknowledgement made in the House.

Mr. Pickersgill: You know, the decisions of courts of law are not normally communicated to the House unless someone asked for them.

Mr. Skoberg: I do not think this was a court of law; this was a decision that was being asked of the Committee.

Mr. Pickersgill: The Committee is a court of law—Parliament said so, and every decision it makes where parties are heard—and parties were heard in that case, the railways and the employees—is the decision of a court.

Mr. Skoberg: I beg to differ with you in this regard, Mr. Pickersgill. The jurisdiction of safety as it affects employees is a question that concerns this Committee here. This did not go to a court of law. This is a matter of interpretation. Surely we could be expected to be given an answer in this regard.

Mr. Pickersgill: I will be very glad to give you...

Mr. Skoberg: Just one last question, Mr. Chairman. There has been a considerable amount of discussion regarding the rules for operation, maintenance and the testing of air-brakes and communication signals. This is a little booklet which we all should be familiar with. Does the Railway Transport Committee supervise the type of inspections going on now throughout the country on these run-through trains—passenger and freight and, if so, is this type of inspection continual?

Mr. Pickersgill: Again, I am a little uncertain of precisely what you mean.

Mr. Skoberg: Well if Steering Committee decides that you should bring along some other people with you, perhaps I could put my question to them.

Mr. Pickersgill: If I could understand the question I could answer it. Do you mean does this Railway Transport Committee have inspectors inspecting the operations of the railway to see that they are conforming with the law?

Mr. Skoberg: This is true.

Mr. Pickersgill: If that is what your question means, the answer is yes.

Mr. Skoberg: When disputes arise over the proper implementation of the rules contained in this book are the inspectors on the spot to supervise the complaints as they come in?

Mr. Pickersgill: Yes. Any complaint is investigated as fast as personnel can be gotten to the spot.

Mr. Skoberg: We will follow that one up later.

The Chairman: Mr. Allmand.

Mr. Allmand: Mr. Pickersgill, does the CTC have any say in the landing rights of international airlines in Canada?

Mr. Pickersgill: Yes. They have to be licensed by the Air Transport Committee or by the Canadian Transport Commission—it is the same thing, you know. But before they can be licensed the normal procedure is to have a bilateral agreement with the country concerned in which the airline resides. These bilateral agreements are not of course negotiated by the Commission as such; they are negotiated, like all our international arrangements are, by the Department of External Affairs in a formal sense. However, the Commission and Mr. Morisset, in particular, the Chairman of the new International Transport Policy Committee, is always represented in these negotiations. When a negotiation is made and when it is agreed that there will be a service between Canada and some other country and a service by some foreign carrier into Canada then, as a formality, the carrier, having been licensed by its own company, must also be licensed by the Air Transport Committee. But this is a pure formality because having made a treaty—the government having agreed, I think it would be really rather contemptuous of us not to carry out the governments' decision in this matter.

Mr. Allmand: But you could refuse.

Mr. Pickersgill: I suppose, technically, we could but I am sure we would hear about it—and quite properly too.

Mr. Allmand: My point is this. Say, an international airline that is presently landing in Montreal would like to land at Toronto instead of Montreal because in the airline's opinion it was felt that it would be more to their advantage, is that change negotiated by way of amendment to the treaty with the Canadian Government or do they go to the Canadian Transport Committee?

Mr. Pickersgill: Oh no. There has to be an agreement between the two governments. Then, in addition to that, in countries where there is more than one airline the airline has to be designated by the country that is concerned for this service. Then it is, as I say, practically automatic. If the government has agreed to this, and since the Commission takes part in these negotiations, there is no reason on earth that the Commission would not approve and would not give the formal document.

Mr. Allmand: Therefore it really is a government decision.

• 1125

Mr. Pickersgill: Oh yes, these are decisions between governments. Sometimes these negotiations take a terribly long time, as I know, having been rather closely associated with the last bilateral negotiations with the United States which came to an almost total standstill for nearly a year.

Mr. Allmand: On another point...

Mr. Nesbitt: I have a supplementary question. Can Mr. Pickersgill tell us how negotiations are getting on now between the Netherlands and Canada, because my understanding is that a few months ago the Netherlands government served notice it was terminating the air agreement between Canada and the Netherlands because of failure to acquire certain landing rights for KLM. Could you bring the Committee up to date on that?

Mr. Pickersgill: My latest information is that notwithstanding the fact that they have formally notified us the bilateral will cease to exist on some date in January that I do not carry in my head, the Netherlands has notified Canadian Pacific Airlines that they are free to continue to fly as though the bilateral still existed until April 1. It is our intention—and this is something that was considered just the other day with the appropriate authorities—to advise KLM that since their government has given this permission to Canadian Pacific, we extend a similar courtesy to KLM.

Mr. Nesbitt: Is it likely that KLM will be able to land in Toronto rather than Montreal, or perhaps both?

Mr. Pickersgill: Well, I did not bring my crystal ball.

Mr. Nowlan: I have a supplementary concerning international air traffic, and perhaps there has been an announcement. Has Alitalia received permission to come into Toronto or is that still in the air?

Mr. Pickersgill: I imagine you are speaking figuratively?

Mr. Nowlan: Figuratively.

Mr. Pickersgill: I would say it was very much in the air.

Mr. Nowlan: As a matter of interest, and coming back to policy, does your CTC actually decide that or is it going to be a ministerial decision?

Mr. Pickersgill: That would have to be negotiated between the two governments. Perhaps I am speaking a little beyond what I ought to as an official, but in these negotiations we try to calculate the losses and the gains to Canada—not to the airlines, but to Canada—in these matters. I think it is no secret that to allow any foreign air carrier to land in Toronto would increase the revenues of that carrier and correspondingly diminish the revenues of Canadian carriers and presumably, therefore, have an adverse effect on our balance of payments.

One would assume, therefore, that we would try to make that up by getting corresponding rights in the other country so that the balance that now exists would, as far as possible, be retained. That is the general principle on which we try to do these things.

Mr. Nowlan: So you do the detailed work, but actually the government say that Alitalia will come into Toronto.

Mr. Pickersgill: I do not think the government considers these matters solely as between airlines. I would assume—I know it was the case when I was a member of the government and perhaps I should not be so coy—but I think these receipts and disbursements in respect of air service are part of the invisibles of our total trade. One would pay some attention, I think, in these matters

not just to what the Canadian airline would lose and the foreign air carrier would gain and vice versa, but one would also pay some attention to the total balance between the two countries.

•1130

Mr. Nowlan: But my question is, does the CTC do this balancing and not the Department of Transport?

Mr. Pickersgill: We try to provide statistics solely with respect to the air service, but I have no doubt that the Minister of Trade and Commerce and the Minister of Finance also would provide statistics about the general effect that this would have on the total balance of trade which is also pretty important.

Mr. Nesbitt: Is public convenience in these matters taken into consideration?

Mr. Pickersgill: Yes. I would think so, and I think most Canadians would prefer to see people travel on the Canadian airlines.

Mr. Allmand: I have another question, Mr. Pickersgill. Some experts, including the Canadian Air Traffic Control Association, have alleged that there are not now enough air traffic controllers in the Toronto and Montreal areas and this constitutes a danger to air traffic. Are these complaints a concern of the CTC or is it purely a governmental decision whether we should have more air traffic control facilities in the Montreal and Toronto air traffic control areas?

Mr. Pickersgill: I think perhaps I ought to answer the question this way: Railway safety, traditionally and legislatively, was a function of the old Board of Transport Commissioners and is a function of the Canadian Transport Commission. Air safety is a function of the Department of Transport, and therefore it does not come within the ambit of the Commission at all, by law.

Mr. Nesbitt: I have a further supplementary; that is a very good point, Mr. Allmand.

The Chairman: A supplementary, Mr. Nesbitt?

Mr. Nesbitt: Recently Mr. John David Lyon, President of Canadian Air Traffic Control Association, said during a press interview in Calgary, apparently, in early November that there had been 12 near misses of aircraft collisions in Canada in the last year. No specific airline was mentioned. Would you care to comment on that statement by Mr. Lyon?

Mr. Pickersgill: I do not think it would be proper for me to comment on that. I think that question would be more appropriately introduced on the Department of Transport estimates because we have no responsibility. It is the Department of Transport that has the responsibility for the air traffic controllers and for air safety.

Mr. Nesbitt: That does not come under the Commission in any way?

Mr. Pickersgill: No; railway safety does, but not air safety.

Mr. Allmand: But does not the allocation of air corridors and air schedules come under the CTC? Does not the CTC decide, for example, whether regional air carriers should have lines from Montreal to Sudbury and North Bay.

Mr. Pickersgill: In that sense, yes, whether there should be services, but it has nothing to do with whether they apply at this altitude or that altitude, or on this air path or that air path; those are matters for the Department of Transport.

Mr. Allmand: But in allocating and deciding whether you will grant regional air services or other services to a certain city, you do consider the present traffic that must go into that airport.

Mr. Pickersgill: We always consult the Department of Transport to find out whether or not there are facilities so that they can operate, because it would be rather silly to give them a licence to operate when they could not physically do it.

Mr. Allmand: When the Canadian Transport Commission was set up the statute provided that there would be certain research functions associated with it. I was wondering whether any research is being done at present, or whether any is contemplated with respect to the whole problem of getting passengers and their baggage out of an aircraft and into the middle of the city. In Montreal you can spend more time going from the Queen Elizabeth Hotel to the Dorval Airport than you do in going from Toronto to Montreal.

Mr. Pickersgill: Would you mind if I had a brief word with the Chairman? I am suggesting, since we are embarking on a new topic, Mr. Allmand, that perhaps I can have about two minutes to reflect on this, if the Commit-

tee does not mind. It is rather a long time from 9.30 until 1.00.

The Chairman: I think the Committee agrees on that; as a matter of fact, I think we can all do it—your Chairman first.

• 1145

A short recess was taken

Upon resuming

The Chairman: Order, please. Gentlemen, before we proceed further may I say that we have one member of the Steering Committee that has to leave and I will entertain a motion for a substitute to replace him at the steering committee meeting this afternoon.

Mr. Mahoney: I move that Mr. Allmand substitute for Mr. Mahoney on the steering committee for the meeting this afternoon.

The Chairman: Are you requesting a replacement too?

Mr. Thomas (Moncton): I move that Mr. Nesbitt replace me.

The Chairman: Then there will be two replacements.

Mr. Skoberg: I would expect Mr. Schreyer will be back, Mr. Chairman. He had another commitment.

An hon. Member: Mr. Mahoney has to represent his constituents somewhere else.

Motions agreed to.

Mr. Pickersgill: Would you please repeat your question?

Mr. Allmand: When the Canadian Transport Commission was set up a research facility was supposed to be established in connection with it. Are these research facilities being used in any way to try to solve the problems of city to airport transport—not just from the airport. I understand that research is being done in the United States on ways of bringing passengers and baggage almost right from an aircraft right into the city in order to cut down on all this lost time between getting off an aircraft and getting into the city. Is your Commission or anybody else doing any of this research, or are there any new methods being proposed?

Mr. Pickersgill: Yes, there is research being done co-operatively by the Department of Transport and the research division of the Canadian Transport Commission on this problem. A lot of different possibilities are being looked at. I think that it is going to be some little time before some of these rather far-out means of doing these things are going to be developed sufficiently so that one can determine which is the best method. However, I have not any doubts in my mind that when you buy an airline ticket say, from Paris to Montreal, in the future, you will get on a vehicle somewhere in the middle of Paris—this will be included in your passage—which will take you right to the plane at the airport, and your luggage probably will be transported in some kind of container. Then, at the other end, unless you want to stop at the airport, the container will be transported, and so will you, right to the centre of the city—and in some cases it may be to more than one place in the city. I do not see how the present system can subsist very much longer. I am sure that every person here experiences the same thing as I do—a terrible lot of exasperation at the end of a journey, in having to wait for your baggage—no matter how efficient the airline is and no matter what airline it is. My baggage always seems to be the last to come off and once in a while it does not.

• 1150

Mr. Allmand: Have any applications been made or have there been any definitive proposals made with respect to helicopter service from downtown Montreal to the airport, and the same thing in Toronto?

Mr. Pickersgill: My recollection is that there were several approaches made to the old air transport board—I do not think there has been one since the Commission was established—and not one of them ever looked as though it would come within miles of paying. You know, transport by helicopter is a very expensive mode of transport and most people just will not pay it for the relatively small saving of time that there is.

Mr. Allmand: It was done during Expo—they transported people from Montreal airport right to the Expo island.

Mr. Pickersgill: Yes, I know.

Mr. Allmand: I do not know whether or not it paid.

Mr. Pickersgill: I do not know whether it paid or not. A lot of people who went to Expo were willing to pay a little extra, you know. If I may put it this way, it was the binge of a lifetime. But for regular transport I would not think the helicopter is very apt to be the

answer. My own view is that the most likely answer is some form of uninterrupted surface transport with no crossings of any kind. There are a lot of these things being developed. I have looked at some of these experimental things. They are frightfully interesting but there is always a dollar sign attached to them, and most of them do not have the bugs out of them yet.

Mr. Allmand: Is the decision to keep or not to keep open the St. Lawrence River up to Montreal throughout the year, including the winter, a purely political one or did your Committee have anything to do with that?

Mr. Pickersgill: Happily when I retired from politics I retired from that question. That is the burden that has to be borne by the Minister of Transport and the government.

Mr. Allmand: Thank you very much, sir.

The Chairman: Does that answer your question, Mr. Allmand? Mr. Peddle.

Mr. Peddle: Thank you, Mr. Chairman. I would like to ask Mr. Pickersgill a few questions in his role as a lowly, modest layman, overworked and underpaid, rather than a prudent bureaucrat. First, I understand Mr. Pickersgill, the Canadian Transport Commission which you head was formed in September, 1967?

Mr. Pickersgill: That is right.

Mr. Peddle: Very closely behind the formation of your Commission came the application to abandon the passenger service in Newfoundland. As a matter of fact, it was made the same month. The date of the application is September 29. Was that the first such application to come before your Commission?

Mr. Pickersgill: The first such application, yes.

Mr. Peddle: Were there others at the same time? When was the next application for an abandonment?

Mr. Pickersgill: I would not be able to be precise about that without looking at a chronology.

Mr. Peddle: I quote from the Toronto *Globe and Mail* of September 27 of this year:

> Hearings on the abandonment applications... These are other applications, abandonment of branch lines and passenger services.
>
> ... have been indefinitely postponed until criteria for determining railway operating costs can be established. These cost hearings are being conducted in Ottawa by the CTC's railway transport committee.

Why was permission given to abandon the passenger service in Newfoundland without the benefit of these new costing procedures. Why was the application considered on the basis of the old antiquated procedures?

• 1155

Mr. McGrath: Mr. Chairman, before the witness answers I would like to make a point of order?

The Chairman: On a point of order?

Mr. McGrath: It has to do with my motion that has been referred to the Steering Committee. I would like to quote briefly from the evidence of our meeting on November 15, if I may. Page 13, bottom of the second column:

> **Mr. Lundrigan:** Do we have some guarantee that the Chairman will come with people who can answer the questions next time, like his Vice-Chairman and other people he does not have with him today, because obviously we are not getting answers to our questions. It would be very much appreciated, and I am sure the Chairman of the Canadian Transport Commission would be in full agreement with me on that point, that we need definite answers to our questions. If we cannot get them here, where can we get the answers? I think he would be in agreement that next time he should come well equipped with people who can answer the questions directly.

And an honourable member interjected:

> Including one from the CNR, Mr. Chairman.

Then Mr. Pickersgill:

> **Mr. Pickersgill:** Mr. Chairman, I am at the service of the Committee to the greatest possible extent. I recognize that all officials have a duty to satisfy the legitimate inquiries of Members of Parliament and I will do my very utmost to do that.

Now, I raise that point, Mr. Chairman, and I think the records should note and you should bear in mind when the Steering Committee meets that there was an undertaking implied in what Mr. Pickersgill said, to have his

officials come before us at the next meeting, including, I submit, the Vice-Chairman who is his legal adviser and, of course, the Chairman of the Railway Committee, because we are getting back into questions of a detailed nature which Mr. Pickersgill could not be expected to answer. I submit that the Steering Committee should bear this in mind that there was an undertaking made, in my opinion, to have his officials here this morning.

The Chairman: If I can answer, I think your point of order is taken, and we will discuss that at the Steering Committee when we meet right after this meeting. We have already agreed to this, and I think we can discuss it at the Steering Committee. Is not that understood?

Mr. McGrath: Oh yes, Mr. Chairman. You are quite right. I raised a point of order so that the Steering Committee will take this into account. It is going to meet shortly, and if we are to continue with this investigation of these Estimates, this should be borne in mind when the Committee is considering my motion.

Mr. Pickersgill: I think Mr. McGrath has implied that I gave an undertaking to the Committee. I really do not think that my language bears the interpretation that he has put upon it, and I do not think I should enter into any dispute with him. But I would not like, by my silence, to appear to assent to the view that I had undertaken to do anything that I had not done. I said I would do my utmost to do that, that is, to satisfy the inquiries. Now the particular questions that were raised that I did not feel like answering at that time I indicated at the beginning of the meeting today I was ready to answer. They have not been put to me again, but I am ready to answer them at any time.

Mr. McGrath: You said you would do your utmost to satisfy Members of parliament, in other words to bring these officials here. Surely if you had suggested to your Vice-Chairman that he should be present this morning, he would be here.

• 1200

The Chairman: We will discuss that at the Steering Committee. I go back to Mr. Peddle.

Mr. Peddle: I do not think Mr. Pickersgill answered my question.

Mr. Pickersgill: No, I was not given an opportunity.

Mr. Peddle: Well, it is back to Mr. Pickersgill then, rather than back to me.

Mr. Pickersgill: You asked a question as to why the Newfoundland application was heard before the costing inquiry was held. This was done because the Canadian National Railways had indicated that they attached some urgency to this application because they wished to substitute for a system of transport which was losing, according to them, over a million dollars a year, though the Commission did not agree entirely with them and reduced the figures somewhat. They wished to substitute for it a service which, in their opinion, would be a better service and would pay. Having regard to the financial position of the country, it seemed not unreasonable to begin those hearings.

My own opinion is that if anyone had objected at those hearings, any competent person had objected that they should not be proceeded with because the costing inquiry had not yet been held, that this would probably have had to be taken into account. But of all the eminent witnesses who appeared, to the best of my recollection and I read the whole record, no one questioned the figures at the hearings. What was argued by certain witnesses at the hearings was that notwithstanding the fact that there was a loss, the service should still continue.

Mr. Peddle: That strikes me as being a very flimsy basis for abandoning a passenger service in a whole province because the CNR regard it as urgent. I am suggesting, sir, that the urgency of the CNR resulted in this thing being—as a gentleman across here said—rubber stamped. I support that with a document that I am not even supposed to have, but I have it, an analysis of various expenses.

The Act under which your Commission works, the Act that governs your Commission, states that the CNR when they are making such an application will support it with figures for a number of years, a certain number, any number that your Commission dictates. This application was supported with only the expense figures for one year, and I think it is very reasonable to assume that when the application was made to abandon a complete passenger service in a full province, your Commission would have insisted upon maximum support, rather than the very minimum. It is to my way of thinking a very unfair situation and one that I am firmly convinced was rubber stamped. Almost half of

the alleged deficit of $918,000 is made up of a figure of $429,765 called inside expenses. Would you tell the Committee the inside what?

Mr. McGrath: Did the Commission understand the CNR's cost accounting system?

Mr. Pickersgill: This case was heard by the Railway Transport Committee, acting as a court of law under the statute. The Committee has made a decision. That decision is appealable and it would, I think, be the grossest impropriety for me or for anyone else in an official capacity to attempt to retry that case without the witnesses or anyone else being present. I think I would just have to plead, sir, that this is not a question, since this is a question about a decision that has already been rendered in a lawful manner. It is a decision that Mr. Peddle does not like, but the decision has been rendered. It is appealable and...

Mr. Peddle: I am questioning figures which your Commission dealt with and used as a basis for a decision which you rendered, and surely it is quite in order for me to ask just what this meant. You are the Chairman of the Commission.

Mr. Pickersgill: I do not question, Mr. Peddle, your competence to ask the question. All I am questioning is my competence to answer it, or the propriety of my answering it.

Mr. McGrath: But surely you are not suggesting that Parliament does not have a right to this information?

Mr. Pickersgill: I am not saying anything about that at all, Mr. McGrath. What I am saying is that the Canadian Transport Commission acted under the law as a court of law, and it rendered a verdict and Parliament said that people who were dissatisfied with that verdict had a right of appeal. They have a right of appeal and up to now no appeal has been made, and it would be a shocking impropriety, it seems to me, for me to try to substitute myself for the court of appeal set out by Parliament.

• 1205

Mr. Peddle: Then you are suggesting, sir, that every question that we ask on this subject is out of order?

Mr. Pickersgill: No. I am not suggesting anything about the questions at all, Mr. Peddle.

Mr. Skoberg: Mr. Chairman, the member was just referring to the cost accounting. As he stated in his opening sentences, that with the establishment of the Canadian Transport Commission, that it inferred there would be no further abandonments until the cost accounting hearings were completed. Is this correct, Mr. Pickersgill?

Mr. Pickersgill: No.

Mr. Skoberg: Is this not what you said?

Mr. Peddle: No, I did not say that. I just asked why in this case the thing was rushed through without giving Newfoundland, the same as the other provinces, the benefits of these new streamlined costing procedures.

Mr. Pickersgill: I gave the answer to that question.

Mr. McGrath: I have a supplementary question, Mr. Chairman, because we have noted another reference to the fact that this decision is appealable. Mr. Pickersgill in his capacity as a witness said this, and the Minister said so in the House, but they have yet to say to whom the appeal is to be made.

Mr. Pickersgill: If you would look at the records you would see I said it quite clearly the other day, and I repeat, this can be appealed to the Privy Council. It could have been appealed any day, it can still be appealed.

Mr. McGrath: To the Governor in Council?

Mr. Pickersgill: To the Governor in Council.

Mr. McGrath: What is the procedure for such an appeal.

Mr. Pickersgill: The procedure is simply to address a communication to the Governor in Council stating that you do not agree with the decision and asking them to consider your appeal.

Mr. Nowlan: Can we get Mr. Jamieson to carry this communication to the Governor in Council?

Mr. Pickersgill: There were certain suggestions that I read in the newspapers that the railway unions were going to appeal, and I noticed an announcement just the other day that they had decided not to. They, apparently, are quite conversant with the proper procedure.

Mr. Peddle: Mr. Pickersgill, did I understand—I am getting a little confused here. I asked a question on this item, "inside expenses", which constituted just about half of the alleged deficit. Did I understand that you will not comment on that?

Mr. Pickersgill: I do not think it would be proper for me to comment on that.

Mr. Peddle: Is there anybody who would comment on it. This is a serious situation. The question is, did the commissioners just take this and look at it without knowing what it was or questioning it? I am asking about half the deficit which they were given permission to abandon on, on the basis of it—inside expenses, $429,765. Surely in this country of ours there must be somebody who can explain this, and if it is not the Chairman of the Canadian Transport Commission, who is it? Where do I go?

Mr. Pickersgill: Mr. Peddle, may I put the question to you this way. If a case had been heard and a decision rendered by one of the judges of the Supreme Court of Newfoundland, would you feel that a committee of the Legislature could summon him before them and ask him to explain how he had reached his decision when the law provides that if you do not like it, you can appeal to the other judges?

• 1210

The law here provides that an appeal can be made from this decision to the Governor in Council and the decision has been made. It has been made by the Canadian Transport Commission. It is true, I did not sit on the case myself, but I am one of the members of that Commission and I am not, I think, doing anything except what is appropriate and right in the circumstances in saying that it is not my function and it would not be proper for me to attempt to explain to anybody how the other commissioners arrived at the conclusion they did.

Mr. Peddle: I suggest, sir, that you do not know, and I would also suggest that if the other commissioners were here they would not know either.

Mr. Pickersgill: I would suggest, with great respect, that if they did know they should not explain it.

The Chairman: Mr. Pringle?

Mr. Pringle: I can understand the concern of the people of Newfoundland with regard to this problem. This is the second session that I have attended—I have been away—and we have spent almost 100 per cent of our time discussing this one problem which seems to me is turning our Transport Committee into an appeal board.

I understand there is such a thing as an appeal board in the Privy Council that can handle this work and is this not where this should be done? I appreciate and am sympathetic toward your problem, but this is the Transport Committee and I live in Western Canada and we would like to talk about a few things out in our country as well.

The Chairman: Order, please.

Mr. Pringle: Mr. Chairman, we have the Chairman of the Transport Commission here and I am just asking a few simple questions concerning the working of his Commission, and if it is out of order, well...

Mr. McGrath: I have listened to the point of order with great respect but this is not a problem peculiar to Newfoundland; this is a national problem because there is a great principle involved here and this is what we are getting at. The principle is that the railway should suddenly have to pay its own way. Surely that is not the basis on which public transportation in this country is founded.

The principle is that the railway now has to pay its own way and if we are to accept that principle then we must be prepared to accept abondonment of railways in other provinces. They have already talked about abandonment in the Province of Prince Edward Island; perhaps your province is next.

The Chairman: Mr. Allmand?

Mr. Pringle: They have not abandoned railroads.

Mr. McGrath: Have they abandoned the entire passenger service in your province?

The Chairman: Mr. Allmand?

Mr. Allmand: Mr. Chairman, Mr. Peddle has put forward the suggestion that perhaps the Transport Commission made its decision on this matter without considering proper evidence with respect to costing, and so forth, and that perhaps they should have waited until they had new methods and had heard all the facts with respect to costing. What he

is really doing is questioning the soundness of the decision of the Transport Commission.

Since the Act that set up this Commission provides for an appeal, what you do in those cases is take an appeal. You do not—and Mr. Pickersgill mentioned this—call a judge into a committee of Parliament and ask him why he made a decision. When they made that decision it was a written decision. It is available to everybody and they give their reasons. Perhaps their reasons are wrong but the proper recourse is to appeal that decision as the law sets out.

Now, if the Governor in Council supports the decision of the Transport Commission, they have to take the political heat. If they make a decision that the Transport Commission was correct, that the allegations that are made in the appeal are not founded—in other words, let us say some of the allegations that Mr. Peddle made—then the Minister and the government, when they make that decision, have to take the political heat, but I do not think this Committee can review the judge's reasons for making a decision. The proper way of doing it is to appeal it.

Mr. Nowlan: On a point of order, Mr. Chairman, with all due respect to Mr. Pickersgill, I think it was Pickersgillian logic to draw the analogy between a judge in a court of law and a decision of the Canadian Transport Commission on this application. Now, whether Mr. Peddle's question as initially framed, and as answered by Mr. Pickersgill is correct and what Mr. Allmand said about questioning the actual reasons for judgment of the CTC, I think most likely is a valid point. I do not accept the proposition that Mr. Pickersgill is here as a judge of the Supreme Court or any other court. I think this is just a red herring. I think Mr. Allmand has a point about Mr. Peddle's questioning the reasons for judgment, but I do not accept, and frankly I do not understand, why Mr. Pickersgill cannot answer.

We could have someone from the Railway Committee of the CTC or whatever it is called now to explain—I do not know whether Mr. Pickersgill knows what it is—how that inside expense is broken down and how it is assessed under the old accounting procedures or the new accounting procedures; in other words, an explanation of the inside expenses, not an attack on the reasons.

Now, Mr. McGrath, we are all Canadians from Newfoundland all across the country.

• 1215

From the explanation that I think we are entitled to ask the Chairman or someone in his Commission, from those explanations to this legislative committee—that is the committee that has some power in the CTC—then Mr. Peddle can go and make his appeal to the Cabinet and sound off and make any other allegations he wants. But to have an explanation of the inside expense of half the—if he happens to have his explanation and perhaps should not have had it, but to me it is a legitimate question to ask for an explanation, not to attack the reasons for the CTC decision here.

I am at cross-purposes in part with Mr. Peddle. The other thing I cannot understand, Mr. Peddle, which we did ask you for, which again is an explanation from the Chairman of the Commission, if the Act says as he alleges—and I do remember there was something in this Act because I was at Committee hearings—that you would take a period of years to make your assessment of variable expenses why in this case—and this is certainly a question which is proper to the Chairman of the CTC who has to take responsibility for the CTC—do they just take one year?

Those are questions that I think are for information. Mr. Peddle and Mr. McGrath and everyone else can do with the information what they will in another forum, perhaps, but I think this is a legitimate point

Mr. Pickersgill: There is no question whatever with Mr. Peddle's question as to why this matter was dealt with before the costing order was made. I thought it a perfectly proper question and I gave the best answer I could, which happened to be the truth. He thinks that we made a mistake in doing that and he is perfectly entitled to think that, but his other question deal with the evidence that was before the Commission in reaching its decision and I think I have to agree with what Mr. Pringle said, that when he asks me to comment on that evidence he is asking me to retry the case without the witnesses who were there in the first place.

Mr. Nowlan: Mr. Chairman, if I may intercede, from what I understand Mr. Peddle is not asking the Chairman to comment on his comments about the decision, but is asking for an explanation of a figure that was advanced at the hearing.

Mr. Pickersgill: Those figures were available and no witness at the hearing, to the best of my knowledge, questioned them, and the decision was then reached. It seems to me that if Mr. Peddle wishes to argue that the decision was reached improperly, that the evidence was used improperly, this is something that should be done in appeal.

Mr. McGrath: But we cannot do that unless we first of all have a chance to examine the Chairman of the Committee who exercised his judgment on this evidence and we want to know how he arrived at this judgment.

Mr. Pickersgill: Well, exactly, and...

Mr. McGrath: And in order to do that we must know what the evidence was. We do not know...

Mr. Pickersgill: My point is very simple about that. There is a written decision and, as I understand it, when a court gives a written decision that constitutes the reasons for judgment.

Mr. McGrath: This is not a court; it is a tribunal. It is not a court of law.

Mr. Pickersgill: It is a court of record, the law says so. And the law provides...

Mr. McGrath: Are you Mr. Justice Pickersgill? It is a poor analogy.

Mr. Pickersgill: It may be a poor analogy, but Section 53 of the Railway Act provides a procedure for an appeal from a court.

Mr. McGrath: How can we have a judicial tribunal with a layman as its head? I think this is a red herring, as somebody said, in order to prevent the Committee from properly examining this whole business.

Mr. Nowlan: Mr. Chairman, we are examining the CTC Chairman. This has been an activity, perhaps the first one of the CTC. I say and I repeat that I do not think anyone can question the reasons of the CTC, but I think as a member, that this is not completely a court of record because you, sir, with all respect for all your ability and knowledge of transportation, did not receive your appointment as judges are appointed.

This is a quasi-court and it is administrative as someone has said, but you cannot use the analogy of a court and Mr. Peddle may decide, if he has an explanation of that substantial figure, that there is not any reason to take it any further.

An hon. Member: Hear, hear.

Mr. McGrath: But he is here as a legislator, examining the activities of CTC—and this is one of the first acts of the CTC—and I believe very strongly, Mr. Chairman, that he can ask for information because...

Mr. Pickersgill: About the evidence?

Mr. McGrath: Yes, he can ask for information on that figure because it so happens that this is not a court. You have to come before the Committee and explain your activities for the year and this is one of the major ones so far as Newfoundland is concerned.

• 1220

The Chairman: Order, please. First of all, concerning the question of Mr. Peddle, I think this question was out of order according to the rules which say very clearly:

> All references to judges and courts of justice and to personages of high official station, of the nature of personal attack and censure, have always been considered unparliamentary,...

Mr. McGrath: What does that have to do with this, Mr. Chairman?

The Chairman: "All references to judges and courts of justice"...

Mr. Nesbitt: That is a bit much.

The Chairman: Yes, but this appeared before the Commission. The judgment was rendered before the Commission.

Mr. McGrath: Mr. Pickersgill is the one who made the analogy between his Commission which is, as I say, an administrative tribunal and a court of law.

Mr. Pickersgill: May I read from the National Transportation Act, Section 6, subsection (2). There is no analogy; it says:

> The Commission is a court of record...

Mr. Pringle: ... possible for these gentlemen to take this problem to the Appeal Court. We are into an appeal now. I understand they wish to reverse the decision. Is this not the only thing that really could be gained from it apart from this principle which is very doubtful because we have been abandoning railroads in western Canada for years; as long as I can remember. And we have been abandoning the railroad stations and post offices and a few other things because it

was felt that we should do so. It seems to me that to reverse a decision you must have an appeal and I think this should be the proper approach. Why can they not have an appeal to the proper court and let transportation get on with its business?

Mr. McGrath: Mr. Chairman, I repeat with great respect that we are not interested in this solely for the reason of trying to set aside this decision, desirable to some as that may be, but there is a precedent being set here, a very dangerous precedent. What is to stop the Commission from going all across the country and abandoning services in all of the provinces if they are not paying? This is the point that we are concerned with here. They have set a precedent and we want to examine it to see if it is a good precedent because we do not think it is.

Mr. Nowlan: Mr. Chairman, on this point, does Mr. Pickersgill's suggestion go this far, that it could affect the Fraser Valley? I do not know where the CTC would come into this, but on this Roberts Bank thing on the routes, and if some matter comes before the CTC affecting Roberts Bank, next year you are not going to come before this Committee and if Mr. Pickersgill or some other representative of the CTC is here you are going to be foreclosed and prevented from asking questions. You may want to attack the decision, because it may cut through your farm, but at least you can ask as a legislator to a legislative tribunal. That is what this is; this is not a court of law. This is a legislative tribunal and you as a member from your area certainly would be entitled to ask and seek information to, I think, suggest to you whether you want to take it any further on the Roberts Bank.

Mr. Pringle: Mr. Chairman, I merely make my point simply because we have been at it now for two full sessions and I think as legislators—and I agree with Mr. Nesbitt that I am a bit new here—but I am also a businessman. The thing that we like to do in business is once in a while get something accomplished. Is this not what we are supposed to do in Parliament, or in committee? We have heard repetitions and so on to the point where to me it seemed we were in a position, Mr. Chairman, where we were attempting to hold a hearing which I do not believe is our function. I agree that they should ask questions, yes, but we have heard so many questions and are we going to keep on that...

• 1225

Mr. Peddle: Mr. Chairman, I would have been finished half an hour ago if this question had not been raised.

The Chairman: Just a moment. Order, please. Mr. Benjamin.

Mr. Benjamin: Surely we are off the point of contention completely. I do not think the gentleman was asking Mr. Pickersgill to comment on the reasons for the decision. He was purely and simply only asking what that inside cost figure means. That is all he was asking. If Mr. Pickersgill does not have that information, then let us get a CNR vice-president here to find out. He was not asking Mr. Pickersgill to comment on the validity or non-validity of the decision that was made by the tribunal. He was only asking for a breakdown of what those inside costs are and what they mean. That is all.

Mr. Pickersgill: The full point is that those figures were part of the application. They were part of the material that was considered in reaching the judgment. They are what I perhaps in my unlearned way call the evidence in the case. A decision has been made by my brother commissioners on that evidence and I do not think that I should try to explain why they reached the decision or why they accepted or rejected that decision.

Mr. Benjamin: He is not asking you to explain why they accepted or rejected that. He is asking you to explain what are the inside costs and how they break down. That is all. He is not asking you to justify or not.

Mr. Pickersgill: I think I would agree one thing you said—that it would be a much more appropriate question to ask the CNR when they are before you.

The Chairman: Mr. Peddle?

Mr. Peddle: Mr. Chairman, I just want to read a line from the official report of Messrs. Jones, Woodard and Irwin, who were the Commissioners. The top line:

> The Committee had an opportunity to inspect a prototype bus at St. John's in December and, unquestionably—

very emphatic, this is "unquestionably,"

> —these vehicles will be clean, modern, comfortable and fast.

Can somebody tell me how you can go out and look at a bus and tell that it will be clean

and it will be modern and it will be comfortable and it will be fast. This is the kind of statements that go throughout this judgment. The whole thing is interspersed with this type of thing and to my mind it is just plain nonsense. There is no way in the world of making any sense out of it. Look at a bus and tell us that it is going to be clean, and fast, and comfortable.

The Chairman: Mr. Skoberg, have you a supplementary?

Mr. Skoberg: It was implied by Mr. Pickersgill that the Commission acts as a court of law as such and he referred to the second section for clarification purposes.

> (2) The Commission is a court of record and shall have an official seal which shall be judicially noticed.

Were you referring that with the wording as such in this National Transportation Act, this makes the Commission a court of law or if their records will be judicially noticed. Is this correct?

Mr. Pickersgill: Yes.

Mr. Skoberg: It is not a court of law.

Mr. Pickersgill: It is a court of law for certain limited purposes and its decisions are appealable; and they are appealable both to the Governor in Council and, in certain circumstances, to the Supreme Court of Canada. And that is all set out in the law. It seems to me that anyone who is aggrieved by the decision or thinks it was improperly made has recourse to the provisions for appeal that Parliament made.

Mr. Skoberg: Even though these Commissioners on there are not judges in their own right at all.

Mr. Pickersgill: They are Commissioners.

The Chairman: Mr. Peddle, have you finished?

Mr. Peddle: No, I am not finished, but I cannot get anywhere, Mr. Chairman, so there is no point in pursuing this thing.

The Chairman: Mr. Carter?

Mr. Carter: Mr. Chairman, getting away from the abandonment just for a moment—I intend to come back to it. I think my friends across can tolerate another few minutes of it.

• 1230

There are 90 miles of water, sir, separating Newfoundland from the rest of Canada.

Mr. Pickersgill: You mean to the south.

Mr. Carter: Yes, to the south—the ferry from point to point.

Mr. Pickersgill: It is only nine miles at the north.

Mr. Carter: Nine miles from the upper section there. The point I am making, Mr. Chairman, is that these are 90 expensive miles as far as Newfoundlanders are concerned. Can the Chairman tell me if the rate charged on the ferries for freight and passengers is computed on the same basis as regular road type rail passenger and freight traffic?

Mr. Pickersgill: The freight tariffs are exactly the same as though it were 90 miles of railway. There was a case taken I think to the Supreme Court shortly after Confederation. There was some difference with the Canadian National, and I believe the Government of Newfoundland took the case and they won the case. It is interpreted as being that many miles of railway and the same rates that apply to the railways apply to freight passing over that 90 miles. If it is intra-region or is going west out of the region it is subject, of course, to 30 per cent under the Maritime Freight Rates Act.

Mr. Carter: Mr. Chairman, to move a car on that ferry, which is only 90 miles, is about $50, I believe. Is it not?

Mr. Pickersgill: I was only answering the question about the railway—the freight. Motor cars are carried on the ferry on an entirely different basis. The motor traffic on that ferry is not railway traffic at all.

Mr. Carter: Should they not be subjected to the same regulation as that prevailing on trains, or regular—

Mr. Pickersgill: I do not know what the rates are for carrying a motor car on a train, but they are not very small. The Maritime Freight Rates Act does not apply to the carriage of a motor car that is driven on the roads and then taken on the ferry.

Mr. Carter: Does this same thing, Mr. Chairman, apply to trailers which bring things back and forth? Truck type trailers.

Mr. Pickersgill: I understand that the Canadian National cannot carry its own trailers at any lower rate than it carries the trailers of competitors.

Mr. Carter: Mr. Chairman, I think the Committee members are wondering why we are making such a fuss about this CNR thing, but I hope they appreciate that to Newfoundlanders, this is very, very important.

A statement was made by the Canadian National's Operation Manager, which the people of St. John's read on October 28 in reply to their question with regard to bus shelters in the event that they are unable to drop passengers off at certain points because of snow storms and so on. They asked what would happen if they had to take them to the next point, two or three or four or five or a hundred miles further on. And his answer was that these people would be charged for the additional run and they would have to pay to get back to their original destination. Does the Committee wonder why we are upset and why we are questioning certain statements made by the CTC? Are you aware of this statement, Mr. Pickersgill?

Mr. Pickersgill: No, I was not aware of that statement. I do not think I should comment on it because that is a statement by the Canadian National Railways and you will have the Canadian National before you in due course and you can ask them about their officers. I do not think it is appropriate for me to comment.

Mr. Carter: I am wondering, Mr. Chairman, if we can ask, because we are asking questions concerning this abandonment which is very important and...

Mr. Pickersgill: I think perhaps I should draw your attention to another statement by the Canadian National Railways which was made, I believe, the day they were given the franchise to operate their bus. That was to the effect that they intended, notwithstanding the judgment of the Canadian Transport Commission, to continue to operate the train throughout the whole winter on the same schedule as they did a year ago. So no train has been abandoned at all.

• 1235

Unfortunately the day before yesterday, I am advised, the train was unable to go beyond Bishop's Falls when it was on its way from St. John's to Port aux Basques and the passengers had to be taken in the bus the rest of the way. But that is just a little bit of history.

Mr. Nesbitt: Just a point of order, Mr. Chairman. The Chairman of the Commission has just told us that we will be able to question officials of the Canadian National Railways when they appear before this Committee. As I understand it, do we have any authority to have the officials of the CNR or Air Canada before this Committee at the present time?

Mr. Pickersgill: Not at this present time, but I cannot answer for them even if they are not coming. But they always do come every year.

Mr. Nesbitt: We are not having them this year, Mr. Chairman. It would be news to me if we are.

The Chairman: We will have them. I think I mentioned before that we will have them on the annual report. When that will be I do not know. I think they will be on the annual reports of the Canadian National Railways and Air Canada.

Mr. Nesbitt: If the government refers it to us. At the moment we have no authority.

The Chairman: No.

Mr. Carter: I wonder if you could explain, Mr. Chairman, the statement a moment ago about the train that could not get farther than Bishop's Falls and had to . . .

Mr. Pickersgill: I probably should not have said it because it was just a report—a news report like to a lot of others that have been referred to.

The Chairman: Are you finished, Mr. Carter?

Mr. Carter: No, I am not, Mr. Chairman. I too would like to know why the year 1966 was singled out as having shown a deficit of $918,000, a part of which, of course, is now questionable—why that one year was singled out and not other years taken or an average broken down over so many years in the Canadian National's application to the CTC. Any explanation?

Mr. Pickersgill: This again would be simply going into the case that was before the Committee and attempting to set my judgment against that of those who have the responsi-

bility of doing it would not, I think, be very helpful to anyone.

Mr. Carter: Yes; but can the Chairman of the CTC tell us if their whole decision relative to the $918,000 was based on the operations of the CNR's Newfoundland service in 1966?

Mr. Pickersgill: The basis of their decision is set out in their judgment.

Mr. Carter: In other words, you do not care to answer my question?

Mr. Pickersgill: I do not care to give any judgment different from the one that has already been given by the Commission.

Mr. Carter: But you do not care to answer my question whether it was wholly based on the year 1966?

Mr. Pickersgill: I could not answer that question, Mr. Carter, because I did not make the decision and I did not participate in making it.

Mr. Nowlan: I have a supplementary, Mr. Chairman. Mr. Pickersgill really did not answer this, because Mr. McGrath came in on a point of order after Mr. Peddle posed the question. Is it correct—and I think this is within your ambit of competence although there may be disagreement about other areas—as Mr. Peddle read from the *Globe and Mail*, that since the CTC disposed of the Newfoundland train all other applications for abandonment have, in effect, been held up until these new concepts and procedures have been developed?

Mr. Pickersgill: No other application for abandonment, either of branch lines or of passenger trains, has been heard since, to the best of my knowledge.

Mr. Nowlan: In other words, until this Newfoundland train is disposed of every other application has been postponed, and the reason for the postponement is to consider these procedures and for a review to be made and completed; is that right?

Mr. Pickersgill: The reason is that they could not be done concurrently.

Mr. Nowlan: Just as an explanation to some of the members opposite, and related to the point of order that was raised when Mr. Peddle was upset about a member questioning the time taken, I was in the House—I do not know whether the member opposite was—when Mr. Hellyer said: "Please let this matter proceed"—I think if was during the Estimates...

Mr. Pickersgill: That is right.

Mr. Nowlan: ... "and you will have your opportunity to come before the Committee and question the CTC officials." This may be one reason for an abnormal amount of time being taken on something very important.

• 1240

Mr. Pickersgill: That was the present Minister.

Mr. Nowlan: It was the Minister's suggestion.

The Chairman: We will get back to Mr. Carter.

Mr. Carter: Mr. Chairman, there is not much point in asking further questions of the hon. gentleman, because we are not getting answers. Why waste time?

The Chairman: Mr. Nesbitt, do you have further questions?

Mr. Nesbitt: I have questions on another subject, but if anyone has further questions on this subject perhaps it would be best to dispose of them first.

Mr. Skoberg: Mr. Chairman, what ever happened to the crossing protection signals at Peterborough?

The Chairman: I beg your pardon?

Mr. Pickersgill: I have an answer here which I have not had time to read. I have so much confidence in the secretary that I will read it aloud:

> A proposal from the County Engineer in 1947, to *eliminate* the crossing, finally in 1959, following correspondence and drafting of specific plans—resulted in a decision by the then BTC that the proposal (a costly one) represented a highway improvement and did not warrant a contribution from the fund. However, at the same time the Board expressed willingness to contribute 80 per cent of the cost of automatic protection. City Engineer in reply said municipality did not feel it necessary to install automatic protection at that time (1959).
>
> A subsequent request to improve the road approaches was held to be a high-

way—and hence a provincial matter. There was one non-casualty accident on November 3, 1960, (of which we have no details). No official representation of any kind has since been made.

Mr. Skoberg: Mr. Pickersgill was official representation made in 1959 for crossing protection? I missed the first part of that.

Mr. Pickersgill: No.

Mr. H. Arbique (Secretary, Canadian Transport Commission): It was proposed by the Board. The Board proposed that in view of what...

Mr. Pickersgill: The Board decided that it was a highway improvement and did not warrant a contribution from the fund for a grade separation. At the same time, in 1959, the Board expressed willingness to contribute 80 per cent of the cost of automatic protection. But the city apparently rejected that.

Mr. Skoberg: Who initiated the original request?

Mr. Pickersgill: The county engineer.

Mr. Skoberg: The county engineer?

Mr. Pickersgill: In 1947.

Mr. Skoberg: For a grade separation.

Mr. Pickersgill: That is the information that has been extracted from the files.

The Chairman: Have you finished, Mr. Skoberg?

Mr. Skoberg: Yes, thank you.

The Chairman: Mr. Nesbitt?

Mr. Nowlan: Just before Mr. Nesbitt starts, Mr. Chairman, may I ask that the Subcommittee on Agenda and Procedure consider at noon this question of information versus condemnation of a judgment. It is rather important, not only in this case, but if committees, as is expected, are going to function more in the future, then I would like to know, for my own edification, just who is correct on this point of procedure. Perhaps the Subcommittee could consider this and also the avisability of calling the legislative counsel this afternoon to give us his interpretation of the propriety of asking information on something that is an activity of the CTC, separate and apart from attacking the CTC.

The Chairman: This will be discussed by the Subcommittee immediately after this meeting. That was understood and voted on. Mr. Nesbitt?

Mr. Nesbitt: On the matter of air carriers, it is my understanding that for practical purposes air carriers in Canada are divided into three groups, and in the parlance of the trade, so to speak, I understand they are referred to as main line carriers, which, of course, are Air Canada, Canadian Pacific Airlines, as regional carriers; and, as the third group, third level carriers.

• 1245

In October 1966 a statement of principles governing regional air carriers was set out by the then minister of transport who is now the Chairman of the Commission.

It is my understanding that the Air Transport Association of Canada in their annual report, which was released about a month or so ago, is very concerned about the failure of the Canadian Transport Commission to put these principles into effect.

All of us must realize that the Commission is new and has just started, but I have a question or two of the witness.

I wish to quote a brief section of the 34th Annual Report of the Air Transport Association of Canada, which is for the year ending September 30, 1968, from the middle of page 4. I think it is important that we have it on the record. It reads:

> I would be remiss if I did not record the disappointment and frustration of this industry resulting from the confusion existing regarding government policy. Not only has there been no implementation of previously enunciated policy governing the mainline and regional carriers, but no extension of policy governing other segments of the industry has been developed. Virtually, all Canadian air carriers are suffering under a tremendous handicap in the development of plans, acquisition of new aircraft, and the continued operation of their companies on a profitable basis as action is delayed in providing effective air policy.

I note this morning a quotation from Canadian Press that Georgian Bay Airways, which is a regional carrier—

Mr. Pickersgill: It is a third level carrier.

Mr. Nesbitt: A third level carrier?

Mr. Pickersgill: Yes.

Mr. Nesbitt: But I see it is apparently becoming—

Mr. Pickersgill: Oh, no.

Mr. Nesbitt: The press reports that Georgian Bay Airways has been authorized to establish the first direct air service between Montreal and the Sudbury-North Bay area of Ontario the Canadian Transport Commission announced today. It then gives the details of the passenger service for five days a week.

I agree with the comments of the Chairman of the Commission that Georgian Bay Airways would normally come under the classification of a third level carrier, but my first question to Mr. Pickersgill is: When do third level carriers become regional carriers?

Mr. Pickersgill: At the time the statement of policy was made there were five carriers in Canada that were considered regional carriers, Pacific Western Air Lines, Transair, Nordair, Quebecair and Eastern Provincial Airways; and there are still only five that are considered regional carriers.

Mr. Nesbitt: All the other small—

Mr. Pickersgill: All the others are third level carriers, or perhaps very local carriers.

Mr. Nesbitt: Although they may carry out some of the functions that might be ascribed to regional carriers?

Mr. Pickersgill: I think, perhaps, there is a sort of qualitative difference, really. A regional carrier is a carrier that uses relatively large aircraft—aircraft larger than DC-3's—and third level carriers are all limited in the size of their aircraft.

Mr. Nesbitt: My main question to Mr. Pickersgill is this: Has an agreement been worked out in the offices of the Commission about the routes that are now, and in the foreseeable future, going to be used by Air Canada and Canadian Pacific Airlines? I refer specifically at this point to routes within Canada.

Mr. Pickersgill: Are you referring to main line routes?

Mr. Nesbitt: Yes, the main line routes of Air Canada.

Mr. Pickersgill: That was covered by another statement of policy, and—there is an application before the Commission at the present time from Canadian Pacific.

Under a policy that was enunciated relative to main line carriers it was said that by 1970 Canadian Pacific could work up to 25 per cent of the estimated total traffic. They now have two flights a day across the country. They have made an application to come up to somewhere around 20 per cent. That is before the Commission now and Air Canada and some of the regional carriers, I believe, have been sent copies of it and they are making comments. A final decision has not yet been reached. I hope it will be quite soon because they all want to know.

• 1250

Mr. Nesbitt: The acquisition of aircraft—

Mr. Pickersgill: I do not think it is terribly important, perhaps, because Canadian Pacific has assumed that the policy meant what it said and it would get approximately half way between what it is now and what it could hope for in 1970 anyway. I think it has made provision for its aircraft.

Mr. Nesbitt: Was there general agreement when this policy was announced, a sort of de facto general agreement between the two major airlines ?Was it satisfactory or actually unsatisfactory?

Mr. Pickersgill: I am not absolutely sure that the President of Air Canada was altogether pleased that Canadian Pacific was allowed quite as much as 25 per cent but this was a decision made by the whole government and it does seem to have been pretty well received. Air Canada does not appear to me to have suffered unduly and it has given the public a little greater measure of choice than they had before.

Mr. Nesbitt: Have any steps been taken by the Commission to transfer to the regional carriers some of the more localized air routes that Canadian Pacific Air Lines and Air Canada have been carrying, particularly in Western Canada and in some parts of Ontario and Quebec?

Mr. Pickersgill: There have been no transfers of routes but a licence was authorized very recently to Pacific Western to fly from Vancouver, with a compulsory stop at Kamloops, to Calgary which duplicates both Air Canada and CPA but because of the compulsory stop it is a regional service. Between Vancouver and Calgary it does compete with Canadian Pacific.

There are, of course, other applications by PWA for further routes out of British Columbia that are under very active consideration at the moment and, of course, during the summer there were very considerable extensions of all three regional carriers that go into the Arctic. They were given additional routes and additional service, as well as some of the third level carriers.

Mr. Nesbitt: Is it the intention of the Commission which oversees these things eventually to phase out some of these localized operations of the two main line carriers and turn them over to the...

Mr. Pickersgill: That was foreshadowed in the statement. I think you have it there. I should have brought it but I did not. I do not exactly know if off by heart but I think I know everything that is in it. It was said it would not be done on a wholesale scale, it would be done gradually; but it is envisaged. My guess would be that at the stage when new aircraft are needed for some of these routes, the main line carriers would not want to get new aircraft for them and at that time it would be sensible to switch them to the regional carriers. That is what I hope will happen.

Mr. Nesbitt: Can you give an estimate over what period of years this policy will be adopted?

Mr. Pickersgill: I would look for some of them to happen fairly soon.

Mr. Nesbitt: How soon would you think that the whole process might be completed?

Mr. Pickersgill: I do not know how long, really, because I suspect it will be reassessed every year or so, depending on the nature of the traffic, and so on. There may be a reluctance in some places to have a regional carrier rather than Air Canada or CPA, and there may be a reluctance...

Mr. Nesbitt: A matter of prestige.

Mr. Pickersgill: Yes, quite, but I am hoping that this can be worked out in a reasonable fashion because it is very important in my view—and here perhaps I am speaking about something I had something to do with as a Minister—that we have strong regional carriers in this country to provide the kind of service that the main line carriers cannot provide.

Mr. Nesbitt: Well, that is the question perhaps I am leading up to. In view of the complaint by the Chairman of the Canadian Air Transport Association—a very recent one—that the delay in implementing these policies has caused serious problems for the regional carriers in planning the purchase and financing of equipment and making associated plans, can the Chairman of the Commission give us some assurance that there will be a determined effort by the air branch of his Commission to get these policies implemented as soon as possible, taking into consideration the needs of these regional carriers?

• 1255

Mr. Pickersgill: I am very sympathetic and I really did not take the slightest exception to Mr. McPherson, who is an old personal friend of mine, putting a little heat on us.

Mr. Douglas: Mr. Chairman, are we going to adjourn at one o'clock?

The Chairman: Yes, we will have to adjourn just about one o'clock.

Mr. Douglas: And then you will be having a steering committee meeting?

The Chairman: Right after that, yes, because we have to—

Mr. Douglas: There are some members of the steering committee that are not available and I would like to make a motion to replace one of them temporarily for this coming meeting if it is in order. I do not know whether Mr. Mahoney is going to be able to be there.

The Chairman: That has already been done.

Mr. Douglas: This has to do with Mr. Schreyer. He is not here and Mr. Skoberg will be available and I move that he be put on the steering committee in Mr. Schreyer's place for this afternoon.

The Chairman: Is it agreed by the Committee that Mr. Skoberg replace Mr. Schreyer?

Some hon. Members: Agreed.

Motion agreed to.

Mr. Nesbitt: I have one more brief question I wanted to ask Mr. Pickersgill and because it is pretty close to one o'clock perhaps we can adjourn after that unless there are other points.

Mr. Pickersgill: It would be humane if you did!

M. Nesbitt: It is my understanding that there is often a delay of up to two years after licences have been applied for in receiving approval or disapproval. Could something be done to speed up this process?

Mr. Pickersgill: I am going to try.

The Chairman: Are you through, Mr. Nesbitt?

Mr. Nesbitt: Yes, thank you, Mr. Chairman.

Mr. Pringle: Mr. Chairman, will we be coming back to this subject at the next meeting? Will it be possible? When will the next meeting be held?

The Chairman: The next meeting will be next Tuesday when we will consider the estimates of the Post Office.

Mr. Pringle: I am very interested in Mr. Nesbitt's line of questioning and I would like to continue with it if possible at the next meeting.

Mr. Pickersgill: I would be prepared to come back this afternoon if the Committee could meet.

An hon. Member: Mr. Chairman, may I...

Another hon. Member: It was the purpose...

The Chairman: Order! One at a time. Just a moment.

Mr. Allmand: Mr. Chairman, on a point or order, is it not the purpose of this day, if Mr. Pickersgill physically can stand it—it has not been too hard today.

Mr. Pickersgill: I would be quite prepared to come back if we can have a recess once in a while.

The Chairman: Yes.

Mr. Pringle: I have Agriculture on this afternoon, Mr. Chairman, and I am sure many of us have other committees, that is the only unfortunate thing...

Mr. Allmand: I think the House leaders set up a schedule for the entire day.

The Chairman: I have to tell members of the Committee that the schedule requires us to vacate this room in order to make room for some other committee. I am ready to call a meeting for this afternoon, but to find a room, a place where we could meet...

Mr. Nesbitt: Perhaps we could make interim arrangements when the steering committee meets.

Mr. Pickersgill: I wonder whether I could be permitted to put on the record the answer to Mr. Skoberg's question about the Great Slave Railway? I am told the answer is yes and no, which will not be very satisfactory but I will try to elaborate.

Construction of the line is not yet complete and, therefore, authority to open the line cannot be given under subsection 1 of section 279 of the Railway Act. However, under subsection 7 of section 279 an operating order may be granted by the CTC, subject to CTC engineering inspections and reports, for limited use of the line during the period of construction. This was granted in 1967.

Mr. Skoberg: I had some of these answers previously but it appears to me there is no good excuse for an operational order not to be granted immediately if these are the facts.

Mr. Pickersgill: There is an interim order.

Mr. Skoberg: Yes, but that does not take in the supervision of safety of the employees affected on that particular line.

I have one other point, Mr. Chairman, and I realize it is just about one o'clock, but I asked a question in the House of the Minister of Transport concerning the transportation conference that is to be held in Toronto. I failed to follow this up in his remarks, but he referred it to this Committee for a decision or recommendation and I would like to see this referred to the steering committee to have as large a representation as possible in Toronto at that conference that will be held, I think, in February. I move that this be referred to the steering committee, Mr. Chairman.

• 1300

The Vice-Chairman: Excuse me, your motion is—Mr. Chairman, you are excused. You must leave and we understand that.

Mr. Skoberg: I move that the steering committee consider having as large a representation as possible at the transportation conference in Toronto on February 9 to 12.

The Vice-Chairman: You want to discuss this at the next meeting of the steering committee?

Mr. Skoberg: I just referred it to the steering committee; the motion referred it to them for report back to us.

The Vice-Chairman: I see. Is that agreed?

Motion agreed to.

Mr. McGrath: Mr. Chairman, before we adjourn the matter has been raised about the Committee's taking up its time with this decision of the CTC affecting Newfoundland. I was wondering whether the Chair would entertain a motion at this point that the decision of the CTC to allow CN to abandon rail service in Newfoundland not be implemented until the Committee has had a chance to go to Newfoundland?

The Vice-Chairman: You mean to say that this problem would be discussed on the Atlantic Provinces problems of the Transport Committee.

Mr. McGrath: My motion is that the decision of the CTC allowing CN to abandon rail passenger service in Newfoundland not be implemented until this Committee has had a chance to go to the Province of Newfoundland.

Mr. Nesbitt: Mr. Pickersgill mentioned that they were not going to stop the trains anyway until the spring and it would not really cause any problem.

The Vice-Chairman: The Committee cannot instruct...

Mr. McGrath: It is a request to the House to be made in your report. That is all.

The Vice-Chairman: Yes.

Mr. McGrath: The Committee requests the CTC through the government—through the House—to withhold implementing its decision allowing CN to abandon rail service in Newfoundland until the Transport and Communications Committee has had a chance to go to Newfoundland.

The Vice-Chairman: To hear wintesses.

Mr. Nesbitt: I point out in that regard, Mr. Chairman, that Mr. Pickersgill said the CNR is not going to stop the trains anyway until after the winter is over, so it would not cause any practical problem for the CNR.

Mr. Allmand: There is just one difficulty, Mr. Chairman. Parliament passed a law less than two years ago setting up a Canadian Transport Commission to make decisions like this. I think the decision to set up that board was put through not only by the government members but by many of the opposition members. Now, today, because we do not like...

Mr. McGrath: One Parliament cannot bind another. This Parliament is...

Mr. Allmand: That is right, but we would have to pass a law amending the Act.

Mr. McGrath: Well, this Committee is sitting here now and this Committee is going to recommend.

My motion is that the Committee recommend to the House that this particular decision not be implemented until this Committee has had a chance to go to the Atlantic Provinces.

Mr. Allmand: I see a great danger in that. That means that every time members of Parliament do not like decisions of a Board that we, as a Parliament, have set up we make a motion in the House to postpone ...

Mr. McGrath: That is precisely what Parliament is for.

Mr. Allmand: The purpose of Parliament is to pass laws to cover general situations.

Mr. McGrath: Mr. Chairman, did you rule out my motion?

Mr. Nesbitt: Just a minute. I wish to speak on the point that Mr. Allmand has raised. There has been quite a bit of discussion and questioning on the kind of evidence on which the Transport Commission based its decision, and it has been suggested that an appeal may well be launched in the appropriate place—perhaps the Privy Council.

• 1305

Mr. Allmand: An appeal is a different thing.

Mr. Nesbitt: Just a minute, wait until I finish. Do not anticipate too much what I am going to say.

The only effect of a temporary delay—and, for practical purposes, no delay at all because it has been pointed out by Mr. Pickersgill that the CNR has no pert intention of implementing it until the spring in any event and we will be there in all likelihood before then—is that additional evidence may be given to this Committee which might be useful to those who might be interested in

launching an appeal. It might be very helpful. That is the only effect there really would be. It is not a question at all of negating a decision of the Commission; it is only asking for a temporary delay in the implementation of it so that if an appropriate person in Newfoundland wishes to launch an appeal to the Privy Council . . .

Mr. Allmand: Or be heard by this Committee.

Mr. Nesbitt: . . . he may have available to him certain additional evidence. That is all that it amounts to.

Mr. Allmand: I think a very serious question of principle is involved.

An hon. Member: Let us have the Chairman's ruling.

Mr. Allmand: I think you can make the motion, but I do not feel that I am prepared to vote on it right now.

Mr. McGrath: That is your privilege.

Mr. Allmand: Right. So even if he accepts your motion, I would like to have it tabled until the next meeting because I think it is a very serious principle for Parliament, after setting up a Committee, to have each individual decision reviewed and . . .

Mr. McGrath: That is Parliament's decision.

Mr. Allmand: Right. Then let us amend the Act. If you people feel that the Act should be amended maybe it should be.

The Chairman: It is a question of hearing witnesses in Newfoundland on that?

Mr. Nesbitt: Yes, who might provide additional evidence as a basis upon which to perhaps launch an appeal to the Privy Council. That is all.

Mr. Lessard (LaSalle): Mr. Chairman, the motion might be in order and it might not be. This is the second time this has happened. They wait until one o'clock, until half our members are gone, to put a motion to a vote, and I think it is unfair to those members who have just left here.

The Chairman: Could your motion be postponed until the next . . .

Mr. Lessard (LaSalle): We were supposed to sit until one o'clock.

Mr. McGrath: The honourable gentleman is imputing motives. I have a right to make a motion before this Committee without motives being imputed. I made the motion as a member of this Committee, and I would suggest to you on a question of privilege that my motives have been impugned.

Mr. Lessard (LaSalle): You make a motion after one o'clock and we are supposed to sit until one o'clock.

Mr. McGrath: That does not make any difference; the Committee is still in session.

The Chairman: I must remind members that we have not adjourned yet. The motion is being put, and . . .

Mr. McGrath: The question.

The Chairman: The question. Are you ready for the question?

Mr. Allmand: What is the question again, explicitly?

Mr. McGrath: I move:

> That the Canadian Transport Commission be requested to postpone the implementation of its decision to abandon railway service in Newfoundland until such a time as the Committee travel to Newfoundland to study the transportation problems of the Atlantic Provinces.

Mr. Allmand: May I make a further motion, Mr. Chairman?

Mr. McGrath: You cannot make a further motion. There is one motion before the Chair.

Mr. Allmand: I can make a motion for several things: I can make a motion to table your motion, I can make a motion to refer it to the Steering Committee, and I can make a motion to adjourn.

I think that we should move that we should adjourn at this time, Mr. Chairman—it is after one o'clock—and we will deal with this motion at the next meeting.

Mr. McGrath: The question on my motion, Mr. Chairman.

Mr. Allmand: I think a motion to adjourn takes precedence over all other motions.

Mr. McGrath: The Chairman has already put the question and the motion has merely been read. Now we must vote on it. The question has been put.

The Chairman: A motion to adjourn is not debatable.

Mr. McGrath: Mr. Chairman, the question has been put. You put the question, I was merely reading the motion for you. Now I suggest to you that the record would show that the question has in fact been put.

The Chairman: All right, let us put the motion.

Mr. McGrath: The question.

The Chairman: The question. All those in favour?

An hon. Member: Of what? What...

An hon. Member: Wait a minute now.

The Chairman: We are voting on the motion of Mr. McGrath. Those against?

The motion is carried. Just a moment; it is five, five.

Some hon. Members: No, no, no.

Mr. McGrath: There is one, two, three, four, five, six.

An hon. Member: What is going on?

An hon. Member: Call the vote again.

Mr. McGrath: The six members who voted, stand up. Now there is no doubt about that, Mr. Chairman; you can count.

The Chairman: Six. Against?

An hon. Member: What is going on here anyway? What kind of a kangaroo court is this?

The Chairman: Five.

Motion agreed to.

The Chairman: The meeting is adjourned.

OFFICIAL REPORT OF MINUTES

OF

PROCEEDINGS AND EVIDENCE

This edition contains the English deliberations and/or a translation into English of the French.

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ALISTAIR FRASER,

The Clerk of the House.

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HOUSE OF COMMONS

First Session—Twenty-eighth Parliament

1968

STANDING COMMITTEE

ON

TRANSPORT AND COMMUNICATIONS

Chairman: Mr. GUSTAVE BLOUIN

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 7

TUESDAY, DECEMBER 3, 1968

Revised Main Estimates (1968-1969) of the Canadian Transport Commission.

WITNESSES:

From the Canadian Transport Commission: The Honourable J. W. Pickersgill, President; Mr. Pierre Taschereau, Vice-President; Mr. H. Arbique, Secretary; Mr. L. L. Marks, Financial Adviser. *From the Railway Transport Committee:* Mr. David Jones, Chairman.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1968

29491—1

STANDING COMMITTEE

ON

TRANSPORT AND COMMUNICATIONS

Chairman: Mr. Gustave Blouin

Vice-Chairman: Mr. P. M. Mahoney

and Messrs.

Allmand,	Godin,	Nowlan,
[6] Benjamin,	[8] Howe,	Pringle,
[7] Carter,	Lessard (*LaSalle*),	Serré,
Corbin,	[9] McGrath,	Skoberg,
Douglas,	Nesbitt,	[10]Thomas (*Moncton*),
[5] Givens,	Noel,	Smith (*St-Jean*)—(20).

(Quorum 11)

Robert Normand,
Clerk of the Committee.

[1] Mr. Macquarrie replaced Mr. Carter, on November 29, 1968.
[2] Mr. McCutcheon replaced Mr. Howe, on November 29, 1968.
[3] Mr. Ritchie replaced Mr. McGrath, on November 29, 1968.
[4] Mr. Paproski replaced Mr. Thomas (*Moncton*), on November 29, 1968.
[5] Replaced Mr. Jerome, on December 2, 1968.
[6] Replaced Mr. Schreyer, on December 2, 1968.
[7] Replaced Mr. Macquarrie, on December 2, 1968.
[8] Replaced Mr. McCutcheon, on December 2, 1968.
[9] Replaced Mr. Ritchie, on December 2, 1968.
[10] Replaced Mr. Paproski, on December 2, 1968.

ORDERS OF REFERENCE

HOUSE OF COMMONS
FRIDAY, November 29, 1968.

Ordered,—That the names of Messrs. Macquarrie, McCutcheon, Ritchie and Paproski be substituted for those of Messrs. Carter, Howe, McGrath and Thomas (*Moncton*) on the Standing Committee on Transport and Communications.

MONDAY, December 2, 1968.

Ordered,—That the names of Messrs. Givens, Benjamin, Carter, Howe, McGrath and Thomas (*Moncton*) be substituted for those of Messrs. Jerome, Schreyer, Macquarrie, McCutcheon, Ritchie and Paproski on the Standing Committee on Transport and Communications.

ATTEST:

ALISTAIR FRASER,
The Clerk of the House of Commons.

29491—1½

REPORT TO THE HOUSE

TUESDAY, December 3, 1968.

The Standing Committee on Transport and Communications has the honour to present its

SECOND REPORT

Your Committee recommends that its Order of Reference be enlarged allowing it to consider the following:

1. The problems of transportation in the Atlantic Provinces.
2. The claims of the Great Slave Railway Company against the Canadian National Railway Company.

Respectfully submitted,

GUSTAVE BLOUIN,
Chairman.

(*Text*)

MINUTES OF PROCEEDINGS

TUESDAY, December 3, 1968.
(7)

The Standing Committee on Transport and Communication, met this day, at 9:30 a.m. The Chairman, Mr. Blouin, presided.

Members present: Messrs. Allmand, Benjamin, Blouin, Carter, Corbin, Douglas, Givens, Howe, Lessard (*LaSalle*), McGrath, Nesbitt, Noël, Nowlan, Pringle, Serré, Skoberg, Thomas (*Moncton*), Smith (*St. Jean*)—(18).

Also present: Messrs. Jerome and Bell, M.P.'s.

In attendance: From the Canadian Transport Commission: The Honourable J. W. Pickersgill, President; Mr. Pierre Taschereau, Vice-President; Mr. H. Arbique, Secretary; Mr. L. L. Marks, Financial Adviser. *From the Railway Transport Committee:* Dr. David Jones, Chairman.

The Chairman read the Second Report of the Sub-committee on Agenda and Procedure for the meeting held on November 28, 1968.

SECOND REPORT

The Sub-committee on Agenda and Procedure of the Standing Committee on Transport and Communications met at 1:30 this afternoon. The Chairman, Mr. Blouin, presided.

Members present: Messrs. Allmand, Blouin, Nesbitt, Serré, Skoberg (5).

Your Committee met to study the content of a Motion presented by Mr. McGrath asking that the Chairman of the Railway Transport Committee and the Vice-President of the Canadian Transport Commission be called before this Committee in regard to the Estimates of the Canadian Transport Commission.

Your Committee then agreed unanimously to the following decision and recommendation:

> That the Vice-President of the Canadian Transport Commission acting as Legal Adviser and the Chief Accountant of the Railway Transport Committee in charge of accounting procedure be called before this Committee when the consideration of the Estimates of the Canadian Transport Commission is resumed.

At 2.00 o'clock p.m., the Sub-committee adjourned.

Thereupon on motion of Mr. Serré,

Resolved,—That the Second Report of the Sub-committee on Agenda and Procedure be adopted as read.

The Chairman then recognized Mr. Allmand who presented the following Notice of Motion:

December 3, 1968—Mr. Warren Allmand,—

That the resolution passed at the meeting of the Standing Committee on Transport and Communications held on Thursday, November 28, 1968 be now rescinded.

The said resolution read as follows:

Resolved,—That the Canadian Transport Commission be requested to postpone the implementation of its decision to abandon railway service in Newfoundland until such a time as the Committee travel to Newfoundland to study the transportation problems of the Atlantic Provinces.

The Chairman introduced Mr. J. W. Pickersgill, President of the Canadian Transport Commission and the Committee resumed consideration of Item 50 ($4,600,900) of the Main Estimates 1968-69 of the Canadian Transport Commission.

It was then agreed that the document entitled "Press Release—New Ferry Service" be printed as an appendix to this day's Minutes of Proceedings and Evidence. (*See Appendix "B"*).

Later on, it was agreed that members question the President of the Commission on any of the four items of the Revised Main Estimates of the Canadian Transport Commission presently before this Committee.

The questions being concluded, Items 50 ($4,600,900); 55 ($3,000,000); 60 ($10,000,000) and 65 ($11,033,300) were severally approved.

It was then moved by Mr. Benjamin,

Resolved,—That the name of Mr. Skoberg be substituted for that of Mr. Schreyer, on the Subcommittee on Agenda and Procedure.

At 12:45 p.m. the Committee adjourned until Friday, December 6, 1968 at 9:30 a.m.

Robert Normand,
Clerk of the Committee.

EVIDENCE

(Recorded by Electronic Apparatus)

Tuesday, December 3, 1968.

• 0943

The Chairman: Order please. I see we have a quorum.

The Subcommittee on Agenda and Procedure met last Thursday afternoon. I will read the report and then request that someone move that the report be adopted. (*See Minutes of Proceedings*)

• 0945

Is it agreed that we adopt these minutes?

Agreed.

Now, gentlemen, we have Mr. Pickersgill President of the Canadian Transport Commission back with us. I am sorry, Mr. Allmand.

Mr. Allmand: Mr. Chairman, I want to raise a point of order at this time.

Near the end of our last meeting a resolution was put to the meeting by Mr. McGrath, I believe, respecting passenger service in Newfoundland and although some of us objected that the motion was not in order it was nevertheless put to a vote and carried.

Since the meeting I have checked into the procedure relating to such motions and I have come to the conclusion—my own conclusion, after seeking advice, that the motion was illegal on the following grounds.

At the time when the motion was put forward we were discussing Item 50 of the estimates. Now whenever estimates are discussed in the House or in Committee and an item of estimates is before the House or the Committee the only thing that can be voted upon, in one way or another is that item of estimates because that is the item that is before the meeting. In other words, at the last meeting, since we had Item 50 before us, the only vote that could have taken place would be a vote to accept Item 50, a vote to reject Item 50, or a vote to reduce Item 50. As a matter of fact, the rules are very clear. You cannot even make an amendment to increase an item in the estimates. The House of Commons sitting as a Committee of the Whole or a Committee of this House cannot even move to increase. There are only three motions that are permissible: the vote to accept, the vote to reject, or the vote to reduce. That was the item before the Committee, and we did not even make a motion to suspend the business that was before us before that resolution was introduced. Therefore, on those grounds—on the grounds that we did not vote on what was before us, or even set aside the business that was before us, the motion is *ultra vires* and illegal. That is one argument I advance toward the illegality of the vote.

The second argument is that our present committee system can only deal with whatever is referred to it by the House of Commons. We do not have a system such as in the United States where committees can initiate studies. The only thing that the House referred to us were estimates, including the estimates of the Canadian Transport Commission. So even if we had disposed of Item 50 of the estimates and we had not taken up the second item of the estimates—let us say, we were between items—even then a resolution such as was put at the last meeting could not have been introduced because we were not seized with the question of railway transportation service in Newfoundland; all we were seized with were the estimates of the Canadian Transport Commission. As I say, there are only three possibilities there; they could have reduced the estimates of $1.00 or to zero, they could have rejected the estimates altogether, or they could have passed them.

I just raise this point of order now, but so that we can get on with the business of the Committee I would like to refer my point of order to the steering committee so that when it is preparing its report on the estimates of the Canadian Transport Commission—the report that it will submit to the House of Commons, it can consider this point of order. And my submission would be that the resolution passed was *ultra vires* and illegal on the two grounds—first, that we were dealing with an item of estimates and, second, that you cannot deal with what has not been referred to a

committee. There are other grounds too but I will not get into them, I will leave that to the steering committee to decide when preparing their report.

• 0950

If the report comes back to this Committee before going to the House, including that resolution, then we will have to deal with it further, but I think it would be premature for me to argue this at length now or to insist on a vote on anything like that. All I want to do is raise the point of order, refer it to the steering committee, so that you yourself, as Chairman, can maybe check and get advice on it, so that the opposition can get advice on it from their procedural expert, and in the steering committee you can decide what to do with the point of order with respect to the motion. I think that would be the best way for us to go about it because we would waste a lot of time this morning if we argued it.

The Chairman: All right, Mr. Allmand. Is it agreed that we refer the point of order raised by Mr. Allmand to the steering committee?

Mr. Nesbitt: No, Mr. Chairman. There are a few comments I would like to make on Mr. Allmand's point of order.

I am rather puzzled by the point that he brought up, because we are not voting on anything in this Committee. As I recall it the motion was a request by the Committee—and the request came as we were discussing Item 50 of the estimates—for authority to request the House to do something. We of course cannot do certain things. We can only do, as Mr. Allmand very well pointed out, what we are empowered to do by the House. It was a request to the House—a double request really—a request, I suppose, through the House to the government to suspend the order of the Canadian Transport Commission concerning the function of the Newfoundland railway or the removal of passenger service until this Committee had gone to Newfoundland, as per a previous request made by the Committee to the House to do this.

To suggest that requests cannot be made to the House for a further authority, as a result of discussions of items in the estimates, would to me simply make the function of this Committee absolutely useless. I have some difficulty in following Mr. Allmand's reasoning in that regard. I say, in addition, if Mr. Allmand should be correct then the request of this Committee to the House for authority to make a return visit to the Atlantic Provinces to look into certain transportation matters would also be invalid. In fact, any request that this Committee should ever make as a result of discussion of the estimates would be invalid, if Mr. Allmand is correct, and we would have no purpose at all really in meeting here except in the most limited way. I cannot follow that.

That is all I have to say at this time, Mr. Chairman.

Mr. Allmand: Mr. Chairman, as we have these other gentlemen here I do not want to reply to Mr. Nesbitt's argument at this time. But as he has put forward one argument and I have put forward another perhaps we should refer it to the steering committee. The steering committee will report back to this Committee at a later date and perhaps at that time we can take the matter up further.

The Chairman: That is what I was going to say, Mr. Allmand. I think we should refer this to the steering committee.

Mr. Nowlan: On a further point of order here, Mr. Chairman. I do not want to take up the time of the officials who are here by discussing this procedural point, but this illustrates the very dilemma that this Committee finds itself in when, with officials waiting, and after having taken a vote and recommended something which now is a matter for the House to decide, it once again tries to become involved.

If, Mr. Allmand's point is correct—just reviewing one argument of Mr. Nesbitt's—it means the function of this Committee is redundant and useless. Mr. Allmand was here and voted. The time to raise the procedural point that he is raising now was then, before the vote was taken. You cannot have a retroactive reprieve on procedural points, whether you are in court or in Parliament, otherwise the whole system breaks down. It is the case that later on in a court—since Mr. Pickersgill used this analogy the other day, you sometimes raise, as a point of appeal, a procedural point or the inadmissibility of certain evidence. But for this Committee to make a judgment or a decision and then three days later, two days later or even two hours later to entertain a procedural point that might have been raised and considered before the vote was taken is tantamount to a retroactive reprieve of a procedural point that should have been resolved before the motion was put.

• 0955

Mr. Chairman, there is something else that is fundamental if this Committee is going to

work. We are governed by parliamentary procedure. In effect, if we accepted Mr. Allmand's suggestion we would be reversing ourselves. We have made a decision, rightly or wrongly, and it is up to the House, when this Committee reports, to determine what they are going to do with our decision. But as I understand parliamentary procedure for committees, for us to reverse ourselves requires (1) a member who has changed his mind to raise it and (2) a two-thirds vote of this Committee. If that is correct then I suggest that Mr. Allmand's perhaps superficial reasonable request to refer it to the steering committee is out of order *ab initio*. Unless there is some parliamentary procedure that we can use as a guide, and I submit there is, we are bound to get as a guide, and I submit there is, we are bound to get into these hagglings and hassels that we have experienced this morning.

The Chairman: Would you permit me to read...

Mr. McGrath: Well before you do, Mr. Chairman...

The Chairman: Just a moment. I want to read this rule.

> Rescission of resolutions of select committees.—It is a rule of the House of Commons that "every question by voice in committee bindeth, and cannot be altered by themselves" (b). In practice, this rule is sometimes disregarded, and resolutions or other decisions of committees are rescinded (c). Previous notice must, however, be given to all the members of any motion for rescinding a resolution.

Mr. Nowlan: I think somewhere else there is another provision. I think you have to give notice, I think it has to be raised by a member who wanted to change his mind for one reason or another, and I think it has to be a two-third majority vote of the Committee that made the decision.

In any event, Mr. Chairman, my argument goes further than Mr. Nesbitt's. I say, firstly, that the procedural point that Mr. Allmand has raised today could have been raised then. He was here. He voted. But, more important, we have made a decision, and the Committee will bog down unless decisions that have been made, perhaps even incorrectly—although I am not saying this was an incorrect decision—are adhered to. We must follow some parliamentary rules. It is up to the House to decide what they are going to do with the eventual report of this Committee. That is where the matter has to be resolved. Mr. Allmand's motion, in all fairness to him, is in effect changing the decision of this Committee.

That is all I have to say, Mr. Chairman.

The Chairman: Mr. Allmand did not make a motion. He raised a point of order.

Mr. Allmand: I do not want to argue it now. I think all these arguments can be made in the steering committee.

An hon. Member: We are not all on the steering committee.

Mr. Allmand: But nothing can be decided by the steering committee. It has to prepare a report which will be accepted by this meeting before it goes back to the House. Am I not correct in stating that?

The Chairman: The steering committee's report has to be approved by the regular meeting.

Mr. Allmand: Not only that, but before this Committee reports the estimates to the House that report that would be sent to the House has to be approved by this Committee.

The Chairman: That is correct, the regular committee.

Mr. Allmand: The report you would send back to the House would either include the resolution that was passed at the last meeting or it would not, and all I am saying is that if that report comes back to this Committee, concluding that resolution, then I will argue it at length. I think now is really an improper time to do that. I just raised the point of order so that the steering committee, in preparing their report, can consider it.

Mr. Nowlan: Mr. Chairman, just one further comment. If Mr. Allmand's point is valid, then this is an effective way to short-circuit any decision of a committee. I think in all parliamentary fairness, whether you agree with the decision of this Committee or not, you are going to get into the very situation we are in right now—of having officials come and do business on another day while we argue retroactively a procedural point that we should have debated, discussed and defined.

An hon. Member: We tried to.

An hon. Member: Every time you lose a vote in Committee you want to refer it to the steering committee.

The Chairman: Order please. Mr. Skoberg.

Mr. Skoberg: I think your point is well made. The steering committee had better not change anything that this Committee as a whole has resolved. The steering committee has no authority to change any recommendations back to the House. All they do is coordinate the material that we have passed here and, as such, there is no purpose at all in referring this back to the steering committee for further consideration. The decision was made here in the presence of Mr. Allmand, he voted on it and, as such, it becomes part of the minutes of this particular Committee. The steering committee has no authority to delete anything that has been decided by the over-all Committee.

Mr. Allmand: I never suggested that it did.

The Chairman: Mr. Skoberg, as you well know, anything that is passed by the steering committee, has to be approved by the regular committee.

Mr. Skoberg: Mr. Chairman, it has been suggested that the steering committee maybe delete this portion—the motion that was made here at the last meeting. The steering committee has not the right to delete anything. This is the point that I wish to make.

Mr. Nowlan: Mr. Chairman, I think this whole discussion is out of order in view also of the rule that you read. There has been no notice given to all members to reverse a decision of this Committee. This is the fundamental point. How do you reverse it? Is the Steering Committee going to amend it, or is it going to refer it back with modifications? No matter how you do it, it, in effect, disturbs a decision, for what it is worth, of this Committee.

• 1000

Any other discussion is, I think, out of order and futile, because we have not even followed the rule that you have read. I think it goes beyond that, as I mentioned earlier. There has to be a change of vote, and a two-thirds vote of the Committee, otherwise the whole Committee system breaks down.

Mr. Allmand: If I may introduce a motion now I will distribute it and leave it to be voted on at a future meeting.

Mr. Lessard (LaSalle): First of all, Mr. Chairman, I think we were out of order in the first place. You should not allow such questions to come to a vote. It was not in order. And I believe that we are still in the position today of not being in order. We have not got anything before us to discuss. I think we are out of order completely.

Mr. McGrath: The honourable gentleman who is now speaking was here last week and he did not raise that as a point of order, Mr. Chairman.

An hon. Member: Because the vote was called.

Mr. McGrath: You did not raise it. You did not suggest that the motion was out of order last week.

Mr. Lessard (LaSalle): We tried to put a motion to adjourn. You said you had a motion and a motion has to be voted on.

An hon. Member: Why do you not take the Chair?

The Chairman: Order, order.

An hon. Member: You seem to be doing a very good job on it.

The Chairman: Order, please.

Mr. Allmand?

Mr. Allmand: I moved this motion, Mr. Chairman, but it would waste a great deal of time to discuss it now, I do not propose that it be voted on now. I suggest that our side, the other side and you, as Chairman, deliberate upon it and seek some advice on the procedure and we can put it to a vote at the next meeting, at which we can argue these points, if necessary.

I will also seek further advice on it myself to see if I have a good case, although I have already checked.

I do not intend to move it this morning, and not much will be gained by raising points of order back and forth. I am giving notice. It is a notice of motion.

The Chairman: It is a notice of motion?

Mr. Allmand: Yes.

The Chairman: Is it agreed that we refer this notice of motion to the Steering Committee?

Mr. Allmand: It is not even necessary to do that. I am just giving notice of the motion to the Committee.

The Chairman: The notice of motion will be referred to the Steering Committee for further discussion and advice.

Mr. Nowlan: Mr. Allmand, as I understand it has tabled notice of a motion that he may very well move at the next meeting.

An hon. Member: That is right.

Mr. Nowlan: As far as I am concerned, I think he has every...

The Chairman: Is that agreed?

Mr. Nowlan: I do not know if it is agreed, but I think he has every right...

An hon. Member: You do not have to agree.

Mr. Allmand: I am making a motion, but I am not asking you to vote...

The Chairman: It will be discussed at the next meeting.

Mr. Thomas?

Mr. Thomas (Moncton): Mr. Chairman, this is a point of order, too, but it has nothing directly to do with what has been raised. There has been talk of referring to a steering committee. I am beginning to wonder what is the point of having a steering committee.

On November 26, as you will recall, the Subcommittee on Agenda and Procedure met to work out a schedule of meetings for the balance of the year. At that time there was general agreement on this schedule and it was drawn up. These minutes were read at the last meeting and approved by the Committee. I, in good faith, therefore notified our Party Whip of the schedule of meetings and he made arrangements to have members with a particular interest in the subject, come today to hear the National Harbours Board.

I listened to the report of the minutes of the last Steering Committee and no mention was made of this change in procedure. The first notice we had was when the orders came out yesterday. They showed that today we would again be hearing the Canadian Transport Commission.

The Party Whip wanted to know why I had given wrong information, and we had to go to the House again last night to make a further change in the Committee members.

Although I am very happy to see these elusive senior officials finally with us—and do not want to drive them away after getting them here—I still protest strongly about changes being made in procedure that has been agreed upon by the Subcommittee on Agenda and Procedures. Why make decisions if we are not going to follow them?

The Chairman: Mr. Thomas, it was agreed that today we would take the Canadian Transport Commission...

• 1005

Mr. Thomas (Moncton): When was it agreed?

The Chairman: It was agreed by a resolution of Mr. McGrath today at the Steering Committee.

Mr. McGrath: I am not even on the Steering Committee.

The Chairman: No; but your resolution ..

Mr. Thomas (Moncton): I listened very closely to the minutes you have just read and it was not there.

The Chairman: I read it when we started.

Mr. Nowlan: Yes, but you did not say "today". You said that the next time the Canadian Transport Commission was here we would have the senior officials. You did not say "today".

Mr. McGrath: It referred to the next scheduled appearance of the Commission, which was going to be later in December—next Thursday, to be more specific.

Mr. Serré: Relative to what Mr. Thomas has said, the Steering Committee met last Thursday, and it was then agreed that the proposed agenda for the coming Tuesday be deferred relative to the request made by a member of his Party, namely, Mr. McGrath, that the officials of the Canadian Transport Commission appear before us at our next meeting.

That is why it was decided on the Steering Committee—and Mr. Nesbitt was on the Steering Committee then, and he agreed, too—that Mr. Pickersgill and the Chairman of the Railway Transport Committee appear before us on the following Tuesday. That is why we changed the whole agenda.

Mr. Thomas (Moncton): Mr. Chairman, I thought possibly there had been a change.

That is why I listened so carefully to the reading of those minutes; and it is not in those minutes.

The Chairman: It was agreed that the Chairman and the Vice-Chairman of the Canadian Transport Commission would come to the next meeting, and the next meeting is today.

Mr. Nesbitt: Mr. Chairman, I am afraid I must beg to differ. It may be due to a misunderstanding, and I am not imputing motives to anyone. I certainly agreed on those who would represent the Canadian Transportation Commission when they did appear, but it was my understanding that it was indefinite whether Mr. Pickersgill and the other officials would be able to come, and, without that knowledge arrangement would be made at some future meeting to have them.

Otherwise, I understood that the agenda as arranged would proceed, with the National Harbours Board, then Mr. Kierans and then some time found when the officials of the Canadian Transport Commission could be here.

Mr. Skoberg: Mr. Chairman, I filled in for Mr. Schreyer on the Steering Committee last Thursday. It certainly was not my thought that we were going to have this group here today.

We were given the agenda early on in the meeting, and the National Harbours Board was supposed to be before us today and Mr. Kierans was to be here on the 5th and the 10th. These gentlemen were to be worked in at some convenient time, but I did not understand that they would be here today. Actually until we saw this on our desk this morning we did not know that these gentlemen would be here.

Mr. McGrath: May I just add, with great respect, that neither was it the understanding of our Party Whip, because we changed the complement of our Committee on Friday to coincide with the schedule that had been agreed to by the Steering Committee, namely, the hearing of the National Harbours Board and the Post Office. We had to change the complement again last night because of this fancy manoeuvre on the part of somebody.

The Chairman: I do not think there was any fancy manoeuvre. It was quite in order. The Steering Committee met immediately after the regular meeting last Thursday and it was decided that at the next meeting the Chairman of the Canadian Transport Commission would be here with the Vice-Chairman and his legal adviser, and it was approved this morning.

Mr. Thomas (Moncton): Mr. Chairman, would you read those minutes again? The minutes do not state that.

The Chairman: The minutes do not state that?

Mr. Thomas (Moncton): No; the last paragraph.

The Chairman:

> Your Committee then agreed unanimously to the following decision and recommendation: That the Vice-Chairman of the Canadian Transport Commission acting as Legal Adviser and the Chief Accountant of the Railway Transport Committee in charge of accounting procedure be called before this Committee when the consideration of the Estimates of the Canadian Transportation Commission is resumed.

Mr. Thomas (Moncton): Yes; "when it is resumed..."

Mr. McGrath: Yes; when it is resumed. The schedule meant...

The Chairman: Well, it resumed today.

Mr. McGrath: It was not scheduled for today. That is the point.

The Chairman: I see little use of debating this any longer.

Mr. Nowlan: It should be referred to the Steering Committee for later discussion.

The Chairman: Yes; I quite agree with that.

Gentlemen, we have with us today the Chairman of the Canadian Transport Commission, with his officials.

I will ask Mr. Pickersgill to introduce those members of the Commission who have not been with us so far.

• 1010

Mr. J. W. Pickersgill (President, Canadian Transport Commission): Mr. Pierre Taschereau is the Vice-President of the Canadian Transport Commission. Because I am not a member of the Bar, Mr. Taschereau is, by statute, the legal adviser to the Commission.

When I received the message asking that someone described as the chief accountant

come before you, I was unable to identify any such person. We do not have a separate accountant for each Committee of the Commission.

Mr. Marks, who has been here all along, is the financial officer for the whole Commission and has the over-all duty of working on the Estimates.

However, to make sure that someone would be here to speak in a formal way for the Railway Transport Committee I thought I should perhaps follow the motion made by Mr. McGrath and have the Chairman of the Railway Transport Committee present, and he is here in the person of Mr. David Jones.

The Chairman: Thank you, Mr. Pickersgill.

Are there any questions?

Mr. McGrath: I am not going to pursue my line of questioning but I would just like to say why. It is because I think it is futile.

I moved the motion. I am not bringing it up again, but it is relevant to why I am not going to pursue my line of questioning with the official whom Mr. Pickersgill was kind enough to bring along this morning in compliance with the request of the Committee.

I moved a motion, in good faith, at the last meeting of our Committee. In it I suggested that we recommend to the House that the implementation of this particular decision, namely, the curtailment of rail passenger service in Newfoundland, be deferred until the Committee has had a chance to go to Newfoundland.

I felt then, as I do now, that the Committee would be in a position, if it went to Newfoundland, to experience at first hand some of the things we have been talking about, such as the tremendous popular protest there is against this decision of the Canadian Transport Commission and the hazardous travelling conditions attendant upon bus highway travel in Newfoundland in the winter time.

Because Mr. Allmand and his Liberal colleagues have introduced a notice of motion setting aside that particular motion, thereby making any future deliberations of this Committee and any future examination of this particular Estimate, to my mind, meaningless, I see no point in pursuing the line of questioning. Quite frankly, if this particular motion, when put, carries, it will make a complete mockery of the Committee system.

The Chairman: Mr. McGrath, if I may answer you...

Mr. McGrath: No answer is required, Mr. Chairman. I am merely making a point.

The Chairman: I beg your pardon?

Mr. McGrath: No answer is required. I am not asking a question. I am just making a point.

Mr. Allmand: Are we dealing with Item No. 50, Mr. Chairman?

The Chairman: Yes. Let us get into it. Shall Vote No. 50 carry?

Some hon. Members: Carried.

Mr. Nowlan: Just a minute; if Vote No. 50 carries all these officials can be excused and they can go on their way. Is that not right?

The Chairman: No. There are three further votes. Vote No. 50 is the first vote of the Estimates.

Mr. Nowlan: On Vote No. 50 I would like to ask a few questions of either Mr. Pickersgill or his officials, one of whom, I gather, is a legal adviser. Can Mr. Taschereau answer questions, or is he the legal adviser to the CTC?

Mr. Pickersgill: He is the legal adviser to the CTC, but he is also, of course, on the regulatory side as the chief administrative or executive officer of the Commission. Mr. Taschereau has no direct relationship with the research side of the Commission, but on the administrative side he really is the principal officer of the Commission, and in that capacity there is no reason that questions should not be directed to him as well as to me.

• 1015

Mr. Nowlan: I had two lines of questions, Mr. Chairman, one of which is very brief. I do not imagine Mr. Taschereau can give me an answer but I would like to know if he today could produce an agreement between the Canadian Pacific Railway and the CTC on this Digby-Saint-John Ferry.

Mr. Taschereau, I do not imagine you can produce a firm signed agreement between the CTC or the government of Canada and the CPR on this Digby-Saint-John Ferry. I asked Mr. Pickersgill in a general way about this the other day. As the legal adviser, would you be the one, if and when an agreement is signed, who would be responsible for crossing the t's and dotting the i's.

Mr. Pierre Taschereau (Vice-President, Canadian Transport Commission): My role as legal adviser is not one of deciding questions of law every day; my role is determined in the Act as deciding questions of law at proceedings of the Commission and not on an every day basis.

Mr. Nowlan: You might be a very good officer to have in this Committee from time to time to help us move from port to port. Your role is deciding questions of law at proceedings of the Commission rather than being involved in the deliberations of the Commission and what might be done outside Commission hearings.

Mr. Taschereau: My function is rather to sit at proceedings of the Commission and decide questions of law that arise.

Mr. Nowlan: What relationship is there between the CTC and the National Harbours Board on this large problem of containerization?

Hon. J. W. Pickersgill (President, Canadian Transport Commission): If you would not mind, Mr. Nowlan, before I answer that question I would like to draw your attention to a point about the Digby-Saint-John ferry. I brought this morning—because the other day I answered off the top of my head—the announcement that was made on May 31, by Mr. Hellyer with respect to the decision. If you would like me to read it, I could read it very quickly; it is a very short one. I think it bears out exactly what I said the other day. Perhaps it could be incorporated in the proceedings. What it does say is that they are going right ahead to build the terminal facilities, that the CPR is calling for tenders for a ship, that the negotiations will proceed and while they are proceeding the work will go ahead. I think that is substantially what I said the other day. I was also correct in saying that the CPR have received tenders but they have not yet evaluated them and let the contract. There is as yet no agreement, but I checked with Mr. Darling, the Chairman of the Water Transport Committee yesterday, and he told me that these negotiations, which he and his officials in the main are conducting with Canadian Pacific, are at what he believes almost a final stage. In any event, the main point I wanted to emphasize is that I was correct in my recollection the other day that there is no holding up of any procedure toward getting the ferry just because an agreement was not reached with the railway.

Mr. Nowlan: The only exception I took was to the preliminary part of your answer when you mentioned a firm agreement and then you qualified it by saying that there was an understanding that things would proceed notwithstanding a contractual agreement.

Mr. Pickersgill: Yes, that is right. There is an understanding; the understanding is that the service will be instituted whether or not there is an agreement between the government and the CPR. It seems I was not incorrect. It does seem that I went perhaps a little beyond Mr. Hellyer's statement, but not beyond the facts.

Mr. Nowlan: I appreciate that.

Mr. Chairman, could we have that announcement made part of the proceedings?

Mr. Pickersgill: I think it would be useful to have that announcement because it was made when there was no Parliament.

Mr. Nowlan: That is right.

The Chairman: Is it agreed to attach this to the proceedings.

Mr. Pickersgill: Perhaps it could just be incorporated into the record as though I had read it.

• 1020

The Chairman: Would the members prefer having a copy of it?

Some hon. Members: Agreed.

Mr. Pickersgill: May I now go on to the second question.

My understanding is that the National Harbours Board is at the present time discussing with a consortium of three shipping companies the possibility of establishing a facility in the harbours of Halifax and Saint John for unloading containers from this ship and loading them onto a railway train. I have taken a very active interest in this because it is an important new development that the research division of the Commission has been interested in. This division has been asked by the government to take an active interest in this. I had several conversations with Mr. Mann, the Chairman of the Harbours Board, about this matter. However, the Commission has no part at all in the discussions with the consortium. This is entirely a matter for the Harbours Board. I understand they had a meeting last week at which the port managers of both Halifax and Saint John were present.

I am afraid I have not anything to report on that. It is a nice question whether I should report it if I did have, but I tried to get Mr. Mann and I found that he was out of town and would not be back until this afternoon. I think perhaps it would be better to pursue the details with him.

Mr. Nowlan: I appreciate that, Mr. Pickersgill, and I only raised it today in view of a speech made by a Mr. Cope of the Canadian Transport Commission in Montreal on October 31. He did say in that speech that the CTC, as I understand it, would be letting a contract to consultants to do a comprehensive study of the potential for container operations into and across Canada, and I was wondering, if this is so, whether there is any liaison with the National Harbours Board—or are they conducting a survey, separate and apart from any consortium of private interest, to explore the potential.

Mr. Pickersgill: There is the closest possible consultation and collaboration. We have no intention of having this long-range study done with the thorough agreement and concurrence of the Harbours Board. But that does not mean that we are going to hold up a specific proposal for establishing a service while we are waiting for a long-term study. We think a long-term study is very desirable, but we also think that it is very important—we agree completely with the Harbours Board and I think with everyone else interested—that we should not miss any chance to get a promising service started just because a long-term study is being made. For example, I read in the press that Canadian Pacific is going to have a container facility in Quebec City and that a container service has already been started by Manchester Liners in Montreal. These things have been done by private initiatives, they have been very much welcomed, and this consortium of these three companies is also an initiative that we certainly welcome.

Mr. Nowlan: But other than the contract with consultants to explore the potential, is this the only initiative being taken by the CTC in the containerization field. Perhaps that is a necessary one as a preliminary step —I do not know.

Mr. Pickersgill: One duty that is imposed upon us by the Act is to consider alternative modes of using public funds for the development of transportation. There is a nice question at the present time whether with container services and unit trains transport would not be as cheap—all things considered, the time factor and everything else—as certain types of water transport. That is one of the big long-term questions, and an important one.

• 1025

Also, the research side and the Water Transport Committee side of our Commission try at all times to keep abreast of the actual day to day developments that are going on. But they do not have any executive function in that sphere; they simply have an advisory function.

Mr. Nowlan: Would it be possible then, Mr. Chairman, to ask Mr. Pickersgill if the CTC is keeping abreast and having a survey made and, at the same time, this is also being done by a committee of the National Harbours Board—

Mr. Pickersgill: What the National Harbours Board is doing is considering a concrete proposition for the use of their facilities and it appears that this consortium has gone to Saint John Harbour and the Halifax harbour and has asked for proposals in both places. This is really rather a negotiation; it perhaps illustrates pretty well the difference between the research side of the Commission and any executive agency, whether it is the Department of Transport or the Harbours Board or the St. Lawrence Seaway. It is not our business to interfere with their day to day operations, but if they come to us for advice we give it. We try to keep in close touch and, happily, we all happen to be friends and we try to help one another out in every way we can.

Mr. Nowlan: So the research and exploration of potential is being done by the CTC.

Mr. Pickersgill: That is right—the long-term research and exploration.

Mr. Nowlan: Could you give us an idea of what the terms of reference are or the time limit is for this contractual study that Mr. Cope mentioned. Are they English consultants, American consultants, or Canadian consultants?

Mr. Pickersgill: I think I would have to get some details. I would be very glad to provide a memorandum setting out the details. I think it would be a very great mistake for me to try to speak from memory.

Mr. Nowlan: A memorandum would be fine.

Mr. Pickersgill: I would be very happy to provide a memorandum either to the Committee or to you personally. If the Committee would like it I would be very glad to provide the secretary with one and copies of it could be circulated to all members of the Committee.

Mr. Nowlan: That would satisfy me for the present time.

Mr. Skoberg: Is the CTC working closely with the National Harbours Board at all times in regard to the containerization traffic that we can expect.

Mr. Pickersgill: Yes.

Mr. Skoberg: When do you expect that Part III of the Act will be implemented?

Mr. Pickersgill: I suggest that the next time the Estimates are up in the House of Commons that perhaps that would not be an inappropriate question to put to the Minister of Transport, since it is the Governor in Council who decides that question, not us.

Mr. Skoberg: Then is any representation that is being made before the Minister or before the CTC.

Mr. Pickersgill: If I was the Minister of Transport—and I used to be—and some official tried to give an answer for me, I would be annoyed. This is a function. Even the Minister of Transport cannot decide this, it can only be decided by the Governor in Council. But I am a retired Privy Councillor and I am not privy to these things.

Mr. Skoberg: What I am wondering Mr. Chairman, is that if the Trucking Associations make representation to whom do they make it?

Mr. Pickersgill: The Canadian Trucking Associations have made a good many representations to the Canadian Transport Commission. They made some to me the other day on how they would like to see Part III administered if it were proclaimed. I think that is a very proper thing to do, but I suggested to them that if they sought to make representations about whether or not it should be proclaimed the appropriate persons to whom to make them were Ministers, because the decision would be made by the Governor in Council and not by us.

• 1030

Mr. Skoberg: Their representation no doubt was made particularly along the lines of their intra and provincial and countrywide transportation...

Mr. Pickersgill: Mr. Lewis, the President of the Canadian Trucking Associations Inc., made a speech in Toronto. I think I can probably get some copies of it. It was a very excellent presentation of their position.

Mr. Skoberg: Would not the CTC make recommendations to the Minister on these representations?

Mr. Pickersgill: I am of the opinion that the CTC would be a little hesitant, of its own volition, to try to tell the government what it ought to do. But before any decision, one way or the other, was taken in this matter I would hope that we would be consulted by the Minister.

Mr. Skoberg: This is what makes it rather difficult to understand what are the functions of various departments of government. I realize that it will take me some time to try to sort them out, but there seems to be a great deal of duplication of efforts somewhere.

Mr. Pickersgill: I have been around Ottawa since 1937 and I am still sorting them out, Mr. Skoberg, so do not be discouraged.

Mr. Skoberg: Possibly with your experience, Mr. Pickersgill, you could make recommendations.

Under the Railway Grade Crossing Fund what work is being done to improve the type of protection at grade crossings?

Mr. Pickersgill: There are two aspects to this question. Any new device or procedure that we hear about from any source, the engineering people in the Railway Transport Committee look at very carefully, to see whether it would improve the situation at some of these grade crossings.

There is also the fund for grade separations. When I was Minister of Transport I undertook, while the bill which is now the National Transportation Act was before Parliament, that we would have a careful study made of the whole problem of grade separations. That study is in the course of being made at the present time. It is not completed, but I do not think anything very serious is being lost because of that, because all the funds that Parliament has so far been willing to grant are fully committed to actual projects.

But some consideration is being given—I do not think this is any secret—to the question of whether the $500,000 limit of federal contribution to any one project is too low. That is a matter that the Canadian Transport Commission could not decide. Only the government could decide that—no, even the government could not decide it. Only Parliament could decide it, because the law made by Parliament says at present that it cannot be more than $500,000. The government, however, would be the only body that could recommend to Parliament that that ceiling be raised. That is one thing.

There is also being considered the possibility, if a railway relocation in, say, an urban community would eliminate a great many grade crossings of englobing the contributions, which otherwise would be made to each, and making that an aggregate contribution to the relocation.

Parliament has never passed on that question, and with the amount of funds available at the present time I think, it would be very hard to get anyone to agree that one community should be given a proportion of the total funds so large as to make that possible.

In some respects, it is rather appealing as a way of not only improving the situation relative to traffic safety, but also perhaps of contributing something to urban renewal. However, as I say, this is in the idea stage, and it is being considered.

Mr. Skoberg: Mr. Chairman, is the RTC or the CTC using the facilities of the National Research Council to try to imporve the type of protection at these crossings? I am particularly concerned with the increase in the amount of the inflammable material being carried on highways. This creates danger not only to highway traffic but to the operation of...

• 1035

Mr. Pickersgill: I think I would prefer to let Mr. Jones, who is...

Mr. Corbin: On a point of order, Mr. Chairman, have we now passed from Item 50 to Item 60?

The Chairman: No; we are still on Item 50.

Mr. Corbin: Because what we are discussing comes under Item 60. We are into a new line of discussion, Mr. Chairman, are we not?

The Chairman: We are still on Item 50.

Mr. Skoberg: We have had a general discussion since we started.

Mr. Corbin: If it comes under Item 60 perhaps it could be discussed later?

Mr. Skoberg: If the question could be asked, Mr. Chairman, during a lapse in the questioning it might save time later on.

The Chairman: Mr. Jones?

Mr. David Jones (Chairman, Railway Transport Committee): Yes; I will be glad to answer that question, Mr. Chairman.

Your question, sir, was whether the Canadian Transport Commission is co-operating with the National Research Council. The answer is yes, we do. As one example of many, there is a project going on at the moment—I am not sure whether Canadian Pacific is involved in it, but I know that Canadian National is—involving a type of warning light that is put on top of a locomotive. It is a revolving type of thing and is designed to give additional warning at night of the approach of a train toward a crossing. These are under test and members of the Committee may have seen them on locomotives. I have seen them myself in this area.

The type of lens and the intensity of the red light to be used in the crossing signal are matters which are under study at the moment, and the National Research Council is doing some work on that.

There are others, and will be others as we go along.

Mr. Skoberg: Are any funds set aside in the budgets of the CTC or the RTC for this type of research, or is it all done under the National Research?

Mr. Jones: Certainly not out of the Grade Crossing Fund. I do not think there are, specifically.

Mr. Skoberg: I have just one further question, Mr. Chairman.

Mr. Pickersgill, how many outside consultants are being used now by the CTC and how are these consultants employed? Are they put up for tender, or is preferential treatment given to—

Mr. Pickersgill: Perhaps I could provide the Committee with a memorandum on this subject. It would involve quite a long explanation. There was a meeting of some 80 persons representing the majority of the consulting firms interested in the kind of work that the Canadian Transport Commission is doing...

Mr. Skoberg: Do you have invitation tenders, then?

Mr. Pickersgill: No; this was to discuss the method and the problem of selection, and so on. I could provide the Committee with a memorandum outlining the results of that, and I would be very happy to do so. I think it is a very interesting and important subject.

Mr. Skoberg: Thank you, Mr. Chairman.

The Chairman: Mr. Benjamin?

Mr. Benjamin: In the Item under Vote 50, "Degaussing Canadian Government Ships and Canadian-owned merchant ships", what does "degaussing" mean? Is it taking the barnacles off?

Mr. Pickersgill: Mr. Nesbitt probably knows more about that than I. He has probably had some personal experience. It is a process that has some relation to mines.

Mr. Nesbitt: It removes the magnetic field for ships.

Mr. Benjamin: I can see that the CTC would pay for the cost of this for government-owned ships. When it is done for other Canadian-owned merchant ships are they charged for it or is the cost recovered from them, or what?

Mr. Pickersgill: Do you know the answer to that Mr. Marks?

Mr. L. L. Marks (Financial Adviser, Canadian Transport Commission): I do not know the answer to that, Mr. Pickersgill. I do not believe they are charged. This is a government program for government-owned ships.

Mr. Pickersgill: For government-owned ships.

Mr. Benjamin: But it says, "and Canadian-owned merchant ships" of 3,000 to 20,000 gross tons.

Mr. Pickersgill: Perhaps we ought to get an answer on that. I will be very glad to.

The Chairman: Mr. Carter?

Mr. Carter: I have a couple of questions of Mr. Jones of the Railway Transport Committee.

First of all, the east coast ferry, Argentia-North Sydney, has been taken off. Is it going to be a seasonal operation? There are expensive facilities there, and an access road that cost many millions of dollars, and the ferry is operating only on a summertime basis.

Is it going to be the policy just to operate it on a sort of tourist schedule, or all year round?

Mr. Jones: I do not know that I can answer that question, Mr. Chairman. I doubt that it is in our jurisdiction.

Mr. Pickersgill: I do not think you can. It is under the jurisdiction of the Water Transport Committee.

The ferry is operated, of course, for the government, as are all other ferries, by the Canadian National Railways, and the schedules and use of the ferries in the wintertime, as I think you know, Mr. Carter, depend a good deal on the amount of traffic offering and also on the necessity for the removal of the ships for refit, and that sort of thing.

I really do not know the details of it but I would be very glad to get them.

Mr. Carter: My second question, Mr. Chairman, relates to railway crossings. There are several in my riding, St. John's West, which are very hazardous. During the past few years there have been some serious accidents. Have representations been made by the St. John's City Council or by the provincial government about, or has any consideration been given to, improving these crossings? One in particular is the Waterford Road crossing.

The Chairman: Order, please.

Mr. Carter: Mr. Chairman, I have several other questions relating to the abandonment of the C.N.R. but I think we should wait until this motion of Mr. Allmand's has been disposed of.

The Chairman: Yes, you are quite correct.

Mr. Carter: So, I will waive any further questions on that until this motion has been disposed of.

The Chairman: Mr. Jerome.

Mr. Jerome: Mr. Chairman, my questions also pertain to the abandonment of service in certain areas, and it might be more appropriate and expeditious if I left that questioning until after these estimates are completed.

The Chairman: It certainly would be. Mr. McGrath.

Mr. McGrath: Mr. Chairman, since there seems to be a tendency to deal with all of the

items under the General item, I presume that is the way the Committee is proceeding.

I have one question so as not to hold up the item when we get past the first item. It comes under Vote 65 and it is not really a question. It is merely in the form of a recommendation to the Commission. It concerns the subsidy to the Bell Island and Portugal Cove ferry service.

I have had discussions with the crew of the vessel that receives this subsidy, the John Guy and in my opinion these men are underpaid for the work they have to perform and I hope that the Commission will bear that in mind. But what I am mostly concerned about is the fact that they are paid monthly and that they do not get their cheques until anywhere from a week to ten days after the month closes.

• 1045

The excuse that they have been given by the company is that the company is late in getting the subsidy. It seems to me that that is a very lame excuse because certainly any bank would carry them for a week or ten days. The suggestion that the crew have made is that they have the use of their money interest-free for two weeks. I hope that the Commission will bear this representation in mind and communicate to the company that perhaps it should even be made a condition of the subsidy that the men be paid on time.

Mr. Pickersgill: I have heard a lot about the Bell Island ferry but frankly, Mr. McGrath, this is the first time I have heard this particular complaint. But I can tell you that before the day is out I will get in touch with the Chairman of the Water Transport Committee and ask him to look into it at once. It does not seem to me at first glance—there may be something you and I do not know about—to be a very convincing argument, especially in the case of pay.

Mr. McGrath: Thank you very much.

The Chairman: Shall Item 50 carry? We have been switching from Item 50 to . . .

Mr. McGrath: I did so on the understanding that we were going to deal with all the items under the General item.

Mr. Howe: I have a question on Item 50. I am not a member of the Committee but I understand we are allowed questions. I was interested in the questions that were being asked under Professional and Special Services. I sometimes wonder whether we do not get carried away with this business in a lot of our committees, in a lot of our commissions. I think the Glassco Commission had something to say about that. Does the Canadian Transport Commission, when you need professional people, go to the air services, to the marine services and find out if there is anybody available there before going out and hiring people to do these special jobs that are necessary? I think it is mentioned in the Glassco Commission report that there should be more co-operation between departments of government instead of going out into the marketplace and hiring extra people. Is this being done?

Mr. Pickersgill: This is certainly being done. As a matter of fact one of the reasons why it was felt desirable to have a research division in the Canadian Transport Commission, as I am sure you will recall when we had the debates on the bill itself, is that when you get outside experts, no matter how good they are, they have to spend quite a lot of time learning about the job before they can do it; whereas if you employ people as much as you can who are dealing with these problems from day to day, they do not have to get a certain amount of education at the expense of the taxpayers. Every effort is made in all our research projects and certainly every effort is made by the Railway Transport Committee, the Water Transport Committee and the Air Transport Committee to make use of every kind of facility that the government has including, as Mr. Jones pointed out a few moments ago, the National Research Council. We are restricted, I think rather fortunately, in the amount of money we can spend and that is a further incentive to economy in this regard.

Mr. Howe: What do you mean by further economy? Professional and Special Services—Item 50—for the Canadian Transport Commission has gone up almost $400,000 from last year.

Mr. Pickersgill: Yes, but last year was not a very long year. Most fiscal years start on April 1 but last year for this Commission it started on September 19, as the Commission was only established then.

Mr. Howe: Yes, but there still would be some people available from the old Transport Commission and people from the old Board of Transport Commissioners.

Mr. Pickersgill: Oh, yes. Would you be interested in having a kind of breakdown?

Mr. Howe: I understand you are going to give the Committee a memorandum on that to indicate who these people are and what category they are in.

Mr. Pickersgill: Yes, and what they are doing. That is right. We will be very happy to.

The Chairman: Mr. Howe, do you have further questions?

Mr. Howe: Are we allowed to question on Item 60, the Railway Grade Crossing Fund? You have been answering questions on that.

• 1050

Mr. Pickersgill: I wonder, Mr. Chairman, if it would be impudent on my part to make the suggestion that you follow the same rules as followed in the House of Commons and let anybody ask questions on the General vote, on all the votes. I think it would be more convenient.

The Chairman: Is that agreed?

Some hon. Members: Agreed.

Mr. Howe: Then, Mr. Chairman, it will be all right to ask a few more questions on the Railway Grade Crossing Fund. I am rather interested. Has that $10 million not been there for a long, long time?

Mr. Pickersgill: Oh, it is spent every year. But do you mean that the amount has not increased?

Mr. Howe: That is right. I cannot remember its ever being changed.

Mr. Pickersgill: Mr. Howe, I suppose I should not dare to say this because the reporters might hear me but if you would make some representations to Mr. Benson...

Mr. Howe: Mr. Chairman and Mr. Pickersgill, in the way that the cost of living is going up, this government does not seem to be able to control it at all. The cost of these railway crossing divisions or signals and everything else certainly has gone up, so that there must be fewer being built these days than there were. Mr. Chairman, I feel that in view of the fact that the trains are going so much faster these days there should be an increase in this amount. With the necessity for more efficient and adequate signals at the crossings, especially in view of the new turbo train between Toronto to Montreal, I shudder to think what will happen at level crossings when that travels at 110 or 120 miles an hour. No whistle or no light—there has to be a signal at the crossing. It has to be very, very efficient and adequate or you are going to have a lot of accidents at these crossings. As I say, that $10 million has been there for so long that there cannot be too much works being done these days in regard to railway crossings and separations.

Mr. Pickersgill: I certainly will agree with you, Mr. Howe, that there are more applications every year than it is possible to satisfy.

Mr. Howe: As I say, the increased cost of all of these signals and separations must also cut down on the number that you can process. You only have $10 million and that must have been there for 15 years.

Mr. Pickersgill: I do not think it is quite that long but it has been there for quite a long time.

Mr. Howe: It has been there for a long time.

Under the same vote I notice "Statutory —Payments to railway and transportation companies of amounts determined pursuant to the provisions of the National Transportation Act—$96 million." It was $110 million in 1967-68. What is that for?

Mr. Pickersgill: That is a statutory item. You will recall, Mr. Howe, when we were putting the bill through that it was to be reduced by 12.5 per cent a year. This is the phasing out of all the various payments that were at that time being made to the railways. It is not what is called a controllable expenditure because unless you amend the National Transportation Act it just has to be paid.

Mr. Howe: In that phasing out, I understand it was supposed to be the freight rate subsidy that was being phased out at the rate of $18.5 million per year. Was it not?

Mr. Pickersgill: There is no freight rate subsidy now.

Mr. Howe: No, but was there not something to be phased out at the rate of about $18 million a year in that bill?

Mr. Jones: It is $14 million a year. For 1967 it was $110 million. For 1968 it was $96 million and next year it will be $14 million less and so on up to and including—

Mr. Howe: Oh, yes. I see it now.

Mr. Jones: It is right in the Railway Act, sir, in Section 469.

Mr. Howe: I sometimes wonder whether we do not need another freight rate subsidy act, Mr. Chairman, because of the fact that freight rates have gone up so tremendously in the last year. It has certainly been one thing that has kicked the cost of living way up above reach.

Mr. Pickersgill: I think that is something that would be beyond my capacity to comment on. That is a question of policy to be taken up in the House of Commons where the politicians are.

•1055

Mr. Howe: Mr. Chairman, this brings up a point that I think is very important in all these committees, that the minister or his parliamentary secretary should be here to answer some of the questions in regard to government policy that arise in these committees. I think this is another move on the part of this government to put those ministers away up on a pedestal where nobody can get at them.

With regard to this business of freight rate subsidies I think this should not have been phased out because we know what has happened to the cost of freight rates in the last six months or a year. This certainly has put a tremendous pressure on the cost of living. Of course, I realize that this government does not seem to give any consideration to what things cost or the pressures they put on the cost of living, but I think this is an area where there should have been some care taken and probably some consideration given to bringing in another freight rate subsidy act to see that those freight rates are held level.

We know, Mr. Chairman, that there is going to be an increase in railway wages and who is going to absorb them—the man on the street in the cost of the things he buys. This is where everything goes and this is where the increase goes, and it is a trend that has to be stopped because there are not going to be any dollars left in the ordinary man's pocket by the time he has paid all these increased freight rates and cost of living. And freight rates have a tremendous amount to do with the cost of living.

The Chairman: Have you any further questions, Mr. Howe?

Mr. Howe: No. Thank you.

The Chairman: Mr. Nesbitt.

Mr. Nesbitt: Mr. Chairman, I have two or three disassociated questions that deal with different things. If anybody else has anything specific—

The Chairman: Have you a supplementary, Mr. Allmand, on the Railway Grade Crossing Fund?

Mr. Allmand: Did Mr. Pickersgill say that each year for the last few years we have had more applications for funds out of the Grade Crossing Fund than there were funds available?

Mr. Pickersgill: I think that is correct.

Mr. Jones: I will put it this way. Certainly the Fund is under pressure now at its present level. The Railway Transport Committee authorises protection or grade separation of one kind or another on an average rate of about 500 locations a year. This may involve a separation, it may involve a crossing equipped with warning lights or it may be a reconstruction of an old project that should be brought up to date. Those orders use up the Fund.

Mr. Allmand: Have you had to turn down an application that you would have accepted otherwise because there was not any money left in the Fund?

Mr. Jones: Not to my knowledge.

Mr. Allmand: So that some of these applications that were turned down might have been turned down on other grounds?

Mr. Jones: Yes. What happens, of course, when an application is made to protect a crossing is that a great deal of engineering work has to be done both by the city or town or highway department, whatever agency is making the application, and by the Railway Transport Committee to be sure that all of the technical aspects are in proper operating condition and that they provide the best protection for the particular location. This work goes on continually and we find that each vote is used up. However, at the same time we find that an application that might be decided this year or next year, if there is no money left in the Fund, will be put on the following year. I cannot say how many of those there would be, I would have to check and find out for you. However, I do

not know of any applications that have been turned down by reason of lack of money in the Fund.

[*Interpretation*]

The Chairman: Mr. Serré, do you have a supplementary question?

[*English*]

• 1100

Mr. Serré: No, not regarding the railway.

Mr. Givens: Could we have the question on the vote first.

The Chairman: You can put your question now, Mr. Serré?

Mr. Serré: Thank you, Mr. Chairman. I have a question regarding Item No. 55, which is subsidies to regional air carriers for their operating costs. I wonder if Mr. Pickersgill could tell us if these subsidies are given to privately-owned air lines or to Air Canada?

Mr. Pickersgill: No. They are only given to regional carriers. At the present time there are five air lines in Canada that are defined as regional carriers. Moving from east to west, there is Eastern Provincial Airlines Limited, with its headquarters in Gander; there is Quebecair, Incorporated; there is Nordair Limited; there is TransAir Limited and there is Pacific Western Airlines Limited. Up to now two of those air lines have received subsidies, Eastern Provincial Airlines Limited and Quebecair, Incorporated. I do not think any of the others have applied for a subsidy.

Mr. Serré: I wonder if you could elaborate as to their operating cost.

Mr. Pickersgill: The subsidies are not given in respect of their total operations but in respect of particular services where the service is not in itself sufficient but where, for one of several reasons that are set out in the statement of policy, it is considered desirable in the public interest to provide a service. I should have brought the statement with me, but I think I can summarize it by saying that if there is no other mode of transport except air service, and although there is a substantial population the air line cannot make a go of it, then it is eligible for consideration for subsidy. If there is an area where some development is going to take place that looks very promising, that looks as though in two or three years it will be self-sufficient and it is cheaper to put in an air line than to build a road or a railway or provide some alternative service, this area is eligible for consideration. That is the kind of situation I mean. These subsidies are supposed to be on a "use it or lose it" basis. In other words, if the service is not used the subsidy will not be continued.

Mr. McGrath: If you will permit me, Mr. Chairman, I would like to raise a point of order. It is now 11 o'clock and other committees are meeting at this hour. As I understand it, the practice has been that those committees which meet at 9.30 adjourn at 11 o'clock. I just point that out for your consideration, Mr. Chairman, because, as I say, it is now 11 o'clock and other committees are meeting. I also do not think it is fair to Mr. Pickersgill and the senior officials if we keep them here. as we did last Thursday, from 9.30 a.m. until 1.10 p.m.

The Chairman: There was no set hour and...

Mr. Serré: I am really surprised that Mr. McGrath would raise this point of order today, Mr. Chairman. What happened last week was not my idea.

The Chairman: I think we shall carry on. Those members who were called for other committees, it is their duty to attend or not to attend, but we shall carry on until...

Mr. McGrath: Mr. Chairman, I am not going to allow you to treat my point of order in such a manner as that. I am now going to put this to you in the form of a direct question. Has there not been a decision by the Steering Committee of the House that committees shall meet from 9.30 a.m. until 11.00 a.m. and from 11.00 a.m. until 12.30 p.m.?

The Chairman: No. there were no set hours, no set time. You may carry on, Mr. Serré.

Mr. Serré: I have a further question. I wonder if Mr. Pickersgill and his Commission have considered the feasibility of allowing subsidies to air line carriers at points in northern Ontario where there is not sufficient railroad service and where we do not have proper air line facilities at the moment?

• 1105

Mr. Pickersgill: The policy under which the Canadian Transport Commission is now operating is such that if any one of those five air lines which provide regional carrier service

were to apply in that sort of a situation it would certainly be considered, but so far there have been no applications. I would not be very surprised if a situation of that sort did arise, but when that statement of regional policy was made—and I would like to send you a copy of it because I should have had it here—it also envisaged, of course, some transfers of routes at some time in the future from Air Canada or Canadian Pacific Air Lines Limited to some of these regional carriers. That, of course, might have some considerable bearing both on the situation in northern Ontario and in northwestern Quebec.

The Chairman: Mr. Corbin do you have a supplementary question?

Mr. Corbin: Yes, supplementary to this, Mr. Chairman. First of all, I think we should set the record straight. Mr. Pickersgill mentioned Eastern Provincial Airlines. Should it not be "Airways"?

Mr. Pickersgill: Probably.

Mr. Corbin: I think it is.

The Chairman: Eastern Provincial Airways Limited.

Mr. Pickersgill: I apologize.

Mr. Corbin: My question has to do with the license you granted to Eastern Provincial Airways Limited to operate an air service between, among other points, Charlottetown, Charlo and Quebec City, to give them an open door into central Canada. When you granted the license to Eastern Provincial Airways Limited you turned down the application by Quebecair, Incorporated.

Mr. Pickersgill: That is right.

Mr. Corbin: To come into the Maritime area of operations, so to speak. Does that decision mean that the door is now closed once and for all to Quebecair, Incorporated from operating in our general area?

Mr. Pickersgill: No, not at all. The Committee was just dealing with a particular application.

Mr. Corbin: I see. I think that Quebecair, Incorporated was turned down on the basis that the facilities at Edmundston, for one, were not adequate, according to the Department of Transport specifications.

Mr. Pickersgill: I think I would have to take the same attitude, Mr. Corbin, about the decision of the Air Transport Committee that I took about a decision of the Railway Transport Committee. I would be very glad to give you a copy of the decision, which speaks for itself.

Mr. Corbin: I have one, sir.

Mr. Pickersgill: I think it woud be very improper for me to comment on the decision.

Mr. Corbin: If the airport facilities at Edmundston were relocated or improved in any way to meet the Department of Transport specifications, and if Quebecair, Incorporated were to reapply for an operating license in that area—

Mr. Pickersgill: If they reapplied their application would certainly be considered. There is no question about that.

Mr. Corbin: What is the status of the license which you gave to Eastern Provincial Airways Limited in its Charlottetown-Bathurst Quebec City service? It was mentioned in that decision that the service to northern New Brunswick was by way of Charlo/Bathurst.

Mr. Pickersgill: That is right.

Mr. Corbin: What exactly is involved here?

Mr. Pickersgill: I think this is so technical a point that I would not be infringing the proprieties if I said that it means that the service operated by Eastern Provincial Airways Limited between Charlottetown and Montreal can be either through Charlo or Bathurst.

Mr. Corbin: Or Bathurst.

Mr. Pickersgill: Yes.

Mr. Corbin: From both points?

Mr. Pickersgill: Yes, or both; either or both.

Mr. Corbin: As they so wish.

Mr. Pickersgill: Yes. However the airline decides what kind of schedules it is going to have.

Mr. Corbin: But they have the authority to give this or that service.

Mr. Pickersgill: That is what that oblique stroke means. I was also a little puzzled about it the first time I saw it.

The Chairman: Mr. Givens, did you have a supplementary on air?

Mr. Givens: Not on air, Mr. Chairman, on the subject of the elimination of level crossings.

The Chairman: I think Mr. Jerome has a supplementary question on this subject. I will come back to you.

Mr. Jerome: This may be a question of a very general character, Mr. Chairman, but I think it is clearly supplementary to Mr. Serré's question in respect to air services in northern Ontario. However, it ties in with rail service as well, and I think the two of them are linked together because the consideration of a subsidy of any sort for a regional carrier now operating in northern Ontario might be linked to the declining passenger rail service. I know very recently—and I am sure Mr. Pickersgill is aware of this—a licence was granted to a regional air carrier, Georgian Bay Airways Limited, to operate from Sudbury—

Mr. Pickersgill: We do not regard that as a regional carrier. That is what is called a third level carrier.

Mr. Jerome: I see.

Mr. Pickersgill: And they are restricted as to the size of aircraft they can use.

Mr. Jerome: They were recently licensed by the Air Transport Committee to operate directly between Sudbury and Ottawa. I think that decision was long overdue, and it highlights the declining passenger service that is taking place on the railroads. While air service is very convenient in that respect, as Mr. Pickersgill is probably very well aware the weather conditions in northern Ontario are such that it sometimes becomes an unreliable service and during the winter months it stresses all the more the vital need and the often useful service that the railroads provide. Notwithstanding that fact, at the present time it is impossible to get overnight accommodation from Sudbury on either of the railroads to Toronto or Montreal. I know that that is attributed to the declining use by passengers, but I wonder if we have not arrived—and I ask you to comment on this, sir, if you would—at the stage where your Commission should be considering as a matter of policy that we simply can no longer afford this competition that exists for passenger service over similar rail lines, this competition for the declining passenger dollar by both railroads?

Mr. Pickersgill: This is, of course, one of the questions that would obviously have to be considered in relation to any application that either railway might make, as they are entitled to do under the law, for a subsidy. I am quite sure that if railway asked for a subsidy to maintain its passenger service, the Commission would feel obliged to look at all the alternative modes of transport before they decided that for some particular passenger service the taxpayers of Canada generally should pay a subsidy to a particular line. We would have to look—the law says that we must—at every other alternative way of giving it from A to B, and that subsidy should only be paid if there is not adequate service in some other way. Among other things, we would certainly look at the question of whether or not, over substantially the same route, there should be two trains operated at the same time by two railways.

Mr. Jerome: May I go further and ask you, sir, whether you agree with me that the Commission should be encouraging rail lines not to compete with one another for the limited passenger volume?

Mr. Pickersgill: We do carry on a lot of discussions with them. A nice question of course is to what extent you ought to interfere with the management of businesses—you know, the great white father here in Ottawa telling people how to run their business. But the moment they come and ask for a subsidy then I think we are entitled to say, "Well before we put the taxpayers' money into your operation, as you are asking us to do, we have to look very hard at whether this is a very high priority use of the taxpayers' money".

Mr. Jerome: You will appreciate, sir, the reason I am asking you for your feelings at this time is that I understand later in the session we will be talking to the people who are responsible for the management of the two companies, and I am sure when I ask them the questions they are going to say, as you have said, that perhaps it is the other man that you should be asking.

Mr. Pickersgill: My own feeling is that the moment there is any question raised by either railway about a subsidy for any passenger service, we have a duty. Maybe I have always been regarded as a penny pincher and interested in the taxpayer's dollar, but I think it is our duty to see that we do not provide tax money for services that are not really necessary.

• 1115

The Chairman: Do you have further questions, Mr. Jerome?

Mr. Jerome: I have no further questions. Thank you, Mr. Chairman.

The Chairman: Mr. Skoberg?

Mr. Skoberg: I wonder if Mr. Pickersgill is stating a policy of the Canadian Transport Commission at this particular time when he refers to the competition between railroads. I think the point was made the other day that too many of these decisions are already made before they get to a commission—that too many communities make representations before a commission when the decision is cut and dried. If the decision is going to be cut and dried at the high level there is no use putting communities and individuals to the expense of making representation before these boards and commissions. I would ask Mr. Pickersgill whether or not he considers that this time limit under the Act that we have here will have to be extended in so far as subsidies are concerned if we are going to retain a unified Canada in so far as transportation is concerned.

Mr. Pickersgill: No, I do not think there is any relationship—I am speaking really rather more as a nominal author of the bill than as the President of the Transport Commission. The purpose of these transitional subsidies was to enable the railways to get enough experience, as the subsidies declined, to make applications for specific subsidies for any services that were imposed upon them as a public duty. Therefore, I think paying these global transitional subsidies and extending them any longer than is envisaged in here would be a retrograde step because you do not know what you are paying for.

I am sure Mr. Skoberg is aware that these subsidies are not very popular with competing modes of transport, like the truckers. That is why the law also provides that if a passenger train is continued by order of the Canadian Transport Commission when it can be shown clearly to be losing money, that the railway is then entitled to apply for 80 per cent of the loss. That is why, if a branch line is required to be continued when the railway has shown conclusively that they are losing money on it, these losses become an obligation of the Treasury. In other words, the whole object really of this transitional subsidy was to allow enough time for the railways to segregate those losing operations from their other operations on which we expect them to earn a living and then look at each individual losing operation on its merits—whether it was really needed in the community, and if it was really needed in the community then the taxpayers and not the railway should have to pay for it, if it is a loss and one which cannot be avoided. If it is not really needed, it should be gotten rid of.

Mr. Skoberg: Mr. Chairman, the point I wish to make, and I hope Mr. Pickersgill will accept it, is that that philosophy is fine in a high density population area in the central part of Canada. But we have two other ends of this country, we have the West and we have the East, and the social consequences of abolishing and abandoning branch lines and passenger service of every description have to be taken into consideration.

Mr. Pickersgill: Well, that is what the law says—precisely.

Mr. Skoberg: I believe you made the point quite well a little while ago when you said that you were recognized as a penny-pinching individual. I would suggest that we have to look a little further at this penny-pinching and realize the consequences this will have on these communities. I would sincerely ask that there be no decision or policy stated by yourself or the Transport Commission to the effect that everything is being based on that dollar. It appears that too many communities are being affected now by exactly that philosophy.

Mr. Pickersgill: With one single exception since this law came into effect, there has not been an abandonment of one mile of railway line, and with one single exception there has not been a decision to abandon a single passenger train. The Commission might perhaps be faulted for taking as long as we have and having done none of the things that the law provided for. I do not think that it can be argued that we are rushing into this thing.

• 1120

Mr. Skoberg: Mr. Pickersgill is well aware, Mr. Chairman, that there are abandonments by the dozens just waiting for attention and the research going into the abandonments of branch lines, passenger lines and everything else is tremendous, which he also is well aware of. It will be coming in one lump. But I do not want to see a policy set down by yourself or by this Commission which deter-

mines how these abandonments wlil take place.

Mr. Pickersgill: The policy was set by Parliament with the National Transportation Act. I can assure you that the policy will be followed and that all the parties will be heard, and that if any of the parties are dissatisfied with the decisions either because they think they are illegal or because they think they are contrary to public policy, they have a right of appeal, as set out in the Act.

Mr. Skoberg: Little Joe Blow out in the country though is not quite familiar with the right of appeal and he is the guy that I am concerned about.

Mr. Pickersgill: Our experience is that there are provincial governments and other organizations that are very very familiar indeed with the law.

The Chairman: Mr. Givens?

Mr. Givens: There are two questions that I would like to ask. You may not have the answers to them right now, Mr. Pickersgill, but I was wondering whether you could get me the information. We were talking about the elimination of railway crossings. There is one railway crossing with about six or seven lines of track on Strachan Avenue in Toronto between King Street and Lake Shore Boulevard. This crossing has been there for at least 50 years. They have synchronized railway crossings there, but they always synchronize this crossing with the emission of large crowds from the Canadian National Exhibition Grounds. As 30,000 cars were leaving the Grey Cup Game on Saturday they decided to shunt a train. Is there a proposed elimination or phasing out of that crossing—I am not trying to be sarcastic or facetious—this century? This crossing has been a matter of great and awesome consequences in Toronto, and it certainly has not added to the attractiveness of the CNE.

Also, we have had periodic scandalous outbreaks in Toronto over the past few years of children being entrapped on open railway lines, particularly at a bridge crossing near the area known as Rosedale in Toronto—and there have been fatalities there. Most of the time that I was mayor, prior thereto and since, letters have been sent to the Department here, to the CNR and the CPR pleading with them to do something to eliminate this kind of entrapment. There is something fascinating about rail lines that attract kids to them and they get themselves into jackpots. I would like to know whether the railways or the Department have considered a program of either eliminating or fencing in these open railway lines in and around Toronto which have led to these fatalities. If you would be good enough, sir, to provide me with answers to these questions I would be very grateful.

Mr. Pickersgill: I would like to make a comment and then let Mr. Jones carry on.

I know that the applications for grade separations are usually made by municipalities or departments of highways. Under the law, which Parliament could change but has not, all the grade crossing fund can contribute is half a million dollars to each single project. Of course there would be no objection to the City of Toronto paying all the rest. If it has gone on for 50 years, the sole responsibility is certainly not Parliament's. I am just being facetious, Mr. Givens, and I know you will not mind that. Seriously, it may well be that this is the kind of crossing that I was referring to earlier when I said there was maybe quite an argument for raising the $500,000 ceiling. Beyond that, Mr. Jones will deal with specific cases.

Mr. Givens: Five hundred thousand dollars would not pay for the raising of those tracks, and they certainly were not put there by the City of Toronto, sir. That is a major hazard. There are grade separations all the way down the line, but not there. Now may be it is part of the southerly extension of Highway 400—I do not know; I have been trying to find this out for years. This has been a matter of great annoyance to the people of the City of Toronto.

Mr. Jones: If you are agreeable, sir, I will get the details of that. I do not have them at hand at the moment. It was Strachan Avenue?

Mr. Givens: Strachan Avenue between King Street West and Lake Shore Boulevard.

Mr. Jones: All right.

Mr. Givens: There are two sets of tracks: one with a bridge overpass where the military cemetery is, and one on the level. I could never understand why there were two there, but there are and there have been for years.

Mr. Jones: I will find out what the situation is and provide the information.

Now on the other question, relating to children getting caught on railway bridges, this is an extremely difficult problem and it worries us a great deal. There was an accident sometime during the summer in Toronto. Of course there are accidents all over Canada and we wish we could prevent all of them. But, more specifically, dealing with Toronto, that particular bridge has been the subject of an investigation by the Railway Transport Committee, an investigation by the coroner of Ontario, and there is now a committee under the auspices of Metropolitan Toronto working on the problem and representatives of the Railway Transport Committee have been attending those meetings. I hope they will come up with some specific solution to that particular problem.

High-speed railway lines in built-up areas is another of the questions that we are reviewing in the course of the study that Mr. Pickersgill referred to earlier this morning. Signals, fencing and other means of preventing trespass—unfortunately that is what it usually amounts to—are occupying our attention, and we hope to be able to arrive at some solutions.

I hope that answers your question.

Mr. Givens: It will answer it when you come up with the solution; because these fatalities now happen on a pretty regular basis. There is a terrible outcry every time a child is killed and unquestionably it is a justifiable outcry.

It seems to be a needless waste of life when, from an engineering standpoint—and I am not an engineer—there must be some way of putting up gates or fences. We have been seeking the answer to this for a long, long time, but apparently there have been no answers. The people are very concerned about this.

It does not add to the image either of the department or of the railways when they simply appear to throw up their hands and say: "There is nothing we can do. We are still studying it." This goes on *ad infinitum*.

Mr. Jones: I can only add, sir, that in the case of the bridge you speak of—if we are discussing the same one—on the Don River Valley, I assume that at municipal expense a footbridge was erected across the valley, not too far distant from that bridge, with this in view.

For some reason, children still seem to want to use the railway bridge; this notwithstanding the fact that the railways erected chain link fencing.

The information we have is that the chain link fencing is cut by people—whatever their reasons may be—who seem to want to continue to use this route. This is one of the difficulties we face.

I will go back to what I said previously. We are doing our best to come up with a solution for this kind of problem, which is not, of course, confined to the City of Toronto. We find this in other built-up areas as well.

• 1130

Mr. Pringle: Mr. Chairman, I wish to comment on the questions relating to general aviation. In so doing, I would like to say, having been involved in this matter for a good many years, that we have received a great deal of help from the Department of Transport. All in all, they have done an excellent job, through various regulations, in assisting pilots, flying clubs and charter operations to function.

But it seems to me, from discussing it with the various organizations, that perhaps the time has come when we should consider a review of the existing policies relating to the problems arising out of accelerated expansion of air transportation, and especially so at the air transport level.

Air lines have been expanding very rapidly as a result of public acceptance of this type of transportation, but we have only one air space. The air is there, and that is the air we have to use; and there is a lot of it.

We are talking about high-density zones around big cities, and are getting into the area of small planes confusing the approach patterns, as are the air transports. They are talking about near-misses, which, of course, is rather a broad subject.

Is any thought being given by your department to simplifying, or reforming, the procedures in applications for third level charters, for example, or is anything being done about getting the charter operators in the various areas together to discuss the problems relating to their own operations?

It seems that when a third level or charter operator wishes to apply for a licence he is immediately confronted with a hearing and with objections from various other people in the area. Those who object say they do so because they feel that if they do not object it will jeopardize their future licences, and so on.

In British Columbia, from where I come, we depend a great deal on aviation, and certainly not on the large transports. We have remote areas which require small operators and there is a great deal of private flying; we have many flying farmers, and so on. Then we have reducing air navigational facilities, which I presume is not a correct question to put to this group at the present time...

Mr. Pickersgill: That is for the Department of Transport.

Mr. Pringle: But it is there, and it is something we would have to consider.

In a general way, is your department giving consideration to establishing a promotional department—if I may use the term loosely—to assist in the development of general aviation in view of the problems they are faced with at the present time?

• 1135

Mr. Pickersgill: If I could go back into history a little, and to the establishment of the Air Transport Board at the end of World War II, one of the functions of that Board—and, of course, we have inherited all of those functions—was the promotion of civil aviation. That has never been lost sight of.

At the same time, it involves people. After all, a licence is a licence to use a bit of the air, which is public property. If you give it to one person and then to another, neither may be able to make a living, whereas if you give it to one, he might.

This is a consideration, in the use of any form of quasi-monopoly, that a public body has to take account of. I am sure you understand that, Mr. Pringle, and probably a lot better than do I.

At the present time we are making a very thorough study of all the procedures relative to small carriers and charter operators to see if we cannot greatly simplify the procedures and avoid, as far as possible, expensive hearings; whether we can have conferences between the carriers where it is merely a matter of concern between one carrier and another; and, where all the community is interested, on having the service and not who gives it. Once the community is concerned about who gives the service I think you have to let them have a say.

When all is said and done our real job is to consider the public interest. The interest of the carrier is secondary to that. I am sure you will agree with that. But where it is just a choice of having three operators or two in an area perhaps many of the problems could be ironed out by conferences, without these small operators having to hire lawyers and go to a great deal of expense. We are trying to work out some more simplified procedures in this field.

We also have to examine very closely how restrictive one ought to be about the entry. You may have been familiar with one or two decisions the Minister of Transport has recently made on appeal. In one he was asked to review a certain area and that review is now under way.

I am rather hopeful that we may be able to find some means—if I can say this without offence to any of the officials, or any of the hard-working and conscientious people—of perhaps cutting away a little of the red tape that grows up over the years. I think this has to be done by every agency every so often.

You get procedures, and once in a while you have to take a look at them to see if they are still fulfilling the function for which they were originally intended. We are trying to work in that direction, especially in relation to the small carriers.

Mr. Pringle: Mr. Pickersgill, your answer will be very, very encouraging to those in general aviation. I am sure they will welcome those words.

My comments are not based on criticism of what has happened in the past, but we would have to agree that inevitably regulations build up and other regulations build on them, and sometimes they reach a point where they are almost insurmountable.

I hope my next question is being asked of the proper people, but what approach is being made to high density zones, as related, say, to Montreal and Toronto?

Mr. Pickersgill: We are very concerned about that, but there is a fundamental difference between the Canadian Transport Commission's jurisdiction relative to rail safety and air safety. We are the body responsible for rail safety; Parliament decided that the Department of Transport would be the body responsible for air safety.

That is, therefore, not an area on which it would be proper for me to comment. It would have been, when I was Minister of Transport, but in my new role it would not be proper for me to express any view.

Mr. Pringle: Mr. Chairman, I would be wrong, then, to ask a question related to the development of smaller airports?

Mr. Pickersgill: That, again, is a matter for the Minister of Transport, except that we are trying to examine this whole problem in our research division to see if we can come up with some bright new ideas. But the implementation of those ideas and the administration of them, would be entirely a matter for the Department of Transport.

Mr. Pringle: May I suggest, then, research being under your jurisdiction, that you might consider reviewing the existing regulations as they relate to small airports? Some of them, at this date and in view of the type of aircraft available today as compared to some years ago, may be rather stringent.

Mr. Pickersgill: You are thinking, perhaps, of certain two-engine aircraft that do not require strips quite as long as the regulations provide for?

Mr. Pringle: I am referring to night-lighting and the requirements for beacons, and so on.

• 1140

Mr. Pickersgill: I will be glad to pass this suggestion on to the people in the Department of Transport.

Mr. Pringle: Thank you very much.

Mr. Nesbitt: I have quite a few questions arising out of those of Mr. Pringle. The first one is on the matter of air safety.

Although I gather that this is a matter strictly for the Department of Transport, I would take it from the Chairman of the Commission that there are dealings between it and the Commission.

Mr. Pickersgill: Oh, yes.

Mr. Nesbitt: And if any suggestions are presented, they might be relayed. One question I had in mind is the question of fuelling of aircraft with passengers on board. The Chairman probably is not in a position to comment on that, as to whether that is a safety regulation or whether it is not, but it was a matter that was brought to my attention the other day where passengers were on a flight in Ottawa here, and after they got aboard it was found that apparently someone forgot to fuel the aircraft, and the fuel going around sounded like a Shelley Berman record, apparently—I am sorry to put it that way.

However, Mr. Pickersgill did mention that there was certain research going on. Has any research been given in Canada—I know there has been in the United States—to this question of passengers carrying explosives on board aircraft, either on their person or in baggage, and secondly, this new "in" thing as you might say now of hijacking aircraft and going to Cuba unexpectedly. There is a certain amount of levity I know in these three things, and it is very amusing. There was certainly one attempt, in Canada, to take people to Cuba rather than where they were going.

Mr. Pickersgill: This was Moncton, was it not?

Mr. Nesbitt: I was wondering whether any research has been done on devices for detecting explosives, or firearms and the like?

Mr. Pickersgill: I believe that while this would primarily be work done by the Department of Transport, and probably they would avail themselves of the various scientific agencies as well, probably the Defence Research Board. I say probably, I do not know. Perhaps National Defence would be interested in this, and the National Research Council. I have no doubt whatever that there is a good deal of work going on.

This is hardly the kind of research that would normally come within the scope of our Commission. It is really much more a matter for the Department of Transport because it is not related to long-term policy and that sort of thing. The question of safety is an immediate question, and a very important question too.

It does seem to me sometimes that just ordinary old-fashioned frisking might suffice.

• 1145

Mr. Nesbitt: On another subject, and it is a different matter altogether, but it has to do with air. In view of the fact that even the major air carriers are having some difficulty in financing the purchasing of these very expensive large aircraft, not to mention regional carriers and third level carriers, is consideration being given by the Transport Commission—in a matter of long-term policy research—to the question of the legality of the financing of these operations by banks, trust companies, and the like, of leasing equipment which is owned by the financial institutions to airlines, at either of the three levels?

Mr. Pickersgill: There has been a lot of consideration given to that, not merely by us,

and not even primarily by us, but by the Department of Finance, by the Treasury Board, by the Department of Transport. And I also understand that the IDB has been somewhat actively engaged in financing some of these operations.

And we are very concerned about it, particularly in relation to any of these regional carriers which might be applying for a subsidy, because we want to be sure, if they are likely to apply for a subsidy, that they get the capital as cheaply as possible, so that we are not paying a subsidy on an unnecessarily high rate of return to the person who sold the aircraft, or leased the aircraft. It is a very big problem.

Mr. Nesbitt: Do you know of any company—I do not want you to name the company or anything like that—but are there instances so far in this country where aircraft have been leased to any of the carriers, either from a bank or a trust company?

Mr. Pickersgill: I do not know offhand. The airlines in Canada have leased aircraft from outside the country. Canadian Pacific has, and I should think it is no secret. After they had that regrettable accident in Tokyo, they were really terribly short and they did lease an aircraft, a DC-8 I believe, for a while. I believe that Air Canada on one or two occasions has leased aircraft. I understand the regional carriers more than once have done this.

Mr. Nesbitt: Those are basically from other transportation companies?

Mr. Pickersgill: Yes, I think so. I am not aware that anyone has gone into the business of buying aircraft or acquiring aircraft for the purpose of leasing them to the airline. I am not sure some of the airlines would not be delighted, and are hoping someone would do it. But I suspect it would be just about as financially hazardous for a company doing that kind of thing, as it would be for the airlines themselves. Perhaps there will be some consideration given in the future to some co-operative arrangements in these fields between the airlines.

Mr. Nesbitt: But there is a lot of attention being paid to this.

Mr. Pickersgill: Oh, yes, I can assure you.

Mr. Nesbitt: By other branches of government.

Mr. Pringle: A supplementary, Mr. Chairman.

The Chairman: Mr. Pringle.

Mr. Pringle: There is some leasing going on as I know, but not necessarily at the transport level, or the air carrier level. Are licences or is permission required from your Commission in order for them to do this?

Mr. Pickersgill: I understand so, yes.

Mr. Nesbitt: Of course, it would depend on whether the Bank Act or something else permits financial institutions to acquire personal property for leasing purposes.

Mr. Pickersgill: I am not an expert on the Bank Act, but I think you are, Mr. Nesbitt.

Mr. Nesbitt: No, no, that is not one of my fields. One other question, and I think this one perhaps would be more properly addressed to the gentleman who is acting as adviser on accounting procedures here. The matter has already been alluded to by a number of the members of the Committee this morning. It is the question of the elimination of passenger service or other forms of rail service. I do not refer particularly to Newfoundland in this case.

• 1150

On occasion I have attended one or two hearings before the old Board of Transport Commissioners when branch lines were being discontinued, and evidence was presented on those occasions as I recall to show on behalf of the railway concerned, that they were losing money. And some of the accounting methods—I commented on this in the House on some occasions—were unusual to say the least. But I will leave that for the moment.

The question I specifically want to inquire about is this. Since the Transportation Commission, as Mr. Pickersgill has indicated, is looking into the background and research and long-term policies of these things, when an application is made by a railway to reduce or eliminate passenger service, is consideration given or is an investigation conducted to see if this passenger service has not been deliberately, or appeared to be deliberately, impeded by the railway itself.

I mean by that the railway wishing to eliminate or reduce passenger service, as the case may be, so that it can invest its money in more profitable operations. It may very well make the time of travel between points

longer, reduce the opportunity of purchasing food on the train, introduce long stops and waits, and that kind of thing. This has been alluded to in the press on a number of occasions. Does the Transport Commission look into this to see if the railway has been deliberately undermining its own service so it can get rid of it, and this sort of thing?

Mr. Pickersgill: Well, I think maybe the only two people who might express any opinion on that are Mr. Jones and myself. I know you will not take any offence, Mr. Nesbitt—you and I have had many exchanges before—if I say this is a rather loaded question. Perhaps I should answer it.

I think the first part of my answer would have to be that I cannot imagine any businessman degrading and destroying a service on which he was making money.

Mr. Nesbitt: He might make money on the operation, but he might be able to make more money if the equipment was being used for other purposes.

Mr. Pickersgill: Well, I do not know that railway passenger equipment is very saleable anymore. Mostly they seem to want it for museums here and there, whenever something goes out of operation.

Quite frankly, I have no detailed knowledge of whether or not a railway sets out deliberately to get a bad reputation in order to encourage people not to patronize it, in order to get rid of the service. But I suspect that the railway companies are not really any more insensitive, and probably are much more sensitive, to public opinion than most other businesses in this country, and that they do not really feel that it helps them very much to get a bad name. This would be my own feeling.

Mr. Nesbitt: Well, when there are only two you can travel on, it does not matter much, does it?

Mr. Pickersgill: No, but the plain fact is that between here and Montreal—I know, because a rather close relative of mine happens to live in Montreal and wants to come home quite often for the weekend. She makes a most careful scrutiny not merely of the timetables, but of the relative costs, and all the other advantages of travelling by either railway or travelling by bus. It seems to me that there is a pretty considerable measure of choice in that particular area, and I would be surprised if, in fact, the railways set out deliberately to do those things, but I do not know.

Mr. Nesbitt: Well, the reason I asked the question—there are several reasons. I have had it suggested to me on a number of occasions over the last couple of years, and by people who had some reason to have some knowledge of this, that this is the case.

• 1155

I do not always refer to newspaper columnists, Mr. Pickersgill, in this regard, but here is one from the *Toronto Telegram* of Wednesday, November 27 last. Mr. Ron Haggart has a column entitled "Arranging rotten service". It refers to the Canadian Pacific Railway and it is a very interesting column. One cannot always disregard the fourth estate, because they do a lot of digging into these things too, and I perhaps might refer it to the Transport Commission for reference to have a look at this article.

I will not waste time by quoting it into the record at the present time, but it is certainly very interesting as to what was done by the Canadian Pacific Railway to the Toronto-New York passenger service. But in any event there is perhaps some suspicion in some cases that both of the major railways are anxious to get rid of passenger service in certain instances. When applications are made to the Commission—perhaps Mr. Jones would be better to answer this—would an eye be kept on this aspect of things in the future when the accounting procedures indicating that the railway is losing so much money are presented to the Commission?

Mr. Jones: Well, Mr. Nesbitt, the application of a railway company to discontinue a passenger train, as you know, eventually comes to a hearing, with all that that entails. The moment the Commission receives an application or even a notice of intention to make application one of the very first things that is done is an inspection. This inspection is carried out by the inspectors on the staff of the Commission. These inspectors ride the train in question, talk to the passengers, find out what they think, and this is all part of the material that we consider.

• 1200

Mr. Nesbitt: But this practice varies.

Mr. Jones: This is our invariable practice.

Mr. Pickersgill: I can supplement what Mr. Jones said. I travelled on one of the trains. Perhaps I should not admit this but I did travel on the train between Toronto and Ottawa not very long ago, and it seemed to me there was some little question that possibly not enough attention was being paid to the comfort of the passengers and Mr. Jones arranged to have his inspectors travel on the train and look into it. I think this is done for every complaint you get, or even any observation when it is not a complaint. Mine was not a complaint; I was just a little concerned about the appearance of one or two things.

The Chairman: Have you a supplementary, Mr. Serré?

Mr. Serré: Yes, Mr. Chairman. It is a supplementary related to Mr. Nesbitt's line of questioning. I believe it might also be considered a point of order.

At the beginning of our Committee meeting last Thursday members of the Opposition spent over an hour requesting the presence in Committee of the Vice-President of the Transport Commission and the Chairman of the Railway Transport Committee in order to answer questions regarding accounting procedures with relation to the $400,000 deficit —which was, I believe, one of the reasons that the railway line in Newfoundland was abandoned. This point was by-passed by Mr. Nesbitt in his question a while ago. The same members who were obstructing last Thursday are here this morning and they have not asked this question of the officials of the Transport Commission or the Railway Commission. The main reason for putting their motion last Thursday was that the officials were not here. I feel that if they were very concerned about the abandonment of this railway service they would have put this question this morning. They have not done so. My feeling is that they were not so concerned after all about this problem and I feel that the members should take this into account in assessing the validity of their motion.

An hon. Member: We could be here for the next three days.

Mr. Nesbitt: Mr. Chairman, since we are starting the acrimony all over again, I would say that there was some question of some members of the Committee being taken by surprise for one reason or another. I suggest that there was no motivation in this—it was a misunderstanding. This morning the officials are here. However, if one is going to ask questions on details of accounting procedure it does take a little homework. I intended in my next question to ask some questions, not with respect to Newfoundland railways but with respect to some other types of accounting procedures that I am interested in. You will recall that last Thursday, by arrangement, this Committee sat for four hours because we were trying to get some work done. I understand that in order to set proper attendance at committees the Co-ordinator of committees has arranged that Committees sit for a period of one and a half hours. Last Thursday was an exception. Several members of our group who are members of this Committee had to be at certain other meetings after eleven o'clock. However, this is a matter for the Co-ordinator of Committees.

I think perhaps Mr. Serré's observations are not entirely in order. The main reason is that we have been somewhat taken by surprise by having the officials here so promptly this morning—it was not expected.

Mr. Lessard (LaSalle): You must have known about it, Mr. Nesbitt.

Mr. Nesbitt: I knew about it this morning when I looked at the notice on my desk.

• 1205

Mr. Lessard (LaSalle): You were on the steering committee, were you not?

Mr. Nesbitt: Now, now, that time was to be arranged. We are not getting into that. It was a misunderstanding.

The Chairman: I think we have discussed this before. Mr. Skoberg, you have a supplementary question.

Mr. Skoberg: I am quite amazed that the member opposite would suggest that we were obstructing. I thought it constructive, not destructive or obstructive.

The point I wish to make is supplementary to Mr. Nesbitt's point. It is fine to have people riding these trains after the application for abandonment has been made, Mr. Pickersgill, but the downgrading has already been effective—and quite effective. I think you are well aware that it is too late after the application has been made.

Mr. Pickersgill: The point I was trying to make was that it was not confined at all. Mr. Jones will correct me if I am wrong, but I am sure that if anybody makes any suggestion about any specific train, offers any kind of

concrete evidence at all and writes a letter to Mr. Jones or to the Secretary of his Committee, that that matter will be inspected now whether or not there is an application for abandonment. I would suggest that if there are any members of the Committee who feel that way with respect to any particular service that they make a specific complaint.

Mr. Skoberg: Mr. Chairman, may I ask a very pointed question? In the event that both railway companies downgrade their service to the extent that it is impossible to get accommodation this then contributes to the over-all loss of that service; it gets down to the stage where the train is running half empty and you cannot get accommodation. This is fact, not fiction. I am sure many of the members of this Committee are well aware of this.

Mr. Pickersgill: I suggest that if that is a fact that it be brought to Mr. Jones' attention. I can assure you he will lose no time investigating it.

Mr. Skoberg: Thank you, Mr. Chairman.

The Chairman: Is it a supplementary, Mr. Givens?

Mr. Givens: Yes, Mr. Chairman.

Has any consideration been given to a Rapido-type train from Toronto to Ottawa so that the shorter distance can be covered in a shorter time than it is now, from 5 o'clock to 10 o'clock? Since the Rapido is coming off and that new Turbo job is going on between Toronto and Montreal, could the roadbed and the facilities be adjusted to handle that kind of service between Ottawa and Toronto?

Mr. Jones: Well...

Mr. Givens: Your hesitation answers the question.

Mr. Jones: No, I am afraid it does not, Mr. Givens, for this reason. Mr. Pickersgill spoke a moment ago about some of the prerogatives of railway management, and the decision to implement a passenger service is theirs. What the Canadian National has in mind for the Ottawa-Toronto run I could not tell you, but I can find out for you.

Mr. Givens: I wish you would.

Mr. Jones: The point is that our jurisdiction does not extend to any kind of direction to them as to what trains they will run.

Mr. Givens: Perhaps with a little encouragement from you they would do something. I remember last week there were four or five flights cancelled out in Toronto because of weather conditions. If there were a reliable scheduled run which did not take forever and a day to get there, I think it would be a very popular run. It would be a money-maker. Probably with a little encouragement from you they might look into it. The population around the Toronto area is growing. Within a radius of 50 miles of Toronto they could draw on about 4 or 5 million people. I would say it could be as popular a run as the one to Montreal.

Mr. Jones: I can tell you that the present day passenger train service between Toronto and Ottawa runs at the same speed as the Rapido between Toronto and Brockville. Then it travels over track to Ottawa which is not as capable of such high speeds as the double track main line to Brockville. This has obviously some effect on the speeds which the train can attain.

Mr. Givens: It has some effect on the system!

Mr. Jones: I think the schedule is five hours. I have made the trip myself many times.

Mr. Givens: And you get pretty shook up on the trip too.

Mr. Jones: I have to agree with you—once you leave Brockville. I will be glad to make enquiries, Mr. Givens.

• 1210

Mr. Nesbitt: I have one or two questions I would like to put regarding accounting procedures which I am quite interested in. First of all, is a review or a revision being made of accounting procedures used by railways when presenting briefs to the Transport Commission or making applications to abandon lines or abandon service of one variety or another? Railway accounting is generally recognized in accounting circles as being rather unique. For instance, normal depreciation methods are not used in write-offs of capital equipment. Also, items of costing are rather unique. I do not want to burden the Committee with a great many examples, but I will relate a couple.

I understand that inspectors are required to check the railway lines over which trains move. Let us say that an inspector has to check 10 miles of track, five of which are on a main line of a railway and five of which are on a branch line. His services charges are in

direct proportion to the length of the line to be examined. However, in actual fact, whereas the main line may have 50 trains going over it in a day, the branch line may have only one train. To my mind, the costing method being used is not proper. There are a good many other examples I could give.

Are the costing and depreciation methods, and other accounting procedures presently used by railway companies, being looked into by the Commission with a view to suggesting changes?

Mr. Pickersgill: I think Mr. Jones is the right person to answer that question.

Mr. Jones: Mr. Nesbitt, in answer to your question, last February the Railway Transport Committee undertook an enquiry into the entire question of railway costs.

Mr. Nesbitt: Methods of costing.

Mr. Jones: That is correct. This inevitably involved all of the matters that you have mentioned in the course of your question. That enquiry, as you will appreciate, involved the participation of very highly trained professional people from the railways and other parties who were interested.

When we began in February it rapidly became apparent that this was a matter of widespread, although admittedly technical, interest. It became clear to us that not only the Canadian National and Canadian Pacific railways were going to be involved but also the governments of all of the 10 provinces as well as other organizations—such as the three prairie wheat pools, to name only one. There were others, and I make no invidious comparisons here at all. I should add that from my own province of Manitoba the Branch Lines Retention Association was represented.

The work of the Committee in this area continued until September when we began hearings which continued throughout approximately seven weeks, ending about November 15.

• 1215

We have concluded the public part of our inquiry and are now in the process of working on the new cost regulations which, as you say, will deal with the methods to be applied in future cases of branch-line abandonment, passenger-train discontinuance and the other matters that the railway Act requires us to look at in terms of railway costs, such as whether a freight rate is a legal one, or meets its variable cost, and so on.

That is a rather lengthy answer to your question, for which I apologize. The short answer is that very definitely we have conducted a review; and I am glad to say that the end is now in sight. Just when our new regulation will come out I am afraid I cannot predict.

Mr. Nesbitt: What are the regulations about costing and depreciation methods? These are all varieties of costing, of course, but will they be made available generally?

Mr. Jones: Oh, yes; this will be a public document.

The Chairman: Mr. Benjamin?

Mr. Benjamin: I have just a couple of questions on the Railway Grade Crossing Fund, Mr. Chairman.

I am sure there is a simple explanation for it, but I notice in Vote 60 that $10 million are to be credited to the Railway Grade Crossing Fund. Just prior to that there is a statutory provision of $5 million for the Railway Grade Crossing Fund. Does this mean that $15 million are available for it?

Mr. Pickersgill: That is easy to explain. The regular statute provided for $5 million many years ago. That was regarded as inadequate and, instead of amending the statute, an annual vote was made in the Estimates. It is for exactly the same purpose.

I think when it was first started it was just to save parliamentary time and it was thought that perhaps in two or three years they would catch up and would not need it any longer.

Mr. Benjamin: So that the total amount available is $15 million?

Mr. Pickersgill: Yes; there are $15 million available; but you can be certain of only $5 million until the Estimates come down each year.

Mr. Benjamin: Any other point relates to railway crossings and their protection, so that these problems are not perpetuated. In the case of new construction of rail lines, branch lines, long spur tracks to mine sites, and so forth, does the Railway Committee examine and approve construction plans in terms of grades and future location of crossings, even though none are needed at the moment?

Mr. Jones: Yes, we do.

Mr. Benjamin: I was thinking, for instance, sir, of this new line that is being put in northwestern Alberta where very few people are living. Ten, 15 or 20 years from now there will be concentrations of population. Is that railway being constructed in such a manner that there will be no need for level crossings; that provision of under-passes, over-passes has been thought about and planned in advance?

Mr. Jones: Is that the Great Slave Lake Railway?

Mr. Benjamin: The Bill was passed in the House within the last few weeks. It comes out of northwest Edmonton, and is just now being developed. I am using it as an example. There are others, such as a 15-mile line to a potash mine. There is very little population there now, but in 15 years there will be a large population.

Mr. Jones: The Commission's jurisdiction, of course, extends only to railways that are under the authority of Parliament. I do not know whether the one you are speaking of is a provincial or a federal railway.

Mr. Pickersgill: My recollection is that the Alberta Resources Railway is chartered by the legislature of Alberta.

Mr. Benjamin: You mean, then, that on grade crossings on that kind of railway you would have no authority and could make no provision?

Mr. Pickersgill: If it is a provincial matter...

Mr. Benjamin: If it is either of the major railways...

Mr. Jones: If it is either of the major railways, with which we are concerned practically all the time, and a new spur line, for example, is being constructed, the existing situation is very carefully reviewed when the plans for construction of the railway are under consideration, because we know that the location and the type of protection of any grade crossing, or grade separation, that may result are matters about which we are going to have to make a decision.

I do not think we can predict what will happen 10 or 15 years from now and actually require that a grade separation be built where there is no highway. That is what I understood your question to involve.

Mr. Benjamin: Yes; that is true, to some extent; but I am really referring to long-range planning. Where there is new development, whether it be of mines, or railway lines, or of any kind of resource, or new construction, does not the Committee consult not only with the railways but with municipalities and provincial governments and corporations?

• 1220

Mr. Jones: Absolutely.

Mr. Benjamin: A municipality may say that it intends to build a road in a certain location and is planning to do so in five years. Would you not say, "At that point you will have to make the grade 30 feet high so that there can be an underpass"?

Mr. Jones: I am sorry; I thought you were referring to roads that might just possibly be there some time in the future.

The road authority is very definitely a part of the approval of any system of grade crossings because it is they who are responsible under the law for the building o fthe roads.

Those in the Commission who have responsibility in this area almost invariably work with the provincial road authority, or the city, or town or municipal authority—whoever is responsible for the road—and try to look ahead as far as is reasonably possible to see what the needs are going to be.

By the same token, we have to be careful to ensure that the type of protection meets the requirements in the foreseeable future and that something too big or too expensive is not authorized.

I cannot think of a specific example, but certainly where a new spur line is being built, as I mentioned a moment ago, an effort is made to see whether proposed roads can be so integrated as to reduce the number of crossings. That is one area of concern.

Another would be, where a highway is planned, to ensure that the trackage is so constructed that should a grade separation be necessary at some time in the future provision can be made for it.

Mr. Benjamin: In the case of new construction, where a crossing is going to go in at the same time, cannot protection signals be installed as part of the cost of the contruction of that line, and be done with it, rather than have later requests for protection at that crossing, no matter how little it might be used at the time?

Mr. Jones: Probably where new construction is proceeding a proposed level crossing would have to be treated on the same basis as any other level crossing. It would be fine if we could protect them all, but the law being what it is—and I think it is a sensible one—we can only work towards this objective.

There are many, many hundreds of crossings where the traffic is so light that one could not justify the expenditure of public money to provide automatic protection. On new construction the proposed crossings are looked at on that basis, just as would be a crossing over an existing railway line.

I should, however, add that at least when new construction is proposed we have a chance to look into the future to a greater degree than we have when the line is already built. We certainly try to go that far.

Mr. Benjamin: In the case of construction through a heavy density of population, where there are going to be a number of crossings, because the railway came after the settlement do they qualify for aid from the Grade Crossing Fund?

Mr. Jones: Where the railway is building in a...?

Mr. Benjamin: Say a new piece of construction involving crossings is going through a part of Ottawa. Would the railway not then be required, as a part of the cost of the construction, to install whatever protection was felt necessary, without recourse to the Grade Crossing Fund?

Mr. Jones: A case that might be used as an example—and I am sorry I do not have any details of it—is the relocation of the railway station in Ottawa.

Some new trackage was built, and on the basis of relocation of trackage, involving the elimination of crossings that were to some degree hazardous, contributions from the Railway Grade Crossing Fund were made to the railways to assist in some of this work. There may be other examples, too.

Mr. Benjamin: I was thinking of new construction, and of making sure that we do not perpetuate the problem whenever new rail lines are built.

Mr. Jones: This was new construction. It was in the time of the Board of Transport Commissioners. This construction was a good opportunity for the Board to carry out some elimination while the work was going on, because it was new trackage, to all intents and purposes.

The Chairman: Mr. Nowlan?

Mr. Nowlan: I have just a brief comment and one question.

My comment relates to Mr. Serré's point of order. To clarify any disappointment he may have about the sincerity of any members on this side, and to remove that doubt, I wish to ask—without name-calling or obstruction—if any official with Mr. Pickersgill today is prepared to go any further than was Mr. Pickersgill, and go behind the CTC judgment and give a detailed explanation of the half million dollars that was previously the subject of a good deal of discussion with the man who was properly charged with it, the Chairman—perhaps not his officials; notwithstanding, further, that a motion had been made that we thought had taken care of the problem; and notwithstanding Mr. McGrath's statement that he was not going to question it further because he still thought the motion was valid. Let us just pretend that those two statements and events did not occur.

Is there any official—Mr. Jones, the accountant, or the vice-president—who is going to go behind the CTC judgment and give some detailed breakdown of the half million dollar "inside expenses" that were the subject of some discussion here the other day? I do not imagine they will, but...

Mr. Pickersgill: I think that question could very well be addressed to Mr. Jones.

Mr. Nowlan: Or to Mr. Pickersgill.

Mr. Pickersgill: Oh, no; I answered the question the other day. Mr. Jones is here, and he is one of the authors of the decision.

Mr. Nowlan: Then perhaps I should direct my question to him.

• 1225

Mr. Jones, can you give us a breakdown of the half million dollars that were set out in the working papers as forming the basis of the CTC decision and that were called "inside expenses"?

Mr. Jones: I think, sir, I have to say that this is a decision of the Commission and that it was reached after a hearing by a body that carries out a judicial function. It is my understanding that the time-honoured principle has always been that judicial decisions

are open to appeal where appeals are provided for.

I need not go into the different sections of the Act that give this right of appeal, except to say that they are there and that otherwise the Act goes on to say that the decision of the Commission on any question of this kind is final. I take it you have asked a question about the Newfoundland passenger train.

Mr. Nowlan: This happened to be the case.

Mr. Jones: That, in my opinion, would be one of the kinds of decision I am speaking about. It is a judicial decision, and I do not think it would be proper for me to go beyond what the judgment itself said.

Mr. Nowlan: I can appreciate that answer, although I may not agree with it because basically it was the same answer, almost completely, as Mr. Pickersgill gave which is fine, but I will lead to the second question. This is only prompted by Mr. Serré's comment that you would not see any distinction between a question from any member of this Committee seeking information on some of the evidence that was the basis of the decision, separate and apart from an attack on the decision itself.

Mr. Jones: I wonder if I might go back to a comment you made just before you put your second question. I understood you to say that what I had just said was the same as what Mr. Pickersgill said.

Mr. Nowlan: Basically.

Mr. Jones: I would like to add that I think if that is what he said, then our answers are in accordance with law. That is the position that I am taking. Now if I understand you correctly, Mr. Nowlan, what you would now like to know is whether I would have any objection to making available evidence?

Mr. Nowlan: No, no. Can you, from your position—and this fits in partly with your other answer, I suppose, but then you, from your previous answer, do not see any distinction between a member of this Committee asking about information on evidence that was tendered before the hearing as distinct from an attack on the decision that came from the hearing.

Mr. Jones: I do not see that there is any difference in principle really because, as I said a moment ago, the decision is there for all to read. And that is the decision of the Railway Transport Committee. Whether you attack the conclusion...

Mr. Nowlan: This is the point. I agree basically with what you say about an attack by this group, this Committee or any member of the Committee on the decision itself, but I think there is a distinction between attacking the decision of the CTC and your appeal procedures from that, and asking information about evidence that might have come within our knowledge, rightly or wrongly, but asking information on evidence.

• 1230

I do not want to press this thing now, but if it is only because the thing just came up as a point of order, and just to clarify the record so that there can be no confusion about why questions were not pursued along this line *ad infinitum, ad nauseam,* this is why I am asking you the questions, that I am not attacking the decision of the CTC. I may not agree with it, there may be appeal procedures for it, anything Mr. Pickersgill undoubtedly says on that line is correct. Where I disagree with both Mr. Pickersgill and I think with yourself is that there is a distinction between attacking the decision of the CTC and asking information on a piece of evidence that was before the CTC not saying if they interpret it correctly or incorrectly, but that there was a piece of evidence, and the piece of evidence was half a million dollars named as inside expenses, and the question that came up the other day and comes up now by me directly to you is, what is the breakdown of the half million dollars? How did the CNR calculate it? Because that type of information to me is going to be most relevant when these new accounting procedures come into effect that Mr. Nesbitt talked about to see if, under the new accounting procedures the Newfoundland train and that inside expenses would amount to a half million dollars. That is why to me it is most relevant.

Mr. Jones: Well, if I may make this comment, Mr. Nowlan, what you are saying has a very familiar ring to me because I had occasion to preside over the hearings in this cost inquiry, and one of the main issues before us that we now have before us for consideration and decision is the question of railway calculations of costs and how far these should be made available. Here again I think it would be improper for me, even if I felt I could, which I do not, but even if I felt I was in a position to get into this question, I

think it would be improper for me to deal with it now, when it is a matter which is under judicial consideration with a view to a judgment to be forthcoming.

Mr. Nowlan: My last question on this line, I think, is, then, Mr. Chairman to Mr. Jones, is it possible—and I guess everything is possible—but is it not a conceivable situation that with the revised costing procedures the old costing procedures that developed the million dollar deficit, and particularly the half million dollar inside expense deficit, could be quite different?

Mr. Jones: I am afraid there too, sir, you are asking me almost to predict what our judgment might be and I respectfully must refrain.

Mr. Nowlan: This is why I say, Mr. Chairman, there is a distinction between attacking the decision of the CTC and relevant questions on information that may have been before the CTC because we are going to be faced with this, or could be faced with it when the new revised costing procedures come out, but I do not want to press it any further because I have one question to Mr. Pickersgill, I believe, not on this.

The Chairman: Have you a supplementary, Mr. Benjamin?

Mr. Benjamin: Yes, I will try to be helpful to Mr. Pickersgill and to Mr. Nowlan. I agree fundamentally with what both you and Mr. Pickersgill have said and with what Mr. Nowlan has said, and I do not think either he or anyone else here is asking either of you or any other member of the Committee to express an opinion on the judgment and on the decision itself. This is not really the point. We are not asking you to do that. It would be improper for us to do so.

It seems to me that all he is asking for is some information about that figure of $400,000 or $500,000 inside costs. May I put it to you this way? Did the Committee, in arriving at the decision, and again I am not questioning the decision one way or another, did the Committee investigate these figures of inside costs of $400,000 to $500,000, whatever it was, and did they question the railway? What was the railway's answer as to an explanation of those figures?

Mr. Jones: Before any railway company can apply to discontinue a passenger train service it must demonstrate to the satisfaction of the Commission that there has been an actual loss. "Actual loss" is a term that is defined in Section 42, 314A(a) of the National Transportation Act. It can be read at leisure, but essentially what it means is the excess of the costs over the revenues related to the particular train or branch line, whichever it might be. The railway company, upon filing an application, is required to file a statement of its costs and revenues. As a result of that in the Newfoundland passenger train case—and the Commission issued an order which contained this finding—we determined that there had been an actual loss for the year 1966 of $918,000 in the operation of that passenger train. Taken into account was the item you mentioned. I think I can fairly go that far.

• 1235

Mr. Nowlan: Could I ask a supplementary, then, which will bring this perhaps to the future. If I understand Mr. Pickersgill correctly and yourself correctly today, and if you appear before this Committee next year after the new revised costing procedures are in operation—assume they are—and if we ask you a question relating the new costing procedures to that item, and asking you if it was a half a million dollars or more perhaps, or perhaps a lot less, you would say you could not answer it? And this is no attack or reflection on the CTC's decision made under the existing procedures at the time it was made, because this is what is going to come up, or could come up.

Mr. Jones: I think, Mr. Nowlan, that again I have to go back to this long proceeding that we have just finished...

Mr. Nowlan: Is this the Committee hearing or your CTC hearing? Today's hearing or the CTC?

Mr. Jones: No, no, the CTC hearing. These sections that I have just been referring to and others which go to the very root of this question that you have put were dealt with. We have heard arguments that are very much like what I think you are putting forward. We have heard arguments that are the direct contrary. I do not propose to go into them now for obvious reasons. Again I must say that we have a judgment under consideration, and I do not think it proper for me to predict in advance what our position might be as a result of that.

Mr. Nowlan: Well, let us just assume your judgment is concluded. I do not know how that will be concluded, but surely as mem-

bers of a committee that has as a subject for its consideration the National Transportation Act and costing procedures that Mr. Pickersgill knows well from the hearings of this Committee that were under constant discussion and debate and some criticism at the time, we would be entitled to ask somebody in the CTC if, under the new costing procedures, that item of $500,000 would still be valid.

Mr. Jones: When I said, Mr. Nowlan, that the question you were raising was one that had been before us in this proceeding, I did not mean specifically the question of inside cost, which I think is what you refer to in the Newfoundland case. It was the whole realm of disclosure which the Railway Act and the National Transportation Act deals with and in respect of which we have a duty imposed on us. We have to do the best we can to determine what that duty is. Until that question is answered I am afraid I cannot do any more than go back to what I have said before in answer to yours. I am trying to be as helpful to you as I can, but I am bound by the law and...

Mr. Nowlan: I can appreciate that.

Mr. Jones: ...by principles, I think I can only repeat that it would be improper for me to attempt to get into this area with you. I am sorry.

• 1240

Mr. Nowlan: I can appreciate, Mr. Jones, your problem because Mr. Pickersgill knows well that the disclosure question came up in the committee hearings when we talked about how this costing formula was going to work in the future. But it just so happens that we do have an item that we know about. We may have come across it by subterfuge, or deceit, by chance, but we have it and it is a precise item that was considered by CTC, and this is where I think the problem arises; that we know the item—we should not have known it; perhaps the CNR had no duty to disclose it—but we know about the item. Surely under new costing procedures we are entitled to ask if that item would be valid, and this is where I think it takes it out of the realm of the generality of disclosure and the interest of the railways in not having too much disclosure for their competitive position and all the other reasons. Because there is an item that we know about, and I appreciate that you perhaps cannot go further than you have gone today, this question could very well come up when these new costing procedures are finally developed.

Mr. Allmand: May I ask a supplementary?

The Chairman: A supplementary question by Mr. Allmand.

Mr. Allmand: Perhaps the legal officer will have to answer this question, but could the decision of the Canadian Transport Commission with respect to Newfoundland not now be appealed to the proper body, which is the Governor in Council, on the grounds that the internal accounting procedures of the CNR were misleading and did not actually give a true picture of profit and loss, and that the Canadian Transport Commission was in error in using this type of procedure? Could that be the basis of an appeal to the Governor in Council? In other words, that the decision which the Canadian Transport Commission made with respect to Section 314 as to whether there was a loss or not was incorrect in that they did not consider the proper accounting procedures.

Mr. Taschereau: I take it, Mr. Allmand, you are asking this question of me. This involves Section 53 of the Railway Act, which reads:

> The Governor in Council may at any time, in his discretion, either upon petition of any party, person or company interested, or of his own motion, and without any petition or application, vary or rescind any order, decision, rule or regulation of the Commission...

Mr. Allmand: It is very broad.

Mr. Taschereau: Yes, it is very broad. It is not limited as to grounds or as to time.

Mr. Nowlan: I have a supplementary to Mr. Allmand's question. Regardless of what is done now, would it not be a valid move when the new costing procedures are defined to apply to the Governor in Council on the basis that under the new costing procedures the $1 million—and especially the inside expense item of about a half a million dollars—is no longer valid. That would certainly be legitimate grounds for appeal.

Mr. Taschereau: I am certainly not going to say, Mr. Nowlan, whether it would be legitimate or not. I said there is no limitation as to grounds.

Mr. Nowlan: I will not pursue this line because time is getting on. Research and poli-

cy have been mentioned hand in hand here, and I have certainly learned more about the CTC since Mr. Pickersgill has attended these sittings than I previously appreciated.

My question is in two parts. In future would part of the CTC function in research and in helping to formulate policy be to avoid a problem such as the one that arose in the trucking industry when a 40-hour week was imposed unilaterally across the board and the trucking industry had to apply to get special exemption in the application of the 40-hour week? In other words, would the CTC, in giving advice to the Minister of Transport, say, "The trucking industry is not like a factory, and if you impose a 40-hour week you are going to have a lot more problems than you are going to be able to solve." Would the CTC give advice rather than having the interested parties, such as the trucking associations, make their appeals to the Minister, the Deputy Minister, and so on. Along with that, has the CTC, as far as research is concerned, given any direction or made any recommendation to the Minister on this overhaul base in Winnipeg with respect to the merits as between Winnipeg and Montreal?

• 1245

Mr. Pickersgill: I will answer the second question first, and very quickly. The answer is none whatever. As to the first question, Parliament saw fit—and I was a member of Parliament perhaps before you were—to pass the Canada Labour (Standards) Code, which was introduced by the Minister of Labour and which is administered by the Department of Labour, and this Act applied to all those activities in which people were employed which come under the jurisdiction of Parliament—which, as you know, is not the great bulk of employment in this country—and a large part of what you might call employment under federal jurisdiction is in the field of transport.

The extent to which the Canadian Transport Commission, the Department of Transport or the Minister of Transport would have any influence on that matter is precisely the extent to which they would be listened to, because the duty of enforcing that Act is imposed upon the Minister of Labour and it is carried out by his officials. While we would be very glad to tender advice to them about how this should be done—and I would not like you to even question me very far about whether we have or not because this would be slightly embarrassing to me—the responsibility is clearly and exclusively the responsibility of the Department of Labour.

Mr. Nowlan: I appreciate that, Mr. Pickersgill, and I think you have perhaps answered my second question by your interesting comment. As I understand it, then, unless requested by the responsible minister the CTC would not on its own initiative send a memorandum to the responsible minister saying. "This is a bill, and this bill affects federal employees, the trucking industry and extraprovincial. We have pointed out the positive effect and the adverse effect. You are the Minister, you make the decision." You would not do that on your own initiative?

Mr. Pickersgill: If I conveyed that impression I conveyed a false impression. There is no reason that the Canadian Transport Commission or its officials or members should not tender advice to the Minister of Transport, and he could use his own judgment about talking to his colleagues. I think that would be the proper way to do it.

Mr. Nowlan: Is it fair to ask if this was done in this case? Was it solely the stimulus and the initiative of the trucking industry in appealing directly to the Minister of Transport that amended the...

Mr. Pickersgill: I think that is the kind of thing that ought to be asked of ministers.

The Chairman: If there are no further questions, gentlemen, shall Votes 50, 55, 60 and 65 carry?

Votes 50, 55, 60 and 65 agreed to.

The Chairman: I think that is the end of the vote. Thank you very much.

Mr. Benjamin: Mr. Chairman, this is just a matter of the internal workings of the Committee. May I ask that the name of Mr. Skoberg be substituted for Mr. Schreyer on the steering committee of this Committee?

The Chairman: On the steering committee?

Mr. Benjamin: Yes, on the steering committee.

The Chairman: Yes. I will ask the Clerk to take care of that.

Mr. Benjamin: Temporarily.

The Chairman: Yes, temporarily. Mr. Normand will make a note of that. Some of the personnel on this Committee are not readily available on Thursday, so our next meeting will be on Friday, December 6, at 9.30 a.m., when the Chairman and officials of the National Harbours Board will be back.

APPENDIX "B"

DEPARTMENT OF TRANSPORT
GOVERNMENT OF CANADA
PRESS RELEASE

FOR IMMEDIATE RELEASE
NEW FERRY SERVICE ANNOUNCED
BY TRANSPORT MINISTER
PAUL HELLYER FOR
DIGBY-SAINT JOHN SERVICE

Hon. Paul T. Hellyer, Minister of Transport, announced today the decision to start upgrading ferry services between Digby, N.S. and Saint John, N.B.

The Government of Canada is proceeding without delay with the construction of new terminal facilities at both points, Mr. Hellyer said, while Canadian Pacific has agreed to a new modern ship suitable for this service as quickly as possible.

Arrangements have been made with the Governments of Nova Scotia and New Brunswick to provide access roads and parking facilities for the new and improved car and truck ferry service.

Mr. Hellyer added that agreement on the basis of operation of this service is still being negotiated but he stressed that under the terms of the agreement that has been made with Canadian Pacific these detailed negotiations will not delay action to get the service underway at the earliest date possible.

Designs for the terminal facilities have already been started and tenders will be called for construction within the next few months. Canadian Pacific has advised the Government that it has already commissioned naval architects to design the vessel and to award a contract for construction later this year.

Friday, May 31, 1968.

OFFICIAL REPORT OF MINUTES

OF

PROCEEDINGS AND EVIDENCE

This edition contains the English deliberations and/or a translation into English of the French.

Copies and complete sets are available to the public by subscription to the Queen's Printer. Cost varies according to Committees.

Translated by the General Bureau for Translation, Secretary of State.

ALISTAIR FRASER,
The Clerk of the House

MAY 10 1969
UNIVERSITY OF
Government Publications

HOUSE OF COMMONS

First Session—Twenty-eighth Parliament

1968

STANDING COMMITTEE

ON

TRANSPORT AND COMMUNICATIONS

PROCEEDINGS

No. 8

FRIDAY, DECEMBER 6, 1968

Revised Main Estimates 1968-1969, relating to National Harbours Board.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1968

29493—1

STANDING COMMITTEE

ON

TRANSPORT AND COMMUNICATIONS

Chairman:

Vice-Chairman: Mr. P. M. Mahoney

and Messrs.

Allmand,	Lessard (*LaSalle*),	Pringle,
Carter,	McGrath,	[2] Rose,
Corbin,	Nesbitt,	Serré,
Givens,	Noël,	Skoberg,
Godin,	Nowlan,	Smith (*St. Jean*),
[1] Goode,	[4] Perrault,	Thomas (*Moncton*),
		[3] Woolliams—(20).

(Quorum)

Robert Normand,
Clerk of the Committee.

[1] Replaced Mr. Douglas, on December 3, 1968.
[2] Replaced Mr. Benjamin, on December 3, 1968.
[3] Replaced Mr. Howe, on December 5, 1968.
[4] Replaced Mr. Blouin, on December 5, 1968.

ORDERS OF REFERENCE

HOUSE OF COMMONS
TUESDAY, December 3, 1968.

Ordered,—That the names of Messrs. Goode and Rose be substituted for those of Messrs. Douglas and Benjamin on the Standing Committee on Transport and Communications.

ATTEST:

THURSDAY, December 5, 1968.

Ordered,—That the names of Messrs. Woolliams and Perrault be substituted for those of Messrs. Howe and Blouin on the Standing Committee on Transport and Communications.

ATTEST:

ALISTAIR FRASER,
The Clerk of the House of Commons.

29493—1½

MINUTES OF PROCEEDINGS

FRIDAY, December 6, 1968.
(8)

Pursuant to Notice, the Standing Committee on Transport and Communications met this day at 9.30 a.m.

Members present: Messrs. Allmand, Carter, Corbin, Godin, Goode, Lessard (*LaSalle*), Mahoney, McGrath, Nesbitt, Noël, Nowlan, Perrault, Pringle, Rose, Skoberg, Thomas (*Moncton*), Smith (*Saint-Jean*), Woolliams (18).

Also present: Mr. Tom Bell and The Hon. George Hees.

In attendance: From the National Harbours Board: Messrs. H. A. Mann, Chairman of the Board; L. R. Talbot, Vice-Chairman; L. R. Stratton, Chief Engineer; J. S. Dron, Chief Treasury Officer; J. E. Lloyd, Member of the Board and E. J. Alton, Member of the Board.

The Chairman, Mr. Blouin, having been substituted on the Committee, Mr. Pat Mahoney, Vice-Chairman, was in the Chair. Objection being raised, and a debate arising, the election of an Acting Chairman was requested. The Clerk presided over the election and having called for nominations, it was moved by Mr. Perrault, seconded by Mr. Lessard (*LaSalle*), that Mr. Pat Mahoney be elected Chairman of this Committee.

On motion of Mr. Woolliams, seconded by Mr. McGrath, it was moved that Mr. Nesbitt be elected Chairman of this Committee.

On motion of Mr. Perrault, seconded by Mr. Lessard (*LaSalle*),

Resolved,—That nominations be closed.

On a show of hands, the vote resulted in a tie.

Then, after further debate and on request, Mr. Perrault's motion was put to a recorded vote and the vote was as follows: *Yeas*: Messrs. Allmand, Corbin, Goode, Lessard (*LaSalle*), Mahoney, Noël, Perrault, Pringle, Smith (*Saint-Jean*)—(9); *Nays*: Messrs. Carter, Godin, McGrath, Nesbitt, Nowlan, Rose, Skoberg, Thomas (*Moncton*), Woolliams—(9).

After discussion, no decision having been reached on the main motion and nine members of the Committee having walked out, there being no quorum, the Members present dispersed at 10.15 a.m.

Robert Normand,
Clerk of the Committee.

EVIDENCE

(Recorded by Electronic Apparatus)

Friday, December 6, 1968

• 0938

The Vice-Chairman: I see a quorum. I think firstly I should say that your regular Chairman, Mr. Blouin, entered the hospital in Montreal today for an operation. I am sure you all share with me our hopes for an easy time and a quick and early recovery.

Mr. McGrath: Mr. Chairman, would you entertain a motion that the Committee extend some greetings on behalf of the Committee to our Chairman wishing him a speedy recovery?

The Vice-Chairman: I certainly will.

Mr. McGrath: I would move a motion in that regard.

Mr. Woolliams: Mr. Chairman, in view of that fact and perhaps should be in the hospital. As I understand it on order from the house he was removed from the Committee last evening and of course as a matter of ill health that puts it into a position there is not a Chairman of this Committee and therefore without a Chairman, if I might make the suggestion, the first thing would be to nominate according to the rules of the House and the Standing Committee a new Chairman. The fact now if he was still on the Committee and away ill, then you would have a Chairman and you of course would be properly in the Chair and the jurisdiction of the Committee would be properly formed. But in view of the fact he was removed by an order of the House, may I suggest then before we proceed to make this a proper Committee with a proper jurisdiction that we entertain a motion for a Chairman.

The Vice-Chairman: Fine.

An hon. Member: Mr. Chairman, I would be pleased to nominate...

An hon. Member: We have a Vice-Chairman.

Mr. Woolliams: That does not matter, you have to have a Chairman in every Committee.

Mr. Allmand: Mr. Chairman is it not correct that whenever the Chairman is absent, the Vice-Chairman takes his place?

• 0940

Mr. Woolliams: Yes, but Mr. Mahoney my good friend has missed the point. If he had not come off the Committee, he would still be Chairman. The fact he was taken off the Committee that ends his jurisdiction to act as a Chairman. He is no longer Chairman of this Committee.

Mr. Allmand: It is a Committee without a Chairman. But the Vice-Chairman is taking over as Chairman.

Mr. Woolliams: No.

Mr. McGrath: No, he can only take over in the Chairman's absence. The Chairman has been removed and we have no Chairman.

An hon. Member: He was taken out by a motion of the House last night.

Mr. Woolliams: What your point is, Mr. Mahoney, my good friend's point is that if the President of the United States dies, that the Vice-President could carry on without a new President. I am sure he does not entertain...

Mr. Perrault: I think we are wasting time on a technicality. I nominate Mr. Mahoney to be Chairman of this Committee.

Mr. Woolliams: I nominate Mr....

An hon. Member: I was going to nominate you if you had not been so fast.

Mr. Lessard (LaSalle): I second that.

An hon. Member: I nominate Wally Nesbitt.

The Vice-Chairman: It is moved by Mr. Perrault and seconded by Mr. Lessard (La Salle) that Mr. Mahoney be Chairman. Are there any other motions?

Mr. Woolliams: I would like to nominate Wally Nesbitt.

Mr. McGrath: I will second that motion.

The Vice-Chairman: It is moved by Mr. Woolliams and seconded by Mr. McGrath that Mr. Nesbitt be Chairman. Are there any other nominations?

Mr. Allmand: Mr. Chairman, I still maintain that it is not necessary for us to elect a new Chairman this morning. I am not as experienced as the hon. member here, but I have been at many meetings where the Chairman has even been taken off the Committee periodically and the Vice-Chairman takes his place in the meanwhile and serves as Chairman. I do not know what the purpose of this is.

The Vice-Chairman: I think we have a pretty heavy agenda today and rather than get into a procedural wrangle on this particular point, we might as well do it. It can be reversed immediately Mr. Blouin is returned to the Committee by the House. I do not think we can do any harm by acting on this and perhaps it will save some time.

Mr. Perrault: Mr. Chairman, under normal circumstances I think in most Committees the Vice-Chairman automatically assumes the post of Chairman in an exigency of this kind. I cannot understand frankly why some of the members on this Committee would raise a technicality of this kind when the person sitting in the Chair is occupying it as Chairman. He is perfectly competent, has been a member of the Committee, was duly elected to the position at the outset.

Mr. Woolliams: Well Mr. Chairman I agree that the Vice-Chairman was duly elected, but the fact is that Mr. Blouin was removed from the Committee, therefore he is removed as the Chairman and this Committee is sitting without a Chairman. Committees to be properly formed, according to the jurisdiction, must have a Chairman. It is a matter of form and I am surprised that you take this position. As the Vice-Chairman says rather than get into a big wrangle on some technicality let us get on with the business. There are two nominations and let us have a vote and get the Committee properly formed.

Mr. Allmand: I would suggest again that it is not necessary. We have a Chairman and that we go on with the Vice-Chairman and that when we get into the meeting if it becomes necessary then we will do it, but I do not think it is necessary.

The Vice-Chairman: Well I think rather than risk any chance that the proceedings of the Committee today be invalidated or anything like that, I will accept Mr. Woolliams position on this and we will get on with the business.

Mr. Woolliams: Thank you very much.

Mr. Skoberg: Mr. Chairman, I would say that I am very surprised that you would take the Chairman off of this Committee just because he went to the hospital at this particular time. It shows a lack of competence on the part of the government.

Some hon. Members: Hear, hear.

Mr. Skoberg: I was very, very surprised that they took the Chairman off the Committee.

The Vice-Chairman: That is completely erroneous sir. You are entitled to read into it whatever you wish, but the fact is Mr. Blouin is ill and this is a very important Committee meeting today and the necessity of maintaining representation on it is obvious.

An hon. Member: What point of business are you proceeding to now?

The Vice-Chairman: We are going to proceed with the election of a Chairman. I am going to leave the Chair and turn it over to the Clerk for the purpose of the election.

Mr. Lessard (LaSalle): We have a Vice-Chairman and I do not see the use of this.

Mr. Bell you were aware that last year we had a Committee and the Chairman was absent many times—

An hon. Member: But the Chairman has been removed.

Mr. Lessard (LaSalle): Of course he was removed.

Mr. McGrath: How can you remove the Chairman? This is the point.

• 0945

An hon. Member: He was removed because he went to the hospital.

Mr. Bell: I am sorry I was late. Can I just add that has been removed to take John to the hospital.

Mr. Lessard: He is replaced by someone else for the time he will be in the hospital.

Mr. Bell: Why do—I never heard of it. Just because the poor fellow happened to get sick, you come right in on him and remove him.

Mr. Lessard: We did not ask to remove him. We did not ask—we said this morning, we have a Vice-Chairman, he could act as the Chairman for the time being.

Mr. Woolliams: Well, Mr. Chairman, on all the points that I made, and I repeat it again and I am glad to see the Chairman upheld my position, and I am sorry this man was fired from the Committee.

An hon. Member: He was not fired, he is still Chairman.

• 0946

An hon. Member: He may have requested a removal on his own.

An hon. Member: Be quiet for just a moment.

Mr. Woolliams: The point that I am making is that the Committee would not be properly constituted without a legal Chairman, and so we have asked that elections be called or nominations be called so that a new Chairman be elected, because a man was removed from the Committee. And that is the first order of business and that is what we are proceeding with and the Chairman now has upheld that position. I do not know why there should be further argument on it.

Mr. Perrault: Mr. Chairman, that is merely political mischief to say the man was fired from the Committee. We do not even know the state of his health, he could be seriously ill and he could have requested removal. Now that is a dreadful . . .

An hon. Member: He could have been temporarily removed . . .

Mr. Woolliams: Mr. Chairman, if there is any policy which is coming from Mr. Perrault. I was only pointing out that if he is—on a motion of Mr. Bell, PC, who is trying to run out now.

The Clerk: Gentlemen, please, we have a motion moved by Mr. Perrault, seconded by Mr. Lessard that Mr. Mahoney be elected as Chairman of this Committee. We have an amendment moved by Mr. Woolliams, seconded by Mr. McGrath that Mr. Nesbitt do take the chair as Chairman of this Committee. We will now put the amendment . . .

An hon. Member: It is not an amendment.

Mr. Allmand: I raise a point of order here. You move the first motion, it is not an amendment, then you move the second one.

The Clerk: We will now put the main motion to a vote. Moved by Mr. Perrault, seconded by Mr. Lessard, that Mr. Mahoney be elected Chairman of this Committee. All those in favour?

Please raise their right hand?

An hon. Member: You cannot go right now.

An hon. Member: There is one behind you there too.

An hon. Member: Somebody is behind you.

The Clerk: All those against?

Mr. McGrath: Mr. Chairman, I am going to ask that these proceedings be interrupted.

Mr. Lessard: Call for the vote. The vote is called.

Mr. McGrath: I am raising a point of order, Mr. Chairman.

An hon. Member: There is no point of order—the vote is called.

Mr. McGrath: I am raising a point of order, Mr. Chairman, and my point of order is that this vote be a roll call vote in order to ensure that all the members of the Committee vote.

An hon. Member: Very good. There are too many—

An hon. Member: Carry on.

The Clerk: Roll call please? Mr. Allmand.

Mr. Allmand: I vote for Mr. Mahoney.

The Clerk: Mr. Carter?

Mr. Carter: Against the motion.

The Clerk: Mr. Corbin?

Mr. Corbin: For the motion.

The Clerk: Mr. Givens?

An hon. Member: He is not here.

The Clerk: Mr. Godin? For or against the motion?

Pour ou contre la motion principale?

Mr. Godin: Contre.

The Clerk: Mr. Goode?

Mr. Goode: For the motion.

The Clerk: Mr. Lessard?

Mr. Lessard (La Salle): For the motion.

The Clerk: Mr. Mahoney?

Mr. Mahoney: For.

The Clerk: Mr. McGrath?

Mr. McGrath: Nay.

The Clerk: Mr. Nesbitt?

Mr. Nesbitt: Nay.

The Clerk: Mr. Noël?

Mr. Noël: For.

• 0950

The Clerk: Mr. Nowlan?

Mr. Nowlan: Nay.

The Clerk: Mr. Perrault?

Mr. Perrault: For the motion, oui.

The Clerk: Mr. Pringle?

Mr. Pringle: For the motion.

The Clerk: Mr. Rose?

Mr. Rose: Nay.

The Cerk: Mr. Serré?

An hon. Member: He is not here.

The Clerk: Mr. Skoberg?

Mr. Skoberg: Nay.

The Clerk: Mr. Thomas (Moncton)?

Mr. Thomas (Moncton): I am against it.

The Clerk: Mr. Smith (St-Jean)?

Mr. Smith (St-Jean): I am for it.

The Clerk: Mr. Woolliams?

Mr. Woolliams: Against.

The Clerk: Eighteen members present, for the motion, nine against nine.

Mr. Noël: Mr. Chairman, on a point of order, if you count the members of the Committee. We are supposed to be twenty, only eighteen are present.

The Clerk: Eighteen are present. Mr. Serré is not here along with Mr. Givens.

Mr. Noël: I would ask you to check the last list of the Committee members.

The Clerk: We have the last list.

Mr. Noël: You have the last list.

The Clerk: The latest change was Mr. Perrault for Mr. Blouin. It is up to date.

An hon. Member: That was a phony one.

Mr. McGrath: Mr. Chairman, I move that the Committee adjourn since we are deadlocked on the election of a Chairman.

The Clerk: We have a motion by Mr. McGrath.

An hon. Member: You have requested that the Committee adjourn?

The Clerk: We have a motion by Mr. McGrath that the Committee adjourn, and since the vote...

Mr. Allmand: Wait a minute—who made a motion to adjourn?

The Clerk: Mr. McGrath?

Mr. McGrath: I made it.

Mr. Allmand: Okay, we will vote on that.

I think—we have officials here this morning, we have a Vice Chairman...

An hon. Member: Order.

Mr. Perrault: Mr. Chairman, it is plain to see the motives of some of the opposition members of this Committee. They are trying to pressure the activities of this Committee.

Mr. McGrath: You are the one that is trying to change things and prevent the public business to move ahead, and to rescind the resolution that was duly passed by this Committee a week ago.

The Clerk: We have a motion by Mr. McGrath that this meeting adjourn since this election ended in a tie. We put the motion now, all those in favour please?

An hon. Member: To adjourn against the public interest.

The Clerk: Raise your hand please.

An hon. Member: For the motion to adjourn.

The Clerk: Against?

Six yeas, and 12 nays.

Mr. Pringle: Mr. Chairman, in the interest of expediency I move that Mr. Mahoney be Acting Chairman in his position as Vice Chairman for the purpose of...

An hon. Member: You cannot have an Acting Chairman.

Mr. Pringle: In the interest of expediency... Mr. Chairman I move in the interest of expediency that Mr. Mahoney be declared the Chairman of this Committee.

The Vice-Chairman: Gentlemen, we will proceed with the meeting...

Mr. McGrath: No, no, the meeting was just deadlocked on the election of a Chairman. You have no right to take the Chair.

Mr. Mahoney: As Vice Chairman I am taking the chair.

An hon. Member: No, no, let us get out of here.

An hon. Member: No, do not go.

An hon. Member: It is a poor sign of business...

An hon. Member: You do not take the chair.

Mr. Woolliams: Mr. Chairman, I raise a point of privilege. I challenge your right to sit now and call this meeting to order. The Liberals have not enough members down here to carry a vote, we know exactly why this meeting was called. Now I am going to refer—and I am sorry about my voice this morning—to the *May's Parliamentary Practice* and it says this at page 643 that every Committee must have a Chairman. The Chairman of a Committee is appointed and elected by the Committee itself and that runs into the very root of the jurisdiction of this Committee. It is like sitting in a court without a judge.

• 0955

An hon. Member: Hear, hear.

Mr. Woolliams: You just have no jurisdiction to go ahead, Sir, with the greatest respect to you. And I refer again to page 644 of May's, 17th edition, which says:

> Unless the power of appointing its chairman is withheld from a select committee, its first proceeding is to choose a chairman

to make it legal. Now how can we proceed when your government fired the Chairman by last night by removing him from the Committee. Now if you had left him on the Committee, the Vice Chairman would have the jurisdiction to sit.

Mr. Lessard: On a point of order, the Chairman has not been fired.

Mr. Woolliams: He has no right to sit in the chair, the Clerk should rightfully be in the Chair.

Mr. Perrault: ... because of the tactics of the honourable member...

Mr. McGrath: Well, he knows that this Committee cannot permit the Vice Chairman to occupy the post until even another Committee member comes into the room. You have an obligation to rule on this since there is no Chairman in the Chair. The meeting was deadlocked on the election of a Chairman and this man has no right to take the Chair.

Mr. Wooliams: If the Liberals cannot get their members out to form a quorum that is their problem.

Mr. Allmand: On a point of order. To keep it down to the gentleman opposite, I came to this meeting expecting me to put the motion which I tabled the last day, they are incorrect. I am saving that motion until we consider the report of this Committee to go back to the House. We came to hear the members from the National Harbours Board.

An hon. Member: Hear, hear.

Mr. Allmand: I have no intention of putting my motion.

An hon. Member: It is illegal anyway.

Mr. Allmand: I have no intention of putting the motion, and I do not even intend to deal with it this morning.

An hon. Member: It is not qualified—that is not business.

Mr. Allmand: I have no intention to deal with.

Mr. Skoberg: Mr. Chairman, in regards to exactly what Mr. Allmand...

An hon. Member: Do not talk about hiring nobody, you were speaking out.

Mr. Skoberg: I have the floor. In regard to what Mr. Allmand has just said, I would like to pose one question. The other day we did have a motion that was suppose to go back into the House. Now that has been taken back into the House, but without the motion we have and did pass at this particular meeting. My question now is—is this Committee, is this government, going to move the report that this Committee did pass, including the motion that we had before us, and did pass it

at that particular time. It is my opinion that if this was not taken back to the House, and not passed, there is no earthly use of Committee meetings whatsoever. If this was duly passed, I this meeting.

The Vice Chairman: I have no information at the moment as to whether or not there was a direction from the Committee to report that? Is that correct—that we were to report that last motion? No, there was not.

Mr. Skoberg: Am I to understand then that what we do in this Committee meeting,—everything we pass here should be reported to the House by the Chairman. Is that not right?

The Vice Chairman: No, not automatically, Sir. For example, with the estimates you approve them and then when you get a certain number, the Chairman is instructed to report them to the House.

Mr. Skoberg: Well, then may I ask in regard to the tour of the Atlantic Provinces, Mr. Chairman, that was recorded back to the House without approval and no motion to accept. Now the same thing should have applied to the motion here in so far as that Newfoundland bulletin is concerned.

Mr. McGrath: Which was directly related to the motion to go to the Atlantic provinces, which was reported. Now the Committee had no right in its report to delete that resolution, just as the Committee has no right this morning to nominate you, Sir, to take the Chair because the Committee is without a legal chairman. The Committee was deadlocked on the election of a new Chairman, and in my opinion, the Committee has no alternative but to now retire and report to the House.

Mr. Woolliams: Mr. Chairman, I say the report of the Committee now be referred to an appeal of the Speaker to see if our position in reference to the jurisdiction of this Committee is sound. I submit it is sound, I think the Speaker will uphold us. We have the right to make that kind of an appeal—there is a lot of precedent for it. And it is one where it would have the same rules as the Committee of the Whole of the House of Commons, where we appealed the Chairman's ruling on the Crow's Nest pass last year. And I ask how this Committee—I move that this Committee now adjourn and have an appeal to the Speaker, and find out where we stand as far as this matter is concerned.

The Vice Chairman: Would you cite your authority please for the...

Mr. Allmand: Mr. Chairman, on that point if you refer to rule 68-A where it says:

> Chairman's decisions...subject only to an appeal to the committee

It is at page 65 of the Provisional Reprint of Standing Orders. It says:

> In any standing or special committee of the House questions of order shall be decided by the chairman, subject only to an appeal to the Committee

• 1000

Mr. McGrath: We have no Chairman. Notice was directed to the Clerk of the Committee that the Committee now retire and the Clerk report to the House asking for a ruling.

Mr. Woolliams: I was asked by the Chairman to state my authority, I want to quote from 237 of *Beauchesne's* Parliamentary Rules and Forms, Fourth Edition, 1958. It says:

> 288. Committees are regarded as portions of the House and are governed for the most part in their proceedings by the same rules...

and as that rule applies to Committee as a Whole, the rule applies to this Standing Committee. It goes on:

> Every question is determined in a committee in the same manner as in the House to which it belongs.

I say we have the authority, the authority is in *Beauchesne's*. I say to you now put the motion and that we go now to the Speaker to determine the right and jurisdiction of sitting without a Chairman.

Some hon. Members: Hear, hear.

Mr. Woolliams: How can a Committee—my learned friend over there has admitted that the matter has to be put to a Chairman and he does not even have a Chairman.

Some hon. Members: Hear, hear.

The Vice-Chairman: I rule that the specific general provisions or analogies that may occur.

Mr. Perrault: Are you afraid of hearing the expert witnesses that we have here with us today?

Mr. Woolliams: We are not afraid, but we believe—

An hon. Member: We had better get out of here.

Mr. Perrault: You are bringing this up on a petty legalism and you know it.

Mr. Woolliams: I object to that. My case does not rest on a petty legalism.

Mr. Perrault: It is a pretty tenuous one too.

The Vice-Chairman: The Chair has already ruled on that particular item. Mr. Allmand?

An hon. Member: There is no Chairman and this Committee is not in session.

The Vice-Chairman: Order please.

Mr. Allmand: Yesterday we put on two members from British Columbia, Mr. Perrault and Mr. Goode, because we were going to discuss the this morning and we have these two gentlemen here. We have the National Harbours Board people here and we would like to go on with the discussion, because several members from British Columbia would like to continue this discussion.

The Vice-Chairman: We will proceed.

Mr. McGrath: Mr. Chairman, let the record show that we are walking out, because this Committee is not properly in session.

Mr. Perrault: The television lights are not on so you had better say it again.

Mr. Woolliams: If you want to change a motion that was passed by this Committee that...

Some hon. Members: Oh come on.

Mr. Skoberg: Mr. Chairman—I will not call you Mr. Chairman in case of doubt or uncertainty, but could you get a ruling within 15 minutes from the Speaker? We could adjourn for 15 minutes for that ruling. I would so move.

An hon. Member: I second the motion.

Mr. Allmand: Mr. Skoberg I did not hear your motion.

Mr. Skoberg: That we adjourn for 15 minutes for a ruling from the Speaker on this point in question.

Mr. Allmand: Which point in question?

The Vice-Chairman: It is out of order as far as I am concerned. The Vice-Chairman is the Chairman and since you did not choose to elect a Chairman, the Vice-Chairman is here.

An hon. Member: That is right, let us proceed.

Mr. Nowlan: There is no quorum here. I want the record to show that there is no quorum.

The Vice-Chairman: But there are 12 members in the room at the moment, Mr. Nowlan.

Mr. Nowlan: There are not 12 members of the Committee.

Mr. Perrault: No motion should be entertained in any case. You should sit and listen to these witnesses.

An hon. Member: You know very well it is a big joke, Mr. Nowlan. I know you better than that.

The Vice-Chairman: Would the Clerk please take a roll call of the Committee?

The Clerk of the Committee: Mr. Allmand?

Mr. Allmand: Present.

The Clerk: Mr. Carter?

Mr. Carter: (No answer)

The Clerk: Mr. Corbin?

Mr. Corbin: Present.

The Clerk: Mr. Givens?

Mr. Givens: (No answer)

The Clerk: Mr. Godin?

Mr. Godin: (No answer)

The Clerk: Mr. Goode?

Mr. Goode: Present.

The Clerk: Mr. Lessard (LaSalle)?

Mr. Lessard (LaSalle): Present.

The Clerk: Mr. Mahoney?

Mr. Mahoney: Present.

The Clerk: Mr. McGrath?

Mr. McGrath: (No answer)

The Clerk: Mr. Nesbitt?

Mr. Nesbitt: (No answer)

The Clerk: Mr. Noël?

Mr. Noël: Present.

The Clerk: Mr. Nowlan?

Mr. Nowlan: (No answer)

The Clerk: Mr. Perrault?

Mr. Perrault: Present.

The Clerk: Mr. Pringle?

Mr. Pringle: Present.

The Clerk: Mr. Rose?

Mr. Rose: (No answer)

The Clerk: Mr. Serré?

Mr. Serré: (No answer)

The Clerk: Mr. Skoberg?

Mr. Skoberg: (No answer)

The Clerk: Mr. Thomas (Moncton)?

Mr. Thomas (Moncton): (No answer)

The Clerk: Mr. Smith (St-Jean)?

Mr. Smith (St-Jean): Present.

The Clerk: Mr. Woolliams?

Mr. Woolliams: (No answer)

The Clerk of the Committee: We have nine.

The Vice-Chairman: Gentlemen, I am afraid we do not have a quorum. We must apologize to Mr. Mann and his associates from the National Harbours Board for having you come today under these unfortunate circumstances.

Mr. Allmand: Mr. Chairman, before we leave I would like to say one thing.

Mr. Bell: If you say anything at all over the adjournment motion . . .

Mr. Allmand: You are not a member of this Committee and I would like to say one thing. Number (1) There has been a tradition on these Committees of the House that all the Chairmen of all the Committees except Public Accounts would be from the Government side and Public Accounts would be from the Opposition side. This morning the Opposition tried to violate that understanding. Secondly our Whip and myself last night contacted everyone on our Committee to come and they were all going to be here, but there was a snow storm this morning and this move this morning by the Opposition I find—especially when these gentlemen were on their way here, at least we have word that they are on their way—it a deplorable move.

• 1005

Mr. Bell: Mr. Chairman—Mr. Acting Chairman, I would like to ask: Do not snow storms apply to the Opposition too?

An hon. Member: You are not a member.

An hon. Member: That was a real snow job this morning too.

The Vice-Chairman: Gentlemen, the meeting is adjourned. For those who have remained the next meeting of this Committee is scheduled for Monday morning at 11 o'clock.

OFFICIAL REPORT OF MINUTES

OF

PROCEEDINGS AND EVIDENCE

This edition contains the English deliberations and/or a translation into English of the French.

Copies and complete sets are available to the public by subscription to the Queen's Printer. Cost varies according to Committees.

Translations under the direction of the Bureau for Translations, Secretary of State.

ALISTAIR FRASER,

The Clerk of the House.

Government Publications

HOUSE OF COMMONS

First Session—Twenty-eighth Parliament

1968

STANDING COMMITTEE

ON

TRANSPORT AND COMMUNICATIONS

Chairman: Mr. H.-PIT LESSARD

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 9

MONDAY, DECEMBER 9, 1968

Revised Main Estimates for 1968-1969 relating to Communications

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APPEARING

The Honourable E. W. Kierans, Postmaster General.

WITNESSES:

From Communications: Mr. F. G. Nixon, Director, Government Telecommunications Policy and Administration Bureau; Dr. John Chapman, Head of the Planning Group, for Communications.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1968

29495—1

STANDING COMMITTEE ON TRANSPORT AND COMMUNICATIONS

Chairman: Mr. H.-Pit Lessard

Vice-Chairman: Mr. Pat Mahoney

and Messrs.

Allmand,	Godin,	Pringle,
[5] Borrie,	Goode,	Rose,
[1] Breau,	McGrath,	Skoberg,
Carter,	Nesbitt,	Smith (*St. Jean*),
[4] Durante,	Nowlan,	Thomas (*Moncton*),
[3] Foster,	[2] Portelance,	Woolliams—(20).

(Quorum 11)

Robert Normand,
Clerk of the Committee.

[1] Replaced Mr. Corbin on December 9, 1968.
[2] Replaced Mr. Noel on December 9, 1968.
[3] Replaced Mr. Serré on December 9, 1968.
[4] Replaced Mr. Perrault on December 9, 1968.
[5] Replaced Mr. Givens on December 9, 1968.

ORDER OF REFERENCE

HOUSE OF COMMONS
FRIDAY, December 6, 1968.

Ordered,—That the names of Messrs. Breau, Portelance, Foster, Durante and Borrie be substituted for those of Messrs. Corbin, Noël, Serré, Perrault and Givens on the Standing Committee on Transport and Communications.

ATTEST:

ALISTAIR FRASER,
The Clerk of the House of Commons.

29495—1½

MINUTES OF PROCEEDINGS

MONDAY, December 9, 1968.
(9)

The Standing Committee on Transport and Communications met this day at 11:00 a.m.

Members present: Messrs. Allmand, Borrie, Breau, Carter, Durante, Foster, Goode, Lessard (*LaSalle*), Mahoney, McGrath, Nesbitt, Nowlan, Portelance, Pringle, Rose, Skoberg, Smith (*Saint-Jean*), Woolliams (18).

Also present: Messrs. Bell, Corbin, Douglas, Forrestall, Givens, Howe, Macquarrie, Ritchie, Whelan.

In attendance: The Honourable E. W. Kierans, Postmaster General; and *from Communications:* Mr. F. G. Nixon, Director, Government Telecommunications Policy and Administration Bureau; Dr. John Chapman, Head of the Planning Group of Communications.

The Clerk attending announced that the first item on the agenda was the election of a Chairman, and having called for nominations,

It was moved by Mr. Mahoney, seconded by Mr. Allmand,

That Mr. H.-Pit Lessard be elected Chairman of this Committee.

On motion of Mr. Nesbitt, seconded by Mr. Carter,

Resolved,—That nominations be closed.

There being no other motion and nominations being closed, the Clerk declared that Mr. H.-Pit Lessard elected Chairman of the Committee.

Mr. Lessard took the Chair, thanked the members for the honour and requested their co-operation during the deliberations of the Committee.

On motion of Mr. Mahoney, it was

Resolved,—That the name of Mr. Allmand be substituted for that of Mr. Serré on the Subcommittee on Agenda and Procedure.

The Chairman then introduced the Honourable E. W. Kierans, Postmaster General who in turn introduced Mr. F. G. Nixon and Dr. John Chapman both from Communications.

Mr. Kierans, speaking from a prepared text, dealt with certain administrative and financial aspects of the operation of Communications.

The Chairman then called item number 1 ($4,971,000) of the Revised Main Estimates 1968-69 of Communications. Mr. Kierans and his officials were questioned.

The questioning being concluded items 1 ($4,971,000); 5 ($3,500,000); and 10 ($509,000) were severally approved.

On motion of Mr. Nesbitt, it was

Resolved,—That the Chairman be instructed to report to the House, the items of the Revised Main Estimates 1968-69 relating to the Department of Transport that have been approved by this Committee.

At 1:05 p.m. the Committee adjourned to the call of the Chair.

Robert Normand,
Clerk of the Committee.

EVIDENCE

(Recorded by Electronic Apparatus)

Monday December 9, 1968

The Clerk: Order please, gentlemen. We have a quorum. As you know, the first item of business this morning is the election of a Chairman. I am now ready to entertain motions to that effect.

Mr. Mahoney: I move that Mr. Lessard be made Chairman of the Committee.

Mr. Allmand: I will second that.

The Clerk: Moved by Mr. Mahoney, seconded by Mr. Allmand.

Mr. Allmand: Is it necessary for us to indicate that he will be put on the Steering Committee, or is that automatic?

The Clerk: No, that is automatically covered. It sets out the Chairman, the Vice-Chairman and members thereof. Moved by Mr. Mahoney, seconded by Mr. Allmand, that Mr. Lessard be elected Chairman of this Committee. Do I hear any more motions, gentlemen?

May I have a motion to close the nominations, please? Moved by Mr. Nesbitt, seconded by Mr. Nowlan.

Is it the wish of the Committee, that the motion now be adopted?

Some hon. Members: Carried.

• 1105

The Chairman: I want to first thank the Committee members for this vote of confidence. That was a very easy election. I hope my future will be the same way!

Mr. Nesbitt: On a point of order, Mr. Chairman—and perhaps it is a point of privilege, or it might better be a combination of the two—so that we can get started on committee work and continue for awhile, there are one or two points I would like to place before the Committee. I might also add that I think some of the difficulties this Committee may have had in the past have perhaps been due to some of the items I am now going to raise, and I will just leave it at that.

First of all, when meetings of the Steering Committee are held in the future I hope, Mr. Chairman, that the decisions reached by the Steering Committee with respect to what witnesses will be called and when they will be called will be carried out. Or, if this cannot be done, that adequate notice be given to members of the Committee, and particularly to those members of the Steering Committee who represent parties other than the government party in the House, because it often occurs that one party wishes to adjust the membership of the Committee when different subjects are being discussed by the Committee, and there has been some difficulty in the past in this regard. It may have been due to misadventure, I am not imputing any motives, but it is a fact that it has occurred. I hope we can avoid future problems, and I think they can be avoided if the instructions of the Steering Committee are carried out as agreed, or in the event they cannot be carried out as agreed, that adequate notice be given other parties.

The second item I want to mention is that it has always been my understanding—and I have been on committees of this House for 15 years—that normally when a committee submits a report it is drafted by the Steering Committee and approved or disproved, as the case may be, by the members of the Committee and then forwarded to the House for final approval. To my knowledge that has not taken place on any occasion since we started, and I hope that does not continue. I think it would avoid a lot of trouble in the future if we followed the procedure I outlined.

The third point of order I intended to bring up this morning had to do with a point of order which was raised by Mr. Allmand. However, in view of the fact that the Postmaster General is going to be before us this morning, I will hold my point of order in abeyance until such time as we are strictly on items of transport again. However, when I say this it is on the understanding that I will have the opportunity to raise it when we return to the transport items. That is all.

The Chairman: I agree with you, Mr. Nesbitt, and I feel that if it is possible the Steer-

ing Committee should meet today to put these things back where they belong. I am not on the Steering Committee and I like to be aware of what is going on, what meeting is coming up and what kind of work we have ahead of us, so if you agree I think it would be a good idea if a Steering Committee meeting was held possibly today or tomorrow to settle this thing once and for all.

Mr. Allmand: With respect to the Steering Committee, Mr. Chairman, last week Mr. Mahoney, the Vice-Chairman, was taken off it when he had to go away, so I would like to move that he put back on. Of course, if it is automatic it will not be necessary.

The Chairman: It was just a temporary motion that was made for the day, Mr. Allmand. I think Mr. Mahoney has come back on again automatically.

Mr. Mahoney: To solve this problem, Mr. Chairman, I move that Mr. Allmand be put on the Steering Committee in place of Mr. Serré, who is no longer a member of the Committee.

Motion agreed to.

Mr. Nowlan: Before we get started, there is a matter I would like to mention. I think perhaps this has been clarified by one of the members, but my point of order is that I did not know about this Committee meeting. I looked at the card I received today and it was put in my box at 5 o'clock on Friday afternoon. I think this is certainly the reason some members who would have liked to have been here are not here; they just did not receive notice. I understand that some time ago there was some discussion about having a meeting on Monday morning at 11 o'clock, and Mr. Nesbitt suggested this was supposed to be last Monday. However, regardless of when it was, it was obviously some time ago, and certainly if there are going to be meetings on Monday mornings I would hope there could be more direct notice given on Friday for that Monday morning meeting. I suggest it is not sufficient to merely drop it in the post office at 5 o'clock, because if the members were here Friday—and I was here—they just do not pick up their mail after 5 o'clock. Perhaps if they were delivered it would at least help to improve the situation.

• 1110

The Chairman: I do not disagree with you at all, Mr. Nowlan. I think this is very fair. I will see that you receive the notice a couple of days before the week-end when we have to sit on Mondays.

Mr. Nowlan: That will be fine.

The Chairman: Gentlemen, on the agenda this morning we have the estimates of the Postmaster General. We have with us this morning the Minister, Mr. Kierans, and I will ask him to introduce his associates. I believe Mr. Nixon and Mr. Chapman are with him. Will you introduce these gentlemen to the Committee, Mr. Kierans?

Hon. E. W. Kierans (Postmaster General): Mr. Chairman, members of the Committee, Dr. John Chapman is Head of the Planning Group of the Department of Communications, and Mr. Gordon Nixon is Director of the Government Telecommunications Policy and Administration Bureau.

Mr. Nowlan: Excuse me, Mr. Chairman if I could interrupt the Minister on a point of order. I would like to resolve this so we will know what we are going to be doing today. I would like to know if we are going to be listening to Mr. Kierans and his officials or are we going to become involved in procedural debates on previous motions late in the morning. If after Mr. Kierans or his officials give evidence we are going to have a procedural point raised that has been sort of tabled, then I think we should know that now, and we might have to resolve it now. I think the Committee starting out fresh on Monday morning should know whether it is going to raise this today or whether it is going to hear evidence today. I would like to hear Mr. Kierans speak, but would also like to know what business is going to be before the Committee this morning. If we are going to get on a procedural wrangle, let us get on it now and get Mr. Kierans and his officials out of here rather than bringing it up at 1 o'clock.

The Chairman: If I could interrupt you, Mr. Nowlan, I think Mr. Macdonald made a declaration in the House on Friday that you will have a chance to discuss the motion of Mr. Allmand when we come to the estimates of the Department of Transport. Today we are discussing the estimates of the Postmaster General.

Mr. McGrath: Mr. Chairman, that is fine for Mr. Allmand's motion but it does not take care of my resolution, which was adopted by this Committee. As I understand it, Mr. Mac-

donald made no such reference. It is my resolution with which the Committee has to deal.

Mr. Woolliams: Mr. Chairman, I think it will clear the trouble away immediately if we can get an assurance from the Chair—I am well aware of the fact there has not been a meeting of the Steering Committee—that the motion that he has discussed will not be discussed today.

The Chairman: We have to go through the estimates.

Mr. Woolliams: Will you give us that assurance?

The Chairman: Yes.

Mr. Nowlan: It would take care of the problem if the Chair does not receive any motion until after the Steering Committee has met.

The Chairman: Does the Committee agree that I should ask Mr. Kierans to give us a short briefing on his estimates, and then to put...

• 1115

Mr. Allmand: I think we should try and be clear on what we are doing. First of all, Mr. Chairman, I would ask you to let us know what item of these Estimates we are discussing so that we know exactly what we are on, and there will be no confusion. It had been my intention once we had passed these Estimates, if we did pass them this morning, to bring up my motion. But if the other side feels that we should have Steering Committee first, I will agree to that and I will not put forward my motion this morning. We will deal only with these Estimates.

Mr. Woolliams: Dealing with the business of the country, if you co-operate a little there is no problem. But if you are going to try to pull tricks...

Mr. Allmand: No, no.

Mr. Woolliams: And play hanky-panky, then there are going to be problems.

An hon. Member: It is a trick that started all this.

The Chairman: We are getting off the subject. We are here this morning to discuss the Estimates, and the first item is communications under the authority of Mr. Kierans.

Mr. Allmand: What item, Mr. Chairman. I would like to know exactly what item we are on.

Mr. Kierans: It is my understanding that we are discussing the communications aspect of the Post Office only today, is that right? And tomorrow we are supposed to deal with the Post Office.

Mr. Allmand: So we are doing item 1 of Communications, General?

Mr. Kierans: On page 44.

Mr. Allmand: Very good.

The Chairman: Mr. Kierans.

Mr. Kierans: Can I clear up one point, Mr. Chairman. If the members feel that they are likely to go on to the Post Office too, I would have to alert the officers in the Post Office, because they are not here today. They were scheduled for tomorrow.

Mr. Skoberg: Mr. Chairman, I was of the understanding that possibly we could deal with both of them this morning. This was suggested.

The Chairman: No, I think we should stick to one item.

Mr. Skoberg: Our Vice-Chairman, I believe, suggested that we might handle both of them.

Mr. Kierans: Mr. Chairman, Members of the Committee, the Revised Estimates for the Department of Communications detail the initial effects of the announcement by the Prime Minister of the government's intention to create a new Department of Communications. The financial consequences are summarized on page 44 of the Blue Book, Part A to show the program added to the Department and Part B to show the total program for the Post Office. I will be discussing Part B tomorrow. This is what I was informed.

Part A is expanded on pages 45 to 47 of the Blue Book to reflect the details of the changes which were authorized by the Order in Council of July 12, 1968. Under this Order in Council, branches of two government departments were designated to be transferred to the Department of Communications. These were elements of the Defence Research Telecommunications Establishment from the Research Board of the Department of National Defence, and the Government Telecommunication Policy and Administration

Bureau, and a portion of the Telecommunications and Electronics Branch of the Department of Transport.

Part A indicates the financial structure consequent upon this initial phase of reorganization. That is to say, 765 man-years and $4,971,100 in Vote 1 to cover Administration, Operation and Maintenance; $3.5 million in Vote 5 for the Research Satellite Program; and $509,000 in Vote 10. These are shown in detail on pages 45, 46 and 47 of the Blue Book. I intend to deal with these two sections in order.

First I will describe the transfer from the Defence Research Board. This consists of $1,997,000 and 26 man-years. Also the whole of the $3.5 million item for the Research Satellite Program. That is what came from there.

I might say at this time that this initial transfer is to be followed shortly by a second transfer which will bring most of the staff and a large part of the research program of the DRTE into my Department. The $1,997,000 is to provide for the salaries of the 26 positions transferred and to cover a number of research projects at DRTE which are deemed to be primarily of civilian interest. The Research Satellite Program is included in its entirety.

You may be interested to know that the ISIS-A, which is the third Canadian-built satellite—the others being Alouette I and Alouette II—and which is the second in this ISIS program, is now undergoing final tests before being shipped to California for launching about the end of January.

• 1120

I would also like to point out that the move of the DRTE establishment to the Department of Communications does not mean that the defence research in telecommunications will cease at the Defence Research Telecommunications Establishment. Officers of my Department and the Department of National Defence are now working out details of an arrangement under which the laboratories will continue to meet the needs of the Department of National Defence for telecommunications research. In the future work will be carried out on agreed military projects at DRTE and the costs will be recovered by my Department from the Department of National Defence.

That summarizes the items in these Estimates which cover the initial transfer from DRB.

The second element to be transferred comes from the Department of Transport. This is the Bureau concerned with the administration and management of telecommunications. The transfer of 760 man-years and $2,974,100—the netting figure—after allowing for estimated revenues of $3,923,000. The Department of Transport resources which have been included in Votes 1 and 10, form the major portion of Vote 1 and all of Vote 10. The increase in positions from 610 to 763 represents in part the growth of the Bureau since its formation in the Department of Transport, but it also represents the acquisition of positions from the Department of Transport and the Defence Research Board for Department of Communications administrative purposes, the building of head office establishment, and to this extent is not really an increase in the overall number of positions among the three Departments.

The Revenue from radio licence fees is shown as $3,923,000. We believe that this amount will be realized this year. That is on page 46. However, because these moneys are due on April 1, the actual amount credited to a particular year tends to depend on the promise of payment. The accounts are due in any event.

On page 46 of the Blue Book the amounts shown for construction and acquisition, apart from the Defence Research Board item, relate to the purchase of electronic measurement apparatus and vehicles in support of radio regulations, ionosphere measurements and monitoring activity. That is the item at the bottom, $512,000.

On page 47, Vote 10 includes payment to the Canadian National Railway Company in support of the extension of their public telecommunications system down the Mackenzie Valley and at Frobisher. The system in the Northwest Territories is earning more revenue than was expected and payments are diminishing, as you can see here. They have gone down considerably.

The Inter-American Radio Office, Havana, is provided for in the North American Regional Broadcasting Agreement, but apparently does not function owing to the present political difficulties. The item of $6,000 is retained for the purpose of meeting outstanding billings.

The Canadian Radio Technical Planning Board which receives a $10,000 annual grant, is a voluntary organization comprised primarily of national associations interested in either the production of radio equipment or the use of radio, for example the Electron-

ic Industries Association, the Canadian Electrical Association, the Railway Association, and so on. There are some 25 or 30 of these associations in all. They perform a very effective advisory role for the Department, developing a wide variety of technical standards and planning for the use of radio. The grant helps to pay secretarial and administrative costs, with the member associations defraying the balance of the costs.

That is all I have to bring up that relates to this, to the communications. There is an additional item that I could speak about that you see elsewhere that would not come up either under communications or under the Post Office. On page 576 there is a loan under Loans, Investments and Advances, and the Item L1 authorizes the loan of $10,500,000 to the Canadian Overseas Telecommunication Corporation for this year. I imagine Mr. Nowlan knows more about this than most of us.

• 1125

This amount, of course, is required for capital investments by the Corporation for the provision of a second earth station at Mill Village in Nova Scotia, designed to meet operational requirements, and for installation of the Bermuda cable and of a cable stationed at Liverpool, Nova Scotia. I simply mentioned that because it seemed to me that it was likely to be a loose end here that we could cover neither under the Post Office nor under the Department of Communications. It is under Item C really.

The COTC as you know is a Crown corporation, a very profitable one with a very high return on its investments. It is certainly an asset to the new Department and will be in all the work that we do, not only in its own technical work but also, because it is a shareholder in INTELSAT, as our means of taking part in international co-operation. That is all I wanted to say at this time.

The Chairman: Any questions?

Mr. Allmand: Mr. Minister, when do you expect the legislation setting up the Department to be presented.

Mr. Kierans: We would hope that it would be in January, and of course it will be a government reorganization bill that will affect other departments as well as our own. All the Ministers concerned—I think there are five—are quite anxious that this legislation be talked as quickly as possible. We would hope that it would be some time in January.

The Chairman: Mr. Borrie.

Mr. Borrie: Thank you, Mr. Chairman. Mr. Minister, at one time consideration was given to ham operators across the country for the eventuality of national emergency and that type of situation. There is nothing in the budget this year to take care of any subsidies or any grants to the ham operator associations.

Mr. Kierans: May I ask Mr. Gordon Nixon to answer this.

Mr. F. G. Nixon (Director, Government Telecommunications Policy and Administration Bureau): No, sir, there is nothing in terms of assistance, and to the best of my recollection such assistance has not in the past been paid.

Mr. Borrie: No, I think it was a concession that was given to them by some means or other.

Mr. Nixon: I am not aware of anything that could be classed as a concession. They have always been in principle encouraged because they do represent a valuable resource, and the activity contributes in terms of self-training to the technical resources of the country.

The Chairman: Does that answer your question?

Mr. Borrie: Yes, thank you.

The Chairman: Mr. Rose.

Mr. Rose: I want to ask the Minister a couple of questions. I would like to ask, since we are discussing communication satellites, if there is any relationship between the satellite which it is proposed will go up in January for various radio communications and telex, and the proposed educational TV satellite that has been mentioned, especially through the Broadcasting Committee and the Department of the Secretary of State?

Mr. Kierans: To answer your question quickly, there is really not much relationship between the two. One is an experimental satellite, this particular one for ionospheric studies and research, and the other would be an operational satellite. But I think that I will ask Dr. Chapman to describe in greater detail the relationship, the advance from one to the other.

Dr. John Chapman (Head of the Planning Group, Department of Communications): The Research Satellite Program which is shown in

Vote 5 is for the scientific satellite, carrying 11 scientific experiments. It is part of the ISIS program, International Satellites for Ionospheric Studies, a joint program of the United States and Canada. It is related to a communications satellite program in the sense that the technology and principle are similar, but the ISIS satellite carries no communications equipment in the sense that it is used in the White Paper. The communications satellite system described in the White Paper carries equipment which operates on a different frequency band and is completely different in design and application than the ISIS satellite. Also, the orbits are completely different.

• 1130

Mr. Rose: In that sense it is not necessarily appropriate to discuss this further here at this time.

Mr. Kierans: The ETV aspect? No, I do not think so.

Mr. Rose: I regret that I do not have the Post Office Department votes before me, but may I ask whether the decision to abandon the Queen Elizabeth II Telescope on Mount Kobaur B.C. has any relationship to this particular Department?

Mr. Kierans: No, nothing at all.

Mr. Rose: That is all, thank you.

The Chairman: Mr. Foster?

Mr. Foster: Mr. Chairman, in your speech in Montreal you mentioned this new domestic telecommunications satellite. You mentioned that it would carry both English and French. Will this be broadcasting just the CBC, will it be carrying just one network's programs or...

Mr. Kierans: You would be using the common carriers, the CBC and others. They would be your customers. Beyond that you would look forward to all of the complications and implications of another satellite that would be able to bypass them and go directly into homes. That would be a second generation satellite, but the first one would be making use of the present common carrier system and the CBC. It would build earth stations of its own, too, to look after the North and places where our microwave system does not serve us at present.

Mr. Foster: It would not be broadcasting directly from the satellite to the individual TV set?

Mr. Kierans: No, no, it would not be doing that. It would be taking advantage of the present network.

Mr. Foster: I see.

Mr. Kierans: There would be a hop-skip there. You go from that directly, probably five years later, even to by passing those systems, or you would be able to bypass them technically. Technically it is feasible now. It is all in the works. Conceptually it is feasible.

Mr. Foster: Conceptually?

Mr. Kierans: Conceptually it is feasible now, but the second step would be to bypass the TV stations and go directly into the homes.

Mr. Foster: Yes, this is what I understood from your speech that if we...

Mr. Kierans: But that would not be the first one.

Mr. Foster: It would not be the first one?

Mr. Kierans: No.

The Chairman: Does that answer your question, Mr. Foster?

Mr. Foster: Yes.

Mr. Goode: I have three questions on the research satellite program. Perhaps I could ask them one at a time. When this refers to a joint program, does that mean the United States is sharing at the same ratio as we are? Is it fifty-fifty?

Mr. Kierans: It is much more complicated than that.

Dr. Chapman: It is a joint program in the sense that the experiments are selected jointly. Canada builds a satellite and the United States launches it. Let me give you an example of how this is done. The United States puts out a call for experiments for this particular satellite, ISIS A or ISIS B whichever one it is in the series, and the Canadian Government puts out a call in Canada. These calls go throughout the world to all scientists who feel they have an experiment that might be incorporated in a satellite of this nature and for this purpose, studies of the ionosphere.

The responses are collected and shared between Canada and the United States and we agree at a joint meeting on which experiments are the most suitable and the best prepared with the scientists most able to

carry out the particular experiments. We agree, therefore, on a joint program; that is, whatever eight or ten or twelve experiments will be carried in the satellite. It is then the responsibility of the sponsoring country—and it could be not only Canada and the United States, but Britain, or Germany or any other country—to provide to us their experimental piece of equipment which we then incorporate in the satellite. With ISIS A, if memory serves me correctly, four experiments are being provided from the United States and seven from Canada.

• 1135

Mr. Kierans: There is another little point. For example, in the preparation of the next ISIS B if it went up, the actual experiments come, as Dr. Chapman has said, from scientists that are engaged, and presently the Canadian government would be considering proposals by the Department of Communications; the University of Saskatchewan and the University of Calgary have scientists that are interested in particular experiments that are carried out. Whether these two projects will be accepted out of...

Dr. Chapman: They have been.

Dr. Kierans: Those two have been accepted for ISIS B? You see, this is how it comes.

Mr. Goode: So the United States really does not spend any allotted amount for the program; they spend it on the launching and supplying the rocket, I take it. Is this correct?

Dr. Chapman: They provide all the costs of launching and they provide all the costs of the experiments that are selected from American scientists.

Mr. Kierans: The University of Vermont, for example.

Mr. Goode: Do we plan more of these next year?

Dr. Chapman: ISIS A is ready for launch now. ISIS B is in the initial development stage.

Mr. Goode: So $3.5 million is spent in all countries.

Dr. Chapman: In Canada; all in Canada.

Mr. Goode: That is fine, thank you very much.

The Chairman: Mr. Skoberg?

Mr. Skoberg: Dr. Chapman and Mr. Kierans, further to that, what amount is really spent in the United States for research which is directly involved in the U.S. as compared to Canada, the amounts of our money that are used down there for research purposes?

Dr. Chapman: There is none of our money. None of this $3.5 million is spent in the United States, except for such things as travel of Canadian engineers to the United States. There is a principle in the joint programs that money does not cross the border. The Americans pay for their part of the program; we pay for our part of the program. There will be items of electronic components such as transistors and items of that nature which we have to procure from the United States because it is the cheapest source and there is no alternative source in Canada, but in principle this $3.5 million is entirely for our part of the program and expenses spent in Canada except for incidental items. I cannot give you an exact figure of how much that is, but it is the amount that is spent either for travel or for the purchase of components.

Mr. Skoberg: Concerning the launching you referred to earlier, Mr. Kierans, what sum would be involved as an over-all rough figure?

Dr. Chapman: The launch vehicle costs about $5 million—that is not a precise figure, but it is somewhere close to $5 million—and after the satellite is launched the United States pays for the operation of its share of the world-wide tracking and telemetry stations which acquire the data and send them back to Canada. This $3.5 million includes the cost of operating the Canadian telemetry and control stations, one at Ottawa and one at Resolute Bay in the Northwest Territories.

Mr. Skoberg: I am just turning to the CN/CP Telecommunications. What control is there on the public purse in the joint private-public enterprise of the CN/CP Telecommunications? Where are the regulations and the control set up; in what field?

Mr. Kierans: Mr. Nixon?

Mr. Nixon: The payment to the CN for the development and maintenance of the system down the Mackenzie Valley, for example, is covered in a contract between the Minister of Transport and the Canadian National Railways.

Mr. Skoberg: What I am trying to get at is what control will the public have on that

communication, the telecommunication as such, once it is established in its entirety?

Mr. Nixon: The control on rates, for example?

Mr. Skoberg: The over-all policy of the communications system.

• 1140

Mr. Nixon: The contract provides for the scope and the nature of the development. The control on public telegraph rates, for example, of course is subject to the Canadian Transport Commission determination.

Mr. Skoberg: Mr. Chairman, I am probably not making myself clear. I am not really concerned, but I am wondering who will have the control? I am concerned that the public must be assured that...

Mr. Kierans: That is really in the Bureau itself. The Director, Mr. Nixon, is responsible to the Deputy Minister or to his Assistant Deputy Minister to develop all of the plans. I will read to you some of his activities and responsibilities:

> ...to develop and recommend telecommunications plans and policies.

That is the function of the Bureau:

> ...both national and international which take cognisance of the public interest and promote the orderly development of communications in Canada.

That is the 700-odd positions that have come over to us from Transport, and that will be the function of the Department of Communications as it was the function of the Department of Transport.

It will be their responsibility to conduct the necessary supporting economic, commercial and technical studies. The commercial ones would be all of the accounting to make sure that included in the rate making were not costs that should be attributed to the actual services.

All of these studies are associated with those responsibilities and his responsibility is also to administer and to manage telecommunications legislation such as the Radio Act, which includes ensuring the efficient and effective use of the radio spectrum itself. Then there is planning and the program and determining the needs for the future for the co-ordinated use of telecommunications throughout the federal government itself and throughout the country as a whole. All of that will be lodged with and will be the responsibility of the Department of Communications.

Mr. Skoberg: Do you have the figure of how much the CPR has invested in this joint venture, the CN/CP Telecommunications?

Mr. Kierans: Would we have that?

Mr. Nixon: This would be, perhaps, the trans-continental microwave of the CN/CP Telecommunications. Taking into account all of the development from perhaps as long ago as 15 years and including the portion in Newfoundland, I would say it would be approximately $70 million. The majority of that would be CN; CP would be the lesser portion.

An hon. Member: Do you have the proportions?

Mr. Nixon: Perhaps two thirds CN and one third CP, but this is right off the top of my head.

Mr. Skoberg: Then, along the same line concerning the control of the policy setting and the regulations, is the proportion the same? Will the CN have the majority of people on the board that will be in charge of the regulations?

Mr. Nixon: The CN or CP as such do not have people on a board. The policy determination vests in the Minister and in the Canadian Transport Commission to the extent that the latter is provided by law to determine rates and other matters.

Mr. Skoberg: I would expect that the CPR would have representatives on some type of board to make sure that its interests are protected.

Mr. Kierans: Are you thinking in that particular operation of the sharing of profits?

Mr. Skoberg: Well, the control and the operation of the over-all...

Mr. Kierans: They are so regulated anyway and the regulations come from the department, so that whether one had a majority or the other, I do not think that would matter much. We would regulate the system as a whole and it conforms to our requirements. Given the figures that Mr. Nixon has given to us, I imagine that the CPR are looking after their own interests in that they have put up two-thirds of the investment.

Mr. Skoberg: Well, as an example, Mr. Kierans, who controls and who makes the decisions as to closing down one location and establishing it at some other place or centralizing their control under the telecommunications?

Mr. Nixon: Well, sir, to take as an example the telegraph office.

Mr. Skoberg: Yes.

Mr. Nixon: Perhaps that would be something you have in mind. As commercial operating companies, they apply to the Canadian Transport Commission for permission to close out offices. This was done a couple of years ago, and they are now engaged in a program, approved by the Commission, for reduction and rationalization of the telegraph office structure in Canada.

• 1145

The Chairman: Mr. Nowlan?

Mr. Nowlan: Yes, Mr. Chairman, I have a couple of questions, one directed to Mr. Kierans initially. Since the Post Office debate, and as Postmaster General, he certainly has developed a reputation as a balance-sheet banker in that the books must balance, a most interesting philosophy with which I am heartily in accord—my own books being an exception. On this whole satellite program—and I am not asking negatively but mainly for information—would it be correct to say that the satellite program, both in the development stage employing Canadian research and Canadian scientists, and in the end product, the actual satellite, is in fact a venture in nationalism, in the sense that, to my limited knowledge, a satellite could cover, with perhaps the exception of the north, almost the whole North American Continent?

In Europe, for instance, does France put up one, Luxembourg put up one, Holland put up one, or do the different countries agree and form a consortium to develop a satellite for Europe? Similarly I understand with the American program, and our very embryonic program, that a satellite could cover certainly the American and the Canadian side of North America. Is that correct?

Mr. Kierans: It is correct that an American satellite could easily cover Canada, if they wanted to build a powerful enough one.

Mr. Nowlan: But in the development of it we give expertise to our Canadian research scientists and the end product will be something—not like the CBC—but for our national existence more than the functional end of the satellite, because as you remarked earlier, there could be a joint satellite between the Americans and the Canadians that would cover almost all North America.

Mr. Kierans: Our purpose in going into this satellite is social objectives; they may be political too, but let us say, social objectives as the way of unifying the country, that that one satellite as far as we are concerned just blankets the whole of Canada. It could blanket Alaska too and there may be some arrangements that would be worked out to look after the American needs in Alaska. That is a social objective leading to a greater unification of the country. That satellite would be devoted to Canadian aims and objectives and will be programmed, I would imagine, in a way that is acceptable by the Canadian people and their cultural requirements or needs.

From then on, I suppose you could build a case that it would be better to rent the space on the American satellite on straight economic grounds. However, I do not think you could even build it on economic grounds, if you take a long-run approach to this rather than a short run. In a short run there will be investment costs, which may include some losses in the operations in the early years, as any corporation going into any kind of field expects that its development and marketing costs, in getting control of a market, will lead to losses. It then incorporates this in the amount of capital it has to set aside in order to make the thing viable.

As far as we are concerned, the economic gains in the long run will more than outweigh the costs, because by our scientists developing programs here in Ottawa in cooperation with industry our manufacturers can easily develop markets with different aspects of the component parts or sub-systems of such a satellite; in other words, their export potential.

Mr. Nowlan: Well, right at the moment...

Mr. Kierans: No, right at the moment, on a given item, it would be cheaper to buy it somewhere else—and on all given items.

Mr. Nowlan: No, no, at the given moment, as I understand it, we are producing some component parts in the American machinery system.

• 1150

Mr. Kierans: And we can only really continue to do that and expand that if we go into the investment in satellites on our own account.

Mr. Nowlan: Coming back not to the cost, but to the purpose, would it be fair to say that the satellite program really has more social justification rather than scientific justification as far as Canada is concerned, social justification being this national purpose and cultural expression, and so on?

Mr. Kierans: Let us put it this way. Perhaps George Ball could build a case for us not going ahead with this, because he does not understand how Canada exists at all.

Mr. Nowlan: Who does?

Mr. Kierans: We do, and we are dedicated to this. Pursuing that, what we are primarily interested in is Canada as a growing, developing nation. Now, when we speak of the development of the North, I think a prerequisite of developing our own country is the fact that there should be communications. If you or I go up to Frobisher or to Haig, one of the things that will make it easier is instant telephone contact, television contact, with Montreal, Toronto or Halifax. This builds if I may use that jingoistic word, the infrastructure of a Canadian nation.

Mr. Nowlan: I appreciate everything you say, Mr. Minister, but in effect this is going to be another cost to Canadian nationalism.

Mr. Kierans: Another overhead cost—like the railways.

Mr. Nowlan: Like the CPR was initially, or like the Post Office used to be.

Mr. Kierans: Or like the Maritime railways, you know, to build a defence.

Mr. Nowlan: Intercontinental.

Mr. Kierans: It was intercontinental to provide for a better defence of Canada.

Mr. Nowlan: That is right. Coming down from the purpose to the project, and this may be too technical and I may not appreciate your opening remarks, and it may be, as Mr. Rose has said, that we have not come this far, but, and this has to do more with the cost, in this experimental satellite program that we are talking about on the estimates, have we decided what prototype of satellite we are going to follow. In other words, as I understand it, there are the stabilized fins, and there is a revolving superstructure up above. Is part of the research to find out which one we want?

Dr. Chapman: If I may clarify one point. The item in the estimates is for the research satellite, the scientific satellite, and it has nothing to do with communications.

Mr. Nowlan: Then, we come on to the communications which is the ultimate objective of this new department, I presume?

Dr. Chapman: The government policy was outlined in the White Paper and we are in the process of studying the needs of the users, the kinds of satellite which will meet those needs in order to define a system and define the satellite. Studies have been performed by industry in order to assist, and to provide information that we will need. There were two studies performed and both of them came forward with proposals which are the kind of satellite you are talking about in which the antennas are fixed—despun as it is called—where the body is rotating in a gyroscopic effect stabilizing the satellite in orbit. If you remember the centre page of the White Paper, it shows a beam on Canada, and that is a vital part of the whole system, an antenna beam shaped to cover Canada, approximately four degrees by eight degrees, and that must be focused on Canada, it being for both receiving from the ground and transmitting back to the ground.

Mr. Nowlan: If I understand your answer, we are still studying what type of satellite we eventually will choose. You nodded in the affirmative; is that correct?

• 1155

Dr. Chapman: That is right. The specifications have not been settled. There are at least three different ways of arranging for beams pointing to the ground. You can have a spinning satellite with a despun antenna, where the antenna is fixed, with the rest of the body rotating. Secondly, you can have the whole thing rotating and what is called an electrically despun antenna which is switched and, as it goes around, the power goes on to the part which is pointing to the ground. There is a third way of doing it, where the satellite is actually fixed in space; the whole thing is fixed and you have either jets or reacting wheels to hold it that way, or possibly a gravity stabilization device. In other words, spinning or de-spinning.

Mr. Nowlan: Well, the two main companies that are developing this satellite program are Lockheed and Hughes, is that not correct? Are those the two companies we are looking after it basically?

Dr. Chapman: The contacts were made with RCA Victor Company Limited in Montreal and the Northern Electric Company.

Mr. Nowlan: Yes, but they have not developed the satellite? Does the actual development stage of the satellite come from Lockheed and/or Hughes Tools?

Dr. Chapman: The RCA Victor Company has an arrangement with TRW, Thompson, Ramo and Wooldridge Inc. in the United States, that built the INTELSAT III satellite, which is the spinning satellite. The Northern Electric Company has a similar arrangement with the Hughes Aircraft Company that built EARLY BIRD, INTELSAT I and INTELSAT II and has a contract for INTELSAT IV. These are all spinning satellites. So, those are the companies which are linked up with Canadian firms and provided an influx of these studies.

Mr. Nowlan: And Lockheed is the one that had the stabilized fins, is that not correct?

Dr. Chapman: Lockheed was not involved in the Canadian studies. Lockheed was involved in the study for INTELSAT on the INTELSAT IV satellite, which is a completely different satellite, a different system. I am not sure whether they ended up coming forward with a proposal for a spinning satellite or not.

After consultation, I think you are right. Our recollection is that Lockheed did come up with the type in which the satellite is not moved, and is not spinning. The Europeans have done similar studies and have come forward with a proposal for a satellite that does not spin but which has torque wheels.

Mr. Nowlan: This is what I was more or less coming to. Is this international consortium—is it INTELTEL or INTELSAT?

Dr. Chapman: INTELSAT.

Mr. Nowlan: INTELSAT, and these are all the countries of the world that are interested in satellites and I appreciate the complicated formula of how you contribute, and the Americans are, I suppose one of the dominant partners or control 50 per cent. Has the European exploration and/or development gone more for the satellite with less spinning parts than the Hughes Tool Company one which was favoured by some Americans which has the spinning parts and which is the one that perhaps we are going to be choosing, or have chosen?

Dr. Chapman: In principle, what you say is correct. The Europeans have tended to favour the type of design with rotating wheels for stabilization rather than spinning the major part of the satellite—but this is only a matter of a difference in degree.

Mr. Nowlan: This is getting too technical so this will be my last question on this. Was not the primary advantage of the fixed fin that you could add another section of fin ad infinitum to blanket the area whereas you are limited in development of the spinning type of stabilizer? Was not the number one advantage of the fixed fins that sit up there stationary that you could just add a section and it would not upset the balance or the beam, whereas when you get more spinning parts—which do wear out, even in the vacuum of space—you also become limited in your expansion program?

• 1200

Dr. Chapman: Well you cannot expand a satellite once you build it. You design it for one particular purpose.

Mr. Nowlan: I appreciate that, but when you send the next one up, instead of changing the revolving wheels and/or the balancing mechanism, you could just add another panel to the wing.

Dr. Chapman: Well these designs which you are talking about are the trade-offs which are made in the engineering design—trying to find out what is the best way of getting what you want for the lowest cost and with the maximum reliability. Different firms or different groups of engineers in different countries will come up with somewhat different views on what is the best way of doing it. The present system, which is used by INTELSAT, is based primarily on the views of the Hughes Aircraft Co. which developed the spinning satellite, in which the whole satellite spun. These SYNCOM satellites were the first synchronous communications satellites, and they worked. Therefore that design seems to be favoured because there is experience and knowledge of how it works. The element that is involved in these spinnings largely comes from the American Orbiting Solar Observatory program in which the body of the satellite was spinning for stability purposes but the telescopes were stopped and pointed at the sun as it went around the earth. The bearings systems were developed and designed and tested in that program, and those are the

bearings which in general are being used in the current designs for this kind of satellite with the de-spun antenna. It is a matter based on what you know, what you think will work and what is already developed.

Mr. Nowlan: Is it correct that we eventually will be buying a basic satellite developed by one of these American companies but modified to our own purposes by our own research facilities?

Dr. Chapman: No, the design will be a Canadian design.

Mr. Nowlan: A separate satellite altogether?

Dr. Chapman: A Canadian design, because no satellite has presently been developed which seems to meet our needs.

Mr. Nowlan: Mr. Minister, did you get a satisfactory answer to your preliminary disclosure on the satellite programs from these two companies that you were asked a few questions about in the House the other day? You said you were going to bring these people to Ottawa and talk to them.

Mr. Kierans: Well I think they were under considerable pressure from their association, the Canadian Aeronautics and Space Institute. They were holding their annual convention and they thought it would be a very good idea if as part of the exhibits of their conference they could show mockups of the two proposals by the company.

Mr. Nowlan: This was the reason?

Mr. Kierans: And I suppose one thought that the other might get ahead of them.

The Chairman: Are you through, Mr. Nowlan?

Mr. Nowlan: Yes, Mr. Chairman.

The Chairman: Mr. Howe?

Mr. Howe: Mr. Chairman, I am not a member of this Committee but I would like to ask a few questions.

One of my questions arises out of the answer Mr. Kierans gave to Mr. Nowlan in connection with the possibility that the United States could build a satellite big enough and powerful enough to cover all of Canada. I see we belong to the International Telecommunications Union in Geneva, Switzerland. Does each country have any set area of control over communications that come into their country? This is a very important field of communication and it could have a tremendous effect on our national feelings. Do we have any control over international bodies that might be trying to influence our thinking in one way or another in this country?

Mr. Kierans: I do not want to take up too much time, but perhaps I could answer this in this way. I am very proud of the senior officers of the new department designate. On the scientific side we have Dr. Chapman. As everyone knows his reputation, let us say that that aspect of the new department is looked after. On the administration, regulations and policy side we have Mr. Bergeron and Mr. Nixon.

• 1205

Precisly the problem that you raised would lead to a conclusion that also in the department there should be someone with an expertise in international negotiations and indeed in federal-provincial negotiations. The Prime Minister, two weeks ago, named as the Deputy Minister designate Mr. A. E. Gotleib from the Department of External Affairs. This was one of the considerations which led the Prime Minister to name him. All of these points that you have raised pose problems for all the international law experts and for the world as a whole. How do you define this? I suppose one of these satellites spinning across the world could cross the frontiers of a country like Uganda in less than a second. What control has a nation like that, under the orbit of this satellite, over what passes from space to the confines of the nation. So all of this is still to be worked out. I think you can start from a predisposition that no matter how powerful some individual nations could be, all of the nations of the world will not allow their country to be tampered with, or to be in the control of, or under the sway of other nations. This has to be worked out on the basis of international negotiations, and the problem it poses is extremely real. It becomes very much more real when the next generation of satellites go up—especially if it is possible at that time for satellites to penetrate into individual home and tell us why another nation has adopted such and such a policy, whether it be on monetary, foreign or military affairs. It poses some severe problems.

Mr. Howe: Generally, when you build something of this nature you would have to build something to counteract the influence of

that. Is there any research being done in Canada or in the world to make it possible to black out the influence? We have heard instances in the last war how they were able to black out certain areas...

Mr. Kierans: Or jam radios.

Mr. Howe: ...or jam radios. Is research going on in this field to ensure that the airwaves of Canada or other nations of the world are not exploited by countries that are not friendly to them, so to speak?

Mr. Kierans: I will ask Dr. Chapman to reply directly to your question. I would think that the better way to do this would be to settle all of this beforehand by international negotiations. This is not going to be used for imperialistic or military purposes; its major impact will be commercial and cultural, and I would think it can be worked out in this way. As to whether you could jam them or not, I will ask Dr. Chapman because that part of it never occurred to me.

Dr. Chapman: Certainly these satellites that we are talking about can be jammed, and that is why it is necessary to have international agreement on their use.

Mr. Howe: They cannot be jammed?

Dr. Chapman: They can be jammed.

We do not, as a matter of principle, jam other people's communications. The key point in all of this from the technical point of view is the radio frequencies which are used. There is a body, the International Telecommunications Union, which is set up for the orderly management and use of the radio frequency spectrum—all parts of the spectrum. The position that we find ourselves in now is that satellites have come along so recently that international procedures have not yet been completely developed to handle all of these procedures. But in principle one would expect that we would go in the same way we have done in the past in the use of frequencies—that is, there would be international agreement on what frequency would be used and allocated for what purpose. Each country would then be obligated to inform the International Telecommunications Union, through the International Frequency Registration Board, the IFRB in Geneva, of the frequencies it intends to use for any purpose. All member countries of the ITU would have the opportunity of protesting if a frequency was to be used for a purpose which was believed to be damaging to the interests of the country concerned. This is the procedure which works now so far as terrestrial use of radio is concerned and we would expect that these procedures would be developed in the same way for the use of radio frequencies in space for broadcasting and other purposes.

• 1210

Mr. Allmand: I have a supplementary question, if you do not mind.

Mr. Kierans, what is the present status of the proposed France-Quebec satellite that was put forward as a possibility last year? Do these two governments still intend to have such a satellite and if so, have they asked permission from the federal government to have this satellite? Also, do they need the permission of the federal government?

Mr. Kierans: There are a number of ways of answering that question. First, France has to get a satellite up there before there can be any question of an agreement. I read an article in *La Presse* where there was supposed to have been an agreement between Germany, France and Quebec to build earth stations here and to beam from a satellite the SYMPHONIE, to Quebec. What is of major concern at the moment in the European space program is the development of their own launching capabilities and this is some several years and nearly $800 or $900 million away. So I think the building of any earth stations in Quebec today would be at least five or six years premature.

Another point that I would like to make clear here, from the point of view of other members of the European space program, is that they are not interested at all in transgressing any Canadian authority or lines of jurisdiction. Now France is interested in expanding its influence through its satellites across what it might call regional areas instead of solely its own country plus areas geographically contiguous. And Germany is interested—Germany plus a small area. France obviously is interested across the Mediterranean—in Algeria and other Francophone countries in Africa, and throughout the world. But all of this has to be worked out by themselves first, because if you permitted that latitude to France you would have to permit the same latitude to Great Britain, which would have the right to beam right across the world—and it would no longer be a regional satellite. Spain and Portugal could also claim various interests. So the thing is very much more complicated than appears at

first sight—not just a direct link between France and Quebec. Before such a satellite, the SYMPHONIE, could beam into Quebec, I would say that they would have to reach some agreement with the Canadian government. Our major objective at the moment is to be up there first by a couple of years and then it would be to everyone's advantage to deal with the Canadian satellite.

Mr. Howe: Mr. Chairman, in that same connection, I understand that recently there was a group of parliamentarians over in France and this is one of the things that they discussed. Did that group go with government sponsorship?

Mr. Kierans: I do not know about parliamentarians.

Mr. Howe: They just came back; one of them is Mr. Laflamme. Mr. Laflamme was on the TV the other night and he said that this was one of the things that was discussed.

An hon. Member: That was the Parliamentary Association of France.

Mr. Howe: This was one of the things. I just wondered whether it was discussed.

Mr. Kierans: We have people attending. Dr. Chapman and Pierre Juneau of CRTC attended the last European Space Conference as observers on behalf of Canada, but these are the people that officially represent Canada, just as your Parliamentary Association in another area on another level represents Canada.

Mr. Howe: Have they discussed with you or your Department what they were going to discuss when they want to France, in connection with the satellite program?

Mr. Kierans: I think that this may have been an informal discussion of what France's plans, or Germany's plans, or Belgium's may have been. I do not know. Or just how they are getting along, on that level. But the official delegations are composed of representatives of the Department of External Affairs, communications, and other areas. These are official delegations that go forward on behalf of Canada.

• 1215

Mr. Howe: One further question. We are still on Item 1, are we?

The Chairman: Yes.

Mr. Howe: I was noticing the $1,577,300, Administrative Services provided by the Defence Research Board. Is that a transfer?

Mr. Kierans: Yes.

Mr. Howe: It is on page 45.

Mr. Kierans: Yes. That is a transfer from the Defence Research Board to ourselves. There is no increase as far as the over-all government expenditure is concerned. It is a subtraction from one and an addition to another.

Mr. Howe: Was the item on Professional and Special Services discussed previously? There is quite an increase there, from $55,000 to $361,600.

Mr. Kierans: Where is that?

Mr. Howe: Page 45, at the bottom of the page, Professional and Special Services.

Mr. Kierans: I will ask Mr. Nixon to deal with that. That is Item 4.

Mr. Nixon: This relates primarily to the establishment of the Telecommunications Policy Bureau within the Department of Transport, and the expanded activity in connection with policy development and studies that were placed upon that Bureau by the government. It is mainly concerned with the employment of consulting services for the purpose of assisting those studies.

Mr. Kierans: This expansion had already taken place within the Department of Transport before it came over to us, is that not right?

Mr. Nixon: That is right, sir.

Mr. Howe: This increase from $55,000 to $361,600, this is people who have been transferred from the Department of Transport?

Mr. Kierans: Yes, that is right. Between 1967-68 and 1968-69 the Department of Transport had already been expanding this area.

Mr. Howe: Well, why would not those people be shown in the administrative and technical field in the Department, rather than just being transferred from one department to another?

Mr. Nixon: The increase, if we are still speaking of the Professional and Special Services, relates to payments to consultants outside the Department, and this relates again to the formation of the Bureau which really was

pursuant to recommendations of the Royal Commission on Government Organization, the Glassco Commission, and again to certain recommendations that there should be more emphasis by the government on using outside consulting services. So it is coupled to those recommendations.

Mr. Howe: Are those firms or individuals?

Mr. Nixon: They are both firms and individuals.

Mr. Howe: Could we have a breakdown on that?

Mr. Nixon: I have not got a breakdown with me. It could be provided.

Mr. Howe: I would appreciate it. That brings up another question, Mr. Chairman. The other day when Mr. Pirckersgill, Chairman of the Transport Commission, was here, I asked him for a breakdown of the same type in his Estimates, and I have not received that yet.

The Chairman: I will take note of that, Mr. Howe, and I will see that you receive that.

Mr. Howe: Thank you very much.

The Chairman: Mr. Mahoney.

Mr. Mahoney: If we could retrieve the communication system from outer space and get it back to earth for a minute here, on page 49 of the White Paper, of which I see Mr. Kierans has a copy, there is the dark grey area indicating the extent of the existing coverage in Canada. What percentage of the population of the country are presently accessible to this communication system?

Mr. Kierans: About 95 per cent are covered there.

• 1220

Mr. Mahoney: So the new system will supplement that to the extent of providing communication services for about five per cent of the population. Now, what is the cost going to be to the country to extend this service in this way? The White Paper, on page 44, says it is going to cost perhaps only $100,000 per receiving station in various locations to utilize this facility. What is it costing us? What is it going to cost us to extend this service to the other five per cent of the population?

Mr. Kierans: It is not only the cost. There will be better service...

Mr. Mahoney: I appreciate that.

Mr. Kierans: ...for the people who are at present covered. The cost has not really been determined yet. It depends on what kind of a satellite we put up there. It depends on the format of the corporation itself, whether it be a mixed corporation, and how much private enterprise puts into it.

I think I used the figure in answer to a question on the late show last week, that the cost of this satellite project, the satellite itself, can vary anywhere from $60 million to maybe $150 million or $160 million, but that will be charging for the services rendered, and it will prove, as I am convinced, to be a tremendous boon to the uniting and building together of the nation as a whole. Now, just how you evaluate this in terms of cost, I do not know.

We are going to recover a great measure of cost if the telecommunications industry or electronics industry grasp the nettle and the challenge that is here, and develop the way they can, the way the opportunities are there, their own industry and its export potential. So all of the side effects—this is an imaginative department—a departure for the Canadian people, and I think it is one that is going to prove to be economically justified in the long run.

Mr. Mahoney: The existing system, sir, is owned by the two companies that are largely engaged in communications here today. What incentive is there for them, for example, to utilize this new and imaginative system when they have got one of their own that is covering 95 per cent of the market?

Mr. Kierans: There must be some tremendous commercial incentives because the various Bell groups, the Trans-Canada Telephone System which comprises all the companies, and also CP-CN, are quite willing to undertake this whole project. They want to undertake it themselves entirely, so they obviously see long-run commercial advantages. They would be a little worried if the government decided to develop it entirely by itself, or if the government's concept of a corporation to develop satellite communications were such that they were left only a very small share of the capital invested in such a system. So I think you would have to ask them. Let us say that they probably have decided that financially and economically this is not going to pay off in three to five years, that many of their own investments in the microwave systems might be expected to pay off, but that it is obviously the wave of the future, and the way things are going to be done in the future.

Mr. Mahoney: What will your criteria be, do you suppose, to determine whether or not a ground receiving station will be established in a given location? I was just looking again at this map. Places like Prince Rupert, McMurray, Churchill, and so on, would be obvious places for such a thing, but you have some much tinier locations in the North. Have you established criteria for that?

Mr. Kierans: I will ask Dr. Chapman to give us some of the criteria by which we are going to make such judgments.

Dr. Chapman: I think there is a simple criterion which you apply. It is what is the cheapest way of providing the service. If there is a cheaper way of doing it on the ground, then that is the way it should be provided. For many of the locations off this dark grey area, it will be cheaper to do it by satellite. The figure of $100,000 that you mentioned is for a television-receive-only facility.

Mr. Mahoney: I see. Is it the object then to bring this service to 100 per cent of the Canadian population, regardless of how tiny a community may be? Hopefully you will be able to serve it?

• 1225

Mr. Kierans: That is right. You read almost every day in the newspapers today of breakthroughs like the oil discoveries in Alaska, and the discovery of resources all through the Canadian North. This is obviously going to be a prerequisite for undertaking any serious development of Northern Canada.

Mr. Mahoney: I do not think I would argue with you, sir, that communications, movement of information, is at least as important as the movement of freight today, but we are just trying to get at the—it is a quite large undertaking, and at present I think, quite vague in ultimate cost.

Mr. Kierans: I would agree with you that there is a large area of vagueness between $60 million and $160 million, but we are going to have to make decisions. I think the opposition is going to ask, if we come up with $118 million, why we did not get closer to $60 million. That is their right and their duty, but we will have to be able to justify it, that is all.

The Chairman: Are you through, Mr. Mahoney?

Mr. Mahoney: Thank you.

The Chairman: Mr. Macquarrie?

Mr. Macquarrie: Mr. Chairman, I had a brilliant series of questions all in beautiful sequence, but I have lost my place in the order, not being a member of the Committee, and I do regret that orders of business are referred to committee at such late notice. I understand that the Minister expects the bill to be ready in January, is that right?

Mr. Kierans: I would hope, Mr. Macquarrie. It is not my bill; it is the Prime Minister's bill; and it has to deal not only with my department, but with several others also. It is my understanding that this is a general government reorganization bill.

Mr. Macquarrie: So it is not too far in the future, and we will have a chance in committee then?

Mr. Kierans: That is right.

Mr. Macquarrie: I will endeavour to see if I can get placed on the Committee. I also have the disadvantage of not having an earphone. I have missed many of the brilliant questions already asked, and I do not want to be repetitive. I wonder if the Minister might elaborate on the reply he gave to Mr. Nowlan about the commercial prospects for Canadian manufacturers. I wonder what countries would realistically be potential future markets for these pieces of equipment made in Canada?

Mr. Kierans: If you think of countries that put up satellites alone, there are not that many. There may be India, there may be Australia, nations to whom we could sell a satellite, but that is not really a major sale. But when you think of the components of such a satellite, when you think of the subsystems, and the tremendous other uses to which these component parts can be put, then you can consider that there will be a myriad number of items that can be sold not only for the purpose of incorporating them into satellites, but for many other uses.

I think it was you, Mr. Macquarrie, who asked me a question in the latter part of October which is going to be answered only today or within the next few days. You asked why we had such and such a mission over in Europe. I could have explained immediately why we had the mission over there. But one of your other questions was what was the total cost. In other words, what were the expenses of the members of this mission. As

my people did not come back until the end of October—some of the others did not come back until on into November—we did not have the expenses until the end of November and we only received the figures last Friday.

In one sense you could say that the purposes of that particular mission was simply to explore the sources of supply for component parts of a Canadian satellite and compare them with alternative sources of supply in the United States. However, there was another purpose to that mission. It was to find out just what your competition was in the development of these myriad component parts. If tremendous expertise has been developed in Europe as well as in the United States on a certain item A, we might be better advised to start considering programs which will give a certain amount of expertise to our manufacturers in item B, let us say.

We are very much aware of this and we believe that the developing and building of this satellite in Canada will not only keep the scientists here but it will also develop an expertise in Canada that will enable the corporations for which they work to go out and seek export markets.

Mr. Macquarrie: Are there any areas in the production of component parts where the United States does not have or is likely to retain a comparative advantage?

• 1230

Mr. Kierans: I think we are one of the best countries for this right now. For example, we have this facility in Montreal for building earth stations. We do this quite well. This could develop into much greater export and, indeed, in much more construction and manufacturing activity in Canada alone than probably the actual building of the satellite itself.

Mr. Macquarrie: When you say that they have expertise, do they have expertise in everything?

Mr. Kierans: I do not know. I think that you are going to see a development very shortly here in Canada in which one of our companies, with government assistance, is going to start searching for a billion dollar market in certain micro-electronic items. They may have an expertise in this. The old law of somebody being able to do some things better than other people still prevails.

Mr. Macquarrie: I profoundly hope that you are right and I am certainly not going to prejudge, but there seem to me to be many areas of equipment which are very, very costly; in the military field we have tended to leave the development of these to the United States and I see a sort of countervailing attitude here. Could the Minister indicate how much has been the cost of the various task forces? What I am trying to get at is a general financial picture of this very, very important and new field. How much has already been expended in studying this field?

Mr. Kierans: That is an item which does not appear here and which I did not mention, that is the cost of the project, the task force. I did not mention that and it does not appear here because this was supported by the Privy Council. How much that particular task force has cost to date I do not know. That would come under the examination of the Privy Council, unless one of my colleagues can give me an idea.

Are you also asking how much we have spent on this so far, for example with the development of the Alouettes I and II and the ISIS A?

Mr. Macquarrie: What I am really interested in—and perhaps I can hold this off until the bill comes through—is in knowing what financial outlay has already been made, sort of preliminary to the establishment of this department.

Mr. Kierans: I think, Mr. Macquarrie, that would be mainly the task force in the Privy Council office. They have done a lot of work. You might also want to include whatever studies were behind the drafting of the White Paper. I used the broad expression task forces, I could have said task forces and studies, perhaps.

Mr. Macquarrie: Yes.

Mr. Kierans: You might want to table that as a question in the House and force us to dig it up, because if we try to answer one or two parts of it, there are some other things that we might leave out.

Mr. Macquarrie: We will do something like that, Mr. Minister. The figure of $100 million to $160 million—this you quote after the MacIntosh Report.

Mr. Kierans: No, this is just in discussions with my colleagues. It depends on what you want your first satellite to do. It depends on whether you think your first satellite up there should provide all kinds of services, or perhaps just minimal services and hold most of

your investment until a second generation satellite. That depends on how close you think a second generation satellite with satellite to home communication is. All of these are what that depends on. You could decide to go for perhaps putting up a satellite in space that might provide services for $60 million worth. That is $60 million worth of services. Dr. Chapman, do you want to expand on the range between $60 million and $160 million?

Dr. Chapman: In the White Paper, on page 42, it mentions the satellites, the capital cost of the space segment, between $40 million and $75 million. The difference depends on the number of television channels that you put in the satellite. Obviously the $40 million means a small number of channels, and the $75 million would be a larger number of channels. Besides the cost of the space segment, you have the cost of the ground stations. You obviously have to have a master control, a main control station, at least one of them, that sends the signals, the programs, up to the satellite, and then you have a choice. You can decide how many receiving stations you want and the number could be anything from 10 to 100, so that the range in cost depends upon your choices and the number of television channels you put in the satellite and the number and kinds of ground stations you put on the ground. That is why you have a range of possible cost.

• 1235

Mr. Macquarrie: Have there been any revelations or indications, subsequent to the White Papers, which have caused you to speculate, shall we say, upon a figure substantially higher?

Mr. Kierans: No, I do not think so. Another element in it would be, for example, how safe a system you want up there. You can get away with putting one satellite up there with no back-up, or you can get away with putting one satellite up there and having one back-up satellite, or even two; and I think one of the plans proposed to us had two back-up satellites. All of these are elements in it. I do not think there is anything directly that I have become aware of that would increase these costs dramatically. They are mainly choices that we have to make.

Mr. Macquarrie: Tell me, sir, can we expect that the legislation to establish the satellite corporation will be presented to the House in June?

Mr. Kierans: I would think not. Afterwards the Department of Communications itself would then present a bill incorporating a satellite corporation.

Mr. Macquarrie: So there has not been a delay?

Mr. Kierans: Pardon?

Mr. Macquarrie: There once was a forecast that it would likely be in June.

Mr. Kierans: Next year?

Mr. Macquarrie: June of 1969.

Mr. Kierans: That could still be if the bill comes down organizing the department first, but the satellite corporation bill would be a bill of the department. The first bill is a bill of the—

Mr. Macquarrie: So it might be in June yet?

Mr. Kierans: It could be.

Mr. Macquarrie: But you would not ask us to count on it.

Mr. Kierans: I would say that we have an awful lot of work to do.

Mr. Macquarrie: I see. I do not want to ask too many questions, if someone else wants to—

The Chairman: I have quite a few other members.

Mr. Macquarrie: I will close off with this and perhaps we can get at it again tomorrow, or something like that.

Has there been consultation with any of the provinces on this matter? I read about the programs out of the Province of Quebec. Have you or any of your people been in liaison with Quebec people?

Mr. Kierans: I have not been, but some members of my staff have been. This has not been formal, or as formal as one is entitled to think, and that has mainly been because we have been waiting for the actual make-up of the department itself—the appointment of a deputy minister designate and so on. But at a variety of levels there has been consultation and discussion.

Mr. Macquarrie: So your people are aware of their ambitions and plans and vice versa.

Mr. Kierans: Yes. There are very many indications that indeed, when somebody

leaves CBC he goes to Radio Quebec or something; we generally know that too and we know why.

Mr. Macquarrie: There has been the horrendous suggestion made in the media that there is some effort to short-circuit, by-pass or pre-empt the Province of Quebec in this field.

Mr. Kierans: Not at all.

Mr. Macquarrie: I will pass; thank you.

Mr. Rose: My question, Mr. Chairman, now comes back to the microwave question and I would like to ask either the Minister or Dr. Chapman what are the standards of frequency or power emanating from those towers, particularly in regard to the safety of people and animals. Mr. Pringle might be interested in this because it was brought up by a colleague of mine some time ago.

Mr. Nixon: Mr. Rose, the power from a typical public telecommunications microwave transmitter is of the order of three to five watts. There have been suggestions made recently that certain livestock in the vicinity of microwave towers might be suffering some injurious effects. The Department of National Health and Welfare does at the present time have a study under way in this connection and we in the Department are assisting in the provision of laboratory facilities and equipment.

• 1240

Mr. Rose: I certainly hope that this whole question might be investigated with some thoroughness because of the unknown effects of these transmissions, whether they are just a matter of power or happen to be some sort of radio frequency. I am not familiar with that part of it, but I understand that certain countries operate these towers on approximately one tenth of the power that we do. They do this because of concern for the safety of livestock and humans.

Mr. Nixon: Sir, I have not heard of that opinion. The matter of whether it is operating at one watt or five watts seems to me to be relatively inconsequential in respect of the effect that you are referring to. However, we do not want to be at all uncertain about this and this is the purpose of the study. I might just further comment that the power of radar antennas and transmitters and stations does in fact exceed this by many, many times. I just say that for what it is worth.

Mr. Rose: I appreciate that you would not want to prejudge this matter while the study is being undergone, but I think that the point has been made by my colleague from Selkirk, to the great hilarity of the news media, of its possible effect on chickens. The point is, though, that we just do not know the possible effects of these radiations. Would you accept that?

Mr. Nixon: I think if there is a question at all in anybody's mind, it certainly is something that should be investigated. I will, however, say that it would be rather strange if there was a serious effect determined, given the widespread use of radio in its many forms in Canada and in many other countries today.

Mr. Rose: If you will allow me a moment, Mr. Chairman, I will try to be brief about the $3.5 million to be spent on this experimental satellite as our particular share. I understand from the testimony so far that certain firms in Montreal RCA Victor and Northern Electric, as well as certain suppliers in Europe, are supplying some of the research and some of the component parts, and that this is where our money is being spent. Is that true?

Mr. Kierans: This $3.5 million is our research. This is in-house research. It is for programs in Canada.

Mr. Rose: But I believe the testimony indicated that it is placed with these firms and that they are responsible for the construction of certain portions of this satellite; but the satellite is built here by these firms. Is that so?

Mr. Kierans: Yes.

Mr. Rose: Is it true that both of these firms are American-owned and perhaps directed by American interests?

Mr. Kierans: RCA is American-owned, but Northern Electric is Canadian-owned.

Mr. Rose: Well, the reason I am asking that is because I think the implication was that a great deal of the Canadian public money that was being used for this project was being spent here, and I felt it was implied that it was really being spent for the development of Canadian companies so that they would be able to compete in this particular field. My point here is that they are not, at least RCA is not, and returning to Mr. Macquarrie's question, and also to Mr. Nowlan's, I think

that we tend to be—I hope this is not too strong—misled as to actually where our investment is going.

Dr. Chapman: You are correct when you say that the RCA Victor Company is a wholly owned subsidiary of a United States firm. The RCA Victor has the largest contract under this $3.5 million for the development of these scientific satellites, not communication satellites but scientific satellites. The major part, by far the largest part of this remains in Canada for services procured in Canada for the build-up of facilities and personnel in the Montreal plant.

• 1245

Presumably, a certain part of the profits which would be made on that contract is the only part which would go to the United States, and some part of those profits may be retained by the company. I have no information, myself, as to what the company does with its profits, how it divides it. But all the other items, except the profits, are spent in Canada for the Canadian staff, by the Canadian staff, to build up facilities in that company.

Mr. Rose: My interest in all this is the development—I am certain it is the Minister's interest too—of the kind of technology that hopefully, because I suppose in a sense I am an economic nationalist, we can develop here to be independent, as far as possible, of foreign control in this and other matters. I just felt that this whole thing was being glossed over, somewhat in the way that our foreign aid program was. Much of the money that we had down and which was stated as foreign aid, was actually orders placed in Canada and then shipped abroad.

I personally might not have particular concern about this. I have no particular quarrel with it, but I think that it is fair to say that we, as Canadians with Canadian companies, have not developed the resources or the kind of technology—I am deliberately avoiding the word design because I think it was made quite clear that there was Canadian design here—we have not at the moment the resources to develop this kind of thing without this help.

Dr. Chapman: I do not know if I can really answer that question. As for foreign ownership of these firms, RCA Victor is an example. The parent company has decided that certain types of equipment would be designed, research would be done, the design would be carried out, and the equipment would be manufactured in Canada and sold all over the world.

Now it just so happens that the RCA company, the parent company, has given to the company in Montreal the responsibility for radio relay types of equipment. This means that the Montreal branch gets all the business which the parent company has in that line. This has meant that it has marketed equipment in the Far East and the Middle East which really comes through the parent company. It resulted in RCA Victor being the subcontractor for the relay communication satellite which was an early experimental satellite of NASA, predating the EARLY BIRD.

Mr. Rose: Have we had any examples, sir, of any direct control where the export regulations of the RCA Victor in Canada might run contrary to the policy of the American Department of External Affairs regarding trading?

Dr. Chapman: I personally have no knowledge of any.

Mr. Rose: Has the Minister?

Mr. Kierans: No, I have no knowledge of that. One of their biggest exports is in the provision of earth stations, is it not? I know nothing of that.

Mr. Rose: I would like to leave that, and I have one question and that will be the end of it. Thank you for your assistance on these other matters. You mentioned an international agreement regarding satellites and their frequencies. Because it will become an increasingly complex matter, do you foresee, Dr. Chapman, the time approaching when we will have to limit the number of satellites chasing one another around up in the clouds or beyond?

• 1250

Dr. Chapman: Sir, your question relates to use of radio frequencies, and the radio frequency spectrum is a natural resource which is limited. We can have only so many transmitters operating. Then they begin to interfere one way and another because radio waves travel according to the laws of physics. The consequence of this will, of course, be different in the use of the radio frequency in the satellite which may eliminate a very large part of the earth, compared to the use of the same frequencies on the ground where the

curvature of the earth prevents the signals from being observed or received for more than a few tens or hundreds of miles. So the use of a radio frequency spectrum, its efficient and economic management, is an international problem, a very serious one, and a very real one, which is the main purpose of the International Telecommunications Union, to ensure that we have the best possible use of these frequencies.

We cannot do it unilaterally, because radio does not stop at any border. Radio waves travel across the borders. It must be done internationally by international agreement, and we are working our way through a new set of conditions which are posed by space telecommunications superimposed on our previous experience of earth.

Mr. Rose: I was interested in your answer, sir, but it really was not quite my question. I realize that it is possible that the international group may not have had to face it, or maybe the question is irrelevant, but I was concerned about the number of objects in space and undoubtedly other countries are going to be putting communication satellites up in the air. Has there been any discussion concerning regulations as to their presence, number, altitude, and that sort of thing?

Dr. Chapman: Well, yes. There is a problem. There is a limited number of frequencies, and already there is interference.

Mr. Rose: Thank you.

The Chairman: Mr. Ritchie.

Mr. Ritchie: Is this problem of jamming a relatively simple one? Can a person with the knowledge of a ham radio operator jam a selected area or put a satellite out of commission?

Dr. Chapman: It is only a matter of money and engineering to build a jamming facility which will put as strong a signal in the satellite as the one which is wanted. The technical terms that are used are wanted and unwanted signals. If a country has a transmitter and a ground station, and an antenna which is putting a wanted signal in the satellite because it is carrying television programs, or telephone conversations, or whatever it may be, another country can build another facility of the same nature, working on the same frequency, which will go into the satellite at the same time and jam it. It can be carrying nonsense. So it is just simply a matter of knowledge, of money and engineering.

Mr. Ritchie: At a time of hostilities or something like that, these satellites could easily be put out of commission, is that right? They would become useless as a means of communication, under our present knowledge.

Dr. Chapman: It could be.

Mr. Ritchie: Either a group of people or a small country in the middle of Africa or Central Asia could interfere with the satellite in North America?

Dr. Chapman: There are two kinds of operation, as far as satellites are concerned. There is a commercial, civil, peacetime operation in which economic considerations require that you reach international agreement as to what you do, how you operate your satellites, so that there is neither intentional nor unintentional jamming. The second situation is a wartime, military situation, in which you presume that the enemy will attempt to jam, that they will attempt to prevent you from using the satellite.

• 1255

The design of the satellite and the design of the system is different in these two cases. The military system is, in economic terms, much less efficient than the civil system. But you can design a very large measure of jamming resistance into military systems, and we know how to do that here.

Mr. Ritchie: I think that was all I was interested in. Thank you.

The Chairman: Well, gentlemen, this is the end of the list that I had. Could we adopt Item 1?

Mr. Macquarrie: Could I ask a question . . .

The Chairman: Yes, Mr. Macquarrie.

Mr. Macquarrie: . . .since other people have finished? Could you indicate where and by whom our satellite will be launched?

Mr. Kierans: It depends on when. At the present time there are two launching capabilities, Russia and the United States. There could be a third one in 1972 or 1973, and that would be the ELDO program, the European Launcher Development Organization. Those would be the choices that we have, because I think the government and the Canadian people are not anxious to invest in what it would take to build a launching capability here in Canada. So those would be our three choices.

Mr. Macquarrie: I think you may have answered this before, and therefore it will not take you long to answer it again. What is the additional cost—I think you would have immediate recall of this—what is the difference in cost from using, leasing, cribbing, or what have you, an American satellite and building our own, apart from the subsidiary advantages of markets, and so on? How much more will it cost the Canadian people to have their own made-in-Canada satellite?

Mr. Kierans: Rather than buy one off the shelf?

Mr. Macquarrie: Right.

Dr. Chapman: We do not have an exact figure because there is not a satellite now completed which matches the Canadian requirement completely, and so the answer to that depends upon the ratio between the difference in development costs in the United States and in Canada. There is a difference because we do not have all the facilities here in Canada, the testing facilities for satellites, the thermo-vacuum chambers, the vibration facilities and so on. So that there will be a somewhat less efficient development program in the Canadian case because of the necessity for taking the satellite to a test facility somewhere and then bringing it back again, and so on. We do not have an exact figure as to what the additional cost might be. But in principle it seems to me that the cost of engineering in Canada and the cost of engineering development in the United States is not very different, and we are advised by several of these companies that they can do it as cheaply in Canada as would be done in the United States. That is of course a matter of judgment, whether you accept their views or not.

Mr. Macquarrie: Can we get even a rough figure on this? This, I think, is a very important question. How much is our scientific nationalism going to cost us?

Mr. Kierans: That is a good question.

Dr. Chapman: We hope to have a figure on that, sir. We do not know now.

Mr. Kierans: You are certainly going to ask that question again. So the next time you ask, if you give me enough time, I will probably have the answer.

Mr. Macquarrie: You harken back to the railway, Mr. Minister, and I do think of two things in that connection, that there was a phase when one of your predecessors perhaps built too many railroads. Had we waited until we manufactured the steel rails in Canada we might have been a long time getting them up, or getting them down, and it would have been very costly. But this is a figure that I think we must get, because it is a very important matter. I rejoice in your imaginative projections of what it is going to do. I am all with you, but we do want to know the cost, too.

The Chairman: Do we agree to Item 1?

Mr. Skoberg: I have one short question for the Minister. Which major international countries may not belong to the International Telecommunications Union, that you are referring to? Are there any countries that do not belong to it?

• 1300

Mr. Nixon: The International Telecommunications Union comprises 126 countries in the world. That number exceeds the number in the United Nations. Countries that do not belong, for example, are China—that is, Communist China—East Germany, and you can probably think of a few others of that general nature.

Mr. Skoberg: The USSR belongs to it?

Mr. Nixon: The USSR belongs. All of the countries in the Communist bloc that Canada recognizes belong.

The Chairman: Shall Items 1, 5 and 10 carry?

Items 1, 5 and 10 agreed to.

The Chairman: This completes the Estimates of the Telecommunications. I want to thank the Committee. Could I get someone to move that we report the Estimates of Telecommunications in the House?

Mr. Allmand: Is this separate?

The Chairman: This is separate. Tomorrow morning we will be coming back with the Post Office.

Mr. Allmand: We can move that these estimates go back apart from the Post Office?

The Chairman: That is correct.

Mr. Nesbitt: I so move.

Motion agreed to.

The Chairman: Thank you. The committee will now adjourn to the call of the Chair.

OFFICIAL REPORT OF MINUTES

OF

PROCEEDINGS AND EVIDENCE

This edition contains the English deliberations and/or a translation into English of the French.

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Translated by the General Bureau for Translation, Secretary of State.

ALISTAIR FRASER,
The Clerk of the House.

10

HOUSE OF COMMONS

First Session—Twenty-eighth Parliament

1968-69

Government Publications

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UNIVERSITY OF TORONTO

STANDING COMMITTEE

ON

TRANSPORT AND COMMUNICATIONS

Chairman: Mr. H.-PIT LESSARD

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 10

THURSDAY, JANUARY 23, 1969

Proposed trip to the Atlantic Provinces
Bill S-14 and Bill S-19

APPEARING:

The Honourable James Richardson, Minister without Portfolio

WITNESSES:

From the Department of Transport: Mr. Jacques Fortier, Legal Counsel; Mr. John Ballinger, Chief, Aids to Navigation, Marine Services; Mr. Nicholas Yost, Superintendent of Property Management; Mr. John Gray, Assistant Director, Legal Department, Canadian Transport Commission.

THE QUEEN'S PRINTER, OTTAWA, 1969

29552—1

STANDING COMMITTEE ON TRANSPORT AND COMMUNICATIONS

Chairman: Mr. H.-Pit Lessard

Vice-Chairman: Mr. Pat Mahoney

and Messrs.

Allmand,	Nesbitt,	[5] Serré,
Breau,	Nowlan,	Skoberg,
Carter,	[3] Perrault,	Thomas (*Moncton*),
[4] Corbin,	Portelance,	[1] Trudel,
Godin,	Pringle,	[2] Turner (*London East*),
McGrath,	Rose,	Woolliams—(20).

(Quorum 11)

Robert Normand,
Clerk of the Committee.

Pursuant to Standing Order 65(4)(b) notice was given of change in the membership of the Standing Committee on Transport and Communications

[1] Mr. Trudel replaced Mr. Smith (*St-Jean*), on January 21, 1969.
[2] Mr. Turner (*London East*) replaced Mr. Durante, on January 21, 1969.
[3] Mr. Perrault replaced Mr. Borrie, on January 21, 1969.
[4] Mr. Corbin replaced Mr. Goode, on January 21, 1969.
[5] Mr. Serré replaced Mr. Foster, on January 21, 1969.

ORDERS OF REFERENCE

HOUSE OF COMMONS
FRIDAY, January 17, 1969.

Ordered,—That the Standing Committee on Transport and Communications be empowered to consider and report upon the problems of transportation in the Atlantic Provinces, and that, for the purposes of its inquiry, the Committee be empowered to adjourn from place to place within Canada and the Clerk and the necessary supporting staff be authorized to accompany the Committee.

WEDNESDAY, January 22, 1969.

Ordered,—That the following Bills be referred to the Standing Committee on Transport and Communications:

Bill S-14, An Act to amend the Aeronautics Act; and

Bill S-19, An Act to amend the Navigable Waters Protection Act.

ATTEST:

ALISTAIR FRASER,
The Clerk of the House of Commons.

29552—1½

MINUTES OF PROCEEDINGS

(*Text*)

THURSDAY, January 23, 1969.
(10)

The Standing Committee on Transport and Communications met this day at 9.30 a.m. The Chairman, Mr. H.-Pit. Lessard, presided.

Members present: Messrs. Allmand, Mahoney, Nesbitt representing Mr. Grath, Nesbitt, Nowlan, Perrault, Portelance, Pringle, Serré, Skoberg, Thomas (*Moncton*), Trudel and Turner (*London East*)—(17).

In attendance: The Honourable James Richardson, Minister without Portfolio; *and from the Department of Transport:* Mr. Jacques Fortier, Legal Counsel; Mr. John Ballinger, Chief, Aid to Navigation, Marine Services; Mr. Nicholas Yost, Superintendent of Property Management.

The Clerk read the Third Report of the Sub-committee on Agenda and Procedure for the meeting held on January 21, 1969.

THIRD REPORT

The Sub-committee on Agenda and Procedure of the Standing Committee on Transport and Communications met at 3.30 this afternoon. The Chairman, Mr. H.-Pit Lessard, presided.

Members present: Messrs. Allmand, Mahoney, Nesbitt representing Mr. Thomas (*Moncton*) and Mr. Skoberg.

Your Committee met to study a tentative itinerary for its up-coming trip to the Atlantic Provinces. After discussion, it was agreed that the tentative itinerary prepared by the Chairman, be approved and recommended to the Committee for adoption.

However, your Committee recommends that special provisions be made for the Committee to ride on the "BULLET" in Newfoundland and that arrangements be made to that effect and included in the itinerary for Sunday February 23, 1969. Arrangements should also be made for the Committee to take a ride on the bus system which is scheduled to replace the "BULLET".

Should this be impossible, due to the fact that the train is not in operation, on Sunday, it is recommended that a Sub-committee be formed and authorized to ride the "BULLET" and the bus system on Tuesday February 25, 1969.

At 4.45 p.m., the Sub-committee adjourned.

Respectfully submitted,

H.-Pit Lessard,
Chairman.

Thereupon, on motion of Mr. Mahoney,

Resolved:—That the Third Report of the Sub-committee on Agenda and Procedure be adopted as read.

The members then read the tentative itinerary which was prepared by the Chairman.

After debate thereon, on motion of Mr. Mahoney, it was

Resolved:—That the itinerary prepared by the Chairman for the proposed trip to the Atlantic Provinces, be adopted. However, provisions will have to be made to include in the itinerary a ride on the train in Newfoundland and on the buses which are scheduled to replace train service in that Province. The Chairman is hereby authorized to communicate this itinerary to the Press.

Then Mr. Skoberg insisted that the Committee should hear evidence concerning the claims of the sub-contractors of the Great Slave Railway, filed against the Canadian National Railway.

It was brought to the attention of the Members of this Committee that a Report was tabled in the House seeking that its Order of Reference be enlarged so that it may consider these claims. (Second Report tabled in the House on December 3, 1968).

The Chairman then informed the Committee that he would look into the possibility of moving for concurrence in the Committee's Second Report to the House.

In accordance with the provisions of the new Standing Orders 65(7), it was moved by Mr. Allmand, that the Chairman be authorized to hold meetings, to receive and authorize the printing of Evidence when a quorum is not present.

And debate arising thereon, Mr. McGrath moved in amendment thereto, that the Chairman be authorized to hold meetings, to receive and authorize the printing of Evidence when a quorum is not present, but provided that at least 5 members, including the Chairman, be present.

After further debate, Mr. Skoberg moved as a dilatory superseding motion, that the motion under consideration be left in the hands of the Chairman who is hereby instructed to seek legal advice thereon.

Thereupon, the question being put on the said superseding dilatory motion, it was agreed to unanimously. The Chairman informed the Committee that Bill S-14, An Act to amend the Aeronautics Act, and Bill S-19, An Act to amend the Navigable Waters Protection Act, have been referred to this Committee for consideration.

Mr. James Richardson, Minister without Portfolio, was then invited by the Chairman to make a statement on Bill S-19 and was questioned thereon assisted by some officials of the Department of Transport.

The examination of the witnesses being concluded, they remained in abeyance.

Pertaining to the proposed trip of the Committee to the Maritime Provinces, on motion of Mr. Allmand, it was

Resolved,—That the Committee Clerk be authorized to advertise in the leading newspapers of the Maritime Provinces, the public hearings to be held

by the Standing Committee on Transport and Communications in Fredericton, New Brunswick; Halifax, Nova Scotia; St. John's, Newfoundland and Charlottetown, Prince Edward Island.

At 10:50 a.m., the Committee adjourned until 9:30 a.m. on Friday January 24, 1969.

Robert Normand,
Clerk of the Committee.

EVIDENCE

(Recorded by electronic apparatus)

Thursday, January 23, 1969

• 0939

The Chairman: Good morning, gentlemen. We are here this morning to hear a résumé of the proceedings at the meeting of our steering committee last Tuesday, relative to our trip to the Maritimes.

I hope each member has a copy of the little itinerary that we have had prepared.

• 0940

The members present at that meeting were Messrs. Allmand, Lefebvre, Mahoney and Nesbitt. Mr. Thomas and Mr. Skoberg were absent.

Mr. Thomas (Moncton): Mr. Chairman, I am not actually on the committee.

The Chairman: No.

Mr. Thomas (Moncton): I was just acting as a replacement for one day.

The Chairman: It was agreed in principle that we try to shorten this trip. There are many reasons for that, with which I agree, and you will see in the agenda a résumé of why we should shorten it. The reasons are the weather and the length of time and the expense, and so on.

I will have the Clerk read the report, if that is agreed.

The Clerk: (See Minutes of Proceedings)

The Chairman: Are there any remarks? Mr. Nesbitt?

Mr. Nesbitt: I have a question. The meetings of the Committee are to be advertised in the appropriate newspapers. Does that mean that other groups in the Atlantic Provinces, which might wish to make representations before the Committee and have not already submitted briefs, will have the opportunity of doing so, or what notice will they have to give? What about oral briefs?

The Chairman: They will have until January 26 to notify us that they wish to appear and present a brief in whatever capital we happen to be at that time.

Mr. Nesbitt: January 26?

The Chairman: Yes. We are planning to leave on February 16 and come back about February 25 or 26. Mr. McGrath?

Mr. McGrath: Will priority be given to the briefs already submitted, and will the supplementary briefs take second priority? Will that be the procedure?

The Chairman: Yes. Those who have already submitted briefs will be notified. If they wish to modify their brief by adding to it, or taking away from it, they will have the opportunity to do so.

Furthermore, as soon as we have the consent of this Committee, all the newspapers in each capital will be notified of when the Committee will appear in their capital.

Mr. Pringle: I am glad you mentioned that, Mr. Chairman. I have seen this done relative to a plenary session or a hearing. People take the attitude that they can come and start the brief session all over again, and the unlimited time given to them results in a very disappointing situation. For that reason I think we should make it clear that their time will be limited, and that they must give some advance notice. Otherwise, we could be involved in a very embarrassing situation.

The Chairman: Of course we will have to be so notified. This is mentioned in the résumé of our proceedings which was read this morning. So much time will be allotted for the presentation of each brief, and they will have plenty of time to make up their minds on whether they wish to appear.

Mr. McGrath?

Mr. McGrath: Mr. Chairman, I just have two comments to make. I am looking at this for the first time. I realize that the subcommittee has probably put a lot of thought into it, but my first comment concerns the itinerary itself.

Mr. Chairman, it is a pretty tight schedule that has been set out for us. I am sorry that it is laid out in such a way, because I think that St. John's, Newfoundland, should be visited last. I say that seriously, because it is sometimes difficult to get into and out of St. John's because of weather conditions.

Mr. Allmand: Charlottetown, too.

Mr. McGrath: Not so much Charlottetown.

Mr. Allmand: We were stuck there for six hours.

Mr. McGrath: Yes; but that was in a bus, not flying.

The Chairman: Mr. McGrath, for the benefit of the Committee we have set up a special schedule for St. John's. I know many of us would like to use the "Bullet" train. We have a special note on that which I will ask the Clerk to read.

Mr. McGrath: You are a very wise Chairman. You anticipated my second remark.

• 0945

The Chairman: We are planning to visit that train in Newfoundland. I know many of you would like to have this opportunity. Perhaps the hour will be late, but we do not want to come back and say: "We did not have the chance to go and see what this thing looks like." We will inquire about it in St. John's. We could board the "Newfie Bullet" in St. John's at 11.30 at night and ride in it for 31 miles.

Mr. Thomas (Moncton): On what day, though? Never mind the time—what day?

The Chairman: I beg your pardon?

Mr. Thomas (Moncton): I am not so worried about the time as the day.

The Chairman: That will be on Friday.

Mr. McGrath: Whose side are you on, anyway?

The Chairman: On Friday at 11.30 we could ride in that train for 31 miles.

Mr. McGrath: Mr. Chairman, would you give consideration to taking the train to Gander and boarding our plane there?

An hon. Member: How far is it?

Mr. McGrath: Gander is 200 miles.

The Chairman: That is about 10 hours' travelling.

Mr. McGrath: We would get into Gander in the morning.

The Chairman: The only trouble is that the train does not operate every day; it runs about three times aweek.

Mr. McGrath: Would the train that we take at night be the regular train?

The Chairman: Yes.

Mr. McGrath: The same train that we would take for 30 miles we could take to Gander and join our aircraft.

An hon. Member: How far is it?

Mr. McGrath: Two hundred miles.

Mr. Allmand: Since we are going on a Friday and will be appearing in St. John's on a Saturday we would have to come back to St. John's.

Mr. McGrath: We have to sleep anyway.

Mr. Allmand: We would have to come back to St. John's.

It does not leave the day we leave St. John's—the train does not travel.

An hon. Member: It would be the best thicg that could happen if we are stranded there for four days in the fog.

Mr. Skoberg: Mr. Chairman, what arrival date do you have for there?

The Chairman: It will be Friday, the 21st.

Mr. Skoberg: At what time?

The Chairman: At 11:30 p.m.

• 0950

Mr. Skoberg: There was a suggestion in the Steering Committee that we use Sunday, February 23 to good advantage because there would be so much travelling time. Was that explored any further?

The Chairman: Yes, but on Sunday we cannot get a train.

Mr. Skoberg: There is nothing out of St. John's on Sunday?

The Chairman: No. We did worry about that yesterday. Perhaps some solution will be forthcoming without upsetting the whole schedule.

Mr. Skoberg: Where would you go on Friday, February 21?

The Chairman: Friday, February 21?

Mr. Skoberg: If you leave at 11:30 p.m.?

The Chairman: We will be in St. John's on Friday, February 21 for the whole day. We could sit all day. The Minister intends to have a little party for the members on Saturday night.

Mr. Skoberg: Is it the intention then that we leave there about 11:30 p.m., go out about 30 miles and return?

The Chairman: Yes. We will go about 31 miles on the train. A bus will be waiting there. When we get off the train we will take the bus and come back.

Mr. Skoberg: Will that be one of the buses that is presently used in the transportation system?

The Chairman: Yes.

Mr. Skoberg: Oh, that is fine.

[*Interpretation*]

Mr. Corbin: Mr. Chairman, this is a very important question. We do have interpreters here this morning but we are unable to hear them because there is no audio equipment. Personally I can get by without it. Pardon me, it's working now. Usually we have them on the table.

[*English*]

Mr. Mahoney: Mr. Chairman, may I move that the itinerary as recommended by the Steering Committee be adopted?

Mr. Nesbitt: Mr. Chairman, I am sorry but I have just one comment.

I quite agree with the itinerary; I think it is excellent. I was wondering if at the end of the trip on Tuesday February 25 at Charlottetown, we could perhaps briefly visit Labrador City. Some members have expressed the wish to visit this new city, which I understand is quite large. The purpose of the visit would not be to hear briefs but to have a look at the layout of the place. Could consideration be given to this suggestion?

Mr. Chairman: Mr. Nesbitt, perhaps this matter could be left in the hands of the Steering Committee. I have not had a chance to talk to the Minister about it but I believe he would agree, if there was a possibility, of doing so.

Mr. McGrath: I would just like to add, Mr. Chairman, in support of what Mr. Nesbitt said, that it is inconveivable to me to consider a tour of the Atlantic Provinces without touching on Labrador in some way because this whole territory is so far off the beaten track that it is totally dependent upon transportation for its very existence, for everything that goes in and out of there. This is an area that is under development—quite an extraordinary exciting development and, as Mr. Nesbitt said, if the Committee could just touch in there to get the feel of the isolation of Labrador and the importance of transportation policy generally to the territory, I am sure it would be time well spent.

• 0955

The Chairman: If you will leave it up to me I will talk to Mr. Hellyer about it. Of course there is always the question of weather—we do not know what it will be like.

Mr. Allmand: With respect to some questions that were brought up earlier relating to oral presentations and so forth I think the Steering Committee decided that we would ask those who have briefs prepared not to read them to the Committee because, otherwise, we would never get through our work. We would be expected to read them beforehand.

The Chairman: I think this is our intention.

Mr. Allmand: In other words, all we will do is ask them to give a brief introduction and then we will question them, having already read their briefs.

Mr. Nesbitt: I quite agree.

Mr. Allmand: I suppose if there was time at the end of the day or at the end of the sitting we could hear others but we would have to give priority to the people who have prepared briefs?

Mr. Skoberg: You mentioned the 26th. If these people who want to present briefs write in by the 14th or 15th would that not give them precedence over the ones already there?

The Chairman: Do you mean if they come in after we have gone or before we go?

Mr. Skoberg: What happens if they notify the office here by the fourteenth that they wish to present a brief? Do you have a cut-off time at all?

The Chairman: We will have time.

Mr. Skoberg: Will that be the fourteenth? If not, what will the date be?

The Chairman: We should have a deadline of the fourteenth for receiving briefs so that we can have a chance to look at them.

Mr. Skoberg: And then if there was sufficient time even those who have not asked would be permitted time to present their briefs?

The Chairman: Do we need to have a motion to that effect?

Mr. Skoberg: As long as it is understood.

Mr. Nesbitt: Before the motion is put I have one other question for clarification.

We were discussing the advertisements that would be made in the newspapers. Could the Clerk give us a list of the papers? I understood that perhaps advertisements were to appear only in the newspapers of the capital cities of th provinces. However, there are in some provinces other large centres. For instance, there is Saint John, Moncton and Newcastle in New Brunswick.

Mr. Corbin: There are six dailies in New Brunswick.

Mr. Nesbitt: Yes.

Mr. Corbin: There is Fredericton, Saint John—Yes, I agree with you; this should be advertised throughout.

Mr. Nesbitt: People in Saint John and Newcastle want to be made aware of the fact that the Committee will be there.

The Chairman: If you do not mind, we will give you a resumé of the newspapers.

The Clerk: New Brunswick: *L'Évangéline;* the *Telegraph-Journal; Northern Light;* Moncton *Times-Transcript; Le Madawaska;* the daily *Gleaner* and the *Graphic.* Newfoundland: The *Western Star* and the St. John's daily *News;* Nova Scotia; Truro daily *News,* Post publishing Company.

An hon. Member: You did not mention Halifax. There is the Halifax *Chronicle-Herald.*

Mr. Nesbitt: I think perhaps there ought to be an advertisement in the Sydney and Yarmouth papers.

The Chairman: Mention was made of the Halifax *Chronicle-Herald*? Are there any others?

An Hon. Member: There is the Sydney paper, the *Cape Breton Post.*

Mr. Nesbitt: I was thinking of Yarmouth too.

• 1000

Mr. Thomas (Moncton): Did you mention New Glasgow? There is the New Glasgow daily *News?*

Mr. Nowlan: With respect you have an awful lot of New Brunswick papers that are really quite superficial. You have several more dailies in Nova Scotia, but perhaps you could cover the Halifax *Chronicle Herald* and that shore one. There is the Yarmouth *Herald.*

The Chairman: He only has two in New Brunswick.

Mr. Nowlan: I thought he had the *North Shore Leader* we had the *Evangeline, Le Madawaska* and the *Tribune.*

Mr. Corbin: I think they want to cover all the regions in New Brunswick, because the dailies do not necessarily get everywhere. In my region *Le Madawaska* is the important thing.

The Chairman: Do you want to add Sydney as well?

Mr. Nowlan: No. I presume you have the Sydney *Cape Breton.* There are only two basic dailies, the Sydney *Cape Breton Post* and the Halifax Chronicle *Herald.* I think you show it as the Post Publishing Company. If that is the Sydney *Cape Breton Post,* that covers it, as well as the Halifax *Chronicle Herald.* Then there is the Truro *News,* or whatever it is called, if you want to send it there. If you are going to send it to the Truro *News* you should also send it to the Yarmouth *Herald,* which is at the other end of the province and it is a daily.

The Chairman: We will go over it again if you wish.

L'Evangeline. Agreed?

Some hon. Members: Agreed.

The Chairman: The *Telegraph-Journal*, the *Northern Light*, the Moncton *Times-Transcript*, *Le Madawaska*, *Gleaner* and the *Graphic* at Campbellton. Agreed?

Some hon. Members: Agreed.

The Chairman: In Newfoundland the *Western Star*. Agreed?

Some hon. Members: Agreed.

The Chairman: The St. John's *News*?

Mr. Skoberg: Mr. Chairman, the St. John's *News* is more of a city paper. The *Evening Telegram* would get more circulation outside the city. If you cannot use the two St. John's papers, obviously the preference would have to be for the one with the wider circulation, which would be the *Evening Telegram*.

An hon. Member: With one is Grit and which one is Tory!

The Chairman: We will use them both. It makes no difference whatsoever.

Mr. Perrault: Mr. Chairman, in a major population centre of that kind I think both publications should be used.

The Chairman: We will put them both down.

An hon. Member: It is the same thing with Moncton and St. John's.

The Chairman: What is the name of the paper again?

Mr. Thomas (Moncton): The *Evening Telegram*. It is one of the outstanding newspapers of Canada.

The Moncton Publishing Company publishes the *Times-Transcript* and when you place the ad I suggest it be placed in both papers, because one is a provincial paper and one is a city paper.

Mr. Corbin: (inaudible)

Mr. Nowlan: The Moncton *Times-Transcript* and the *Telegraph-Journal* have the widest circulation in the province.

Mr. Perrault: Is there any publication covering Labrador? I suppose the population is so scattered that they do not have their own publication.

The Chairman: I think we should find out if we will go to Labrador or not before sending any...

An hon. Member: It is part of Newfoundland.

Mr. Perrault: There is no newspaper there.

Mr. Nesbitt: Suppose somebody should want to come to St. John's to present a brief? However, I understand that the St. John's paper is the only one.

The Chairman: So, we were up to the St. John's *News*?

• 1005

Mr. Nowlan: If we are going to start distinguishing between the capital papers and the provincial papers such as the St. John's or the Moncton situation, which I really question, then you have the same situation in Halifax. You have the Halifax *Mail Star*, which is an evening city paper, and you have the Halifax *Chronicle Herald*, which is a daily provincial paper. However, if you put it in the provincial *Chronicle Herald*, it is also read in the city in the morning, and I do not really see the necessity of putting it in both the evening and the morning papers.

Mr. Corbin: It is the same in Toronto or Winnipeg or Vancouver. You would put a formal notice in all the newspapers.

Mr. McGrath: The Committee should not run the risk of showing a preference for one or the other.

Mr. Nowlan: That is right. Then you have to put it in the Dartmouth *Free Press*, which is a daily paper. It is the second largest paper in Nova Scotia.

Mr. Nesbitt: Mr. Chairman, this is just a suggestion but it might obviate a lot of additional steps if after the Committee is closed, if the Committee would authorize it, members of the Committee check with the Clerk to make sure that the newspapers in the areas are covered. We want to be sure that they are all covered.

The Chairman: This way, you see, there will be a standard line of conduct.

There is another one, the Post Publishing Company at Sydney. Is that right?

Mr. Nowlan: That is the Sydney *Cape Breton Post*, I presume.

The Chairman: Yes. There are 15 newspapers.

Mr. Thomas (Moncton): How many do you show for Prince Edward Island? The *Guardian* and the Summerside paper? What do you show for Prince Edward Island?

Mr. Nowlan: Mr. Chairman, in Charlottetown it is the *Guardian* and it is the Summerside *Journal-Pioneer,* in Summerside.

Mr. Thomas (Moncton): Do you show Prince Edward Island at all?

The Chairman: Yes, both papers.

Mr. Nesbitt: I have a suggestion. We should check the list afterwards and then authorize the Committee to put the ads in the appropriate papers. It is better to get them all in than miss some place.

Mr. Breau: Are we coming back on the Bullet? It is going to take four hours from Charlottetown to Ottawa. What type of a plane is this?

An hon. Member: What type of plane is it?

Mr. Breau: What type of plane?

An hon. Member: Vanguard.

The Chairman: We put down a certain time but this is not completed as yet. We were in touch with Air Canada and we will be in touch with them again to have an assurance of that. You will receive another agenda showing the proper dates and hours.

Mr. Mahoney: Would it now be in order to move that the minutes of the steering committee be approved?

The Chairman: Mr. Mahoney, I will ask the Clerk to read the minutes of the steering committee and then you can put your motion.

Mr. Mahoney: Right.

The Clerk: (See Minutes of Proceedings)

Mr. Mahoney: I so move.

Mr. Nesbitt: I second the motion

Motion agreed to.

• 1010

The Chairman: It has been moved by Mr. Mahoney and seconded by Mr. Nesbitt that the minutes of the steering committee be approved.

Mr. Allmand: Did Mr. Mahoney move that the minutes be approved or that the itinerary be adopted?

Mr. Mahoney: I think the itinerary is included in the minutes.

Mr. Allmand: You are satisfied that that is clear now?

Mr. Turner (London-East): Mr. Chairman, will you give us that last date again? Did you say February 28?

The Chairman: February 26.

An hon. Member: If we could not do it while we are there we could . . .

The Chairman: In the arrangements we are leaving an opening between the dates.

Does it meet with the approval of the Committee that the itinerary be approved?

Some hon. Members: Agreed.

Mr. Skoberg: Mr. Chairman, further to that—and we discussed this in the subcommittee—I wish to present the following motion before we get into other business: That this Committee investigate the outstanding claims of certain contractors involved in the construction of the Great Slave Railroad; that representation be requested to be made before this Committee on February 13 and 14, 1969; and that this motion be reported to the House.

The Chairman: Mr. Skoberg, I discussed that with the Minister last night and I understand that that would take an order from the House. We do not have the right to take this action; there has to be an order from the House to receive the representations from the contractors.

The contractors did not deal with the government but with the CNR at the time and if they want a hearing they should ask to appear before the CNR. When we hear the CNR the occasion for the companies who want to be heard by the CNR might be to appear here. It would, however, take an order from the House to have this hearing before the Committee.

Mr. Skoberg: Mr. Chairman, I am suggesting that if this motion were put before this Committee it might initiate the hearings. If it were accepted in the House they could issue this order, as you suggest.

This matter has been dragged out too long. It was previously before this Committee. It was reported back to the House once before and no action was taken on it. We would be doing a good service to these people who have been patiently waiting to be heard.

If we wait until the Canadian National estimates are before us to discuss this matter it will be utterly impossible for us to handle everything. We could devote two days to it now, and if the Minister were agreeable and it were reported to the House by yourself and accepted a motion could be made and the order...

The Chairman: But we have no right to take such a motion.

Mr. Skoberg: Surely this Committee can initiate action. Otherwise, what is the purpose of the Committee? I am referring to initiation. I agree that the final determination will have to be made by the Minister, but somewhere along the line someone has to initiate this; and I presumed that this Committee had already done so when we reported it to the House some time ago.

The Chairman: Mr. Nesbitt?

Mr. Nesbitt: Mr. Chairman, I quite agree with Mr. Skoberg that the claims of the companies who have had an unfortunate experience with this railway in the Northwest Territories should be heard; and I also think that they should be heard at our earliest convenience; but it was my understanding, from informal conversations with the House Leader, that the vehicle for bringing this before the committee would be the reference to the Committee of the annual report of the Canadian National Railways, at which time the railway officials, and others, would be present. Perhaps you could make arrangements with the Minister to have that report at a very early date.

• 1015

The Chairman: Mr. Mahoney?

Mr. Mahoney: In addition to agreeing completely with what Mr. Nesbitt has said may I point out that the urban transportation conference is to be held in Toronto from February 9 to 12 inclusive, and some of us hope to attend it. It is certainly very important to me.

Were we to jam these claims into the very heavy schedule of the trip to the Atlantic Provinces I really feel that we could do less than justice to them.

Mr. Skoberg: Mr. Chairman, I would be quite agreeable to changing the dates, but the question before you, Mr. Chairman, is whether or not we can initiate this action in the House by your reporting in. If this is not possible, and if you rule me out of order on that particular point, I am quite satisfied, but it is my opinion that we can initiate action in the Committee, particularly under the new rules which give more authority to committees.

The Chairman: Mr. Allmand?

Mr. Allmand: Mr. Chairman, we have already requested the House to expand our terms of reference. With all due respect, we can pass the resolution requesting the House to give us certain terms of reference, and we have done that. Our subcommittee on agenda and procedure approved that we hear the Great Slave Railroad claim, and this Committee approved that we send a report to the House requesting that that reference be given to us. That report is now tabled in the House.

Actually, your motion is not necessary, because on the table of the House of Commons is a report requesting that this Committee be given that reference. All that has to be done is for the Chairman to move compliance with the report.

That report also approved our studying problems in the Atlantic area, but we have already accepted that part of the report and it has been referred to us. All we have to do is move the balance of this report and we have it.

Mr. McGrath: That is right.

Mr. Allmand: We have already asked for that reference, and the request has been tabled in the House.

Mr. Skoberg: Mr. Chairman, I move that the balance of the report be moved in the House.

Mr. Allmand: Actually the Chairman would have to move it.

The Chairman: We do not need a motion for that. I could refer it to the House.

Mr. Allmand: Mr. Skoberg, every day you will notice that the Speaker of the House says under motions: "Second report of the Transport Committee, Mr. Blouin". Mr. Blouin has been absent ill, so it has not been moved. That is the report which asks that the reference on the Great Slave Railroad be studied.

Mr. Skoberg: In other words, for clarification—and Mr. Chairman, I am sorry that I have taken up this time—what we do in this Committee means nothing until you move the

report. I suggest that you have a responsibility to move it so that the Committee's part in it is concluded. If the report is not moved no action can be taken.

There would be absolutely nothing wrong in you moving the report, as Mr. Allmand has suggested, and I quite appreciate his comments.

The Chairman: If you will leave it with me I will see the House Leader today and see what I can do.

Mr. Nowlan: The only difficulty—if my memory serves me correctly—is that this report which has not been moved is potentially contentious. It is before the Committee on Privileges and Elections and it is obviously there because of a House order. I really question how—

Mr. McGrath: Yes; but one part of the report has already been—

Mr. Nesbitt: I suggest we leave it with the Chairman.

The Chairman: Yes, leave it with me.

Mr. Nowlan: A simple way to get around it would be to ask for a separate resolution restricted solely to the point Mr. Skoberg has raised.

The Chairman: Is it agreed, Mr. Skoberg, that it be left up to me and I will see what I can do?

Mr. Skoberg: As long as I can be assured that some action will be taken I am quite satisfied.

The Chairman: Yes.

Mr. Skoberg: But let us not leave it in abeyance for ever and ever.

The Chairman: Yes, Mr. Allmand?

Mr. Allmand: Mr. Chairman, we also have to deal with the two bills that were passed by the House of Commons last night, Bills Nos. S-14 and S-19. What plans do we have for dealing with these?

The Chairman: There were brought down this morning and I was asked by the Ministers if we could get started on them. I will ask for a motion.

Article 65, paragraph (7) states:

> ...the chairman to hold meetings to receive and authorize the printing of evidence when a quorum is not present.

• 1020

Mr. Allmand: This is under the new rules?

The Chairman: Yes.

Mr. Allmand: We are allowed to reduce our quorum merely to hear evidence.

I so move.

Mr. Nesbitt: I would like to have some clarification of this matter. I quite agree that it is sometimes unavoidable when our witnesses are from out of town, but could we not perhaps have some agreement about it? We do not want to have the situation where only the Chairman and one of the members could receive evidence. There would have to be a representative group present.

The Chairman: We could carry on our work but there would be no voting.

Mr. McGrath: What constitutes a full quorum?

The Chairman: It consists of 11 members.

Mr. McGrath: Could we not reduce our quorum to five for that purpose?

Mr. Allmand: Perhaps you will so move. I think that is fair.

Mr. Nesbitt: It should be a representative group. For the purpose of hearing evidence ...

The Chairman: I do not think there is any provission for us to reduce the quorum.

Mr. Allmand: Oh, yes, it says right in the rules. In the new rules it states that for the purpose of hearing witnesses, committees may reduce their quorums. I have been to two committees already since the new year started and both committees have done it.

Mr. McGrath: Reduced their quorums for this purpose?

Mr. Allmand: Yes.

Mr. McGrath: I think it is the only safe way to do it, because otherwise the Chairman could hear evidence himself.

Mr. Pringle: Mr. Chairman, do we have the wording of that Standing Order? It seems to me it was read differently in the Agriculture Committee. Just the wording.

The Clerk: Article 65, paragraph (7):

> (7) The presence of a quorum shall be required whenever a vote, resolution or other decision is taken by a standing or a

special committee, provided that any such committee, by resolution thereof, may authorize the chairman to hold meetings to receive and authorize the printing of evidence when a quorum is not present.

Mr. Pringle: I would suggest that does not say we can reduce our quorum. It says that we can operate with less than a quorum. I doubt if that gives us the authority to establish another quorum.

Mr. McGrath: To operate with less than a quorum is the same as reducing a quorum.

Mr. Pringle: It is not unless you specify that there must be at least five. Then you are establishing a quorum which is not the established quorum.

Mr. McGrath: But surely all we are doing is taking precautions to ensure that we shall not hear evidence with just the Chairman in the Chair.

Mr. Pringle: No, no, but do you not think we should have confidence in our Chairman that this would not happen?

Mr. McGrath: Oh, we have all the confidence in the world in him.

Mr. Pringle: Because if we start playing around with five, or six, or four...

Mr. Allmand: Mr. Pringle, I would move that we have a quorum of five just to hear evidence, because I know there are precedents for this.

The Chairman: We cannot do that, Mr. Allmand.

Mr. Allmand: I am positive that we can do it, but you are the Chairman.

Mr. Pringle: Not according to the Standing Orders.

Mr. Allmand: Leave it in abeyance until the next day and check the procedure with Mr. Dubroy.

The Chairman: Mr. Allmand, the idea is that we could study all day long but we are not allowed to take any votes. No decisions can be taken. It is just a matter of carrying out...

Mr. McGrath: Mr. Chairman, perhaps the word "quorum" should not be used.

The Chairman: The minute that you mention "quorum", a vote could be taken with five members.

Mr. McGrath: Perhaps we could get around it this way, Mr. Chairman. Perhaps we could say that evidence will only be taken when there are at least five members present. Of course I know you are not reducing the quorum. It is a legal technicality.

Mr. Nesbitt: The only reason I think might be that somebody from one of the departments might want to ask questions on the evidence or something.

Mr. Pringle: It seems to me that if the Standing Order is well written and well taken, we should accept the resolution according to the Standing Order as established, and we should have confidence in the Chairman that he would not conduct a meeting if it was completely...

Mr. McGrath: He may not be Chairman. We have already had a couple of changes in the Chair.

The Chairman: Perhaps the Clerk could read Article 65, paragraph (7), of the Standing Orders again.

The Clerk: It reads as follows:

(7) The presence of a quorum shall be required whenever a vote, resolution or other decision is taken by a standing or a special committee, provided that any such committee, by resolution thereof, may authorize the chairman to hold meetings to receive and authorize the printing of evidence when a quorum is not present.

Mr. Pringle: Mr. Chairman, if no one else is, I would be prepared to move that as a resolution for the adoption of the Transport and Communications Committee.

• 1025

Mr. Allmand: There is another good point that we overlooked, Mr. Chairman. No meeting should be called unless notices were distributed to all members of the Committee in any case. So the Chairman could not sneak a meeting by us.

Mr. Nesbitt: No one suggested that the Chair could do that.

The Chairman: It is moved by Mr. Pringle and seconded by Mr. Trudel...

An hon. member: What is the motion for?

The Chairman: Could we use the wording of the new rules?

Mr. Pringle: That is my motion.

Mr. McGrath: That is virtually right back to where we were. I would like to move an amendment to that, that we shall only take evidence when there are at least five members present, including the Chairman. Four plus the Chairman.

Mr. Skoberg: I move that this be tabled for further clarification, Mr. Chairman. Let us get on with our...

The Chairman: Just a minute. There are three motions.

Mr. McGrath: No, just one amendment. I move an amendment that at least four members plus the Chairman be present before evidence can be taken.

Mr. Nesbitt: Did you say plus or including the Chairman?

Mr. McGrath: Including the Chairman. No, I mean five members including the Chairman.

Mr. Skoberg: I move we table the motion for further clarification.

The Chairman: You do not agree with the motion of Mr. McGrath?

Mr. Allmand: Mr. Skoberg's motion takes precedence, and I would support Mr. Skoberg so that you could clarify it, Mr. Chairman, with the legal officer of the House, Dr. Ollivier, or the Clerk of the House, Mr. Fraser, to see whether we can do this particular thing.

The Chairman: You are all in favour of the motion of Mr. Skoberg?

Some hon. members: Agreed.

Motion agreed to.

Mr. McGrath: Mr. Chairman, is it your intention to issue a press release today with respect to the itinerary of the Committee for the Atlantic Provinces trip?

The Chairman: It is up to the Committee to decide.

Mr. McGrath: The press are waiting for it. Word got out that there was an itinerary being prepared.

The Chairman: They all know we are all going, but...

Mr. McGrath: I would suggest that the Chairman meet with the press today and release the itinerary and answer any questions they may have in relation to it.

The Chairman: Does the Committee agree?

Some hon. members: Agreed.

The Chairman: Is it agreed that I be authorized to give the newspapermen an agenda of our trip to the Maritimes?

Some hon. Members: Agreed.

Mr. Allmand: Mr. Chairman, just before you brought up the question of the quorum, I asked a question about what we intended to do with Bill S-19 and Bill S-14. Could we decide on that now? What are our plans with respect to these two bills?

The Chairman: There is a copy of these two bills available for each member. The Minister asked me if it would be possible for us to study those bills before the Committee went on their Atlantic Provinces trip. You know, the Committee has to make reports before the estimates come up, so I think it would be a great help if we could start with those two bills.

Mr. Nesbitt: I might say, sir, that I am quite agreeable to that. I would be agreeable to it at this meeting except for one thing. I tried to obtain copies of *Hansard* for the remarks that were made on Bill S-14, but because of the late sitting last night *Hansard* is not yet available. I think in all fairness members should have an opportunity of reading the remarks that were made in the House yesterday before we study the bill. I would be agreeable to meeting at the earliest opportunity after we have had a chance to read the remarks.

Mr. Allmand: Could we leave that with the steering committee, Mr. Chairman, to plan sittings to deal with these bills as quickly as possible?

The Chairman: I think the Committee should look over the matter this morning. We have the Minister here with us this morning, and I think he would be happy to answer your questions.

Mr. Allmand: But, Mr. Chairman, I think Mr. Nesbitt has a point. First of all, we only have a half an hour left in this sitting. While I have read the background material on the

bills and some others might have, I am wondering if it would be in order for us to proceed this morning? I do not know what the Minister thinks, because as the Opposition say, they have not had a chance yet to...

Hon. James Armstrong Richardson (Minister without Portfolio): Mr. Chairman, I left the Cabinet meeting to come here, but I would be glad to go back to it if the Committee would prefer to do this, as Mr. Nesbitt has suggested, at another early meeting. I do not particuly want to defer it.

The Chairman: While we still have half an hour, I wonder if the Committee would agree if the Minister would make a very short briefing of the bills. Then we could adjourn at 11 o'clock and come back this afternoon?

Mr. Richardson: You want to adjourn at 11 o'clock?

The Chairman: Yes. Is it agreed?

Mr. Pringle: I am unable to come this afternoon, Mr. Chairman. I have a previous commitment.

The Chairman: How about tomorrow morning? Tomorrow morning at 9.30?

An hon. Member: Fine.

Mr. Pringle: Is there not another?

The Chairman: No, no, there is nothing tomorrow.

Mr. Pringle: O.K. I am agreeable.

The Chairman: So I will ask the Minister, Mr. Richardson, to give us a brief résumé of Bill S-19.

• 1030

Mr. Nowlan: You said in the morning. Does not the House meet at 10 o'clock in the morning?

An hon. Member: Eleven o'clock.

The Chairman: Is it too much to get up early two mornings in a row?

Mr. Richardson: Mr. Chairman and gentlemen, the officials of the Department are present with me. I understand that at this meeting there may not be much opportunity for detailed questions, but I want you to know that with me are Mr. Fortier, the Legal Counsel of the Department; Mr. Ballinger, (Chief) Aid to Navigation Marine Services; Mr. Yost, Superintendent of Property Management in the Department of Transport; Mr. J. T. Gray, Assistant Director of the Legal Branch of the Canadian Transport Commission; and my executive assistant, Mr. Tom D'Aquino, who has followed this legislation closely.

The Navigable Waters Protection Act is well-named and it is very clear what the purpose of it is. It is to protect navigable water.

I do not need to emphasize to this Committee the importance to shipping of our navigable waters. Shipping is a very important aspect of the whole field of transportation, and if our navigable waters are allowed to become obstructed, or dangerous, it has a damaging effect on our whole transportation system. That is the broad purpose of the bill.

One of the reasons for amending the Act at this time—because that is primarily what this bill is doing—is that in the first instance ships have become larger in recent years, and they draw more water. Therefore, an area that was at one time, safe for navigation is now no longer safe because of the deeper drafts of the bigger ships.

You will note, as we examine the bill, that there are changes which make it an offence to let anything sink into the water below 20 fathoms. The limit is now 12 fathoms. That is a fundamental change in the bill. I will not try to go into the detail at the moment. I am simply pointing out that it relates to the size of ships and their speed. They require a wider channel to move in than they have up until now.

As I have mentioned in the House, by way of background, the kinds of matters which come under this bill are bridges, particularly new bridges, and repairs to old bridges; and pipelines of all kinds and transmission lines. These are not just lines that are under the water, although that is where most of them are, but lines that go across the top of the water. They also can be an obstruction to navigation, and therefore have to have approval. In fact, anything man-made that obstructs navigation will have to be approved under this amended Act.

• 1035

I am sure some of you are in a sense, perhaps more familiar with this Act than I am, but it is in three parts. To give the broad divisions, the first part of the Act deals with man-made obstructions which are created intentionally. Bridges are a good example, or cable lines.

Part II of the Act deals with obstructions which are not intended as obstructions but

which nevertheless, are man-made. They can be solids that are discharged by commercial concerns and which sink to the bottom and form a mound, or an obstruction which was not intended. That, broadly, is the second part.

Part III deals with ferry cables and drawbridges, or swing bridges.

Mr. McGrath: May I ask a question for clarification? You talk of "obstruction." How broadly can that term be defined? For example, would it cover derelicts left on a public beach?

Mr. Richardson: Yes; this is one of the items now included in Part II. Ships that are...

Mr. McGrath: Abandoned?

Mr. Richardson: Abandoned; that is right.

Mr. McGrath: In harbours and on beaches?

Mr. Richardson: That is right. This is what I call the sort of inadvertent, or accidental, obstruction as distinct from the planned obstruction such as the bridge or the cable. It includes those.

In fact, that is a very important amendment to the Act. It provides for the removal of ships or barges that are floating and could become obstructions, for which there is no legislation at the present time.

This whole bill, as I said in introducing it, is designed to bring the Act up to date, to make it easier to administer and to make certain that navigable waters are safe for larger ships.

I do not propose to go into all the details of it without the aid of the officials, but there is a new definition of "a work". That is the common term used throughout the bill to describe what may be a bridge, or a cable, or whatever it may be. It is known as "a work". The definition of a "a work" includes the dumping of fill and the excavation of material from the bed of navigable waters. In other words, we have widened the definition of what is "a work". I understand that the officials will explain this to us in greater detail. There are in Canada today areas where there is dumping and there is nothing under the present Act to enable it to be stopped. This will be done under this amendment to the Act.

Another change that you will note relates to the $5,000 value of any work. The basic amendment there is that we are deleting the $5,000 as one of the criteria that have to be examined. We are concerned only with whether or not something is an obstruction to navigation, not whether it is under or over $5,000 in value.

As I understand it, the present Act, really also covered anything of any value, but it contained a statement which made it appear that the Act would not apply if the work were under $5,000 in value. I understand from the officials that they spent a lot of time arguing with various concerns about whether or not a pier that they were erecting was, in fact, worth less than $5,000; because if it were, perhaps they would not have to ask for approval. We have simply deleted the $5,000, so that if something costs only $50 but may be an obstruction to navigation it has to be approved under the Act.

Another major change will be the right to alter a work, as distinct from having to remove it in total.

• 1040

We also have an item about fees for special trips. This relates to the situation in which someone wants to proceed very quickly with some construction and, in the normal course, the Department cannot get there to give approval in the time that the owner would like. There is provision to have special inspectors sent out and have this charged to the owner—in other words, if he wants a little faster action. I questioned this one a bit myself. I said: "How long does it take you to get there in the normal course?" I was assured that it was not too long, something in the order of six weeks in which they could get approval, but if they want faster approval there is provision to get it.

I have mentioned the no dumping in the water under 20 fathoms and that is the important change. If something is being dumped in the water it must be in water that is deeper than 20 fathoms. Prior to this it could be in water up to 12 fathoms. In other words, you could be dumping something that would be building up on the bottom and as long as it was below 12 fathoms, the way the Act reads at present, that was all right. Now it is illegal to dump that material unless it is below 20 fathoms.

Mr. Nesbitt: Is that, perhaps, to do with future control of pollution and that sort of thing?

Mr. Richardson: No, it is not really related to pollution. I should state there has been a

lot of discussion about that. Pollution is an important problem but it is not dealt with in this Act.

Mr. Nesbitt: Not as such, but I was wondering if this might have been some of the thinking behind this change in the legislation.

Mr. Richardson: No; I believe the thinking is related entirely to depth, to navigation, and there will be other acts, of course, under which pollution is a factor. Pollution did not enter the thinking there, I do not believe, although you are quite right; it can probably have an indirect beneficial effect on the problem of pollution but that is not the reason for it.

Mr. Nowlan: Was that not true in the Toronto situation and the dumping that has been discussed from time to time, perhaps in this Committee and the House, around the Toronto area and the encroachment on the bay or the sea which was up in the air? As I understand it it was questionable whether the government had authority—or if they had authority they were not perhaps executing it—over some of the dump that in and around some of the Toronto area for apartment buildings.

Mr. Richardson: I understand that the Act now will cover those situations. We might cover that in more detail, but I understand that clearly is exactly what will be covered under these regulations.

Mr. Nesbitt: I have one other question, and this is always a subject of some argument and contention in the places I have been and I am sure it has with other members. I was wondering if either you or perhaps one of your officials could give us an interpretation of the term "navigable waters" which includes court decisions, and the like, that have been made in that regard. It is rather a confusing term to many people.

• 1045

Mr. Richardson: I think under that one I should certainly bow to legal advice. Perhaps the officials could come forward, because I think they would be heard much better. Mr. Fortier and Mr. Ballinger, would you please come forward? Tom, do you want to come up here as well?

The Chairman: Would you please introduce the officials.

Mr. Richardson: Yes. Mr. Fortier is in the centre and as I have mentioned he is the legal counsel for the Department of Transport. On his right is Mr. Ballinger who is in the Aids to Navigation Division, Marine Services, Department of Transport; my executive assistant, Mr. Tom D'Aquino, is on his right and Mr. Nicholas Yost who is the superintendent of property management, Department of Transport, is on Mr. Fortier's left. Where is Mr. Gray? He is here, but not coming up until the Aeronautics Bill.

Mr. Fortier, would you attempt an answer on the definition of "navigable waters?"

Mr. J. Fortier (Director, Legal Services & Counsel, Department of Transport): Mr. Chairman and Mr. Minister, I do not believe there is any legal definition of "navigable waters". It is more a question of fact that any particular body of water may be navigated either commercially or for the purpose of pleasure craft. We cannot find any legal definition any place.

Mr. Allmand: Does this include pleasure craft also, sir? In other words, a small lake might be included as navigable waters. Is that correct?

Mr. Fortier: Originally Part 1 of the Act which deals with approval required before a work may be constructed in navigable waters before it could be determined whether a work would obstruct navigation...

The Chairman: Order, please. Would you try to talk a little louder, Mr. Fortier?

Mr. Fortier: Originally, before approval could be given, the question to be determined was whether the work would obstruct navigation and that was meant to cover commercial navigation. However, you will appreciate that in the last few years great interest has been shown in pleasure craft, to the extent that there are perhaps three-quarters of a million pleasure craft licensed in Canada under the Canada Shipping Act. This number increases perhaps at the rate of 50,000 a year so there is every reason and justification for applying Part I of the Act and, when an approval is required, to see whether the work would also be an obstruction to pleasure craft.

The Chairman: Mr. Corbin?

Mr. Corbin: Mr. Chairman, I wonder if Mr. Fortier could not define the term "navigable waters" in relation to the size of the craft

being used, because I think we can go to extremes and any old plank raft, in that case, could be described as a craft on any body of water. Could it not be more easily circumscribed if you set limits on the size of crafts for example pleasure or commercial?

Mr. J. N. Ballinger Chief, Aids to Navigation Division, Marine Works Branch, Department of Transport): The question of the interpretation of "navigable waters" I think is one of fact. If a vessel can float on the water, can move from A to B on the water, then the water is navigable and it has no relationship at all with the size of the vessel. The mere fact that it can navigate from A to B indicates...

Mr. Corbin: What exactly do you understand by "navigate?" Is it controlled progress over a body of water, drifting or what?

Mr. Ballinger: No; If a person like you or me had a rowboat and we rowed from A to B, this would be navigating from A to B; whether we used a chart or not would not much matter.

Mr. Nesbitt: The reason I asked in the first place if the question of what the federal government has jurisdiction over. Are you implying then that the federal government has jurisdiction over all waters on which anything can be floated, no matter how small?

• 1050

Mr. Ballinger: This is correct, yes. I think the federal government has this as a result of the British North America Act where it has the authority for all matters relating to navigation on all bodies of water in Canada.

The Chairman: I think in all fairness we should give the Minister a chance to finish his briefing. Mr. Richardson?

Mr. Richardson: Thank you, Mr. Chairman. I see members of the Committee are anxious to talk with the officials in detail, so I think I could simply sum up this Bill which I have highlighted by saying that it is mainly a Bill to tidy up this legislation. It is not a Bill that really deals with any major matters of policy or principle. I do not want to suggest that it is unimportant, because I think it is a useful and progressive piece of legislation, but I would be leading you astray, I think, to suggest that there was anything extremely fundamental in what we are talking about.

In going through it myself I found that it is more a matter almost of housekeeping, tidying up legislation that is not complete in some areas and, perhaps moving into some areas that may appear to have some importance, such as the one mentioned in Toronto. Generally speaking, the amendments are not of a major nature, and I do not think that we are going to need much time in committee to answer all your questions. I will be in the Chairman's hands as to whether you want me to introduce the aeronautics bill in the same way, or just continue in detail with the bill concerning navigable waters.

The Chairman: I think we should stick to one bill, Mr. Richardson.

Mr. Richardson: Then we should start back in detail with any point that anyone wishes, or start through clause by clause.

The Chairman: Before we start the clause-by-clause study, may I say that we had an understanding that we would adjourn at 11 o'clock. Will you be free tomorrow morning, Mr. Richardson? Tomorrow morning at 9.30? Is the Committee agreed that we should meet at 9.30 tomorrow morning?

Some hon. Members: Agreed.

The Chairman: Before leaving, I would like to have a motion to authorize the Clerk of the Committee to contact the newspapers for the advertising of our trip.

Mr. Allmand: I move that the Clerk of the Committee contact the newspapers for the advertising of our trip.

Mr. McGrath: I second the motion.

Motion agreed to.

The Chairman: This Committee is adjourned until tomorrow morning at 9.30.

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HOUSE OF COMMONS

First Session—Twenty-eighth Parliament

1968-69

STANDING COMMITTEE

ON

TRANSPORT AND COMMUNICATIONS

Chairman: Mr. H.-PIT LESSARD

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 11

FRIDAY, JANUARY 24, 1969

Problems of Transportation in the Atlantic Provinces.
Bill S-14 and Bill S-19.

APPEARING

The Honourable James Richardson, Minister
without portfolio

WITNESSES:

From the Department of Transport: Mr. Jacques Fortier, Legal Counsel; Mr. John Ballinger, Chief, Aids to Navigation, Marine Services; Mr. Walter J. Manning, Director, Marine Works.

THE QUEEN'S PRINTER, OTTAWA, 1969

29554—1

STANDING COMMITTEE ON TRANSPORT AND COMMUNICATIONS

Chairman: H.-Pit Lessard

Vice-Chairman:

and Messrs.

Allmand,	McGrath,	Pringle,
Breau,	Nesbitt,	[3] Rock,
Carter,	Nowlan,	Skoberg,
Godin,	[4] Penner,	Thomas (*Moncton*),
[2] Harding,	Perrault,	Trudel,
[5] Howard (*Okanagan Boundary*),	Portelance,	Turner (*London East*),
		Woolliams—(20).

(Quorum 11)

Robert Normand,
Clerk of the Committee.

Pursuant to Standing Order 65(4) (b) notice is hereby given of changes in the membership of the Standing Committee on Transport and Communications

[1] Mr. Marchand (*Kamloops-Cariboo*) replaced Mr. Corbin on January 23, 1969.

[2] Mr. Harding replaced Mr. Rose, on January 24, 1969.

[3] Mr. Rock replaced Mr. Serré, on January 24, 1969.

[4] Mr. Penner replaced Mr. Mahoney, on January 24, 1969.

[5] Mr. Howard (*Okanagan Boundary*), replaced Mr. Marchand (*Kamloops-Cariboo*) on January 24, 1969.

MINUTES OF PROCEEDINGS

FRIDAY, January 24, 1969.
(11)

(*Text*)

The Standing Committee on Transport and Communications met this day at 9:30 a.m., the Chairman, Mr. H. Pit Lessard, presided.

Members present: Messrs. Allmand, Breau, Godin, Harding, McGrath, Mahoney, Marchand (*Kamloops-Cariboo*), Nesbitt, Nowlan, Perrault, Portelance, Pringle, Skoberg, Thomas (*Moncton*), Trudel, Turner (*London East*) (17).

Also present: Mr. Rose.

At the meeting held on January 23, 1969, the Honourable James Richardson, Minister without Portfolio, explained Bill S-19.

There being no further questions asked by the Members at this meeting, the Committee proceeded to a clause by clause consideration of the said Bill S-19.

Clauses 1, 2, 3, 4, 5, 6, 7 and 8 were severally carried.

On Clause 9: Mr. Nesbitt was granted leave to read in the records the definition of the word "Vessel", as it appears in the Act respecting the Protection of Navigable Waters, article 12(c), which reads as follows:

> 12 (c) *"Vessel"* includes every description of ship, boat or craft of any kind, whether propelled by steam or otherwise, and whether used as a sea-going vessel or on inland waters only; including everything forming part of the machinery, tackle, equipment, cargo, stores or ballast of such vessel. (R.S., c. 140, s. 13; 1936, c. 34, s. 4)

And consideration of Bill S-19 continuing, Clause 9 was allowed to stand.

Then the Chairman reported to the Committee on the legal advice that, at the last meeting, he was instructed to seek, considering the interpretation of the new Standing Order 65 (7).

It was then moved by Mr. McGrath,

Resolved:—That the Chairman be authorized to hold meetings, to receive and authorize the printing of evidence when a quorum is not present, provided that at least 5 Members including the Chairman be present.

It was then moved by Mr. Nowlan,

Resolved:—That the name of Mr. Nesbitt be substituted for that of Mr. Thomas (*Moncton*), on the Sub-Committee on Agenda and Procedure.

At 11:00 a.m., the division bells ringing, calling the House to order, the Committee adjourned until 3:30 p.m., on Monday, January 27, 1969.

Robert Normand,
Clerk of the Committee.

29554—1½

EVIDENCE

(Recorded by Electronic Apparatus)

Friday, January 24, 1969.

• 0937

The Chairman: Gentlemen, I see a quorum.

Yesterday the Minister gave us a short briefing on this bill, and this morning we intend to carry on clause by clause, if that is possible. If you feel we should leave the first clause for a general debate, we could go on to Clause 2 of the bill. No member indicated to me yesterday that he wanted to speak, but I am now prepared to give the floor to anyone who wishes to speak.

This morning we have with us the same officials who were here yesterday. Mr. Richardson, the Minister, who is responsible for the bill, is present. Also present is Mr. Fortier who is the legal counsel for the Department of Transport. We have Mr. Ballinger, who is the Chief, Aids to Navigation Division, Marine Works Branch, Department of Transport, Mr. N. Yost...

Hon. James Armstrong Richardson (Minister without Portfolio): No, Mr. Manning is here this morning. He is the Director of Marine Works in the Department of Transport. He was not with us yesterday. You have now named all the officials.

The Chairman: Mr. Allmand.

Mr. Allmand: Are you starting with Clause 1?

Mr. Richardson: I think the Chairman wants to start at Clause 2.

The Chairman: We will leave Clause 1 for general debate.

Mr. Allmand: I approve of Clause 2. There is not very much there.

Clauses 2 and 3 agreed to.

Mr. McGrath: Mr. Chairman, before you put the clause, would you give us a chance to read it?

• 0940

The Chairman: Right. We are now on Clause 4. To make it easier for this young lady on the console, yesterday she asked me if I could name every member, because this would be very helpful to her. So that there will not be any confusion, please address me and I will recognize you, and this will make it much easier for her identification.

On clause 4.

The Chairman: Mr. Nesbitt.

Mr. Nesbitt: Mr. Chairman, some of the evidence that was given by the Minister's officials yesterday concerns me, and I have been attempting to obtain some information since then, but without too much time unfortunately. So I would like to ask a few questions of the Minister which apply directly to Section 4, but I refer also to the interpretation section. The interpretation section of the Act apparently is intended to expand the meaning of "navigable water" to include certain other bodies of water. As I recall from questions I asked yesterday, the term "navigable water" seems to be somewhat uncertain.

I would like to ask either the Minister or his appropriate adviser if it is the purpose of section 4 of the Act to place under federal jurisdiction and the Minister's jurisdiction, all waters in Canada which conceivably could include farm ponds and all these small lakes that have cottages on them?

The Chairman: Perhaps either Mr. Fortier or Mr. Manning could answer this for you.

Mr. Walter J. Manning (Director, Marine Works, Department of Transport): This Act is meant to protect navigation, you see; it would apply to any body of water in Canada. But of course it has nothing to do with ownership; it does not give ownership to the Federal government of bodies of water which are the property of the provinces.

Mr. Nesbitt: If that is correct, am I then to understand, because of the additions to this Act which are before us at the moment, that a person who has a summer cottage on a lake would have to get permission from the

Minister to build an addition to his dock or something of that nature?

Mr. J. Fortier (Legal Counsel, Department of Transport): Yes, if it is an important dock, but I do not think it is intended to cover all the small docks made up of a couple of planks.

Mr. Nesbitt: But if a person had a 30 foot cruiser, and this is not uncommon nowadays in parts of Ontario and elsewhere, then that person would have to get permission to build a dock. For instance, this would apply to the Muskoka lakes?

Mr. Fortier: Yes, sir.

Mr. McGrath: And it could include a floating swimming platform as well?

Mr. Manning: Yes, sir.

Mr. Fortier: Under the Act, as it now exists, there was an exemption for works of a value of less than $5,000. This has been removed and, instead of that, in this amendment we leave it up to the Minister to decide in any particular case whether the work would interfere with navigation.

Mr. Nesbitt: I understand that in many of the inland lakes of Ontario—I keep referring to Ontario because that is the area I am most familiar with—which are used for vacation purposes and the like, municipal or provincial administrations in the past have put up markers or buoys to mark channels, rocks and so on. Am I correct that from now on they would have to have permission from the Department to put these markers or buoys on the lakes?

Mr. Manning: There are special regulations for private buoys under the Cahada Shipping Act which would allow yacht clubs and municipalities to put buoys up to indicate obstructions to navigation. That does not come under this Act.

• 0945

Mr. Nesbitt: But because of the way these amendments are worded would not permission of the Minister have to be sought in order to put these on the lakes? There are all sorts of people on the smaller lakes and the larger ones too—like Timagami—who because of reefs and so on, put up their own buoys to warn others of these reefs and rocks. Is it your interpretation that these people would not have to obtain permission to put up these markers?

Mr. Manning: No, I do not think so.

Mr. Fortier: Because there are regulations under the Canada Shipping Act which govern the installation and maintenance of navigation buoys and whether or not navigation should be carried on inside certain limits.

Mr. Nesbitt: Speaking from memory again, I believe it is normally the Federal authorities that prosecute infractions of the Canada Shipping Act. Are these sections to which you refer normally enforced very strongly?

Mr. Fortier: The enforcement of all our regulations under the Canada Shipping Act are the responsibility of the Royal Canadian Mounted Police.

Mr. Nesbitt: Most people are aware that all sorts of these well-meant local aids to navigation are put up and no one seems to care whether or not they are properly marked or painted. On every lake there are different coloured marker buoys.

Mr. Fortier: The Mounted Police is charged with the enforcement not only of the regulations under the Canada Shipping Act but the regulations made under any other statute under the administration of the Department. It may be that they cannot be every place at the same time. They do the best they can to see that the regulations are enforced.

Mr. Nesbitt: I come now to a question that has a great deal of relevance and, indeed, importance to people right in my own part of the country, southwestern Ontario. There have been a number of conservation projects built in this area in recent years—on rivers and elsewhere, which were formerly navigable in the lay sense of the term but have become less so. In my friend, Mr. Turner's area in the city of London, Fanshawe Lake has been artificially created in the Thames River, and it is used for recreational purposes. There also has been created a lake in my city of Woodstock called the Pittock Lake—the Gordon Pittock Lake. There has been some discussion in these and like areas as to the kind of watercraft that will be allowed to use these lakes—whether they be powered mechanically, by sail and so on. I

would take it, from the Navigable Waters Protection Act, that the local authority would not really have the right to decide but, rather, permission must be sought from the Federal authority. Is that correct?

Mr. Fortier: I do not think so.

Mr. Richardson: I do not think, Mr. Chairman, that the kind of boat on the water would come under this Act.

Mr. Nesbitt: The Navigable Waters Protection Act has no jurisdiction over the type of craft that might be used in navigable waters?

Mr. Richardson: That would definitely be my understanding, yes.

Mr. Nesbitt: You could use any kind of craft powered by anything?

Mr. Richardson: Right, as far as this Act is concerned.

Mr. Nesbitt: Does the Navigable Waters Protection Act not have some control or jurisdiction over the speed of craft?

Mr. Fortier: No, sir. That would come under the provisions of the Canada Shipping Act in respect of navigation. The Governor in Council is given the power to make regulations in respect of navigation and in respect of the control and governing of any of the minor waters of Canada which would give him the power to regulate the speed of vessels in certain waters.

Mr. Nesbitt: That is navigable waters?

Mr. Fortier: Oh yes.

Mr. Nesbitt: And navigable waters in effect means almost any waters.

Mr. Fortier: Any waters on which navigation may take place.

Mr. Nesbitt: I remember having a definition of that at our last meeting. Then on both bodies of water to which I refer, the speed and, possibly, the kind of ships that could be used on navigable waters would come under the regulations of the Canada Shipping Act, which of course comes under the Minister.

Mr. Richardson: Yes.

Mr. Chairman, could I answer a question Mr. Nesbitt raised—I think it is of importance to all of us and I have tried to understand it in thinking about this Act—in respect of small docks built on lakes. I do not think that there is going to be an initiative required by the builder; I do not think he is going to have to seek application to build an ordinary little dock anymore than at present, but I would like confirmation of that to the Committee from the officials.

Mr. Nesbitt: This is a pretty disturbing thing, Mr. Richardson.

Mr. Richardson: It was to me and I wanted to make certain that that was not the case. I would like to have a comment on that.

Mr. Manning: If there were complaints from the neighbours that this wharf goes too far out in the lake and causes an obstruction to navigation then we could take action under this Act, but I do not think the Department would take the initiative.

Does that answer your question, Mr. Nesbitt?

• 0950

Mr. Pringle: Yes, Mr. Chairman. Since I asked to be put on the list several of my questions have been answered. However, I would like to state that it seems to me that at the present time we need some type of control on the lakes all over Canada. Although it may be disturbing to some, the use of small boats of up to 40 and 50 feet are appearing in greater numbers on our navigable waters every year, and I think if you were to really delve into it you would find that a lot of local problems are arising with regard to the fact that obstructions are being placed on the shores and that docks which are unfit for use are being used, docks which are actually dangerous. People are trying to avoid the necessary responsibility that goes along with putting out a dock on a lake where in effect it can be used by the public. I would like to state that while it might be disturbing to some I think it is more disturbing the way it is.

Mr. Harding: Mr. Chairman, my question arises out of a matter which was raised in the House by the member for Peace River a couple of days ago. He pointed out that under the Act when a dam was built on a river—and in this case he was referring to the government of B.C.—that permission should have been obtained from the federal government to build this dam. I am talking about

the Peace River dam. Why was federal consent not obtained? Is there any way under this Act that it is possible to insist that permission be obtained? It seems to me that something is missing somewhere in the Act if by itself a province can ignore the legislation which we have laid down and simply proceed and nothing is done. Something must be missing in the legislation somewhere, some method of enforcement which should be there and apparently is not.

Mr. Richardson: Mr. Chairman, I think the answer is that the Act does not apply to the Crown; that is, a province or an agency of the province. There is nothing in the Act that requires a province to make application under the Act.

Mr. Mahoney: Would your solicitor confirm that?

Mr. Richardson: I would hope so. I am sure he will.

Mr. Mahoney: Mr. Chairman, I think the member has raised a very good point. We both served in the British Columbia legislature and questions were asked there about this matter.

• 0955

Mr. Richardson: I would like our legal counsel, Mr. Fortier, to speak to that, but certainly that is the position.

Mr. Fortier: That is right, Mr. Minister. The Navigable Waters Protection Act does not apply to the Crown federally or to the Crown provincially, so that if a province does certain work on navigable waters without seeking the prior approval of the Minister there is no provision in the Act by which we could compel the province either to remove the work, alter it or to meet the specifications imposed by the Department.

Mr. Harding: I have a further question, Mr. Chairman. I understand that B.C. Hydro, because it is a Crown corporation, is perfectly free to place any obstruction it wishes in any navigable stream in British Columbia without intereference from the federal authority. That is my understanding of your statement.

Mr. Fortier: The reason for this is probably that all properties of B.C. Hydro are nested in the Crown in the right of the province.

Mr. Harding: Is there any reason we should not have a tightening up of this legislation? May I just expand on this. I feel that navigable waters really are the concern of everybody in Canada. If it is an inter-provincial waterway such as the Peace River, or an international waterway such as the Columbia River, I think it is to the benefit of all Canadians that we have a set of regulations laid down and I think all the authorities should recognize this. Could we not tighten up this legislation, or is it advisable that we leave it the way it is?

Mr. Fortier: The fact the Act reads that the province is bound by the Act is not the legal reason. Legally it can be done but the decision is not based on a legal point.

Mr. Harding: May I come back to another case in point. A number of years ago the provincial government of B.C. had trouble with Mr. Kaiser—I should not say had trouble with him, but there was talk of putting a dam where the High Arrow Dam is now located and a bill was passed by the federal government which in effect prevented the construction of this dam. It seems to me that federal action was taken in one instance but in the instance in connection with the Peace River nothing was done.

Mr. Richardson: This is quite right. Mr. Chairman, but this is an entirely new subject. The fact is that this is a constitutional problem. It is one of the problems of governing Canada; the relationship between federal and provincial authority. There is nothing in the Act, in the amendments to it or in this bill that covers that problem. You are quite right, though, it is a real problem, but if we had put it in here we would have opened up a further area of constitutional debate. It probably would have had to be a subject for discussion at the Federal-Provincial Conference.

Mr. Harding: May I ask just one more question?

Mr. Richardson: In effect we are tidying up the Act in other ways but not doing that. It still is a failure in that sense.

Mr. Harding: There is nothing in this Act which will cover this problem. Does your Department intend to bring in legislation which will cover this point, in some other act, perhaps, or later on?

Mr. Richardson: Not that is currently under study.

The Chairman: Mr. Nesbitt on a supplementary question.

Mr. Nesbitt: Yes, I have a supplementary question to the question that was just asked by the previous speaker.

• 1000

The Minister's advisers have told us that the amendments to this Act before us do not apply to the Crown in the right of province. Do they apply to creations of the province such as municipalities, which are created, of course, by the province? I have specific reference to a situation in the City of Toronto where there has been talk on different occasions of the city filling in certain areas of Toronto Harbour for the purpose of putting in office buildings or apartment buildings and the like. Would this Act apply to an enterprise like that undertaken by the City of Toronto or the City of Kingston?

Mr. Fortier: Yes sir, it would. The municipalities are not exempted under the same heading that the Crown in right of a province is exempted, as the Act would not apply to the Crown but it applies to municipalities.

Mr. Nesbitt: This does apply, despite the fact they are a creation of the province.

The Chairman: Mr. Nowlan.

Mr. Nowlan: I had not signified my intention, but I will ask a supplementary. Is it that the amendments in this Act will affect that Toronto situation, whereas there was some confusion before as to whether the federal government could enforce regulations?

Mr. Manning: The province will have to submit their projects to the federal government for approval under this Act. If it is not a major obstruction to navigation, it is probable that the project would be approved.

Mr. Nowlan: This is a change from the former Act in that they did not have to submit their project for approval. Is that correct?

Mr. Manning: If the province is doing the work, they would not have to submit their project under this Act for approval. But if the city is doing it, then they would. All the provinces have been applying. I think the Peace River dam is the first case we have where the province did not apply for approval under this Act.

Mr. Nowlan: Well, I am just trying to get the change, if there has been a change. Taking Toronto as the example, do I understand that now Toronto would have to apply, whereas before they did not have to apply?

Mr. Manning: The works that were discussed in the House in the last few years were not undertaken either by the province or by the municipality. They were undertaken by private interests...

Mr. Nowlan: That is correct.

Mr. Manning: . . . who did own the land under water which they were filling up. They had acquired this land from the province, the land under water, and they were filling up on their own property.

Under this Act there was no action that could be taken, and there was no change in this Act to prevent a private developer from reclaiming land on a water lot that he owns.

Mr. Richardson: Mr. Chairman, I can handle Mr. Nowlan's question, I think. There is no change in that the city or a private builder is required to apply under the Act. That is exactly the same. What has changed in the area that you are speaking of, is that in the definition of a work under this Act, or in this amendment to the Act, a work is now something where fill goes into the ground or goes into the lake to fill it up and to create a dock or a new bit of land, or anything. In other words, it has widened the definition of a work to include fill, and that is the thing that now applies to the Toronto waterfront that did not before.

Mr. Nowlan: Since the definition has been widened, I cannot quite understand then why the private developer or Toronto would not have to apply for approval to make the fill.

Mr. Richardson: Well, they would. They would have to apply.

Mr. Nowlan: Now they would have to apply.

Mr. Richardson: Now they would have to.

Mr. Nowlan: Whereas before they did not, so there has been a change.

Mr. Richardson: Right. But it is in the definition of a work that they always had to apply, if what they were doing came under

the Act. For instance, if they were building a dock or putting in a pipeline or something, all the other things, they would have had to apply before. But in filling up areas they did not have to apply, because it was not defined as a work.

• 1005

Mr. Nowlan: So actually, the amendments clarify that contentious issue in the last two or three years.

Mr. Richardson: That is right.

The Chairman: Mr. Mahoney.

Mr. Mahoney: I have a couple of questions that will be supplementary to the line of questioning opened by Mr. Harding. Then I have a fresh subject that I think appropriately comes under this section. Is the Crown in the right of the province exempted because of a specific exemption in the Act, or by law in your opinion.

Mr. Fortier: No sir, the exemption is derived from the section in the Interpretation Act, which is a federal statute, which states that the Crown is not bound by any Act unless that Act specifies that the Crown shall be bound by it.

Mr. Mahoney: Does this exemption extend to Crown Corporations owned by the province?

Mr. Fortier: It would apply to works properties of the Crown.

Mr. Mahoney: Something less than 20 years ago there was a case involving Central Mortgage and Housing Corporation, where it was established that there was a real distinction in law between Crown corporations and the Crown. I think basically there is a tremendous hole in this Act if this is the case, and I appreciate perhaps it is not relevant to the amendments before us.

I am not familiar with the situation in the Maritimes, sir, but certainly from Quebec west, with the exception of the Province of Alberta, hydro electric works are now under Crown corporations of the various provinces. And probably on inland streams at least there is no more likely serious obstruction than a power dam in this part of the world. I should hope that the department would give serious consideration to the desirability of covering this, if it is not.

Opening the new subject which I think comes appropriately under subsection (c), where you establish terms and conditions for approval, say of a power dam, or any other kind of dam, do you make any provisions to require a certain flow? I will admit that I am probably more concerned about this from an easthetic and a conservation point of view than from a navigation point of view, but nevertheless navigation too is affected if the flow of water is not maintained. Do your regulations, in granting a permit for such a work, a dam, purport or attempt to control it to the extent that a reasonable flow of water is continued downstream?

Mr. Fortier: The approval given to the construction of any work may be given subject to conditions.

Mr. Mahoney: Right.

Mr. Fortier: Before the approval is given, the Department will consider what conditions should be imposed in the interest of navigation.

Mr. Mahoney: Would you stipulate conditions of this nature to be sure that navigation, if that is what we are talking about, can be maintained downstream?

Mr. Fortier: That is right. I know of approvals given to works which have been subject to lengthy conditions.

Mr. Mahoney: Including covering this aspect of navigation.

The Chairman: Mr. Perrault, have you a supplementary?

• 1010

Mr. Perrault: Mr. Chairman, I would like to ask a question with respect to definition of work and the circumstances following from that work, including any bridge, boom and dam.

The question was asked earlier about the Peace River dam. I recall when the Peace River dam was in its early stages of construction, that there were protests from the Province of Alberta. They cited the Navigable Waters Protection Act as their justification to demand that negotiations be held by the Province of British Columbia, that there be controlled stream-flow and co-operation with the Province of Alberta, and the rest. Yet, we have heard today, at least the implication is,

that there is nothing under the Navigable Waters Protection Act to protect a province like Alberta, or British Columbia conversely if the water runs the other way.

I would like to know from legal counsel here whether or not in fact the Navigable Waters Protection Act can be exercised in a matter of this kind, because when I contacted the federal government at the time they said that application should have been made by the Province of British Columbia under the terms of this Act before the dam was constructed.

I am rather mystified about the situation. I think the member who spoke earlier asked questions along the same line.

Mr. Fortier: I think the Minister might be able to answer that question, Mr. Perrault.

Mr. Richardson: Mr. Chairman, I think the question really has been answered. I do not think it is entirely satisfactory from the federal point of view, but, as I said, it was considered whether or not we would get into the constitutional aspect in framing the amendments to the Act. It was decided not to do that at this itme. Therefore, in the Bill we are now considering there are no provisions to try to legislate for the provincial requirement to apply under the Act.

Mr. Perrault: A dam constitutes just about the largest obstruction one can place on anything. It seems to me that it should apply to a case of this kind.

In the future, when water is going to be such an important resource and asset—it is going to have to be shared between and among provinces—surely this could be a most important aspect of any future development or extension of this Act. I think it is a very serious matter.

Mr. Richardson: Yes; what you are pointing out—with which I agree—is something that is not in the Bill.

Mr. Perrault: Yet it was cited when the Peace River Dam was being built. People in Alberta, and many alleged constitutional experts were saying: "Oh, no; there is a clear case that under this Act permission should have been sought". But I do not think anyone ever tested whether or not, in fact, this was the case. Has this ever been tested in the courts? Mr. Fortier?

Mr. Fortier: I do not know.

Mr. Richardson: I do not believe so.

[*Interpretation*]

The Chairman: Mr. Godin.

Mr. Godin: The obstacle I am concerned with is rather unusual. It is a boom. To the delight of many, the government has improved most of these wharves throughout the country with the result that for the benefit of motor-boat owners, several places that had been rather quiet for the past twenty years have now become quite busy.

This is true of the wharf I am concerned with, which is on the St. Lawrence, about twenty miles from Quebec City. The owner, somewhat of a hermit, decided to maintain his privacy by building a boom across the river.

At low tide boats can get around this boom but at high tide is it completely hidden by the water so that there is a danger of boats being wrecked against it or capsizing.

Could one legally demand removal of this boom? It has been in existence for two years. I have tried everything but I may not have been trying in the right quarters. To whom should one apply to have such obstacles removed from navigable waters?

Mr. Fortier: The riverside owners could complain to the Department by writing to Mr. Manning or the deputy-minister.

Mr. Godin: Thank you.

The Chairman: Does that answer your question, Mr. Godin?

• 1015

Mr. Godin: Yes, thank you.

The Chairman: Mr. Trudel.

Mr. Trudel: Mr. Chairman, in the amendments we are considering at the moment, provision has been made for the kind of case raised by Mr. Godin. The navigable depth—the depth left free for navigation—has been increased from twelve to twenty fathoms. This amendment directly affects the situation you have just described. Department officials may correct me here but I think the depth is now twenty fathoms rather than twelve.

Mr. Manning: It is twenty fathoms. The previous limit was twelve. Sometimes the holes in the river or lake bed were used to

dump dredgings in. Now with the bigger boats we do not want to have to re-dredge the channels. That is why we have increased the limit to twenty fathoms.

The Chairman: In other words the water level will be higher?

Mr. Manning: Oh no. All that is being done is to fill in the holes in the river or lake bed.

The Chairman: Mr. Allmand.

[*English*]

Mr. Allmand: Mr. Chairman, I want to return to the point raised by Mr. Nesbitt.

I was considerably surprised when I found out that this Act would apply to every pond and little river.

I have the principal Act before me. I see that in Part I of the Act, which applies to construction of works, the reference to navigable waters has no qualifying adjective. However, in Part II section 13(1) states:

> Where the navigation of any navigable water over which the Parliament of Canada has jurisdiction is obstructed...

...and so on. Section 13 seems reasonable to me. I would have thought that this Act would have applied only to those navigable waters over which the Parliament of Canada has jurisdiction.

Why is that qualification not used in Part I, relative to controlling construction of works, and why is it used in Part II? There seems to be an inconsistency in the Act.

Mr. Fortier: In navigation and shipping the Parliament of Canada has jurisdiction over all waters which are navigable in order to control and to regulate navigation. It may have no right of ownership in the water or in the bed, but it has full right and authority to regulate and to control waters for purposes of navigation.

Mr. Allmand: Why, then, in section 13 was it felt necessary to say, "Where the navigation of any navigable water over which the Parliament of Canada has jurisdiction"? That implies that there are certain navigable waters over which the Parliament of Canada does not have jurisdiction. As I say, in establishing the wording of the law they are not consistent throughout.

As a lawyer, I have found sometimes over the years that there are these inconsistencies in statutes which lead to difficulties when you come to interpret them. If this is an inconsistency, I would ask the Department officials and the Minister to give it study and to try to make it consistent. It does seem to indicate that there are certain navigable waters not under the jurisdiction of the Parliament of Canada. Otherwise, why put it in?

Mr. Richardson: Mr. Chairman, that is a valid point. I do not know the legal distinction, but there is a basic difference between Part I and Part II, as you know.

Part I applies to obstructions such as docks which are designed for a specific man-made purpose. Part II deals essentially with obstructions which are inadvertent and which happen as a result of solids sinking to the bottom, and so on.

That probably does not make any serious difference, but I wished to point out that difference between Part I and Part II, although it really does not adequately answer the point you have raised.

Mr. Allmand: I knew there was that difference, Mr. Richardson, but it does not really answer the question of why "navigable water" is qualified in one case and not in the other.

Mr. Fortier: Of course, Part I also applies only to such waters as the Parliament of Canada has jurisdiction over—and that means Canadian waters.

• 1020

Mr. Nesbitt: As distinct from American or some other country's waters.

I have a brief supplementary to Mr. Allmand's question which I think is a very important one. In view of the information which has been given to the Committee by the Minister and his officials concerning the definition, or the application, of the words "navigable waters"—which I think will come as a great surprise to most Canadians, to say the least—could the Minister or his officials give us some instances, in recent years, in which the Department of Transport, or the Minister of Transport, has attempted to enforce certain regulations either under this Act or the Canada Shipping Act, which is of course related, which would indicate that the federal government has, in fact, the power to regulate, while not having the ownership of the waters as was pointed out, but has the

right to regulate the use of waters whether they are owned by the Crown in the right of the federal government or owned by the Crown in the right of the province? Could they give us some reference to any legal decisions or decisions of the court that may have been made in this regard? I think this is important.

Mr. Pringle: I would like to ask just a short question. In the event of an accident or an explosion of a resonably sized boat, which would sink and be in less than 20 fathoms, 60 feet, would it be the responsibility of the owner of the boat to have that removed from the bottom as an obstruction?

Mr. Fortier: Under Part II of the Act, sir, the obligation rests not only on the owner, but on the person responsible for a vessel becoming an obstruction.

The Chairman: Is Clause 4 carried?

Clauses 4 and 5 agreed to.

On Clause 6 *1956, c. 41, s. 5*

Mr. Nesbitt: I think a number of us would allow a number of these sections to go through the Committee here because we are really seeking information in Committee, but I would like to make it very clear that at another stage of the bill, this might not prejudice any right to make appropriate amendments after we have had a chance to consider the information we have received in Committee.

Clause 6 agreed to.

On Clause 7—*Regulations by Governor in Council.*

Mr. Harding: I would like to ask a question on clause 7, which is on page 5, It says here.

> (1) The Governor in Council may make such orders or regulations as he deems expedient for navigation purposes respecting any work to which this Part applies...

Referring to a structure which has been placed in a river, and I am going back to the Columbia River again and back to British Columbia, the High Arrow dam, we have had locks built in this dam, and currently people in the area are very unhappy with the time schedule which has been placed upon the use of the locks.

I put a question on the Order Paper some months ago and finally had it answered by the Mines and Energy Department, and I am wondering how they got into the picture? I think it should have gone to the Transport Department.

The B.C. Hydro pays for the cost of lock operation, and they have limited the use of the locks from 8 o'clock in the morning to 4 o'clock in the afternoon, except on holidays when the whole thing is closed up.

• 1025

The answer to the question was that this was on a year-round basis. If you are going to operate the locks on a time schedule to suit, in this particular case the Celgar pulp mill, and not use them on the week ends when people with a large number of boats below the dam could and should be using them, this surely cannot be classed as year-round service. I am just using this as an example.

Prior to the structure being placed in the river, it was 365 days a year free access up and down. Once in a while the river was frozen over and, of course, if you had an ice boat you might have got through. Who sets these regulations? Is it the Transport Department?

Mr. Fortier: It used to be the Department of Public Works. Part I of the Act was transferred from the Minister of Public Works to the Minister of Transport only recently, in the fall of 1966. In connection with the construction of the Arrow Lakes dam, application was made to the Department of Public Works and the Department of Public Works did give approval for the construction of the works. But in its approval it made this approval subject to many conditions respecting the operation of the locks.

Mr. Harding: I am still not very clear on this. Under whose jurisdiction will the time schedule for the locks be? This is the question I am asking. Who is going to set up the schedule for operating the locks on the Arrow dam?

Mr. Fortier: Under the conditions imposed when approval was given, it would be up to the B.C. Hydro to regulate and control the opening and closing of the locks.

Mr. Harding: Mr. Chairman, do I understand that B.C. Hydro has built the dam, and they are going to call the shot on the scheduling for the use of these locks in this river?

Mr. Manning: This whole matter is at present under discussion in the Department with

B.C. Hydro. These regulations were made by the Department of Public Works at that time when approval was given for construction of the Arrow dam, and we have had meetings with the lawyers of B.C. Hydro to try to arrive at some regulations which would serve the public, so that the locks would be available. I understand B.C. Hydro want to reserve certain hours during the day to be able to allow the logs through for the Celgar plant which is below the dam. Otherwise, I understand we hope to be able to make an agreement with B.C. Hydro so that the locks will be open 24 hours a day during the summer months, and during the winter to suit local navigation.

Mr. Harding: I would like to thank you for the information, but I want to make my position very, very clear. I do not think that B.C. Hydro should be the organization that sets the time schedule for these dams. I think that must be under the control of the Department of Transport, and the public interest should be paramount. In the initial schedule which has been set up the public interest has been disregarded, to all intents and purposes.

This is why I am so alarmed at the wording of this particular bill. I believe there are holes in it that you can drive a horse and carriage through, and this is one of them. I am very, very apprehensive about this. I am not trying to take control away from the provincial authorities, but navigable rivers in my opinion come under the federal authority, and we cannot have this jurisdiction eroded by some Crown corporation or some individual who, for the sake of saving a few dollars, is going to inconvenience the public for months and for years to come.

This is why I have raised the issue, Mr. Chairman. I feel it should be very clear-cut, that we know who is going to do the controlling, who is going to set the regulations so that we can come to the Minister or to the department concerned and ask for a change if changes need to be made.

Mr. Richardson: Mr. Chairman, I think that is a very important point. But certainly it can be argued that control in a local area would be just as appropriate under a provincial authority, and in fact, representations by local people, if there were any, could just as easily, in fact perhaps more easily, be made to that authority than to a federal authority. I think that after all both government will be aiming to work in the public interest, if they can determine it, and there is nothing to say that the federal government could do a better job in that respect than a local government that was more sensitive to local concerns.

• 1030

Mr. Harding: Just one point, Mr. Chairman. Might I just make one more comment on this? B. C. Hydro is faced with the cost of operating the locks, and you can bet your last dollar that they are going to operate those locks just as cheaply as they can. This is understandable, and it is to the benefit of B. C. Hydro to have them operate on a very limited basis. This is why I feel that the jurisdiction should be under the control of the Department and that costs should not be a factor, or should not be the main factor in the use of a lake which is over 100 miles long and where there are literally hundreds of boats down the river below the Arrow Dam which will need the use of these locks or some transportation around them, and particularly in the summer and on week-ends when they go fishing and camping, and so on. This is something we do not want to see interfered with.

Mr. Richardson: Do you believe it is correct that Ottawa would in fact be in a better position to judge the suitability of opening and closing a lock in B.C. than the local authority?

Mr. Harding: No. I think you should consult with B.C. Hydro in the operation of the locks, but I think there must be some insistence that the entire control is not going to lie with this particular Crown corporation. We have also had a host of problems in connection with other matters which obviously I think should be settled.

Mr. Pringle: Mr. Chairman, I have a supplementary question. It has always been my understanding in the operation of boats and marine navigation that they had a priority in travel in any navigable stream, and that lift bridges must be manned 24 hours a day and that no obstructions can be placed to navigation. Am I now given to understand that this is not correct, that somebody can build a dam and put locks in and not open those locks to navigation but restrict navigation on those locks? This is a complete surprise to me.

Mr. Richardson: Mr. Chairman, I am sure Mr. Ballinger could speak to that.

Mr. Manning: When the dam was built one of the conditions of approval was that the B.C. government would put a lock in there to take care of navigation. However, from the B.C. point of view, every cubic foot of water that goes through the navigation canals does not go through the power house. They lose it for power. That is why they want to have control over the operation of the locks. It becomes an economic matter.

Mr. Pringle: Is this a recent change in policy, that it is now possible to dam up a stream and stop navigation at the will of a local authority or a Crown corporation?

Mr. Fortier: That is not possible...

Mr. Pringle: But they are doing it.

Mr. Fortier: ...except, as was pointed out before, that the Act is not binding on a province, with that exception, and there are few cases where the provinces have put up works in navigable waters and refrained from seeking approval from Ottawa.

Mr. Manning: The only one I know of is the Peace River dam.

The Chairman: The Minister has asked if you will excuse him. He has another meeting to attend this morning. Mr. Richardson.

Mr. Richardson: Thank you, Mr. Chairman and gentlemen, for a good discussion of this bill. I am looking forward to continuing it.

Mr. McGrath: Are we going to continue with the bill?

Mr. Richardson: I hope that you will. The officials could continue the discussion until the House sits in about 25 minutes.

• 1035

Mr. Nesbitt: Before we have discussion of the Aeronautics Act perhaps we could have another meeting with the Minister so that he may...

Mr. Richardson: Oh yes, I will introduce the Aeronautics Act when we come to it.

Mr. Nesbitt: Thank you.

Clauses 7 and 8 agreed to.

On clause 9.

Order to remove vessel left anchored.

Mr. McGrath: I wonder if we could have an explanation of this particular section. How does the Department propose to enforce it? In certain parts of the country—certainly in Newfoundland and in some of the Maritime Provinces—there are a number of derelict vessels lying around on beaches, tied up at public wharves and moored in public harbours. I can think of several places in Newfoundland, for example, where a number of old whalers are lying around—they are a general eyesore—which under the terms of this particular section would certainly constitute an obstruction to navigation. On one occasion I tried to have one of these derelict vessels removed because it was a hazard to children playing on the beach, and I was advised by the Department that they did not have the authority to do it. I now presume that under this particular amendment to the Act they do have the authority. I would like to know how this particular section will be enforced.

Mr. Fortier: This section, sir, will be enforced to the same extent as in the case of a ship which has sunk and lies at the bottom. If this is brought to the attention of the Department, under Section 14 of the Act the Minister has to make a decision that it is an obstruction to navigation. The owner is then notified to take action to remove it without delay. If this is not done, the Department then considers calling for tenders and giving out a contract for its removal. When this has been done we usually get after the owner to pay for the cost of removal.

Mr. McGrath: The initiative, though, will not necessarily be taken by the Department. The initiative will have to be taken by somebody who registers a complaint. Is that correct?

Mr. Fortier: Yes, it is.

Mr. McGrath: Perhaps I should amplify that a little bit. It seems to me that it would certainly be worthwhile for the Department to conduct an inspection of our coasts—I do not know about the West Coast—once this particular section is enacted to see what can be done about cleaning it up, without waiting for somebody else to take the initiative.

Mr. Manning: I think it would be a major undertaking to clean up all the beaches in the East or in the West. This is especially true in the West because...

Mr. McGrath: A major but, in my opinion, a worthwhile undertaking because they have

become almost as bad as some of the used car dumps we have in the country.

Mr. J. Ballinger (Chief, Aids to Navigation, Marine Services, Department of Transport): One thing that might be kept in mind is that the Act presently allows for removal of wrecks which are sitting on the bottom provided they are an obstruction to navigation. The amendment to the Act allows for the removal of vessels which are still floating.

Mr. McGrath: What about vessels which are in a state of semi-buoyancy, half on the beach and half in the water?

Mr. Ballinger: This would be covered. They are presently covered under the Act if they are sitting on the bottom.

Mr. McGrath: I do not mean sitting on the bottom, sitting on the beach with the stern in the water. There are a number of those.

Mr. Ballinger: They are covered. Unless it can be shown that they are creating an obstruction to navigation there is no way under this Act of having them removed.

Mr. McGrath: There is no way of having them removed?

Mr. Ballinger: There is no way of having them removed under the Act unless it can be shown that they are an obstruction to navigation.

Mr. McGrath: According to the reply to a question I put yesterday the new definition of an obstruction to navigation would now take in such a derelict on a beach.

Mr. Ballinger: Only if it is an obstruction to navigation.

Mr. McGrath: Who decides whether or not it is an obstruction to navigation?

• 1040

Mr. Fortier: The Minister, under Section 14, which reads:

> 14. The Minister may, if, in his opinion, (a) the navigation of any such navigable water is obstructed, impeded or rendered more difficult or dangerous by reason of the wreck, sinking, partially sinking, or lying ashore or grounding of any vessel, or of any part thereof, or of any other thing.

He may order the removal of the obstruction.

Mr. McGrath: That seems to be a little vague. In reply to this question yesterday it was stated quite definitely that the definition would now cover derelict vessels pulled up on beaches.

Mr. Manning: If they are an obstruction to navigation. If they have been left dry on the beaches they do not come under this Act.

The Chairman: Mr. Nowlan.

Mr. Nowlan: I have a supplementary, and I think this is the place to raise it. You were speaking about vessels on the bottom being an obstruction to navigation. The answer to my particular question may be found in the Act and not in these amendments. Take the case of a barge that is carrying bunker oil and sinks in deep water. It is not an obstruction to navigation for other vessels, although it is broken and sinking and discharging the bunker oil all over the beaches. This happened, of course, in British Columbia in Howe Sound two or three summers ago, and as I remember it there was no action taken for months because there was some question of whose responsibility it was. I would like to be informed on this.

Mr. Fortier: Sir, at the present time there is no provision in any Act in a case such as the one you have just mentioned by which we can compel the owner or the person who causes the oil to spill in the water to take action to remove the pollution, but there is a bill to amend the Canada Shipping Act now before Parliament which contains provision for such cases.

Mr. Nowlan: It is not an obstruction to navigation, but it is certainly a horrible pollution and, in effect, is an obstruction to navigation and the smaller boats because this stuff is clinging to all the boats. This gap is being remedied, not in this Act, but in the Canada Shipping Act?

Mr. Fortier: It is being looked after in the amendment of the Canada Shipping Act.

Mr. Nowlan: In the case I am thinking of I believe the Department finally tried to remove that vessel off Paisley Island on its own. Is that correct?

Mr. Manning: The difficulty was that it was just at the limit where the divers could work in very deep water, and it took some time to get a company interested in tackling this work.

Mr. Nowlan: If I could ask one more question, what is the significance of having this in the Canada Shipping Act and not in the Navigable Waters Protection Act, when we are talking about obstructions, bark and debris in the water? Why would it not logically be...

Mr. Fortier: We already have provisions in the Canada Shipping Act to control pollution of the waters by oil escaping from ships. We provide for that in accordance with an international convention and we provide for prosecuting and penalizing the owners.

Mr. McGrath: Is that not covered in Section 10?

Mr. Manning: The oil in the water is not an impediment to navigation.

An hon. Member: It would have to be an obstruction?

Mr. Manning: It cannot be covered by this Act, but it is being covered under the Canada Shipping Act.

Mr. Nowlan: May I ask one further question, Mr. Chairman? What is the stage of these proposed amendments to the Canada Shipping Act?

Mr. Fortier: The bill, sir, was introduced in the Senate and it was on the Order Paper, I believe, for second reading this week. I have not heard whether it has received second reading.

The Chairman: Does that answer your question, Mr. Nowlan? Mr. Nesbitt?

Mr. Nesbitt: Mr. Chairman, I have just a very brief question to the appropriate official. I do not have the original Act in front of me at the moment—the Navigable Waters Protection Act—but perhaps you could give us an interpretation of the word "vessel", because in view of some of the other definitions...

Mr. Ballinger: I think you will find the definition on the first page.

Mr. Nesbitt: Yes, page four, I see. I think perhaps for the purpose of the record, Mr. Chairman, it might be well just to put this into the record. It might be helpful in reading some of the other evidence. Under Section 12...

• 1045

The Chairman: Is that agreed by the Committee?

Mr. Trudel: Is that part of the Act, Mr. Chairman?

Mr. Nesbitt: It is part of the original Act; it is not part of the amendments to which we are referring. I thought it might be helpful in interpreting some of the questions that have been asked here. In any event, I will put it this way, Mr. Chairman. In view of the fact that the interpretation of the word "vessel" is used in the amendments, in the original Act it reads as follows:

> (c) "vessel" includes every description of ship, boat or craft of any kind, whether propelled by steam or otherwise, and whether used as a sea-going vessel or on inland waters only; including everything forming part of the machinery, tackle, equipment, cargo, stores or ballast of such vessel.

I would take it then, Mr. Chairman, that any kind of barge or raft or anything else could be included under the term "vessel".

Mr. Manning: That is right. I think so, yes.

The Chairman: Mr. Rose?

Mr. Rose: Mr. Chairman, I would like to revert briefly for clarification to the question posed by Mr. Nowlan because of the distinction made by one of the witnesses. It was not really clear to me. I believe the nub of Mr. Nowlan's question was, why is there not some provision within this Act to control such things as oil leakages from sunken barges? We were told it was contemplated that this kind of control is necessary, but will be forthcoming in the Canada Shipping Act now before the Senate. Am I correct up to now? Page six, paragraph 18 deals with the throwing of sawdust, and so forth, and is prohibited because it interferes only with navigation.

My question really is that I have observed that this whole problem of pollution and its control seems to suffer because it is divided among under so many acts—provincial acts, fishing, navigation, shipping—and the water pollution is a very serious thing.

My question is, really, why be half safe? I can see that there are instances when oil leaking from submerged barges, or leaking from vessels, could be a definite threat to navigation of all kinds. I think there have been instances where small boats—and they

are described as vessels, too—have been impeded because of this sort of thing. Really what I am asking is why would it not be possible to include an amendment within this Act to take care of such a possibility? I do not see anything wrong with having legal insurance against this sort of thing and I would like your comments on this, please.

Mr. Fortier: I would suggest that the reason why we deal with this angle of oil pollution in the Canada Shipping Act is because we already have provisions in the Canada Shipping Act in respect of oil pollution. Of course, the jurisdiction of the Parliament of Canada in connection with pollution by oil can only be exercised in respect of oil which comes from ships.

If oil is discharged in the navigable water by pipes, of course, that does not come under the jurisdiction of Parliament; it comes under provincial jurisdiction, perhaps under the heading of health. The jurisdiction of the Parliament of Canada under the British North America Act only deals with navigation and shipping, and pollution caused other than by ships would not be an item that we could legislate on.

The Chairman: Mr. Breau?

Mr. Breau: I have a supplementary for Mr. Fortier. Bunker oil would obstruct a jet propelled unit, would it not?

Mr. Fortier: Bunker oil would?

Mr. Breau: A jet propelled boat or a Sea-Doo or something which has a small jet with a small impeller in it. Surely that is a navigable unit; it is classified as a vessel in this Act because it floats and it is power propelled, and bunker oil would surely obstruct that.

• 1050

Mr. Fortier: Yes, but if bunker oil escapes from the ship and pollutes the waters, that is an item that would have to be controlled, as I said, under the legislation that we are now proposing to Parliament.

Mr. Allmand: Not on the pollution end; he is bringing up the point of obstruction to navigation. He is saying that certain oil will interfere with navigation without any reference at all to its pollutant effect.

Mr. Fortier: The oil itself cannot cause obstruction to navigation.

Mr. Breau: Yes, it can to a jet propelled unit.

Mr. Manning: The ship could operate through the oil; it would be dangerous for that ship to do that.

Mr. Breau: No, not a jet propelled . . .

The Chairman: One at a time please.

Mr. Breau: Mr. Fortier, a jet propelled unit which is a Sea-Doo, is powered by the water that goes through a jet that can be three or four inches wide with a small impeller, and surely bunker oil would obstruct that. I do not know whether you have seen those machines.

Mr. Manning: It will obstruct the engine of the boat, but it would not prevent the boat from floating through.

Mr. Nowlan: Could I ask a supplementary of Mr. Manning? How could sawdust, or edgings, or bark—granted bark can get pretty big—but would sawdust or edgings be any more obstruction to almost any of these vessels, either ocean-going or motor boats, than the bunker oil that I am talking about?

Mr. Manning: In this case this would eventually go to the bottom and raise the bottom. These are solids, sawdust, edgings, laths and bark, and when they float on the surface they would be an obstruction to navigation.

Mr. Nowlan: But it is while they are floating that they are going to interfere with navigation.

Mr. Manning: Yes, while they are floating.

Mr. McGrath: Are we on Clause 10, Mr. Chairman?

The Chairman: We are on Clause 9.

Mr. McGrath: Can we discuss Clause 10 also?

Mr. Nowlan: They are interrelated.

The Chairman: Does Clause 9 carry?

Mr. Nowlan: I appreciate what Mr. Fortier said about the Canada Shipping Act and the discharge of oil. This, I gather, is about ocean-going ships in harbour or going out of harbour that sometimes lighten their load, either accidentally or by design, and this pollutes the harbour.

Mr. Fortier: Discharging oil.

Mr. Nowlan: Discharging oil. I appreciate that section under the Canada Shipping Act, but in the amendment that is going to take care of a barge that is sunk and from which oil is coming out, is there going to be the same procedure? Is the procedure easier or more difficult than under the Navigable Waters Protection Act, or would it be the same to enforce it?

Mr. Fortier: I am sorry I cannot speak from memory, but I believe that what is in the bill is a provision that will provide for a penalty.

Mr. Nowlan: This is what I was wondering. As I understand the Canada Shipping Act, you just penalize the boat or the skipper of the boat for discharging the oil, and he sails merrily on. But here under the Navigable Waters Protection Act, you have a procedure whereby for a derelict which is obstructing navigation you can in effect enforce the removal of the derelict. If they do not remove it, the Department removes it and collects against the owner.

To me, if you have a barge that has sunk and is discharging oil—and we are talking about thousands of gallons of bunker oil on these barges from the West Coast—then a fine of whatever it is, $50 or $250, is not going to help remove that barge that is polluting beaches and is obstructing navigation.

Mr. Fortier: As far as the barge is concerned, we would have authority to enforce the removal. But if the oil escapes and comes up to the surface, that is where we would have no authority to force the removal, because the Minister could not say that this oil is an obstruction to shipping.

• 1055

Mr. Manning: This is under the Canada Shipping Act. The action could be taken under the Canada Shipping Act to remove the oil from that barge, to force the owner to remove the oil, under the new legislation. But I am not competent to discuss this, because it does not come under my branch. This is another branch in the Department of Transport. The Director of marine regulations looks after the Canada Shipping Act and the obstruction by oil. But we are only concerned about solids in this Act.

Mr. Nowlan: I will let further questions on this pass for the moment. Do you have the reference in the Canada Shipping Act for this new amendment?

Mr. Fortier: No. I have not. The bill is a Senate bill.

The Chairman: We are still on Clause 9. In five minutes we will be called to go back to the House, but I would like to get a couple of motions through this morning if possible. We still have Mr. McGrath's motion that we discussed yesterday, that the Chairman be authorized to hold meetings, to receive and authorize the printing of evidence when a quorum is not required.

Yesterday it was suggested that the quorum be reduced to five members. I spoke to the Clerk of the House and he told me he is agreeable to that. Does the Committee agree that we reduce the quorum to five members?

Mr. McGrath: For the purpose of taking evidence only. In other words, there will be at least five members present including the Chairman before evidence can be heard.

The Chairman: That is right.

An hon. Member: There can be no less than five members.

Mr. McGrath: I so move.

Mr. Breau: I second the motion.

Motion agreed to.

Mr. Skoberg: It is understood, Mr. Chairman, that no action can be taken by this number.

The Chairman: That is right. I would also like a motion to replace Mr. Thomas with Mr. Nesbitt on the Steering Committee. This is a formality.

Some hon. Members: Agreed.

Mr. Allmand: Did we agree to a special quorum for evidence-taking also?

The Chairman: Yes.

Mr. Allmand: Good.

The Chairman: Does the Committee agree to sit Monday after Orders of the Day? You know there are many of us who will be leaving to on the trip, and we have these bills.

Mr. Nesbitt: We are agreeable, but do we have the authority to do it?

The Chairman: Yes, we have the authority to do it.

Mr. Allmand: We have the authority under the new rules.

Mr. Nesbitt: All right.

The Chairman: So we will sit Monday afternoon after Orders of the Day.

Mr. Allmand: To look after these bills?

The Chairman: Yes, we have to finish this one and the other bill. Is this agreed?

Some hon. Members: Agreed.

Mr. Harding: Mr. Chairman, are we on Clause 9?

The Chairman: We are on Clause 9. We will meet Monday afternoon.

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OFFICIAL BILINGUAL ISSUE
HOUSE OF COMMONS

First Session
Twenty-eighth Parliament, 1968-69

STANDING COMMITTEE
ON

TRANSPORT AND COMMUNICATIONS

FASCICULE BILINGUE OFFICIEL
CHAMBRE DES COMMUNES

Première session de la
vingt-huitième législature, 1968-1969

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DES

TRANSPORTS ET DES COMMUNICATIONS

Chairman H.-Pit Lessard *Président*

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No. 12

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Minister without Portfolio.

A COMPARU:

L'honorable James Richardson,
ministre d'État.

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Chief, Aid to Navigation, Marine Services	John Ballinger	Chef, Division des aides à la navigation
Director, Marine Works	Walter J. Manning	Directeur, Direction des travaux maritimes
Superintendent of Property Management	Nicholas Yost	Surintendant de la gestion des biens
Superintendent, Regulations and Licensing	P. Walker	Surintendant des règlements et des licences
From the Canadian Transport Commission:		*De la Commission canadienne des transports:*
Assistant Director, Legal Department	John Gray	Directeur adjoint, service du contentieux

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Robert Normand

Clerk of the Committee

Pursuant to Standing Order 65 (4) (b) notice was given of change in the membership of the Standing Committee on Transport and Communications.

[1] Mr. Serré replaced Mr. Perrault, on January 27, 1969.

Suivant l'article 65 (4) (b) du Règlement, avis fut donné de la modification de la composition du Comité.

[1] M. Serré remplace M. Perrault, le 27 janvier 1969.

(*Text*)

MINUTES OF PROCEEDINGS

MONDAY, January 27, 1969.
(12)

The Standing Committee on Transport and Communications met this day at 3.30 o'clock p.m. The Chairman, Mr. H. Pit Lessard, presided.

Members present: Messrs. Allmand, Brea, Harding, Howard (*Okanagan Boundary*), Lessard (*LaSalle*), McGrath, Nesbitt, Pringle, Portelance, Rock, Serre, Skoberg, Trudel, Turner (*London East*)—(14).

In attendance: The Honourable James Richardson, Minister without Portfolio; *From the Department of Transport:* Messrs. Jacques Fortier, Legal Counsel; John Ballinger, Chief, Aid to Navigation, Marine Services; Walter J. Manning, Director, Marine, Works; P. Walker, Regulations and Licensing, and Mr. Nicholas Yost, Superintendent of Property Management; *From the Canadian Transport Commission:* Mr. John Gray, Assistant Director, Legal Department.

The Committee resumed its clause by clause consideration of Bill S-19.

Clauses 9, 10, 11, 12, 13, 14, 15 and 16 were severally carried.

On clause 4, sub-section (c), Mr. Harding moved that the following words be added after word "Act",

"including provincial and federal Crown Corporations".

The Chairman ruled that the amendment was out of order since clause 4 had already been carried.

The title carried.

The Bill carried.

The Chairman was instructed to report Bill S-19, An Act to amend the Navigable Waters Protection Act, without amendment.

(*Texte*)

PROCÈS-VERBAL

LE LUNDI 27 janvier 1969.
(12)

Le Comité permanent des transports et des communications se réunit à 3 h. 30 cet après-midi, sous la présidence de M. H.-Pit Lessard, président.

Présents: MM. Allmand, Breau, Harding, Howard (*Okanagan Boundary*), McGrath, Nesbitt, Portelance, Pringle, Rock, Serré, Skoberg, Trudel, Turner (*London-est*), (14).

Aussi présents: L'honorable James Richardson, ministre d'État. *Du ministère de Transports:* Me Jacques Fortier, service du contentieux et avocat-conseil; M. John Ballinger, chef, Division des aides à la navigation; M. Walter J. Manning, directeur, Direction des travaux maritimes.

De la Commission canadienne du transport: M. John Gray, Directeur adjoint, service du contentieux.

Le Comité reprend l'étude du Bill S-19, Loi modifiant la Loi sur la protection des eaux navigables.

Les articles 9, 10, 11, 12, 13, 14, 15 et 16 sont agréés.

Concernant le paragraphe c) de l'article 5, M. Harding propose que soient ajoutés, à la suite du mot Loi, les mots «sociétés de la Couronne tant provinciales que fédérales».

Le président déclare cette modification irrecevable étant donné que l'article 5 est déjà agréé.

Le titre est adopté.

Le Bill est adopté.

Le Comité demande au président de faire rapport du Bill S-19, Loi modifiant la Loi sur la protection des eaux navigables, sans modification.

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Then the Honourable James Richardson, Minister without Portfolio, made a statement on Bill S-14, An Act to amend the Aeronautics Act, and was questioned thereon assisted by some officials of the Department of Transport and the Canadian Transport Commission.

Le président invite ensuite l'honorable James Richardson, ministre sans portefeuille, à faire une déclaration concernant le Bill S-14, Loi modifiant la Loi sur l'aéronautique; puis les membres du Comité l'interrogent ainsi que des hauts fonctionnaires du ministère des Transports et de la Commission canadienne des transports.

The Committee then proceeded to a clause by clause consideration of the said Bill S-14.

Le Comité étudie le Bill S-14, article par article.

Clauses 1, 2, 3, 4, 5, 6, 7, 8, and 9 were severally carried.

Articles: 1, 2, 3, 4, 5, 6, 7, 8 et 9 sont agréés.

The title carried.

Le titre est adopté.

The Bill carried.

Le Bill est adopté.

The Chairman was instructed to report bill S-14, An Act to amend The Aeronautics Act without amendment.

Le Comité demande au président de faire rapport du Bill S-14, Loi modifiant la Loi sur l'aéronautique, sans modification.

At 4.50 o'clock p.m. the Committee adjourned to the call of the Chair.

A 4 h. 50 de l'après-midi, le Comité s'ajourne jusqu'à nouvelle convocation du président.

Le secrétaire du Comité,
Robert Normand
Clerk of the Committee.

[*Text*]

EVIDENCE

(*Recorded by Electronic Apparatus*)

Monday, January 27, 1969

TÉMOIGNAGES

(*Enregistrement électronique*)

[*Interprétation*]

• 1532

The Chairman: Gentlemen, I see a quorum. We still have the Minister, Mr. Richardson, with us this afternoon as well as some of his staff, including Mr. Jacques Fortier, Legal Counsel. We also have Mr. John Ballinger, Mr. Walter Manning and Mr. John Gray.

When we adjourned last Friday, we were dealing with Clause 9. We have already had some discussion on this clause. Does anyone have any further questions on Clause 9?

Shall Clause 9 carry?

Clause agreed to.

On clause 10—*Throwing sawdust, etc. prohibited*

The Chairman: Are there any questions on Clause 10?

Mr. Harding: Mr. Chairman, I think probably this clause is new. I note that it reads as follows:

> No person shall throw or deposit or cause, suffer or permit to be thrown or deposited any sawdust, edgings, slabs, bark or like rubbish of any description whatsoever that is liable to interfere with navigation in any water, any part of which is navigable or that flows into any navigable water.

I presume this will take care of the problem of solids or debris of any type getting into a small stream which would eventually get into a larger stream.

My question is this: does this mean that the federal authority will be able to check on all these small streams which might have sawmills, logging operations or any other type of operation that might add debris to the water?

• 1535

Mr. McGrath: How is this particular clause enforceable when one considers the number of paper mills in this country with substantial logging operations? I presume this is what it covers.

Le président: Messieurs, nous avons le quorum. Nous avons toujours le ministre d'État, l'Hon. M. Richardson, avec nous cet après-midi, ainsi qu'une partie de son personnel, Me Jacques Fortier, avocat-conseil, M. John Ballinger, M. Walter Manning et M. John Gray.

Quand nous avons levé la séance, vendredi dernier, nous étions rendus à l'article 9. Nous avons déjà discuté un peu de l'article 9. Avez-vous des questions à ce sujet? L'article 9 est-il adopté?

L'article 9 est adopté.

L'article 10—Défense de jeter des sciures, etc.

Le président: Avez-vous des questions au sujet de l'article 10?

M. Harding: Monsieur le président, je crois bien que cet article est nouveau. J'en fais la lecture:

> Nul ne doit jeter ou déposer, ni faire jeter ou déposer, ni permettre ni tolérer que soient jetés ou déposés des sciures, rognures, dosses, écorces, ou *semblables* déchets de quelque sorte *qui sont susceptibles de nuire à la navigation* dans des eaux dont une partie quelconque est navigable ou qui se déversent dans des eaux navigables.

Je présume que cela couvre aussi le problème des solides qui entreraient dans un petit ruisseau, et qui, à la longue, se déverseraient dans un cours d'eau plus vaste.

Voici ma question: Est-ce que cela veut dire que les autorités fédérales pourront vérifier tous les petits cours d'eau le long desquels on pourrait trouver des scieries ou d'autres entreprises du genre qui pourraient nuire à la navigation?

M. McGrath: Comment est-il possible d'insérer cet article, étant donné l'envergure des usines de pâte et de papier dans notre pays? J'imagine que c'est ce à quoi l'on vise par cet article.

[*Text*]

The Chairman: I would ask Mr. Fortier to answer that question.

An hon. Member: I have one further question...

Mr. McGrath: Everything is considered navigable waters now—part of the little duck pond.

The Chairman: One at a time, please. I think Mr. is going to answer the two questions because they are related to this.

Mr. Jacques Fortier (Legal Counsel for the Department of Transport): Mr. Chairman, the enforcement of Section 18 of the amended Act would be conducted by...

Mr. Harding: Mr. Chairman, I am afraid I cannot hear the witness.

Mr. Fortier: The enforcement of Section 18 suggested in Clause 10 would be conducted, I take it, by the RCMP and would be designed to stop operators of paper mills permitting rubbish from their operations being deposited in navigable waters and building up the bottom so that it would interfere with navigation.

The Chairman: Does that answer your question, Mr. Harding?

An hon. Member: Mr. Chairman, may I ask one short supplementary?

The Chairman: Just a minute.

Mr. Harding: The answer is that the RCMP will be the natural agency to enforce these regulations.

Mr. Fortier: The RCMP are charged with the enforcement of all departmental regulations. Now, if a complaint is made to the Department that certain companies are permitting their rubbish from mill operations to build up and obstruct navigation—the Department would conduct an investigation and if it came to the decision that prosecution was in order, then we would ask the Department of Justice to proceed to a prosecution.

Mr. Harding: I have another question on this, Mr. Chairman, while we are dealing with it. Is there not some overlapping with provincial jurisdiction in this field?

Mr. Fortier: Overlapping jurisdiction between...

Mr. Harding: I think there is an overlapping of jurisdiction. I am quite certain that the provincial jurisdictions have regulations governing the pollution of water by this type of debris.

[*Interpretation*]

Le président: Je demanderais à M. Fortier de répondre à la question.

Une voix: J'ai une autre question...

M. McGrath: On peut dire que toutes les eaux sont maintenant navigables.

Le président: A l'ordre. M. Fortier va répondre aux deux questions, car elles se rapportent au sujet.

M. J. Fortier (avocat-conseil, ministère des Transports): Monsieur le président, l'application de l'article 18...

M. Harding: Je m'excuse, monsieur le président, je n'entends pas M. Fortier.

M. Fortier: L'application de l'article 18, relèverait, si j'ai bien compris, de la compétence de la Gendarmerie royale et empêcherait les exploitants d'usines de pâte et de papier de jeter les déchets de leur entreprise dans les eaux navigables, nuisant ainsi à la navigation par un dépôt excessif dans le fond.

Le président: Est-ce que cela répond à votre question, monsieur Harding?

Une voix: J'ai une question supplémentaire, monsieur le président.

Le président: Attendez une minute.

M. Harding: La Gendarmerie sera l'agent naturel pour l'application de ces règlements.

M. Fortier: La Gendarmerie est chargée d'appliquer tous les règlements du Ministère. Si une plainte est formulée auprès du Ministère à l'effet que certaines compagnies nuisent à la navigation par les déchets de leur entreprise il y aurait une enquête. Si, à la suite de l'enquête on voulait prendre des mesures légales, on demanderait alors au ministère de la Justice d'intenter un procès contre ces compagnies.

M. Harding: J'ai une autre question à ce sujet, monsieur le président. Est-ce qu'il n'y a pas chevauchement avec la juridiction provinciale dans ce domaine?

M. Fortier: Chevauchement de juridiction entre...

M. Harding: Je pense qu'il a chevauchement de juridiction. Je suis presque sûr que les provinces ont des règlements au sujet de la pollution de l'eau.

[*Texte*]

Mr. Fortier: You must understand, sir, that this clause is to prevent the building up of the beds of rivers and navigable waters that would endanger or obstruct navigation, but otherwise the pollution of waters is a matter that, as you said, comes under provincial jurisdiction. The jurisdiction of the federal government concerning pollution is only in respect of substances—liquids—that may be dropped into waters from ships, and that jurisdiction is exercised under the Canada Shipping Act.

Mr. Harding: To follow up the question asked just previous to this about pulp mills pouring effluent into streams, this, then comes under this Act? Is that right?

The Hon. James Richardson (Minister without Portfolio): Mr. Chairman, I think the first thing to be said is that this particular Section in the Act as it stood before the amendment applied only to sawmills, and the main purpose of this amendment is to widen the power and have it apply to any plant or any factory or any person; but it applies only to navigation; in other words, it is not related to pollution. It is only when a factory is allowing something to go into the water, which sinks and becomes an obstruction to navigation.

• 1540

The essential difference between the present Act and the act after amendment by this bill is that that ruling will apply to any person, or any factory, and not just to a sawmill.

Mr. Harding: Mr. Chairman, I do not want to skip any clauses, but a little farther down we are removing a couple of sections from the old Act. One of them in section 21, dealing with the right of fishery officials to check for sawdust, and so on, in navigable waters. I think the two are very, very closely related.

Why should you remove a check by one of our agencies on this type of pollution? You say you are strengthening the Act. Where in the new act does this new power of checking appear?

Mr. Richardson: Mr. Chairman, I believe the purpose is to try to contain within this bill to amend the Act only matters that affect navigation. We could have touched things that affect the health of fish, or we could have gone into pollution, but other acts deal with those. That is why that was taken out of these amendments. Therefore, if it does not affect navigation it is not here.

[*Interprétation*]

M. Fortier: Vous devez comprendre que cet article veut empêcher que l'on dépose trop de choses dans le fond des rivières et des eaux navigables et que cela nuise à la navigation. Mais, la question de la pollution des eaux relève de la compétence provinciale. La compétence fédérale, en ce qui concerne la pollution, s'exerce seulement à l'égard des substances, des liquides, qui pourraient être déversés dans les eaux par les navires. Cette compétence s'exerce en vertu de la Loi sur la marine marchande du Canada.

M. Harding: La question au sujet des usines de pâte et de papier qui déposent leurs déchets dans les cours d'eau relèverait de cette Loi, n'est-ce pas?

L'hon. J. Richardson (ministre d'État): Monsieur le président, la première chose à dire au sujet de cet article de la loi, tel qu'il existait avant la modification, c'est qu'il ne s'appliquait qu'aux scieries. Maintenant, nous voulons que l'article s'applique à toute usine ou à toute personne en ce qui concerne la navigation seulement. En d'autres mots, il ne s'agit pas de pollution des eaux. Cela s'applique seulement lorsqu'une usine jette quelque chose dans l'eau et nuit ainsi à la navigation.

La différence essentielle entre la loi actuelle et ce qu'elle sera après modification, c'est que cela s'appliquera à toute personne ou à toute usine, et non pas tout simplement à une scierie.

M. Harding: Je ne voudrais pas passer à un autre article, mais plus loin nous annulons certains articles de l'ancienne Loi. Entre autres, il y a l'article 21, qui a trait à la compétence des fonctionnaires des Pêcheries de vérifier la présence de sciure dans les eaux navigables. Je crois que les deux sont interreliés. Pourquoi enlever cette possibilité de vérification par nos agents sur ce genre de pollution? Vous prétendez renforcer la loi, mais où trouve-t-on ce pouvoir de vérification dans la nouvelle Loi?

M. Richardson: Je crois, monsieur le président, que l'objet est de maintenir dans le présent bill seulement ce qui a trait aux obstacles à la navigation. Nous aurions pu parler de ce qui menace la santé des poissons ou autre chose, mais on l'a déjà fait dans d'autres Lois. C'est la raison pour laquelle nous n'en parlons pas dans les présents amendements. Si une chose ne constitue pas un obstacle à la navigation, elle ne se trouve pas dans le présent bill.

[*Text*]

Mr. Harding: Sawdust getting into the river and eventually sinking is one thing that will affect navigation.

Mr. Richardson: That is right.

Mr. Harding: Yet you have taken out the check by the Fisheries Department on the amount of sawdust which can get into these navigable waters. What is the reason for this? Mind you, this section is a little farther down, but the two are linked and I will not be questioning on it later. Why should it be removed from the old Act when there is no method of checking in the legislation we now have before us?

Mr. Richardson: Mr. Chairman, I think it is covered under clause 10 in this bill.

Mr. Harding: You think this gives you sufficient coverage without specifically naming some department to do the checking; is that it?

Mr. Richardson: That would be right, yes; that would be my understanding.

The Chairman: Mr. Pringle?

Mr. Pringle: My question has been partially answered, but I will be very brief. I wish to refer to logging operations on navigable waters, where we have situations involving deadheads. When they come down with log booms on whom does this bill place the responsibility for those deadheads? Is this covered?

Mr. Fortier: Sir, the new section 18 will apply only to the items which are listed—sawdust, edgings, slabs or like rubbish. To the extent that a deadhead could be considered to constitute rubbish it would come under that section. Otherwise logs and log booms are not covered by this bill.

Mr. Pringle: Thank you.

The Chairman: Mr. Rock?

Mr. Rock: I have had a property on Lake St. Francis for the past twenty years. Since the use of the Seaway by larger ships I have noticed that there are more floating weeds. These are a danger to the navigation of pleasure craft—and I will not mention the pollution aspect of them. I have noticed this for many years, and it has increased year by year as ships have become larger.

During the three weeks of the Seaway strike last year there was not a weed floating on Lake St. Francis or Lake St. Louis.

[*Interpretation*]

M. Harding: Les sciures qui entrent dans les rivières pourraient affecter la navigation.

M. Richardson: C'est exact.

M. Harding: Mais vous avez quand même enlevé la vérification de la part du ministère des Pêcheries sur la quantité de sciure qui se trouve dans ces eaux navigables. Quelle est la raison pour cela? Cet article est un peu plus loin, mais je crois que les deux sont interreliés. Pourquoi l'a-t-on enlevé de l'ancienne Loi, sans laisser une méthode de vérification dans le bill actuel?

M. Richardson: Je crois que tout cela se trouve dans l'article 10.

M. Harding: Vous croyez avoir suffisamment de pouvoirs sans être obligés de préciser un ministère quelconque?

M. Richardson: Oui. C'est ce que je comprends de la Loi.

Le président: Monsieur Pringle.

M. Pringle: La réponse à ma question a été donnée en partie. Je voudrais parler justement des opérations forestières sur les eaux navigables où nous avons des billots égarés. De qui relève la compétence de ces billots égarés? Est-ce que cela est visé par la Loi?

M. Fortier: Le nouvel article 18 ne s'applique qu'aux articles qui sont énumérés: les sciures, rognures, dosses, écorces, ou semblables déchets. Nous pourrions peut-être considérer que les billots sont de semblables déchets, autrement les billes et les billots ne sont pas couverts par la loi.

M. Pringle: Merci.

Le président: Monsieur Rock?

M. Rock: Monsieur le président, j'ai une propriété sur le lac Saint-François depuis vingt ans, et j'ai constaté que le trafic sur la voie maritime du Saint-Laurent est de plus en plus grand et que les navires qui empruntent cette voie sont d'un tonnage toujours plus fort, sans parler des mauvaises herbes flottant à sa surface. Ceci constitue un danger pour la navigation des yachts de plaisance et pollue les eaux. C'est un fait que j'ai constaté au cours des dernières années avec l'accroissement du trafic maritime.

L'an dernier, au cours de la grève de la Voie maritime du Saint-Laurent, aucune

[*Texte*]

I immediately brought this to the attention of one of your departmental employees and I received an answer, but I am not satisfied with their excuse. I have not had time to reply to it. It was that the weeds did not come down because the locks were closed. They did not seem to realize that there is also an electric power plant there, through which the water flows. There were still no floating weeds.

I have been told of this by many people on Lake St. Francis. There is a 27-foot deep channel and beside it there are perhaps two or three feet of water containing weeds. The turbulence from the propellors of these large ships uproots tons and tons of these weeds and beds of them float downstream and deposit themselves in many parts of the lake or rivers and on the shores. They then decompose and cause pollution.

I have not really had an answer, and I have been asking your department and the Seaway people to investigate this.

• 1545

I just wish to warn you, Mr. Richardson, that if it is actually the turbulence from the propellors that causes this then we, the government, through one of our agencies, the Seaway Authority, may be creating more of an obstacle to the navigation of, say, pleasure craft than are all the sawmills in Canada.

I merely want to bring to your attention that by this act we may be enacting laws which will have a great effect on our own agency, the Seaway Authority, because of its having allowed this to happen.

There may be another answer, but if this is the case these ships may have to proceed at slower speeds through these channels. I am still pursuing an investigation of this matter, and I thought I would bring it to your attention.

The Chairman: Shall clause 10 carry?

Mr. Harding: I have another question on this clause. If this is not the correct clause, Mr. Chairman, perhaps you could direct me to the proper one.

A little earlier on in the bill it is stated that artificial lakes formed behind dams will come under the jurisdiction of this act? Is that so?

Mr. Fortier: That is right, sir, because of the new definition that is included in clause 1A(b):

> "navigable water" includes a canal and any other body of water created...as a result of the construction of any work.

[*Interprétation*]

herbe ne flottait sur le lac Saint-François et le lac Saint-Louis. J'ai immédiatement porté ce fait à l'attention de vos employés et on m'a répondu, mais je ne suis pas satisfait de la raison donnée. Je n'ai pas eu le temps d'y répondre. On nous a dit que c'était parce que les écluses étaient fermées que les herbages n'étaient pas parvenus jusqu'à nous. Ils ne paraissaient pas savoir qu'il y a aussi une usine hydro-électrique, d'où l'eau s'écoule et, néanmoins, il n'y avait pas d'herbes flottantes.

On m'a dit qu'il y a un chenal d'une profondeur de 27 pieds. Au fond, pour une profondeur de deux ou trois pieds, il y a des herbes que les hélices de ces navires détachent et amènent à la surface où elles flottent, pour ensuite se déposer à différents endroits du lac ou des rivières et des rivages. Elles se décomposent alors et causent ainsi une pollution.

J'ai demandé à votre ministère et à la Voie maritime de faire une enquête, mais la réponse que j'ai eue ne me satisfait pas et je ne peux l'accepter.

Je voulais tout simplement vous prévenir, Monsieur Richardson, que si, en fait, cet état de choses est dû à l'action des hélices des navires, nous du gouvernement, par le truchement de la Voie maritime du Saint-Laurent, allons nuire davantage à la navigation des bateaux de plaisance que toutes les scieries au Canada. Je voulais simplement vous faire remarquer que par cette loi, nous allons établir des règles qui auront une grande portée en regard de la voie maritime qui a permis que de telles choses se produisent.

Il y a peut-être une autre réponse, mais si tel est le cas, il se peut qu'ils aient à ralentir dans le chenal. Je voulais tout simplement attirer votre attention à ce sujet.

Le président: L'article 10 est-il adoptée?

M. Harding: Si ce n'est pas le même article, monsieur le président, vous pourriez peut-être m'indiquer celui dont il s'agit. Plus tôt dans le projet de loi on dit que les lacs artificiels qui se sont formés en amont des barrages relèveront de cette loi. Est-ce vrai?

M. Fortier: C'est exact, en raison de la nouvelle définition incluse dans l'article 1Ab):

> «eaux navigables» comprend un canal ainsi que toute autre étendue d'eau créés ou modifiés par suite de la construction d'un ouvrage.»

[*Text*]

Mr. Harding: I presume that will cover the lakes formed in the reservoir basins behind the dams involved in the Columbia River Treaty projects—the Arrow Dam, the Duncan Dam, the Mica Dam, which is being built; and the Libby Dam, being built in the United States, which will flood 40 miles into Canadian territory. Will the reservoir basins in these areas be under the jurisdiction of this Act, Mr. Chairman?

Mr. Fortier: For navigation purposes they will come under the jurisdiction of this Act.

Mr. Harding: I have another point I would like to bring to the attention of the members, and on which I would like a little advice.

In some of these basins an improper job of clearing has been done. There is absolutely no doubt about that. For example, because of floating debris and the fact that the timber has never been cut, one could not take a boat up 85 per cent of the upper part of Duncan Lake, and it comes under this bill. These have created navigational hazards. You would be in direct conflict with one of the Crown corporations in British Columbia—in this case B.C. Hydro—and with the provincial government relative to the clearing of these reservoir basins, but here you have a clear case of federal jurisdiction, I presume, and this debris is still allowed to remain there. Could the clearing of these reservoir basins be enforced under this new act?

Mr. Fortier: I do not know that I can give you a definite answer on that. If it is a case where, at the time of the work being constructed the land-owners whose lands were to be flooded were approached and gave to the constructors easements to flood their land up to a certain elevation, and if before the land was flooded as the result of the construction of the work the land was not cleared to the extent that the trees may have been cut but the stumps were not removed—the stumps are still imbedded in the land—I doubt that there is any provision in Part I which would govern the removal of those stumps. They would not come under the heading of rubbish because they are objects of natural growth which are still there. They have been partly removed only.

• 1550

Mr. Harding: Mr. Chairman, getting back to the clearing problem, I think anyone would concede that the leaving of short stumps might be considered as debris. This is logical

[*Interpretation*]

M. Harding: Alors, je présume qu'elle comprendra les lacs qui sont formés dans les bassins de réservoirs le long des barrages inclus dans les projets consécutifs au Traité du fleuve Columbia, comme le barrage du lac Arrow, du lac Duncan, du lac Mica, que l'on est en train de construire, de même que celui du lac Libby, aux États-Unis, qui va déverser jusqu'à 45 milles dans le territoire canadien. J'imagine que les réservoirs relèveront de cette loi. Ai-je raison, monsieur le président?

M. Fortier: Aux fins de la navigation, cela relèvera de la présente loi, oui.

M. Harding: Il y a un autre point sur lequel je voudrais attirer l'attention des députés et avoir leur point de vue.

Dans certains de ces bassins, on n'a pas nettoyé suffisamment. Il n'y a aucun doute à ce sujet. Par exemple, à cause des débris flottants, il est impossible de faire remonter un bateau à plus de 85 p. 100 de la partie supérieurs du lac Duncan, qui tombe sous le coup de cette loi. Et voilà des obstacles à la navigation. Vous seriez alors en conflit direct avec l'une des sociétés de la Couronne de la Colombie-Britannique, dans le cas qui nous occupe, l'Hydro de la Colombie-Britannique, et avec le gouvernement provincial en ce qui concerne le nettoyage de ces bassins de réservoirs. Nous avons là un très bel exemple de la compétence fédérale, et on laisse quand même ces débris.

Est-ce que nous pourrions appliquer cette loi à cet égard, pour nettoyer les bassins de réservoirs?

M. Fortier: Je ne sais pas si je peux vous donner une réponse définitive à ce sujet. Si ce qui s'est produit est qu'au moment où l'ouvrage a été construit, les propriétaires dont les terres devaient être inondées ont donné la permission d'inonder leurs terres jusqu'à une certaine hauteur, et si, avant que l'on n'inonde les terres en vue de la construction de l'ouvrage, le terrain n'a pas été nettoyé suffisamment—c'est-à-dire que l'on a coupé les arbres, mais que l'on a laissé les souches dans le sol—il n'y a rien dans la partie I qui oblige à enlever ces souches. Car, il ne s'agit pas vraiment de déchets mais de croissances naturelles qui sont toujours là car on n'en a enlevé qu'une partie.

M. Harding: Monsieur le président, pour en revenir à cette question de déblaiement, j'ai l'impression que tout le monde admettrait que des courtes souches peuvent être considérées

[*Texte*]

and sensible, I believe, when clearing costs come into the picture, but how about the position where trees were never cut and allowed to stand, many over 100 feet high? These are the ones I am concerned about—this type of debris. Now what would be the position of the federal government under the regulations we have here now? Could they force the clearing of the shorelines?

Mr. Fortier: Approval would have been obtained and would have been given to construct the dam. Once the work was finished the water would be raised to create this lake and it would be created with the obstruction, with the stumps, as they existed before the water was raised, before the lake was created. In those circumstances, I cannot see any provision in Part I which would apply so as to give jurisdiction to the Crown to enforce the removal of those stumps.

Mr. Harding: The point I am making is this: We are in the process of building Mica dam on the Columbia River to form a lake 125 miles long. The plan is not to clear it properly—it will only be partially cleared. There will be millions of feet of timber flooded. Some of it will be at great depths, some will be at lesser depths. The present plan is only to cut navigational channels through.

Now, really this is a disgraceful way of handling natural resources. It has nothing to do with the federal government at this stage, but it seems to me that there is going to be a clash of jurisdictions. This Act should cover it—it is a navigable lake, a navigable waterway, and there will be hundreds of thousands of trees that are never cut—they will be standing, unless plans change within the next few months. What would be the position of the department in regard to this?

This must be classed as litter and debris under the meaning of the Act.

Mr. Fortier: Debris is understood to apply to...

Mr. Harding: Floating...

Mr. Fortier: ...objects other than trees which are in their prime state, which have not been cut, which have not been removed, which are still standing. Whether it is a full tree or whether it is a stump, if it is still standing I do not see how it could come under the heading of debris or rubbish.

It may actually be an obstruction to navigation; however, once it becomes a lake, the navigators or the persons interested in navigation must take it in the condition in which it was first created.

[*Interprétation*]

comme des débris. Cela est logique, je crois, quand on tient compte des coûts du déblaiement. Mais que dire des arbres qui n'ont jamais été coupés, que l'on a laissés sur pied, et dont beaucoup ont plus de 100 pieds de hauteur? C'est cela qui me préoccupe—ce genre de débris. Quelle serait l'attitude du gouvernement fédéral en vertu des réglements que nous avons devant nous? Pourrait-on imposer le déblaiment des berges?

M. Fortier: L'approbation aurait été donnée pour la construction du barrage. Une fois la construction de l'ouvrage terminée, le niveau de l'eau serait élevé pour créer le lac, avec cette entrave, avec les souches qui étaient là avant. Dans ces conditions, je ne vois pas de disposition dans la partie I qui donnerait à la Couronne le pouvoir d'imposer le déblaiement de ces souches.

M. Harding: Ce que je veux dire, c'est ceci. La construction du barrage Mica, sur le Columbia, est commencé, et l'on compte former un lac de 125 milles de long. On n'a pas l'intention de déblayer complètement. Il y aura donc des milliers de pieds de bois inondés, à des profondeurs plus ou moins grandes. A l'heure actuelle, on veut tout simplement établir des chenaux de navigation.

C'est une façon honteuse de traiter les ressources naturelles. Cela ne relève pas du gouvernement fédéral, pour le moment, mais il me semble qu'il va y avoir conflit de juridiction. Cette Loi devrait couvrir ce genre de situation: c'est un lac navigable, une voie d'eau navigable, et il y a des centaines de milliers d'arbres qui ne seront jamais coupés, qui resteront debout, à moins que les plans ne soient modifiés dans les mois à venir. Quelle serait l'attitude du ministère à cet égard?

Il faut classer cela dans les débris dans l'interprétation de la Loi.

M. Fortier: Le terme «débris» est interprété, comme englobant les objets...

M. Harding: Flottants...

M. Fortier: ... autres que des arbres à l'état naturel, qui n'ont pas été coupés ni enlevés, qui sont toujours sur pied. Qu'il s'agisse d'un arbre entier ou d'une souche, si l'arbre est toujours debout je ne vois pas comment on pourrait le classer comme débris ou déchet.

Il peut en fait être une entrave à la navigation; mais, une fois le lac créé, ceux qui naviguent ou ceux qui s'intéressent à la navigation doivent le prendre dans l'état où il était au début.

[*Text*]

The Chairman: Mr. Nesbitt?

Mr. Nesbitt: I have a brief question. The question was brought up the other day and again this afternoon about the matter of artificially created lakes by means of dams and other things. Now, many of these bodies of water thus created are probably narrow and normally do not have a very strong sea on them so to speak; in other words, you do not have waves.

• 1555

However, when you put power craft on these lakes—and I alluded briefly to this the other day—particularly going along the shore there is no doubt at all that they erode the shoreline, and I am referring again particularly to Southern Ontario, the Fanshawe Dam in London, the Pittock Dam in my city, Woodstock, and many others, where there are mud banks. If ships or boats are permitted to go at high speeds in these areas there is a great chance that they will cause erosion and the filling up of the dam.

Is there any provision in this Act that would prevent this from taking place? In other words, I realize that regulation of the speed of ships, as I think was pointed out the other day, comes under the Canada Shipping Act and I suppose perhaps the Canada Shipping Act could be applied to these navigable waters as well, but do you think the question of having these lakes filled up by too speedy craft operating on them could come under this Act rather than under the Canada Shipping Act?

Mr. Richardson: I do not know whether the officials have any view on that; I do not see that there is anything in the Act that would cover that.

Mr. Nesbitt: I will refer you to the clause under discussion, Clause 10, and the proposed Section 19, Throwing stone, etc. prohibited:

> No person shall throw or deposit or cause, suffer or permit to be thrown or deposited any stone, gravel, earth, cinders, ashes...

It would clearly seem to me that if the activities of people were causing the banks of one of these lakes to erode and fall into the lake that would be causing it to be deposited or filled up. This is a matter of considerable importance in certain areas of Canada, and I think perhaps if we get some clarification it might save a lot of trouble later, that is all.

Mr. Fortier: As you said, sir, there are provisions in the Canada Shipping Act that

[*Interpretation*]

Le président: Monsieur Nesbitt.

M. Nesbitt: J'ai une brève question à poser. On a déjà parlé l'autre jour et cet après-midi du cas des lacs créés artificiellement, au moyen de barrages ou autres. Bon nombre des voies d'eau aussi créées sont sans doute étroites, et il ne doit pas y avoir de vagues.

Mais à partir du moment où vous mettez des bateaux à moteur sur ces lacs, en particulier le long du rivage—comme je l'ai mentionné brièvement l'autre jour—il ne fait aucun doute qu'il y a érosion de la rive. Et, je songe particulièrement au sud de l'Ontario—le barrage Fanshawe à London, le barrage Pittoch dans ma ville, le barrage Woodstock, etc., où vous avez des bancs de boue. Et, si on permet aux bateaux de faire la grande vitesse, il se peut qu'il y ait érosion et, par conséquent, remplissage du barrage.

Est-ce qu'il y a une disposition de la loi qui empêcherait cette situation? Je comprends que la vitesse des navires, comme vous l'avez fait remarquer l'autre jour, relève de la *Loi sur la navigation*. Et, la *Loi sur la navigation* pourrait peut-être être appliquée vis-à-vis de ces eaux navigables. Mais, il y a aussi la question de remplissage de ces lacs par les navires ou les bateaux qui sont trop rapides et qui relèverait plutôt de la présente loi, plutôt que de la Loi sur la navigation?

M. Richardson: Je ne sais pas si les fonctionnaires ont une opinion à ce sujet, mais je ne vois rien dans la loi qui couvrirait cette situation.

M. Nesbitt: J'aimerais vous indiquer l'article 10, et l'article 19, tel qu'il est proposé:

> Nul ne doit jeter ou déposer, ni faire jeter ou déposer, ni permettre ni tolérer que soient jetés ou déposés de la pierre, du gravier, de la terre, des cendres etc.

Il me semble donc que si l'activité des gens permettait l'érosion du sol ou des berges, il me semble que cela relèverait de cette partie-ci.

C'est une question très importante dans certaines parties du Canada. Nous pourrions peut-être avoir un éclaircissement maintenant qui nous épargnerait beaucoup de temps plus tard.

M. Fortier: Comme vous l'avez dit, il y a des dispositions dans la *Loi sur la navigation*

[*Texte*]

give authority to make regulations to govern any part of what we call the minor waters in Canada, which would be all these rivers and lakes and navigable waters, and under this particular section of the Canada Shipping Act there are regulations made with respect to the speed of vessels.

Mr. Nesbitt: Have they been applied, do you know, to some of these artificially created lakes? I refer particularly again to the ones in the Province of Ontario, but I am sure there are probably some elsewhere.

Mr. Manning: Regulations under the Canada Shipping Act can be made at any time they are required by local residents.

The Chairman: Mr. Harding?

Mr. Harding: Mr. Chairman, just as a point of clarification, I do know that on the Fraser River the speeds of the boats going up and down are limited. I think it must be a federal regulation. I do not know what the speed is, but I do know it is regulated for the very problem that Mr. Nesbitt has raised.

Mr. Richardson: Yes, Mr. Chairman, but surely that is under other legislation.

Mr. Harding: It must be, yes.

Mr. Richardson: I think it would be a matter of legal interpretatioh, but our amendment says that these deposits must be thrown or deposited. You would have to go before a court to decide whether a boat going down the way was, in fact, throwing or depositing, but I do not think it is the intent of this amendment to protect navigable waters from that particular type of hazard.

Mr. Nesbitt: One further question, and this is all I have to ask. The definition of navigable waters is somewhat enlarged for the purposes of this Act. Navigable water under, say, the Canada Shipping Act has a different interpretation. Would you get a conflict between the two acts this way?

Mr. Fortier: I do not believe there is any definition of navigable waters in the Canada Shipping Act. There is a reference to ships and how they must be navigated, operated and inspected, but there is nothing that touches this particular item.

• 1600

Mr. Nesbitt: Just one further question—I am sorry to keep pursuing this but I think it

[*Interprétation*]

qui nous donnent le pouvoir d'édicter des règlements pour ce que nous appelons les eaux secondaires au Canada; ce qui comprendrait toutes ces rivières, ces lacs et eaux navigables.

En vertu de cette disposition particulière de la *Loi sur la navigation,* il y a certainement des règlements au sujet de la vitesse des navires.

M. Nesbitt: Est-ce qu'ils ont été appliqués à ces lacs artificiels? Je pense, en particulier, à ceux de l'Ontario mais il y en a d'autres ailleurs, bien sûr.

M. Manning: Des règlements peuvent être établis à la suite de demandes des habitants de la région.

Le président: Monsieur Harding.

M. Harding: Je voudrais un éclaircissement, monsieur le président. Sur la Fraser, on limite la vitesse des navires qui montent et qui descendent. Je crois que c'est un règlement fédéral. Je ne sais pas quelle est la vitesse mais je suis certain qu'il y a un règlement à ce sujet, qui concerne le problème précis abordé par M. Nesbitt.

M. Richardson: Monsieur le président, il s'agit d'une autre loi qui s'applique ici.

M. Harding: En effet.

M. Richardson: Il s'agit, en fait, d'interprétation légale, comme c'est souvent le cas. Mais notre amendement dit que ces dépôts doivent être déposés ou jetés. Il faudrait donc faire appel à un tribunal qui déterminerait si ces déchets ont été jetés ou déposés par un bateau allant vers l'aval. Mais je ne crois pas que cet amendement a pour but de protéger les voies navigables contre ce genre de danger en particulier.

M. Nesbitt: Une autre question indispensable. Donc, les eaux navigables sont définies de façon assez vague en vertu de cette loi. Dans la *Loi sur la navigation,* il y a une autre interprétation des eaux navigables. Y aurait-il conflit entre les deux lois?

M. Fortier: Dans la *Loi sur la navigation* je ne crois pas qu'il y ait une définition des eaux navigables. Elle touche les navires, la navigation, l'opération et l'inspection, mais il n'y a rien qui se rapporte à cette question particulière.

M. Nesbitt: Je crois que la question est pertinente, ici. Et, en application, d'après la

[*Text*]

has some relevance. Under the Canada Shipping Act, what is the interpretation section, or the clause that gives jurisdiction of the Act over what waters?

Mr. Fortier: Well, the Canada Shipping Act applies to all waters in Canada over which ships may be operated.

Mr. Nesbitt: That is analogous to the navigable waters section in the interpretation section of this statute, then?

Mr. Fortier: Of course, the Canada Shipping Act deals with the operation of ships. This Act deals in Part I with approval for construction of works in navigable waters, and in Part II, with the removal of obstructions, the forcible removal of obstructions from navigable waters. It seems to me that those are separate subject matters.

The Chairman: Does that answer your question, Mr. Nesbitt?

Mr. Nesbitt: Not entirely, but however.

The Chairman: Does Clause 10 carry?

Mr. Rock: Mr. Chairman, two fast questions. Let us clarify one thing here. It is anything that flows and that interrupts or causes interruption of navigation indirectly. In other words, just because this part of water is a part of a big lake, but the navigational part of it is in the centre, if something is deposited on the shoreline—suppose a man is filling in his area which was eroded or something—this does not have any effect on the navigable portion of the lake and therefore he has the right to do so, has he not, especially if the land underneath belongs to him and was eroded?

Mr. Richardson: In that case, Mr. Chairman, it would be a matter of interpretation by the Department as to whether or not it did, in fact, impede navigation. If it did not, there would be no reason to have to apply under the Act, but if it did impede navigation, then it would have to be approved under this Act.

Mr. Rock: I see.

The Chairman: Does Clause 10 carry?

Clauses 10 to 16 inclusive agreed to.

The Chairman: We now come back to Clause 1. Mr. Harding?

Mr. Harding: I know we passed Clause 4, but there is an amendment I would suggest to

[*Interpretation*]

Loi sur la navigation, quel est l'article donnant la juridiction à la loi sur certaines eaux?

M. Fortier: La Loi sur la navigation s'applique à toutes les eaux du Canada ouvertes au transport Maritime.

M. Nesbitt: Elle est donc analogue à la section sur les eaux navigables dans l'interprétation de ce statut, n'est-ce pas?

M. Fortier: La Loi sur la navigation porte sur la navigation maritime. La Partie I de celle-ci se rapporte aux travaux de construction dans les voies Maritimes et la Partie II à la suppression des obstructions dans les eaux navigables. Donc, il s'agit de deux problèmes bien distincts.

Le président: Est-ce que cela répond à votre question, M. Nesbitt?

M. Nesbitt: Pas vraiment, mais enfin...

Le président: L'article 10 est-il adopté?

M. Rock: Une dernière question. Je voudrais un éclaircissement. Il s'agit d'un cours d'eau quelconque et tout ce qui interrompt la navigation directement ou indirectement. Autrement dit, si une nappe d'eau fait partie d'un lac où la navigation est restreinte à un tracé au centre et qu'un propriétaire remplisse une partie où l'érosion a fait des dégâts. Si ce travail n'imfluence en rien la navigation, il a le droit de le faire, n'est-ce pas? Surtout si le terrain érodé lui appartient.

M. Richardson: Ce serait alors une question d'interprétation. Le ministère devra décider si la navigation est entravée ou non. Si tel n'est pas le cas, la loi ne s'applique pas. Mais si, au contraire, il entrave la navigation, il devra être approuvé en application de la loi.

M. Rock: Je vois.

Le président: L'article 10 est-il adopté?

(Les articles 11 à 16 inclusivement sont adoptés.)

Le président: Nous revenons à l'article 1. Monsieur Harding?

M. Harding: Nous avons adopté l'article 4, mais je proposerais au comité une modifica-

[*Texte*]

the Committee. I do not know if you will accept it or not. On page 3, 5(c) it states:

> order any person to refrain from proceeding with the construction of the work...

I would suggest that we include the words "including provincial and federal Crown corporations". The reason I offer this amendment is that I think it is very foolish for us to force organizations, companies and individuals in Canada to live up to certain regulations which we draft and then exempt Crown corporations. I believe that earlier on it was pointed out to us that the Crown, whether provincial or federal, was exempt from some of the previous regulations under the old Act. I am convinced that these regulations should apply to everyone in Canada and they should include our Crown corporations, whether they are federal or provincial.

The Chairman: Mr. Allmand.

Mr. Allmand: Mr. Chairman, this is a point of order and I do not mean it in any way to be malicious towards Mr. Harding, but we have passed all these clauses now and if we accept the principle that we will allow subsequent amendments, Mr. Harding may have one on Clause 4, Mr. Portelance may have one on Clause 7 and someone else may have one on Clause 15 and we would keep repeating our work. The new rules provide that if you wish to make an amendment to any clause, you can do it on the report stage in the House.

• 1605

Mr. Harding's proposed amendment is quite a serious substantive amendment. Maybe it would have the approval of both the Minister and the House, but I think this is the wrong time to make it, because our procedure would become very disorganized. I submit that we should carry on with our work in an orderly fashion. If he wishes to make his amendment, the rules provide for him to do it after the report stage when we report this bill back to the House.

The Chairman: Is that agreeable to you, Mr. Harding?

Mr. Harding: I realize it should have been moved earlier and possibly the member is quite in order in suggesting that we not proceed with it. I think it is something that the members here should discuss and if we feel that these provincial and federal Crown corporations should be included we should so recommend. We should not hesitate. In this Committee I presume we are non-political, or

[*Interprétation*]

tion. Je ne sais pas si on l'acceptera ou non. A la page 3, alinéa 5, à la partie c):

> c) ordonner à toute personne de s'abstenir de poursuivre la construction de l'ouvrage lorsque,

Je pense que nous devrions rajouter «y compris les sociétés de la Couronne provinciales et fédérales». Je crains qu'il est ridicule de notre part de forcer les organismes, les sociétés et les individus au Canada à respecter certains règlements que nous rédigeons, et ensuite exempter les sociétés de la Couronne. On nous a fait remarquer que la Couronne, de droit fédéral ou du droit provincial, était exemptée de certains règlements sous l'ancienne loi. Je suis d'avis que ces règlements devraient s'appliquer à tous, y compris les sociétés de la Couronne.

Le président: M. Allmand.

M. Allmand: Monsieur le président, j'invoque le règlement ici. Je n'ai pas l'intention de faire preuve de malveillance à l'endroit de M. Harding. Cependant, si une fois les articles adoptés, nous acceptons le principe de permettre des amendements ultérieurs, M. Harding en a un pour l'article 4, M. Portelance peut en avoir un sur l'article 7, quelqu'un d'autre peut en avoir sur l'article 15 et nous répéterons notre travail. D'après le nouveau règlement, si l'on veut proposer un amendement à un article, on peut le faire lors de la présentation du rapport à la Chambre.

L'amendement de M. Harding est important. Nous pourrions peut-être nous mettre d'accord avec la Chambre et le ministre à ce sujet, mais ce n'est pas le moment de le faire car la procédure ne serait pas très bonne. Nous devons poursuivre notre travail et si M. Harding veut proposer un amendement, le règlement prévoit qu'il le fasse au moment où l'on fera rapport à la Chambre.

Le président: Vous êtes d'accord, monsieur Harding?

M. Harding: Je me rends compte que j'aurais dû le proposer plus tôt et le député a sans doute raison de dire que je ne devrais pas le faire maintenant. Je crois cependant que nous devons en discuter et si nous sommes d'avis que les sociétés de la Couronne, fédérales et provinciales, devraient tomber sous le coup de la loi, nous devrions le recommander, et sans hésiter. Dans un

[*Text*]

should be, and we are trying to get good legislation. We are trying to tighten up any of the laws which we bring in and this is my view in presenting this amendment.

Mr. Rock: Mr. Chairman, may I add something here? I am not a lawyer, but I have always felt that unless you exclude an agency, department or another government or a municipality, everyone is included. In this case you do not have to include anyone, because automatically everyone is included unless you specifically mention that you are excluding any department of the federal government. Therefore they are all included.

Mr. Harding: We were told the other day that they were not.

Mr. Rock: I was not here then, but as I said I am not a lawyer.

The Chairman: I think we should agree that this clause has already been passed. Mr. Harding, you can raise your amendment in the House. I think you should wait to put your amendment, if you intend to put one, until the proper time when this bill is referred back to the House. This is my ruling.

Mr. Skoberg: Mr Chairman, I would like to suggest that before we agree to report this bill back in, if these amendments are included at this particular time, then the ministers in the departments have an opportunity to look at the amendments to see whether or not in fact they are acceptable. I really cannot see us worrying about being too technical, whether we are dealing with 1 or 10 when the original or final amendment comes to report back in with amendment, if it is agreeable to the Committee. I think we can really get bogged down with technicalities if we get too serious in the so-called democratic process. We have agreed on these amendments and passed them, but we have not yet agreed to report them back in.

The Chairman: I think the Minister has taken note of your amendment and I think if he feels in the House that there should be an amendment, he will allow the amendment to go through.

Mr. Harding: Mr. Chairman, I would be very, very happy to have the Minister bring in the amendment himself. It is not that I desire to bring it in. Any other member of the Committee could do it if he feels that it will tighten up the legislation. I will leave it at that.

The Chairman: Mr. Richardson, please.

[*Interpretation*]

comité, nous devrions être au-dessus de la partisanerie politique et essayer de rédiger de bonnes lois. Nous essayons de rectifier les règlements et les lois et c'est le but de mon amendement.

M. Rock: Je voudrais poser une question. Je ne suis pas avocat, monsieur le président, mais j'ai toujours cru qu'à moins que l'on exclue un organisme, une municipalité ou un service de l'État, tout le monde est inclus. Il n'est pas nécessaire d'inclure qui que ce soit car automatiquement, la loi s'applique à tous à moins qu'on précise des exceptions, comme certains services de l'État. La loi s'applique donc à tous.

M. Harding: On nous a dit l'autre jour que ce n'était pas le cas.

M. Rock: Je n'y étais pas et je répète que je ne suis pas avocat.

Le président: Cet article a été adopté. M. Harding, vous pourrez proposer votre amendement à la Chambre. Je vous demanderais donc d'attendre au moment opportun, lorsque nous ferons rapport à la Chambre. Telle est la décision du président.

M. Skoberg: Je voudrais vous dire qu'avant de faire rapport du bill, si les amendements sont introduits, les ministres ont la possibilité de les étudier pour voir si, en fait, ils sont appliquables. Je ne pense pas que nous devrions être trop techniques à savoir s'il y a un ou dix amendements lorsque nous ferons rapport avec amendements, si le comité est d'accord. Je pense que nous nous embrouillerons dans des problèmes d'ordre technique, si l'on prend trop au sérieux la démocratisation de notre procédure. Nous avons adopté ces amendements, mais nous ne sommes pas encore tombé d'accord pour en faire rapport.

Le président: Le ministre prend note de votre amendement et s'il juge à la Chambre qu'il doit y avoir un amendement, il ne soulèvera pas d'objection.

M. Harding: Monsieur le président, je serais très heureux que le ministre propose l'amendement lui-même. Je n'ai pas particulièrement l'intention de le parrainer. N'importe quel membre du comité pourrait proposer cet amendement pour améliorer la loi. Je n'irai pas plus loin.

Le président: M. Richardson.

[*Texte*]

• 1610

Mr. Richardson: Mr. Chairman, this point that has been raised is probably one of the most important ones this Committee has to consider. If it is to be left to me to decide, then I would appreciate the opportunity to have further views of the Committee. I think that we have a very serious difficulty here, as I explained when we talked about this matter last week. It was considered before the amendments were suggested and brought forward for consideration. Can we have your permission to discuss this? I may be out of order here in the face of your ruling, but . . .

The Chairman: I think my ruling should stand, because if we start to amend clause by clause this Committee will get nowhere. You will have the opportunity to move an amendment in the House and I believe the Minister will have time to look at this amendment to approve or refuse it.

Mr. McGrath: Mr. Chairman, I suggest that if this amendment were discussed in the Committee, I think you would find there would be substantial agreement to it. It is merely the point of procedure that we are disagreeing with. Perhaps the Minister could take into consideration that the Committee did consider this and that there is some concern expressed over the way the present amendment is worded in that it does not include Crown corporations, federal and provincial. Perhaps he can take this under advisement with his officials, and who knows, perhaps out of it may come a further amendment when the bill is before the House.

The Chairman: Mr. Pringle?

Mr. Pringle: My question is more of legality. It is my understanding that there already is in an Act, or there is an Act excluding Crown corporations. Can we pass an amendment which is in direct opposition to a statute?

Mr. Fortier: The Interpretation Act provides that no statute is binding on the Crown unless that particular statute states that it is binding.

Mr. Pringle: Well, that is different.

Mr. Richardson: Mr. Chairman, what this comes down to is that this is a relatively simple bill making some amendments to the Navigable Waters Protection Act. If you introduce an amendment of the kind that you are talking of, important as it may be, and right as it may be, then you change the whole nature of this bill and you make it into a

[*Interprétation*]

M. Richardson: Le point qui a été soulevé est sans doute un des points les plus importants que ce comité aura à prendre en considération. Si c'était à moi d'en décider, j'aimerais avoir la possibilité d'entendre les points de vue des membres du comité à ce sujet. Il s'agit d'une difficulté très grave comme je l'ai signalé lorsque j'ai traité de cette question la semaine dernière. On en a parlé avant que les amendements n'aient été proposés. Est-ce que vous nous autorisez, monsieur le président, à discuter de la question? Peut-être que je viole le règlement, d'autant plus que vous avez déjà pris une décision à ce sujet?

Le président: Je crois que vous devrez respecter ma décision, car si nous commençons à modifier article par article, le travail du Comité n'avancera pas. Vous aurez l'occasion de proposer des amendements à la Chambre et entre temps, le ministre aura la possibilité d'étudier l'amendement et de voir s'il est en faveur ou contre.

M. McGrath: Monsieur le président, je pense que si cet amendement était discuté au comité, vous constateriez qu'il est appuyé par la plupart d'entre nous. Nous ne sommes pas d'accord uniquement en ce qui concerne la procédure. Le ministre pourrait tenir compte du fait que le comité a étudié la question, et qu'une certaine inquiétude a été exprimée au sujet du bill et de l'amendement. On s'inquiète un peu du fait que la loi ne s'applique pas aux sociétés de la Couronne provinciales et fédérale. Peut-être pourrait-il étudier toute l'affaire avec ses fonctionnaires, et qui sait, peut-être en sortira-t-il un autre amendement lorsque le bill sera soumis à la Chambre.

Le président: Monsieur Pringle?

M. Pringle: Si j'ai bien compris, il y a déjà dans une loi ou plutôt il y a une loi qui fait une exception pour les sociétés de la Couronne. Est-ce que nous pourrions vraiment adopter un amendement qui serait en contradiction directe avec une loi?

M. Fortier: La Loi d'interprétation prévoit qu'aucune loi n'engage la Couronne, à moins que cette loi ne prévoit qu'elle engage.

M. Pringle: Ce qui n'est pas la même chose.

M. Richardson: Monsieur le président, tout cela se ramène à une seule chose. Il s'agit d'un bill assez simple qui modifie la Loi sur la protection des eaux navigables. Si vous introduisez un amendement comme celui dont vous parlez, même s'il est très important, même s'il est parfaitement approprié, vous changez entièrement la nature du bill et vous

[*Text*]

major constitutional question which, in the opinion of counsel and other ministers, would really involve being considered at the Federal-Provincial Conference. It would almost constitute another item for the agenda of that Conference on which there are now a lot of items. So that is the degree of the difficulty. We are clouding a relatively simple bill with a major issue.

The Chairman: Mr. Nesbitt, on a point of order.

Mr. Nesbitt: I was just going to say: when we are dealing with a statute such as this one, or perhaps the Aeronautics Act and some others we will be dealing with in the Committee, I want to make it quite clear that I have every sympathy with the amendments that you suggest and the type of change, but I suggest that in the Committee here when we are dealing with pretty technical matters which may involve legal opinions and one thing and another, if an amendment along certain lines is suggested, it be brought to the Minister's attention. Then the Minister and the officials have a chance to go into it and see if such an amendment is feasible. Then, of course, it could be noted on the record—it is already noted on the record of the proceedings here. That is what I had in mind. I, for instance, intend making an amendment at the next stage in the House concerning this question of obstructions and works with respect to private docks and that sort of thing. I think it is something that requires some considerable...

The Chairman: As I said a minute ago, if there was no other opportunity then I would say that we will take the matter up now but you will have another opportunity to bring it up in the House, so my decision is that it is out of order at this time.

Shall Clause 1 carry? Yes, Mr. Skoberg?

Mr. Skoberg: With the discussion that we have had in dealing with Clause 1, I wonder whether the Minister and his Department will take into consideration the "half safe" portions of the proposed amendments in this Act and try to make it all safe for those who are really concerned. I think we realize now that the Act itself with the amendments is still leaving a broad area open and people across Canada generally, and in particular provinces, are really concerned about the lack of jurisdiction in a particular field. They would rather have a common and a federal jurisdiction than a lot of hodge-podge provincial acts

[*Interpretation*]

en faites une question constitutionnelle essentielle ce qui, de l'avis du Conseil et d'autres ministres, devrait être étudié à la conférence fédérale-provinciale. En fait, c'est presque un autre point de l'ordre du jour de cette conférence et je crois qu'il y a déjà suffisamment de points à cet ordre du jour. Donc voilà la difficulté, nous proposons un bill assez simple et nous ne voulons pas soulever une question aussi grave.

Le président: Monsieur Nesbitt, pour un rappel au Règlement.

M. Nesbitt: Je veux dire que lorsqu'il s'agit d'une loi comme celle-ci, ou encore de la Loi sur l'aéronautique, ou d'autres lois que nous allons étudier, je suis plutôt en faveur de votre amendement. Je suis plutôt en faveur de ce genre de modification, mais je pense que le Comité, lorsque nous étudions des questions assez techniques qui soulèvent des problèmes juridiques, etc., et lorsqu'un amendement est proposé, attire l'attention du ministre sur cet amendement. Ainsi, le ministre et ses fonctionnaires ont la possibilité de l'étudier et de voir s'il est opportun d'introduire un tel amendement. Cela pourrait alors figurer au compte rendu, ce qui est déjà fait. Et ensuite, à la Chambre, j'ai l'intention de proposer un amendement sur la question de l'obstruction, des travaux relatifs aux bassins privés, etc. Je crois qu'il faudra beaucoup...

Le président: Comme je viens de le dire, s'il n'y avait pas d'autres possibilités, vous pourriez quand même soulever la question en Chambre, donc la décision est que cela est irrecevable pour l'instant.

L'article 1 est-il adopté?
Oui, monsieur Skoberg?

M. Skoberg: J'ai une réserve à faire en ce qui concerne l'article 1; je me demande si le ministre et le ministère étudieront le fait qu'il y a une seule partie consacrée à la sécurité alors que tout devrait être consacré à la sécurité. Nous nous rendons compte maintenant que la loi, avec ses modifications, laisse tout un domaine qui n'est pas couvert, et les Canadiens, en particulier les provinces, éprouvent des inquiétudes en ce qui concerne l'absence de juridiction dans ce domaine qui est laissé ouvert. Il devrait y avoir une loi fédérale, plutôt qu'une pagaille de lois provinciales assez disparates. Le ministre devrait

[*Texte*]

and regulations. I wonder if the Minister would give some assurance that he and his Department will definitely look at the over-all amendments that have been brought back in?

Mr. Richardson: Yes. On this point of jurisdiction, yes. This is why I said that I do not know the full feelings of the Committee but I think I am beginning to sense them now. Certainly it will be given every possible consideration.

• 1615

The Chairman: Shall Clause 1 carry?

Clause 1 agreed to.

Preamble agreed to.

Title agreed to.

Shall I report the bill?

Some hon. Members: Agreed.

The Chairman: We have another bill here —Bill S-14. I think we will proceed as we did the last time and I will call upon the Minister, Mr. Richardson, to give us a brief resume of the bill. Mr. Richardson?

Mr. Richardson: Thank you, Mr. Chairman. Mr. Fortier will be staying with me here along with Mr. Gray, who is here as Assistant Director of the Legal Department of the Canadian Transport Commission, Mr. Walker, who is the Superintendent of Regulations and Licensing in the Department of Transport, and Mr. Yost, who is the Superintendent of Property Management in the Department of Transport.

This is a bill that is in many ways similar to the one that we have just been dealing with in that it consists of amendments to the Act. In this case it is the Aeronautics Act and I expect that some of you, as with the other bill, are much more familiar with this as an Act than others. But to highlight it, the purpose of the Act which we are amending is to regulate and control civil aviation in Canada.

Part I of the Act is administered by the Minister of Transport and deals generally with licensing and the operation of aircrews, aircraft and airports. Essentially Part I deals with safety, as distinct from Part II, which deals largely with economic considerations. Part II comes under the jurisdiction of the Canadian Transport Commission and deals with licensing and operating of commercial air services. As I say, it is in the economic sphere. Part III applies generally to employees who administer the Act and also with prosecutions for violations of the Act.

[*Interprétation*]

nous donner l'assurance que le ministère étudiera l'ensemble de ces modifications.

M. Richardson: En ce qui concerne cette question de juridiction, comme je l'ai dit, nous n'avons pas l'opinion de l'ensemble des membres du Comité, mais je commence à avoir une petite idée de ce que vous pensez et nous étudierons l'ensemble de cette question.

Le président: L'article 1 est-il adopté?

L'article 1 est adopté.

Le préambule est adopté.

Le titre est adopté.

Dois-je faire rapport du bill?

Des voix: D'accord.

Le président: Nous avons un autre bill ici, le bill S-14; comme la dernière fois, je vais appeler le ministre, M. Richardson, qui nous expliquera le bill.

M. Richardson: Merci, monsieur le président. M. Fortier restera avec moi, M. Gray également, qui est ici à titre de directeur du contentieux de la Commission canadienne des transports, M. Walker qui est le surintendant des règlements et des permis du ministère des Transports et M. Yost qui est surintendant de la gestion des biens du ministère des Transports.

C'est un bill qui est assez comparable à celui que nous venons d'étudier, et les amendements qui sont proposés s'appliquent à la loi actuelle. Il s'agit de la Loi sur l'aéronautique. Je pense que vous connaissez beaucoup mieux ce bill que l'autre, vous êtes beaucoup plus au courant, certains connaissent mieux la loi que d'autres, mais en fait, il s'agit de réglementer et de contrôler l'aviation civile au Canada.

La partie I de la loi est appliquée par le ministre des Transports et se rapporte à l'exploitation des avions et des aéroports. Il s'agit de sécurité, essentiellement. La partie II se rapporte aux facteurs économiques; elle tombe sous le coup de la juridiction de la Commission canadienne des transports. Il s'agit de l'octroi de permis et de l'exploitation des services aériens; comme je l'ai dit, il s'agit du domaine économique. La partie III se rapporte aux employés qui appliquent la loi et aux poursuites à la suite d'infractions à la loi.

[*Text*]

I will highlight the amendments that we are proposing in this bill and then we can have discussion and comments from the officials. There are different officials for each one of these amendments. The first one is Clause 2 of the bill. It enables the Governor in Council to authorize the Minister of Transport, subject to conditions and in lieu of the Governor in Council, to prescribe charges for the use of facilities and services. I think you will want to discuss that at some length, but that is the first main amendment. That includes all of the charges at airports, and the example that I used in the House was a parking. Quite often there has to be a change in the parking fee and at the present time that has to be passed by Order in Council, which is a bit cumbersome. So the purpose of this amendment is to enable the Governor in Council to give the authority to the Minister to make those changes.

Clause 3 is again a passing of authority, but in this case it is authority from the Minister to the Deputy Minister, and the authority given to the Deputy Minister under this amendment relates to the restricting of navigation of aircraft over specified areas. This has nothing to do with noise or anything of that kind—this was asked in the House. It has to do only with military exercises and these take place on a regular basis. As far as I can tell these are mechanical, but you may want to satisfy yourselves about that by talking with the officials. The purpose of the amendment is to let the Deputy Minister sign the order instead of its having to go to the Minister's desk.

• 1620

The next major amendment comes in Clause 4, which is Section 1, and also Clause 9, which amends the definition of an aircraft. The main purpose of this change or amendment is to exclude hovercraft from the definition of an aircraft because it has been determined that a hovercraft is not an aircraft for the purposes of the Aeronautics Act. We are going to regulate hovercraft under the Canada Shipping Act. We can talk about that, but it is fairly straightforward.

Clause 4, subclause (2) amends Section 6 of the Act to authorize the Canadian Transport Commission to issue temporary licences. These are seasonal licences, emergency licences, and so on.

Clauses 5 and 6, another amendment make it clear that the Commission's authority is confined to Part II of the Act and not the whole Act. I think that is the only change there.

[*Interpretation*]

Je vais vous donner une idée des grandes lignes des modifications, puis les fonctionnaires vous donneront une idée des amendements, chacun des fonctionnaires vous parlera des différents amendements.

Le premier est l'article 2 du bill, qui permet au gouverneur en conseil d'autoriser le ministre des Transports à établir des règlements, à prescrire certaines taxes pour l'utilisation des services. Il s'agit des taxes d'aéroport pour le stationnement d'appareils; lorsqu'on veut modifier les frais de stationnement, il faut faire un décret ministériel, ce qui est un peu difficile. Cela permet au gouverneur en conseil d'autoriser le ministre à effectuer ces modifications.

A l'article 3, il s'agit d'une délégation de pouvoirs; cette fois-ci, c'est le ministre qui délègue ses pouvoirs au sous-ministre. On autorise le sous-ministre, en application de cet amendement, à limiter la navigation des avions au-dessus de certaines régions spécifiées. Cela n'a rien à voir avec le bruit, il ne s'agit que des exercises militaires et cela se produit de façon assez régulière, assez fréquemment, à ma connaissance au moins. Il s'agit de dispositions à peu près automatiques, mais vous pourrez en parler aux fonctionnaires. En fait il s'agit d'autoriser le sous-ministre à signer des interdictions et de ne plus demander au ministre de le faire.

Modification suivante, article 4, paragraphe 1 et article 9, définition d'un avion. Le but de cette modification, ou amendement, est d'exclure les aéroglisseurs de la définition des avions, car ces aéroglisseurs ne sont pas des avions, aux fins de la Loi sur l'aéronautique. Mais nous allons faire un Règlement sur les naviplanes dans le cadre de la Loi sur la marine marchande du Canada. L'article 4, alinéa 2 modifie l'article 6 de la Loi pour autoriser la Commission canadienne des transports à émettre des permis temporaires, c'est-à-dire des permis d'urgence ou des permis saisonniers.

Aux articles 5 et 6 d'autres modifications, précisent que la Commission n'a autorité qu'en application de la partie 2 de la loi et non de l'ensemble de la loi. C'est la seule modification.

[*Texte*]

Clause 7 is the one that there may be most reason to look at. This clause amends section 13. It clarifies the power of the Canadian Transport Commission, allowing them to make regulations of a general application with respect to all commercial air services. But this is without prior approval of the Governor in Council. However, I think you will want to assure yourself, in connection with this clause, that the Governor in Council can in fact rescind the regulations or vary the regulations after they have been put into effect, if they are not considered for any reason appropriate. There are a lot of regulations there but we will go through them when we have clause by clause study.

The last amendment is in clause 8. It really provides for proof of documents—that copies of documents certified by the Secretary of the Department of Transport are in fact true copies of the original documents. This, I think, is routine. This authority was there before but, as I understand it, it was lost in the shuffle at the time the Transportation Act was going through. We are simply putting back in a power that was left out.

Those are the main amendments, Mr. Chairman. I think they are all desirable improvements in the Act. None of them really alter the underlying purposes of the Act. They are relatively unimportant, but they should still be examined carefully by the Committee.

Mr. Nesbitt: There are two things upon which I want to comment, one of which the Minister has already alluded to with respect to clause 7. I am referring particularly to clause 2 here. The amendments to the Act give a great deal of power to the Governor in Council to make regulations—and I quite agree that this is necessary—and also to the Canadian Transport Commission, as they see fit.

I understood the Minister correctly, he suggested that perhaps the regulations passed by the Canadian Transport Commission might be reviewed by the Governor in Council from time to time. Is that correct?

Mr. Richardson: Mr. Chairman, not actually reviewed, but the Governor in Council would have the authority—the same authority as in the Railway Act, to rescind or to alter regulations. But I would assume that it was only in a case where there was some complaint or appeal. In other words, the Transport Commission is not the final authority; it is after the regulation rather than before that the Governor in Council steps into the picture, and that is the main difference.

[*Interprétation*]

L'article 7 est sans doute celui que nous devons examiner le plus à fond. L'article 7 modifie l'article 13 de la Loi et il précise les pouvoirs de la Commission canadienne des transports. Elle l'autorise à émettre des règlements en ce qui concerne tous les services aériens commerciaux. Mais c'est sans approbation préalable du gouverneur en conseil. Cependant, je pense que vous voudriez vous assurer que le gouverneur en conseil peut en fait annuler des règlements une fois qu'ils ont été mis en vigueur, si pour une raison ou pour une autre il juge qu'ils ne sont pas acceptables. Je pense que nous étudierons les règlements une fois que nous étudierons le bill, article par article.

Dernière modification, article 8: il s'agit de la production de documents certifiés qui sont des copies authentiques des documents originaux. Il s'agit d'une question de routine. C'est un pouvoir qui existait déjà mais qui s'est perdu lorsque la Loi sur les transports a été adoptée. En fait, nous rétablissons un pouvoir qui a été oublié.

Voilà les modifications principales, monsieur le président, et comme je l'ai dit, je crois que cela constitue des améliorations souhaitables à la Loi, mais aucun d'entre eux ne modifie l'objectif principal de la Loi. Ce sont des amendements assez mineurs mais il faut tout de même les étudier assez sérieusement au Comité.

M. Nesbitt: Je voudrais relever deux points. Un point dont le ministre a déjà parlé, à propos de l'article 7; il s'agit de l'article 2. La modification donne de grands pouvoirs au gouverneur en conseil qui peut rédiger des règlements. Je suis d'accord. Cela est nécessaire également à la Commission canadienne des transports.

Selon le ministre, donc, les règlements promulgués par la Commission canadienne des transports pourraient être revus par le gouverneur en conseil. Est-ce exact?

M. Richardson: Non, pas vraiment revus, mais le gouverneur en conseil aurait pouvoir, le même qu'en ce qui concerne la Loi des chemins de fer, d'annuler ou de modifier les règlements. Je pense que cela ne se ferait que dans un cas où il y aurait des plaintes ou un appel. Autrement dit, la Commission canadienne des transports n'est pas la dernière autorité. Le gouverneur en conseil intervient plutôt après que le règlement a été rédigé plutôt qu'avant. Voilà la différence essentielle.

[*Text*]

• 1625

Mr. Nesbitt: That clears that matter up.

Mr. Allmand: In the notes it says that you can also appeal the regulation to the Supreme Court of Canada.

Mr. Nesbitt: I noticed that, Mr. Allmand, but sometimes those are rather costly proceedings—unless some rather large corporations are involved.

I was going to suggest that perhaps the Minister might give consideration between now and the next stage of this bill to making some additional amendment which would provide for Parliament or perhaps, more appropriately, a Committee of Parliament such as this one, to review from time to time any regulations that were passed by the Governor in Council.

Mr. Richardson: You mean passed by the Commission?

Mr. Nesbitt: No, the ones under clause 2 particularly—that the Governor in Council may make regulations, and so on. I was suggesting that this or some other appropriate Committee should have an opportunity of reviewing the regulations passed under these amendments every two or three years. In this way, complaints coming to members of the House of Commons could be brought, without the great expense of going to the Supreme Court, before this or some other appropriate Committee of Parliament—but I think this would be the appropriate one. Then anybody who is a member of the House of Commons, under our rules of course, could come before this Committee and make suggestions. I agree that for practical purposes you would not want to do it all the time, Mr. Minister, but I think a review once every two or three years would be appropriate. I think that is something the Minister might give consideration to. With the growth of government—and it happens in all government departments—somebody has to have the power to make regulations in a hurry. I know that you cannot refer everything to Parliament—I have been here for quite a while and I know that that would be impractical—but I would suggest that an opportunity be given of reviewing these regulations at certain periods of time.

Mr. Richardson: Are you speaking of clause 7?

Mr. Nesbitt: No, I was referring to clause 2.

Mr. Richardson: That is what I wanted to be clear about because clause 2 is authority to put fees in for services—authority given to the Minister as distinct from the Commission.

[*Interpretation*]

M. Nesbitt: Bien.

M. Allmand: Dans les remarques, il est dit qu'on peut également faire appel à la Cour suprême du Canada.

M. Nesbitt: Oui, mais parfois, ces procédures sont assez coûteuses et il n'y a que les grosses Sociétés qui peuvent se le permettre.

D'ici la prochaine étape de l'étude du bill, nous pourrions présenter les amendements qui permettraient au Parlement ou à un comité du Parlement, comme celui-ci, d'étudier des règlements adoptés par le gouverneur en conseil.

M. Richardson: Adoptés par la Commission?

M. Nesbitt: Non, non, non. Je pense à l'article 2. Le gouverneur en conseil peut faire des règlements, etc. Et tous ces règlements, un Comité ou un autre aurait la possibilité de les étudier, disons, tous les deux ans, de façon que si des plaintes étaient adressées aux députés, sans grandes dépenses, et sans s'adresser à la Cour suprême, je pense que les gens pourraient s'adresser à ce Comité, et tous les députés. On ne le ferait pas tout le temps, évidemment, mais des gens pourraient s'adresser, de temps à autre, tous les deux ans, tous les trois ans, enfin, au moment où cela s'imposerait, et on pourrait étudier ces règlements.

Je pense que le ministre pourrait envisager cette possibilité. Comme le gouvernement croît tout le temps, il faut que certains services prennent des décisions, rédigent des règlements, et je pense que l'on devrait avoir la possibilité d'étudier ces règlements de temps à autre.

M. Richardson: Vous parlez de l'article 7?

M. Nesbitt: Non, je parlais de l'article 2.

M. Richardson: C'est l'article 2 dont vous parlez, n'est-ce pas?

[*Texte*]

Mr. Nesbitt: Oh, yes.

Mr. Richardson: So it is clause 2 that you are speaking about?

Mr. Nesbitt: Yes, I am referring to those, and I would hope that perhaps the same line of reasoning might be applied to regulations passed by the Commission and that there might be some opportunity to review them at appropriate times.

There is another matter on which I wanted to comment. I realize that part of the Aeronautics Act comes under the Canadian Transport Commission and that Part I, which deals with safety regulations, comes under the Minister of Transport. While it might be a pretty extreme amendment to make at this time, and I would frankly have some hesitation about doing so on this bill, might I suggest—and I believe this was suggested by another member on second reading of the bill—that perhaps some of the safety features of the Aeronautics Act be brought under the Commission, particularly those that deal with the actual operation of aircraft as distinct from airports.

I refer to matters on which some reference has been made in the House recently—the hours that a pilot has to work and this sort of thing. Certain information has been given to me which I believe to be true. I am given to understand that some pilots in Air Canada for instance are on duty 17 hours without any respite. On one occasion I understood that on flights from Canada to the Caribbean area jet pilots on Air Canada were on duty for 21 hours without any respite. I am informed that on one particular occasion one of the pilots actually went to sleep during the takeoff of a jet aircraft. I think this sort of thing is pretty dangerous. It is not just a matter of giving the pilots adequate rest; it is a matter of the safety of the passengers.

Mr. Chairman, I do not intend to propose an amendment at this time but I do think that is something the Minister might give consideration to. Quite frankly, while I have not always agreed with the present head of the Canadian Transport Commission I have a great deal of regard for his administrative ability, and I do think that something of the nature of what I have suggested might be good. Perhaps this is something the Minister would like to give consideration to.

• 1630

The Chairman: Mr. Allmand?

Mr. Allmand: I just want to deal with the first remarks made by Mr. Nesbitt. It is my understanding, Mr. Nesbitt, if my memory

[*Interprétation*]

M. Nesbitt: Oui.

M. Richardson: Vous parlez de l'article 2.

M. Nesbitt: Je parle de cet article. Mais je pense que le même raisonnement pourrait s'appliquer aux règlements adoptés par la Commission. On aurait la possibilité de temps à autre de les étudier. Il y a autre chose, je sais qu'il s'agit d'une partie de la Loi sur l'aéronautique. La partie 1 s'applique aux conditions de sécurité et relève du ministre alors que l'autre partie, la partie 2 relève de la Commission canadienne des transports. J'ai quelques hésitations à agir, à proposer quelque chose à propos de ce bill. Je pourrais suggérer, proposer, lors de la deuxième lecture du bill, nous pourrions peut-être—peut-être que certains articles se rapportant à la sécurité aérienne pourraient être confiés à la Commission canadienne des transports. En particulier en ce qui concerne l'exploitation des aéronefs et non des aéroports, les heures de travail des pilotes.

D'après certaines données qui m'ont été transmises et que j'ai toute raison de croire authentiques, certains pilotes sont en service 17 heures, sans aucun repos, et dans un certain cas, au cours d'un vol du Canada aux Caraïbes, un pilote d'Air Canada avait travaillé pendant 21 heures, et on m'a dit que dans un certain cas, un des deux pilotes s'est endormi pendant le décollage de l'avion à réaction, et cela me semble assez dangereux. Je pense qu'il faut que les pilotes se reposent pour que les voyageurs soient en sécurité. Je ne propose pas un amendement, mais je pense que le ministre devrait étudier cette question. Sans être toujours d'accord avec lui, j'ai un grand respect pour les capacités administratives du président de la Commission canadienne du transport. Je suis sûr qu'il étudiera cette question qui est très importante.

Le président: M. Allmand?

M. Allmand: Un mot sur les premières observations de M. Nesbitt. Si j'ai bien compris, si ma mémoire est fidèle, le gouverne-

[*Text*]

serves me correctly, that the government introduced a motion just before Christmas to set up a Committee to study certain proposals for the review of all Orders in Council on a periodic basis.

That Committee is now sitting and studying an institutionalized way of reviewing all orders in Council and regulations. That Committee has not reported to the House yet. However it is an all-party Committee of the House and if the proposals of the government are accepted Orders in Council under all Acts would be subject to periodical review. We could check tonight what the progress is.

Mr. Nesbitt: Precisely; we do not wish to make new amendments at this stage because such things, of which everybody is not aware, come up sometimes, or something may be in process. I merely made it as a suggestion.

The Chairman: Mr. Fortier wishes to answer some of your questions, Mr. Nesbitt.

Mr. Fortier: On the questions about the hours of work and safety in the operation of aircraft, I would point out that the Aeronautics Act originally give to the Air Transport Board, now the Canadian Transport Commission, jurisdiction under section 13.

> Subject to the approval of the Governor in Council, the Board...

...now the Commission...

> ...may make regulations:
>
> (1) Prescribing maximum hours and other working conditions for pilots and co-pilots...

In 1966, when the Aeronautics Act was amended, that particular provision was taken out of Part II and brought under Part I, under the jurisdiction of the Minister of Transport.

Perhaps Mr. Walker can give us an explanation, but I believe the reasoning was that questions of safety came under the jurisdiction of the Minister rather than that of the Board and its successor, the Commission.

The Chairman: Mr. Walker?

Mr. Walker: That is quite right.

Mr. Fortier: I wish to speak to the other point you raised, sir that of having the regulations which would be made under section 3 reviewed from time to time.

[*Interpretation*]

ment avait présenté une résolution ou une motion à cet effet un peu avant Noël, et avait établi un Comité pour revoir les décrets ministériels, périodiquement.

Ce Comité étudie maintenant la façon de revoir tous les drcrets ministériels et les règlements. Il n'a pas encore fait rapport à la Chambre. Cependant, il s'agit d'un comité où tous les partis sont représentés, et si les propositions du gouvernement étaient acceptées, ces décrets seraient soumis à des examens périodiques.

M. Nesbitt: Nous n'avons pas l'intention de proposer des amendements, mais parfois, certaines choses de ce genre sont suscitées. Les gens ne sont pas toujours au courant de ce qui se passe et je voulais tout simplement formuler la suggestion.

Le président: Monsieur Fortier désire répondre à certaines de vos questions.

M. Fortier: En ce qui a trait à cette question de l'opération des avions, des questions de sécurité, je voulais dire que la loi sur l'aéronautique donnait au départ, à la Commission des transports aériens, qui est maintenant, le Commission canadienne des Transports, l'autorité nécessaire en vertu de l'article 13:

> Sous réserve de l'approbation du gouverneur en conseil, la Commission des transports aériens...

Maintenant la Commission des transports,

> peut établir des règlements
>
> *a*) établissant les heures maximums et autres conditions de travail des pilotes et des co-pilotes.

Ces dispositions particulières, lorsque la loi sur l'aéronautique a été modifiée en 1966, ont été retirées de la partie II et insérées dans la partie I sous la compétence du ministre des Transports. M. Walker pourrait peut-être nous donner l'explication, mais je crois que c'est parce que les questions de sécurité relevaient de la compétence du ministre plutôt que de la Commission et de son successeur, la Commission des Transports.

Le président: Monsieur Walker.

M. Walker: C'est exact, monsieur le président.

M. Fortier: Puisse-je maintenant faire une remarque sur l'autre point que j'allais soulever. Cette question des règlements qui seraient édictés en vertu de l'article 3 et qui

[*Texte*]

I would point out that this is not the only case in which the Minister is authorized by the Governor in Council to take certain actions. There is, for instance, a general authority of the Governor in Council authorizing the Minister of Transport to enter into leases of departmental property without further reference to the Governor in Council. The Minister fixes the rental, the terms and all the conditions of these leases. There is no requirement to go to the Governor in Council, nor is there any provision that these leases are subject to review from time to time by the Governor in Council.

Mr. Nesbitt: I understand. I am glad you brought that to my attention. I was merely saying in my remarks that perhaps I had misunderstood the Minister. I was not referring just to any regulations that might be passed under this Act, but I hoped that all regulations under this Act, as amended, or any part of it, might be given that treatment. However, as Mr. Allmand has pointed out perhaps some arrangement is being made for this very purpose. I was not referring only to regulations to be made under these amendments, but to the whole bit.

Mr. Rock: Mr. Chairman, can Mr. Richardson tell us whether there are any sections of any acts covering rockets? Reading clause 4(1) (a) it could actually cover a machine called a rocket. The interpretation of the purpose of these amendments is not usually included in the Act after it is printed. I am not sure whether there is anything covering rockets. This could be interpreted to cover the shooting of rockets in the air. They create an air cushion, and possibly it could be dangerous to navigation and be against the Act without its being realized. Could this not be misinterpreted to cover rockets...

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> ...does not include a machine designed to derive support in the atmosphere from reactions against the earth's surface of air expelled from the machine;

Someone could interpret a rocket as that type of machine.

Mr. Fortier: Sir, on the question of rockets and balloons I must call your attention to the amendments that were made in 1966 to the Aeronautics Act, which gave the Governor in Council the power to make regulations respecting

> ...the use and operation of rockets, moored balloons and kites that, in the opinion of the Minister, are hazardous to air navigation;...

[*Interprétation*]

serait revus de temps à autre. Ce n'est pas le seul cas où le ministre est autorisé par le gouverneur en conseil à prendre une mesure quelconque; par exemple, nous avons l'autorisation générale de la part du gouverneur en conseil autorisant le ministre des Transports à signer des baux sans avoir à référer la question au gouverneur en conseil. C'est le ministre qui établit les conditions, la durée des baux ainsi que le coût de location. Rien n'exige non plus que ces baux soient revus de temps à autre par le gouverneur en conseil.

M. Nesbitt: Je comprends et je suis très content que vous ayez soulevé ce point. Mes remarques signifiaient que j'avais peut-être mal compris le ministre. Je ne parlais pas uniquement des règlements qui pourraient accompagner ce projet de loi mais de tous les règlements relatifs à cette loi, telle qu'amendée, ou à toute partie de cette même loi. Mais comme l'a dit M. Allmand, il y a peut-être des dispositions qui sont prises à cette fin. Je ne parlais pas uniquement des règlements en vertu de cette loi mais de tous les règlements.

M. Rock: Monsieur le président, j'aimerais bien poser une question à monsieur Richardson. Y a-t-il des dispositions quelconques visant les fusées? On pourrait croire que l'article 4 *a*) i inclut les fusées. L'interprétation du but poursuivi lors de la présentation de l'amendement n'est pas incluse lors de l'impression du texte de loi. J'ignore si l'on prévoit le cas des fusées. L'interprétation donnée à cet article pourrait inclure les fusées et leur lancement dans l'espace. En raison du déplacement d'air elles pourraient être dangereuses pour l'aviation et leur lancement pourrait violer la loi sans que quiconque le réalise. Ne pourrait-on pas mal interpréter ce texte et croire qu'il touche les fusées.

> ...n'inclut pas un appareil qui se maintient dans l'atmosphère par les réactions que l'air qui provient de l'appareil produit au niveau du sol;

Quelqu'un pourrait peut-être conclure que la fusée est une machine de ce genre.

M. Fortier: En ce qui concerne les fusées, M. Rock, je dois attirer votre attention sur les modifications apportées en 1966 à la loi de l'aéronautique et qui donnaient au Gouverneur en conseil le pouvoir d'édicter des règlements concernant...

> L'utilisation et la mise en service de fusées ainsi que de ballons et cerfs-volants captifs qui, de l'avis du ministre, constituent des dangers pour l'aviation.

[*Text*]

The Chairman: Shall clause 1 carry?

Mr. Harding: I wish to ask a question, not under Clause 1, Mr. Chairman, but under regulations generally. Should I wait?

The Chairman: Yes, you had better wait.

Mr. Harding: I do not know whether it comes under Clause 2 or Clause 7. I will bring it up under Clause 7.

Clauses 1 to 6 agreed to.

The Chairman: On Clause 7?

Mr. Harding: May I get a little information from the Minister or from one of the staff, about chartered trips? I understand that when an aircraft is chartered by an organization the present regulation is that those making the chartered flight must come from within a 40-mile radius of the centre from which the application comes. Any alteration in this would, I presume, go to a council, or to a committee, or perhaps to the Minister or the Deputy Minister, and they would review the case and might grant an extension to cover perhaps a whole area, or a province. I can think of a host of organizations the members of which are drawn from a very wide area.

Why should it be confined to this 40-mile radius? Has this particular regulation been altered by the amendments before us?

Mr. Richardson: Mr. Chairman, Mr. Gray, of the Canadian Transport Commission, can probably best answer that question.

Mr. Gray (Assistant Director, Legal Department, Canadian Transport Commission): Mr. Chairman, the principle that was being followed in adopting the 40-mile radius rule was that the members of the association wishing to charter the aircraft should come from the same community.

The rule as it now stands includes an opportunity for the Air Transport Committee to make an exception where an organization can make a case for an area larger than the 40-mile radius.

I can also say that this 40-mile-radius rule is under reconsideration at the present time and there is a probability that a revision of it will be issued before very long. I cannot go beyond that.

Mr. Harding: But it is not changed by any regulation in this bill?

Mr. Gray: No, sir.

[*Interpretation*]

Le président: Est-ce que l'article I est adopté?

M. Harding: Je désire poser une question, non pas en vertu de l'article I mais en vertu des règlements, est-ce que je devrais attendre?

Le président: S'il vous plaît.

M. Harding: J'ignore si elle tombe sous l'article 2 ou 7. Je la soulèverai à l'article 7.

Les articles 1 à 6 sont adoptés.

Le président: Au sujet de l'article 7?

M. Harding: J'aimerais bien avoir des renseignements soit de la part du ministre, soit de la part des fonctionnaires en ce qui a trait aux voyages nolisés? Je crois comprendre que lorsqu'un aéronef est nolisé par un organisme ou une société, les règlements actuels veulent que ceux qui prennent part à l'envolée doivent demeurer dans un rayon de 40 milles de l'endroit d'où vient la demande. Toute modification à ce règlement, je suppose, doit être soumise à un comité, ou au ministre ou au sous-ministre pour obtenir que puissent y prendre part les personnes qui, habitent une région ou une province donnée.

Je songe à tous ces organismes dont les membres sont recrutés dans un très vaste territoire et alors pourquoi doit-on se limiter à ce rayon de 40 milles. Est-ce que l'on a modifié ce règlement par les modifications que nous avons présentement devant nous?

M. Richardson: Monsieur le président, monsieur Gray de la Commission canadienne des transports peut répondre à cette question.

M. Gray (directeur adjoint, service du contentieux, C.C.T.): Monsieur le président, je crois que le principe que l'on suivait en utilisant le rayon de 40 milles c'est que les membres de l'organisme qui voulaient noliser l'avion devraient venir de la même collectivité. Je crois que le règlement, tel qu'il existe à l'heure actuelle, permet au comité des Transports aériens de faire une exception dans le cas des organismes qui désirent éliminer ce rayon de 40 milles. Je devrais peut-être aussi ajouter que le règlement en question est à l'étude, à l'heure actuelle, et qu'il est possible qu'il soit revisé avant trop longtemps. Je ne peux pas aller plus loin que cela toutefois.

M. Harding: La modification n'est pas prévue dans ce bill?

M. Gray: Non monsieur.

[*Texte*]

Mr. Harding: I see. I have just one further question on this. It seems logical to me that there should be an extension of this area, unless there is some specific reason, perhaps related to fares. I really cannot think of any.

An organization charters a plane. They may have to bring members from two or three provinces. It may be one of the lodges, or the Legion. They charter quite frequently. Permission is granted for these flights, and their members cover very, very wide areas. I do not see why it should not be written into the Act.

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Mr. Gray: Mr. Chairman, I think the basic reason for having any rules at all about the size of charter groups, or the radius from which their members can be drawn, was to attempt to make sure that the rule would not become so loose that charter operators would be operating charters with great regularity and would have a really disastrous impact on the operations of the scheduled carriers; so that the time might come when you would only have the scheduled carriers operating, perhaps, one flight a day, when now they have four. It was really an attempt to have some sort of an enforceable rule which would impose some restriction on charter operations and still allow some reasonable amount of freedom.

There are some types of organizations to which it is only common sense to allow greater than a 40-mile radius; for example, the association of mayors. You would have a very difficult time getting a charter group of mayors unless you gave them all of Canada. And there are other quite legitimate cases. But I have said before, this whole question, the 40-mile radius question in particular, is under reconsideration at the moment.

Mr. Harding: I would like to thank Mr. Gray for his explanation.

The Chairman: Shall Clause 7 carry? Mr. Portelance.

M. Portelance: Monsieur le président, je ne sais pas si ma question se rapporte à l'article 7, car, malheureusement, je n'ai pas eu le temps de le lire au complet. Lorsqu'on donne une concession à une compagnie quelconque pour desservir l'aéroport, on doit tenir compte de ce bill. Est-ce que cela se fait par soumission publique?

Je pourrais citer le cas Murray-Hill, à l'aéroport de Montréal; on en parle beaucoup. Murray-Hill signe un contrat avec le gouver-

[*Interprétation*]

M. Harding: Monsieur Gray, j'ai une autre question à ce sujet. Il me semble logique qu'il doit y avoir une modification du règlement concernant le rayon de 40 milles à moins qu'il n'y ait une raison spéciale qui en empêche la modification. Mais je n'en vois pas. Un organisme nolise un avion. Les membres sont répartis dans deux ou trois provinces. C'est, par exemple, le cas de la Légion qui nolise fréquemment des appareils. Pourquoi ne pas prévoir le cas dans la loi?

M. Gray: Monsieur le président, je crois que la raison fondamentale qui a présidé à l'établissement de règlements relatifs à l'importance des groupes ou à leur lieu de résidence c'est de s'assurer que le règlement ne soit pas si vague que les noliseurs fassent des nolisements de façon régulière, et influe énormément sur l'exploitation des transporteurs autorisés; de sorte que peut-être, les transporteurs à horaire régulier n'auraient qu'une envolée par jour alors que maintenant ils en ont quatre. C'était réellement une tentative d'avoir un règlement quelconque qui limiterait les nolisements et qui leur permettrait en même temps une certaine mesure de liberté.

Il existe certains genres d'organisations, l'Association des maires par exemple, auxquelles il ne serait que raisonnable d'accorder un rayon de plus de 40 milles. Il serait difficile d'avoir un nolisement de maires à moins de donner une expansion par tout le territoire canadien. Et il existe d'autres cas légitimes. Comme je l'ai déjà dit, cette question du rayon de 40 milles, en particulier, est à l'étude à l'heure actuelle.

M. Harding: Je vous remercie, monsieur Gray.

Le président: L'article 7 est-il adopté? Monsieur Portelance.

Mr. Portelance: Mr. Chairman, I do not know whether my question refers to Clause 7, as I have not had time to read it completely. When you give a concession to a company for the purpose of servicing an airport, this Bill must be taken into account. Is this done by public tender?

I might perhaps quote you the example, at Montreal airport, of the Murray Hill Limousine Service Ltd. which is much discussed. Murray Hill has a contract with the govern-

[*Text*]

nement pour fournir les services à l'aéroport. A chaque fois que ces contrats sont donnés, est-ce qu'il y a des soumissions publiques?

M. Fortier: Ces contrats ne sont pas donnés en vertu de l'article 13, mais tombent sous la juridiction du ministre. Ils ne concernent pas la Commission des transports. Des soumissions peuvent être appelées, mais pas dans tous les cas. Il n'y a pas d'obligation légale de faire l'appel de soumissions pour ces concessions. Dans le cas de Murray-Hill, je ne me souviens pas si on a fait l'appel de soumissions. La concession a été donnée à bail, sous l'autorité du Conseil du Trésor et du gouverneur en conseil.

Le président: Je crois, monsieur Portelance, que cette question ne concerne pas les amendements apportés dans le bill.

M. Portelance: Le bill n'a donc rien à faire avec ce cas?

M. Fortier: Non, cela tombe sous l'autorité du ministre qui peut émettre des baux. Il y a des règlements, *Government Airport Operations Concession Regulations*, qui autorisent le ministre à donner ces genres de concessions.

Le président: Monsieur Pringle.

Mr. Pringle: Mr. Chairman, with regard to private flying there are some very rigid restrictions with regard to any possibility that there may be a tendency for the pilot or the owner of a private airplane to be partially commercial. In the old days, if I may be permitted to say the "old days", I think it was really justified because this was a very serious thing as the airlines were just getting started with respect to their various routes and they required all the passengers that they had.

I am wondering if there is anything in this Act which could possibly have a loosening effect on the situation. For example, if you take a group of people who belong to an organization, three or four of you, it is illegal to in any way share the expenses of the operating of that airplane. Yet it is being done all the time in automobiles. I just toss that in. I am not asking a specific question at this time. I am just suggesting that maybe there might be room for a little more flexibility in this regard so that the operators could operate strictly within the law and it would be a little easier with regard to private flying.

Mr. Fortier: In so far as private aircraft operations are concerned, these would come

[*Interpretation*]

ment to service the airport at Dorval. Each time that such contracts are given, is there a call for tenders?

Mr. Fortier: These contracts are not given under Clause 13, they come under the jurisdiction of the Minister and not of the Canadian Transport Commission. Tenders may be called but they are not called in every case. There is no statutory obligation to call tenders for these contracts. In the case of Murray Hill, I do not recall whether there were tenders called or not. The concession was given through a lease given under the authority of the Treasury Board and the Governor in Council.

The Chairman: I do not think, Mr. Portelance, that this question relates to the amendments to the Bill.

Mr. Portelance: Thus the Bill is not related to this case?

Mr. Fortier: No, it comes under the authority which the Minister has to sign leases. There are regulations which are called the Government Airport Operations Concessions Regulations which authorize the Minister to give out this type of concession.

The Chairman: Mr. Pringle.

M. Pringle: Monsieur le président, en ce qui concerne l'aviation privée, il y a des restrictions très rigides en ce qui a trait à la possibilité qui puisse exister que le pilote ou le propriétaire ait à se priver d'avoir une exploitation en partie commerciale. Auparavant, ou si je puis dire «dans le bon vieux temps», je crois que cela était vraiment justifié, car c'était une question très sérieuse étant donné que les lignes aériennes commençaient à peine leur exploitation en ce qui concernait leurs différentes routes, ils avaient vraiment besoin de tous les passagers possibles.

Je me demande si dans le bill il y a quelque chose qui améliorerait la situation. Par exemple, prenez un groupe de gens qui font partie d'un organisme quelconque, par exemple trois ou quatre de vous, ce n'est pas possible pour vous de partager les frais d'exploitation de l'aéronef privé, mais on le fait tout le temps pour une automobile. Je ne pose pas de questions précises, mais je suggère que peut-être ce serait loisible de donner un peu plus de souplesse à ces règlements, afin que les exploitants puissent agir en stricte conformité de la Loi, mais qu'ils aient un peu plus de facilité quand il s'agit des aéronefs privés.

M. Fortier: En ce qui concerne l'exploitation d'aéronefs privés, cela relève de la partie

[*Texte*]

under Part I, and under Part I there are provisions for licences to be issued to aircraft pilots. There are various kinds of licences. There are licences which are called "private pilot" and some licences are endorsed to permit the pilot to conduct commercial operations—operations for gain—and any pilot of an aircraft can conduct only such operations as his licence authorizes him to conduct.

• 1645

The Chairman: Does that answer your question?

Mr. Pringle: I understand that that is true under the Act. I realize that, but I was just wondering if it is possible for the Commission to take a look at this Act a little more closely because I think it really is very rigid and there may be room for some improvement with regard to an amendment to the regulations.

Mr. Fortier: It would be an amendment to the regulations of Part I, because in so far as Part II is concerned the Commission is concerned only with commercial air services.

The Chairman: Shall Clause 7 carry? Mr. Harding.

Mr. Harding: Mr. Chairman, this again is on regulations and I am not too sure whether it applies to this particular Act. I received a number of complaints over the use of aircraft for hunting. I presume this is mostly helicopters, where they have gone up and chased some of the game around and then landed the hunters down in a certain spot. It is not very sporting but, as I presume, this has happened. Who would make the regulations to stop this? Would it come under this Act, or would it have to come under the game act of the provincial authorities, or is there anything in the regulations preventing this?

Mr. Richardson: Mr. Chairman, I do not believe there is anything here covering that. That would be under the game laws, as far as I am aware; not under the Aeronautics Act. But I could be corrected on that if I . . .

Mr. Gray: No, Mr. Minister. I think that is correct. If the person operating the aircraft is being paid by the hunter he is hauling, then he would require a licence from the Air Transport Committee, but neither the Air Transport Committee nor the Canadian Transport Commission has any rules about whether you can hunt from an aircraft or not,

[*Interprétation*]

1. En vertu de la partie 1, il y a des dispositions prévoyant l'émission de permis aux pilotes. Et, évidemment, il y a différentes catégories de permis. Il y en a qui sont appelés «pilote privé», d'autres qui sont endossés pour permettre au pilote d'avoir une exploitation commerciale, une exploitation lucrative. Et le pilote ne peut avoir que le genre d'exploitation autorisée par son permis.

Le président: Cela répond-il à votre question?

M. Pringle: Je comprends que cela est vrai en vertu de la Loi, mais je me demandais si ce serait possible que la Commission examine la Loi un peu plus attentivement, car c'est vraiment très rigide. Il y aurait peut-être moyen de l'améliorer à cet égard, en modifiant les règlements.

M. Fortier: Ce serait une modification aux règlements de la partie 1, car en ce qui concerne la partie 2, la Commission ne s'intéresse qu'aux services commerciaux, services aériens commerciaux.

Le président: L'article 7 est-il adopté? Monsieur Harding?

M. Harding: Monsieur le président, encore une fois, il s'agit de règlements, mais je ne suis pas trop sûr si cela relève de la présente Loi ou non. J'ai reçu un certain nombre de plaintes en ce qui concernait l'usage d'aéronefs pour faire la chasse. Je présume qu'il s'agit surtout d'hélicoptères, des hélicoptères qui font la chasse et qui ensuite font atterrir les chasseurs. Je présume que cela se produit. Qui alors édicterait les règlements pour empêcher cela? Et est-ce que cela relève de la présente Loi ou est-ce que cela relève du gouvernement provincial, en vertu des règlements de la chasse? Est-ce qu'il y a quoi que ce soit dans les règlements qui empêcherait cette situation?

M. Richardson: Monsieur le président, je ne crois pas qu'il existe quoi que ce soit ici qui viserait cette situation. Cela relèverait à ma connaissance des règlements de la chasse et non de la Loi sur l'aéronautique. Si j'ai tort, qu'on me corrige.

M. Gray: Je crois que c'est exact, monsieur le ministre. Si la personne qui exploite l'aéronef est payée par les chasseurs qu'il transporte, cela nécessite une licence du Comité des transports aériens, mais ni le Comité des transports aériens, ni la Commission canadienne des transports n'ont de règlements quant à savoir si l'on peut faire la chasse à

[*Text*]

although I might say, just for the information of the Committee members, that the Air Transport Committee co-operates on request with the enforcement officials of the provinces and sometimes we have joint patrols of our own inspectors and game wardens and sometimes immigration officials.

Mr. Harding: You do have patrols?

Mr. Gray: From time to time...

Mr. Harding: I see.

Mr. Gray: ...for this purpose. We try to co-operate as much as possible with the Fish and Wildlife Branch of Ontario, for example, if they ask us.

Mr. Harding: There is no objection to flying hunters into base camps. This is quite all right, but chasing the animals or hunting from the air I think should certainly be outlawed. I am very pleased to hear that patrols are flown. This would be under what department again?

Mr. Gray: The federal authorities have co-operated among themselves and with some provincial game departments and carried out joint patrols to ensure that, for example, foreign hunters who are hunting in Canada have licences to ensure that aircraft owners are not carrying hunters for hire and reward without a licence. In other words, a joint enforcement effort.

Mr. Harding: Thank you.

The Chairman: Shall Clauses 7 to 9 carry?

Clauses 7 to 9 agreed to.

Preamble agreed to.

Title agreed to.

Shall I report the bill?

Some hon. Members: Agreed.

The Chairman: I want to thank the Committee for their great support. I do not believe we will have a sitting for a few days. In any case you will be advised in due course of the next sitting. We may have a steering committee meeting next week, Monday or Tuesday.

Mr. Serré: That means, Mr. Chairman, we do not sit tomorrow?

The Chairman: No. This is finished. Thank you very much, all the members, for your great support.

[*Interpretation*]

bord d'un avion. Je peux vous dire toutefois que le Comité des transports aériens collabore sur demande avec les fonctionnaires quant à l'application de la Loi de la province et parfois, nous avons des patrouilles conjointes comprenant nos propres inspecteurs et des gardes-chasse et parfois des fonctionnaires de l'Immigration.

M. Harding: Vous avez des patrouilles?

M. Gray: De temps à autre...

M. Harding: Je comprends.

M. Gray: A cette fin, nous essayons de collaborer le plus possible avec le ministère de la Chasse et de la Pêche de l'Ontario, par exemple, si on nous le demande.

M. Harding: Aucune objection à transporter les chasseurs jusqu'à leur camp, mais l'histoire de la chasse à partir de l'avion ou de l'hélicoptère devrait être réglementée. Je ne savais pas qu'il y avait des patrouilles qui existaient. Et, sous quel ministère, encore une fois?

M. Gray: Les autorités fédérales ont collaboré entre-elles et avec certains ministères de la Chasse et de la Pêche provinciaux, pour avoir des patrouilles conjointes pour assurer par exemple que les chasseurs étrangers qui font la chasse au Canada ont un permis valide pour assurer que les propriétaires d'aéronefs ne transportent pas des chasseurs à forfait et à profit sans permis. En d'autres termes, c'est une application conjointe de la Loi.

M. Harding: Merci.

Le président: Les articles 7 à 9 sont-ils adoptés?

Les articles 7 à 9 sont adoptés.

Le préambule est adopté.

Le titre est adopté.

Le président: Dois-je faire rapport du bill?

Des voix: D'accord.

Le président: Je veux remercier les membres du Comité de toute cette aide. Je crois que nous n'aurons pas de séance d'ici quelques jours. De toute façon, on vous avisera en temps et lieu. Il y aura peut-être une réunion du Comité de direction la semaine prochaine, lundi ou mardi.

M. Serré: Mais rien demain?

Le président: Non, tout est fini, maintenant. Je vous remercie beaucoup, messieurs les membres, de votre grande aide.

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STANDING COMMITTEE ON

TRANSPORT AND COMMUNICATIONS

COMITÉ PERMANENT DES

TRANSPORTS ET DES COMMUNICATIONS

Chairman H.-Pit Lessard *Président*

MINUTES OF PROCEEDINGS AND EVIDENCE

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LE LUNDI 17 FÉVRIER 1969

LE MARDI 18 FÉVRIER 1969

OTTAWA, ONT.

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Problèmes de transport dans les provinces de l'Atlantique.

WITNESSES—TÉMOINS

(See Minutes of Proceedings) *(Voir procès-verbaux)*

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[2]Corbin	Nowlan
Godin	[3]Perrault

Pursuant to Standing Order 65 (4) (b) notice was given of changes in the membership of the Standing Committee on Transport and Communications.

[1]Mr. Mahoney replaced Mr. Penner, on February 4, 1969.

[2]Mr. Corbin replaced Mr. Howard (*Okanagan Boundary*), on February 4, 1969.

[3]Mr. Perrault replaced Mr. Serré, on February 4, 1969.

[4]Mr. Horner replaced Mr. Woolliams, on February 6, 1969.

[5]Mr. Rose replaced Mr. Harding, on February 10, 1969.

COMITÉ PERMANENT DES TRANSPORTS ET DES COMMUNICATIONS

Président: M. H.-Pit Lessart

Vice-président: [1]M. Pat Mahoney

et MM.

Portelance	Thomas (*Moncton*)
Pringle	Trudel
Rock	Turner
[5]Rose	(*London East*)
Skoberg	

Suivant l'article 65(4)(*b*) du Règlement, avis fut donné de modifications dans la composition du Comité des transports et des communications.

[1]M. Mahoney remplace M. Penner, le 4 février 1969.

[2]M. Corbin remplace M. Howard (*Okanagan Boundary*), le 4 février 1969.

[3]M. Perrault remplace M. Serré, le 4 février 1969.

[4]M. Horner remplace M. Woolliams, le 6 février 1969.

[5]M. Rose remplace M. Harding, le 10 février 1969.

REPORT TO THE HOUSE

WEDNESDAY January 29, 1969

The Standing Committee on Transport and Communications has the honour to present its

FOURTH REPORT

Your Committee has considered Bills S-14, An Act to amend the Aeronautics Act, and S-19 An Act to amend the Navigable Waters Protection Act and has agreed to report them without amendment.

A copy of the Minutes of Proceedings and Evidence relating to these Bills (Issue No. 12) is tabled.

Respectfully submitted,

RAPPORT À LA CHAMBRE

Le MERCREDI 29 janvier 1969

Le Comité permanent des transports et des communications a l'honneur de présenter son

QUATRIÈME RAPPORT

Le Comité a étudié les bills S-14, Loi modifiant la Loi sur l'aéronautique et S-19, Loi modifiant la Loi sur la protection des eaux navigables, et est convenu d'en faire rapport sans modification.

Un exemplaire des procès-verbaux et témoignages à ces bills (*fascicule n° 12*) est déposé.

Respectueusement soumis,

Le président,
H.-Pit Lessard,
Chairman.

29690—1½

ORDERS OF REFERENCE

HOUSE OF COMMONS
FRIDAY, January 17, 1969.

Ordered,—That the Standing Committee on Transport and Communications be empowered to consider and report upon the problems of transportation in the Atlantic Provinces, and that, for the purposes of its inquiry, the Committee be empowered to adjourn from place to place within Canada and the Clerk and the necessary supporting staff be authorized to accompany the Committee.

WEDNESDAY, January 22, 1969.

Ordered,—That the following Bills be referred to the Standing Committee on Transport and Communications:

Bill S-14, An Act to amend the Aeronautics Act; and

Bill S-19, An Act to amend the Navigable Waters Protection Act.

ATTEST:

ORDRES DE RENVOI

CHAMBRE DES COMMUNES
Le VENDREDI 17 janvier 1969

Il est ordonné,—Que le comité permanent des transports et des communications soit autorisé à examiner et à rendre compte des problèmes de transport des provinces de l'Atlantique, et que, aux fins de son enquête, le comité soit autorisé à se rendre à différents endroits au Canada et que le greffier ainsi que le personnel de soutien nécessaire soient autorisés à accompagner le comité.

Le MERCREDI 22 janvier 1969

Il est ordonné,—Que les bills suivants soient déférés au comité permanent des transports et des communications:

Bill S-14, Loi modifiant la Loi sur l'aéronautique;

Bill S-19, Loi modifiant la Loi sur la protection des eaux navigables.

ATTESTÉ:

Le Greffier de la Chambre des communes

ALISTAIR FRASER

The Clerk of the House of Commons

[*Text*]

MINUTES OF PROCEEDINGS

THURSDAY, February 13, 1969.
(13)

The Standing Committee on Transport and Communications met this day at 9:40 a.m. *in camera*, the Chairman, Mr. H.-Pit Lessard, presiding.

Members present: Messrs. Allmand, Breau, Corbin, Godin, Lessard (*LaSalle*), Mahoney, McGrath, Nowlan, Perrault, Pringle, Rock, Skoberg, Thomas (*Moncton*), Turner (*London East*). (14).

It was moved by Mr. Allmand, seconded by Mr. Nowlan,

Resolved,—That Mr. Pat Mahoney be elected Vice-Chairman of this Committee.

It was moved by Mr. Pringle,

Resolved:—That nominations be closed.

The Chairman then declared Mr. Mahoney elected Vice-Chairman of this Committee.

Then on motion of Mr. Allmand, it was

Resolved:—That the members of the Committee restrain themselves to a 10-minute questioning period of the witnesses appearing before the Committee during its tour of the Atlantic Provinces.

The Clerk then proceeded to the distribution of wallets which had been prepared for the trip to the Atlantic Provinces.

On motion of Mr. Allmand,

Resolved:—That the following documents be made available to the members of this Committee:

1. The Canadian Railway Act.
2. The Maritimes Freight Rates Act.
3. The Canadian Transportation Act.
4. Summary of briefs as prepared by the Department of Transport

[*Traduction*]

PROCÈS-VERBAUX

Le JEUDI 13 février 1969
(13)

Le Comité permanent des transports et des communications se réunit ce matin à 9 h 40, *à huis clos*, sous la présidence de M. H.-Pit Lessard, président.

Présents: MM. Allmand, Breau, Corbin, Godin, Lessard (*LaSalle*), Mahoney, McGrath, Nowlan, Perrault, Pringle, Rock, Skoberg, Thomas (*Moncton*) et Turner (*London-Est*) (14).

Sur une proposition de M. Allmand, appuyé par M. Nowlan,

Il est décidé—Que M. Pat Mahoney soit élu vice-président du Comité.

Sur une proposition de M. Pringle,

Il est décidé—Que les mises en candidature soient closes.

Le président déclare M. Mahoney dûment élu vice-président du Comité.

Ensuite, sur la proposition de M. Allmand,

Il est décidé—Que les membres du Comité limitent à 10 minutes leur interrogatoire des témoins qui comparaîtront devant le Comité au cours de sa tournée des provinces atlantiques.

Le secrétaire distribue les trousses préparées en vue du voyage aux provinces atlantiques.

Sur une proposition de M. Allmand,

Il est décidé—Que les documents suivants soient mis à la disposition des membres du Comité:

1. La loi sur les chemins de fer.
2. La loi sur les taux de transport des marchandises dans les provinces Maritimes.
3. La loi sur les transports.
4. Le résumé des mémoires établis par le ministère des Transports.

[*Text*]

After further debate, on motion of Mr. Breau, it was

Resolved:—That the briefs received by the Standing Committee on Transport and Communications and not yet printed in the records, be printed as appendices to this Committee's Minutes of Proceedings and Evidence during its tour of the Atlantic Provinces.

The Chairman informed the Committee that a motion is needed to allow the printing of the Minutes of Proceedings of this meeting since the Committee is sitting *in camera.*

Thereupon, on motion of Mr. Carter,

Resolved:—That the minutes of the present meeting be printed.

At 10:10 a.m., the Committee adjourned to the call of the Chair.

[*Traduction*]

Sur la proposition de M. Breau,

Il est décidé—Que les mémoires reçus par le Comité permanent des transports et des communications et qui n'ont pas encore été consignés en appendice au compte rendu le soient au cours du voyage.

Le président signale au Comité qu'il est nécessaire de présenter une motion tendant à l'impression du compte rendu de la présente séance vu que le Comité siège *à huis clos.*

Alors, sur la proposition de M. Carter,

Il est décidé—Que le compte rendu des délibérations de la présente séance soit imprimé.

A 10 h 10 du matin, le Comité s'ajourne jusqu'à nouvelle convocation du président.

Le secrétaire du Comité,
Robert Normand,
Clerk of the Committee.

MONDAY, February 17, 1969.
(14)

The Standing Committee on Transport and Communications met this day at Fredericton, N.B. at 9:30 a.m., the Chairman, Mr. H.-Pit Lessard, presiding.

Members present: Messrs. Allmand, Breau, Carter, Corbin, Godin, Horner, Lessard (*LaSalle*), McGrath, Mahoney, Nesbitt, Nowlan, Perrault, Portelance, Pringle, Rock, Rose, Skoberg, Thomas (*Moncton*), Trudel, Turner (*London East*).—(20)

Also present: Mr. T. M. Bell, M.P.

Witnesses: Representing McCain Foods Limited: Mr. Dan Swim, Traffic Manager; *representing Atlantic Provinces Soft Drink Association:* Mr. John Reynolds, President; Mr. Robert Lynch, Vice-President; *from the City of Saint John, N.B.:* Mayor J. A. MacDougall, M.D., Mr. Dino Pappas, Common Clerk and City Solicitor; *from the Saint John Board of Trade:* Mr. James M. Crosby, President; Mr. Gordon H. Lummis, General Manager; *from Irving Oil Limited:*

Le LUNDI 17 février 1969
(14)

Le Comité permanent des transports et des communications se réunit aujourd'hui à Fredericton (N.-B.) à 9 heures et demie du matin, sous la présidence de M. H. Pit Lessard.

Présents: MM. Allmand, Breau, Carter, Corbin, Godin, Horner, Lessard (LaSalle), McGrath, Mahoney, Nesbitt, Nowlan, Perrault, Portelance, Pringle, Rock, Rose, Skobert,Thomas (*Moncton*), Trudel et Turner (*London-Est*)—(20).

Aussi présent: M. T. M. Bell, député.

Témoins: de McCain Foods Limited: M. Dan Swim, directeur de la circulation; *de l'Atlantic Provinces Soft Drink Association,* M. John Reynolds, président et M. Robert Lynch, vice-président; *de la ville de Saint-Jean* (*N.-B.*), le maire, M. J. A. MacDougall, M.D., et M. Dino Pappas, greffier et chef du Contentieux municipal; *de la Chambre de Commerce de Saint-Jean,* M. James M. Crosby, président, et M. Gordon H. Lummis, directeur général;

[*Text*]

Mr. K. C. Irving, Chief Executive Officer; Mr. A. L. Irving, Director and Executive Officer; Mr. G. B. Lawson, Assistant to the President; *from the Maritime Transportation Commission:* Mr. Ramsay Armitage.

The Chairman made a general statement regarding the Committee's terms of reference relating to the transportation problems of the Atlantic Provinces.

McCain Foods Limited presented a summary of their brief and were questioned thereon.

The witness undertook to obtain additional information for the Committee.

On behalf of the Atlantic Provinces Soft Drink Association, Mr. Reynolds and Mr. Lynch summarized their brief and were questioned thereon.

Mr. Pappas presented a brief on behalf of the City of Saint John, followed by a brief on behalf of the Saint John Board of Trade. (*See appendix C*).

Mr. K. C. Irving, Chief Executive Officer of the group of companies, read at length the brief presented to the Committee. (*See Appendix "D" for the appendices to the Irving Oil brief*)

At 12:30 p.m. the meeting adjourned until 2:00 o'clock p.m. this day.

[*Traduction*]

de la société Irving Oil Limited, M. K. C. Irving, administrateur en chef, M. A. L. Irving, directeur et membre du comité d'administration, et M. G. B. Lawson, adjoint du président; *de la Commission du transport maritime,* M. Ramsay Armitage.

Le président fait un exposé général des attributions du Comité, en ce qui concerne les difficultés du transport dans les provinces atlantiques.

La société *McCain Foods Limited* soumet un résumé de son mémoire et son représentant est interrogé à ce sujet.

Le témoin s'engage à obtenir des renseignements supplémentaires pour le Comité.

MM. Reynolds et Lynch, parlant au nom de l'*Atlantic Provinces Soft Drink Association,* résument leur mémoire et sont interrogés à cet égard.

M. Pappas soumet un mémoire au nom de la ville de Saint-Jean, après quoi un mémoire de la Chambre de commerce de Saint-Jean est également soumis. (*voir l'appendice C*)

M. K. C. Irving, administrateur en chef représentant le groupe de sociétés, fait lecture du texte intégral du mémoire soumis au Comité. (*voir l'appendice «D» en ce qui concerne les annexes au mémoire de la société Irving Oil*).

A midi et demi, la séance est suspendue jusqu'à 2 heures.

Le secrétaire du Comité,
Robert Normand,
Clerk of the Committee.

AFTERNOON SITTING
(15)

The Standing Committee on Transport and Communications met this day in Fredericton, New Brunswick, at 2:15 p.m., the Chairman, Mr. H.-Pit Lessard, president.

Members present: Messrs. Allmand, Breau, Carter, Corbin, Godin, Horner, Lessard (*LaSalle*), Mahoney, McGrath, Nes-

SÉANCE DE L'APRÈS-MIDI
(15)

Le Comité permanent des transports et des communications se réunit aujourd'hui à Fredericton (Nouveau-Brunswick), à 2 heures et quart de l'après-midi, sous la présidence de M. H.-Pit Lessard.

Présents: MM. Allmand, Breau, Carter, Corbin, Godin, Horner, Lessard (*LaSalle*), Mahoney, McGrath, Nesbitt, Now-

[*Text*]

bitt, Nowlan, Perrault, Portelance, Pringle, Rock, Rose, Skoberg, Thomas (*Moncton*), Trudel, Turner (*London East*)—(20).

Also present: Mr. Thomas Bell, M.P.

Witnesses: From the Irving Group of Companies: Mr. K. C. Irving; Mr. G. B. Lawson. *From the Saint John Port and Industrial Association:* Mr. Philip W. Oland, Chairman of the Commission; Mr. John P. Mooney, Vice-Chairman, Alderman; Mr. W. Alliston, member; Mr. Stewart MacDonald, Executive Director; Mr. Murray McCavour, Assistant Executive Director. *Representing the Government of the Province of New Brunswick:* The Honourable Robert J. Higgins, Minister of Economic Growth; Mr. R. E. Tweedale, Deputy Minister; *Representing the Maritime Co-operative Services Limited:* Mr. W. D. Dernier, General Manager. *From T. Eaton Company Limited:* Mr. W. R. Sparks, Traffic and Customs Manager; Mr. R. E. Lockhart, Eastern Catalogue Operating Manager. *From the Maritime Provinces Board of Trade:* Mr. B. W. Isner. *From the Maritime Transportation Commission:* Mr. J. M. Crosby, Chairman; Mr. Craig S. Dickson, Executive Manager; Mr. R. M. S. Armitage, Assistant Manager; Mr. Maurice Cormier, Research Economist.

The members resumed their questioning of the Irving Oil Officials.

Officials of the Saint John Port and Industrial Commission were questioned.

The Honourable R. J. Higgins, presented a summary of the New Brunswick provincial brief and was questioned thereon.

Mr. W. D. Dernier summarized the recommendations contained in the brief of the Maritime Co-operative Services Limited and proceeded then to answer questions of the members of the Committee.

The Committee recessed for ten minutes.

[*Traduction*]

lan, Perrault, Portelance, Pringle, Rock, Rose, Skoberg, Thomas (*Moncton*), Trudel et Turner (*London-Est*) (20).

Aussi présent: M. Thomas Bell, député.

Témoins: pour le groupe des sociétés Irving: M. K. C. Irving et M. G. B. Lawson; *de la Saint John Port and Industrial Association:* M. Philip W. Oland, président de la commission, M. John P. Mooney, vice-président, échevin, M. W. Alliston, membre, M. Stewart MacDonald, administrateur en chef, et M. Murray McCavour, adjoint de l'administrateur en chef; *du gouvernement de la province du Nouveau-Brunswick:* l'honorable Robert J. Higgins, ministre de l'Expansion économique, et M. R. E. Tweedale, sous-ministre; *de la Maritime Co-operative Services Limited:* M. W. D. Dernier, directeur général; *de la société T. Eaton Limited,* M. W. R. Sparks, directeur de la Circulation et du Service douanier, et M. R. E. Lockhart, directeur des opérations de la publication du catalogue pour l'Est du Canada; *de la Chambre de commerce des provinces maritimes*: M. B. W. Isner; *de la Commission des transports maritimes:* M. J. M. Crosby, président, M. Craig S. Dickson, directeur de l'exécutif, M. R. M. S. Armitage, directeur adjoint, et M. Maurice Cormier, économiste et spécialiste en recherche.

Les membres du Comité continuent à interroger les représentants de la société *Irving Oil.*

Les représentants de la *Saint John Port and Industrial Commission* sont interrogés.

L'honorable R. J. Higgins soumet un résumé du mémoire de la province du Nouveau-Brunswick et il est interrogé à ce sujet.

M. W. D. Dernier résume les recommandations contenues dans le mémoire de la *Maritime Co-operative Services Limited,* puis il répond aux questions posées par les membres du Comité

La séance est suspendue pendant dix minutes.

[*Text*]

After recess, questions were asked of the officials of T. Eaton Company.

Mr. B. W. Isner representing the Maritime Provinces Board of Trade summarized his brief and was questioned thereon.

Mr. J. M. Crosby presented a summary of the Maritimes Transportation Commission and Officials answered questions.

At 6:00 p.m., the Committee adjourned until 8:00 p.m. this day.

EVENING SITTING
(16)

The Standing Committee on Transport and Communications met this day in Fredericton, New Brunswick at 8:00 p.m. the Chairman, Mr. H.-Pit Lessard, presiding.

Members present: Messrs. Allmand, Breau, Carter, Corbin, Godin, Horner, Lessard (*LaSalle*), Mahoney, McGrath, Nesbitt, Nowlan, Perrault, Portelance, Pringle, Rock, Rose, Skoberg, Thomas (*Moncton*), Trudel, Turner (*London East*)—(20).

Witnesses: From the City of Moncton: Mayor L. C. Jones; Deputy Mayor J. P. Leblanc and Mr. H. A. Fredericks, Consultant. *From the Grand Manan Board of Trade:* Mr. Lawrence Cook, President; Mr. Sam Guptill, member. *From the Fredericton Junior Chamber of Commerce:* Mr. Jack Lamey. *From the City of Fredericton:* Mr. John Brander, Professor, University of New Brunswick; Mayor W. T. Walker; Mr. Louis Seheult, Councillor. *From the Enterprise Foundry Company Limited:* Mr. Maurice P. Fisher, Vice-President Purchasing. *From the Opposition Members of the New Brunswick Assembly:* Mr. Fred McCain, MLA; Mr. Lorne McGuigan, MLA.

The Chairman introduced the witnesses who gave an oral summary of their brief and answered questions thereon.

[*Traduction*]

La séance étant reprise, les représentants de la société *T. Eaton* sont interrogés.

M. B. W. Isner, représentant la Chambre de commerce des provinces maritimes, résume son mémoire puis il est interrogé à ce sujet.

M. J. M. Crosby soumet un résumé du mémoire de la Commission des transports maritimes et il répond aux questions posées à son sujet.

A 18 h. la séance est suspendue jusqu'à 20 h.

SÉANCE DU SOIR
(16)

Le Comité permanent des transports et des communications se réunit aujourd'hui à Fredericton (Nouveau-Brunswick) à 8 h. du soir, sous la présidence de M. H.-Pit Lessard

Présents: MM. Allmand, Breau, Carter, Corbin, Godin, Horner, Lessard (*LaSalle*), Mahoney, McGrath, Nesbitt, Nowlan, Perrault, Portelance, Pringle, Rock, Rose, Skoberg, Thomas (*Moncton*), Trudel et Turner (*London-Est*) (20).

Témoins: de la ville de Moncton: le maire L. C. Jones, son adjoint, M. J.-P. Leblanc, et M. H. A. Fredericks, expert-conseil; *de la Chambre de commerce de Grand-Manan:* M. Lawrence Cook, président, et M. Sam Guptill, membre; *de la Chambre de commerce des jeunes de Fredericton:* M. Jack Lamey; *de la ville de Fredericton:* M. John Brander, professeur à l'université du Nouveau-Brunswick, le maire W. T. Walker, et M. Louis Seheult, conseiller municipal; *de l'Enterprise Foundry Company Limited:* M. Maurice P. Fisher, vice-président, division des achats; *de l'Opposition de l'assemblée législative du Nouveau-Brunswick:* M. Fred McCain et M. Lorne McGuigan, députés.

Le président présente les témoins et ceux-ci résument leur mémoire de vive voix, puis ils répondent aux questions qui leur sont posées à cet égard.

[*Text*]

The Chairman thanked the witnesses and the Committee adjourned until 9:30 a.m., February 18, 1969.

[*Traduction*]

Le président remercie les témoins et le Comité s'ajourne jusqu'à 9 heures et demie du matin, le 18 février 1969.

Le secrétaire du Comité,
Robert Normand,
Clerk of the Committee.

TUESDAY, February 18, 1969.
(17)

The Standing Committee on Transport and Communications met this day in Fredericton, New Brunswick at 9:30 a.m., the Chairman Mr. Lessard, presiding.

Members present: Messrs. Allmand, Breau, Carter, Corbin, Godin, Horner, Lessard (*LaSalle*), Mahoney, McGrath, Nesbitt, Nowlan, Perrault, Portelance, Pringle, Rock, Rose, Skoberg, Thomas (*Moncton*), Trudel, Turner (*London East*) (20).

In attendance: From the Canadian Transport Commission: Mr. Joseph Hanley.

Witnesses: From the Canadian Trucking Association: Mr. J. E. Palmer, President, M.M.T.A.; Mr. A. K. MacLaren, Executive Director. *From the Chestnut Canoe Co. Ltd.:* Mr. G. W. Birch, President. *From the City of Bathurst:* Mayor J. A. Picot.

The Chairman introduced the witnesses and invited them to present a summary of their brief before being questioned thereon.

There being no further questions, the Committee adjourned at 12:01 p.m. until 2:00 p.m. this day.

Le MARDI 18 février 1969
(17)

Le Comité permanent des transports et des communications se réunit ce matin à Fredericton (N.-B.), à 9h. 10, sous la présidence de M. Lessard.

Présents: MM. Allmand, Breau, Carter, Corbin, Godin, Horner, Lessard (*LaSalle*), Mahoney, McGrath, Nesbitt, Nowlan, Perreault, Portelance, Pringle, Rock, Rose, Skoberg, Thomas (*Moncton*), Trudel et Turner (*London-Est*) (20).

Aussi présent: de la *Commission canadienne des transports:* M. Joseph Hanley.

Témoins: *de la Canadian Trucking Association:* M. J. E. Palmer, président, M. M. T. A., et M. A. K. MacLaren, directeur de l'exécutif; *de la Chestnut Canoe Co. Ltd.:* M. G. W. Birch, président; *de la ville de Bathurst:* le maire, M. J. A. Picto.

Le président présente les témoins et les invite à donner un résumé de leurs mémoires avant d'être interrogés à cet égard.

L'interrogatoire étant terminé, la séance est levée à midi et 1 minute, jusqu'à 14 heures.

AFTERNOON SITTING
(18)

The Standing Committee on Transport and Communications met this day in Fredericton, New Brunswick at 2:05 p.m., the Chairman, Mr. H.-Pit Lessard, presiding.

Members present: Messrs. Allmand, Breau, Carter, Corbin, Godin, Horner, Lessard (*LaSalle*), Mahoney, McGrath, Nesbitt, Nowlan, Perrault, Portelance,

SÉANCE DE L'APRÈS-MIDI

Le Comité permanent du transport et des communications se réunit aujourd'hui à Fredericton (Nouveau-Brunswick) à 14 heures sous la présidence de M. Lessard.

Présents: MM. Allmand, Breau, Carter, Corbin, Godin, Horner, Lessard (*LaSalle*), Mahoney, McGrath, Nesbitt, Nowlan, Perrault, Portelance, Pringle, Rock, Rose,

[*Text*]

Pringle, Rock, Rose, Skoberg, Thomas (*Moncton*), Trudel, Turner (*London East*).

Also present: Mr. Percy Smith, M.P.

In attendance: From the Canadian Transport Commission: Mr. Joseph Hanley.

Witnesses: From Ganong Bros. Limited: Mr. J. P. Ensor; Mr. P. D. Frye. *From the Fredericton Board of Trade:* Mr. F. G. Bidlake, President; Mr. N. J. McKenzie, Secretary; Mr. A. J. Rioux, Director; Mr. Ottis Logue, Directeur and Vice-President. *From Commuter Air Services Ltd.:* Mr. Robert D. Thomson. *From the Miramichi Area:* Mayor Robert Martin of Chatham, New Brunswick and Mayor Earle McKenna of Newcastle, New Brunswick. *From Campbellton City Council:* Mayor J. W. MacDonald. *From the Campbellton Chamber of Commerce:* Mr. J. M. Harquail.

The Chairman intrduced the witnesses and asked them to present summaries of their respective briefs before being questioned thereon.

See Appendix "E" for Fredericton Board of Trade brief. The Fredericton Board of Trade undertook to provide additional information to the Committee at a later date.

See Appendix "F" for brief by five students from the University of New Brunswick.

See Appendix "G" for brief by Moncton and District Labour Council.

See Appendix "H" for brief by Campbellton City Council.

At 4:45 p.m. the Committee adjourned until 9:30 a.m., February 19, 1969.

[*Traduction*]

Skoberg, Thomas (*Moncton*), Trudel et Turner (*London-Est*).

De même que: M. Percy Smith, député.

Aussi présent: de la Commission des transports du Canada: M. Joseph Hanley.

Témoins: représentant la société Ganong Bros. Ltd.: M. J. P. Ensor et M. P. D. Frye; *de la Chambre de commerce de Fredericton:* M. F. G. Bidlake, président, M. N. J. McKenzie, secrétaire, M. A. J. Rioux, directeur, et M. Ottis Logue, directeur et vice-président; *de la Commuter Air Services Ltd.:* M. Robert D. Thomson; *de la région de Miramichi:* le maire Robert Martin, de Chatham (Nouveau-Brunswick) et le maire Earle McKenna, de Newcastle (Nouveau-Brunswick); *du conseil municipal de Campbellton:* le maire J. W. MacDonald; *de la Chambre de commerce de Campbellton:* M. J. M. Harquail.

Le président présente les témoins et les prie de soumettre des résumés de leurs mémoires respectifs avant d'être interrogés à leur sujet.

Voir l'Appendice «E» en ce qui concerne le mémoire soumis par la Chambre de commerce de Fredericton.

La Chambre de commerce de Fredericton s'engage à fournir plus tard au Comité les renseignements supplémentaires demandés.

Voir l'Appendice «F» en ce qui concerne le mémoire soumis par cinq étudiants de l'université du Nouveau-Brunswick.

Voir l'Appendice «G» en ce qui concerne le mémoire soumis par le Conseil du travail de la ville et du district de Moncton.

Voir l'Appendice «H» en ce qui concerne le mémoire soumis par le conseil municipal de Campbellton.

A 5 heures moins un quart de l'après-midi, le Comité s'ajourne jusqu'à 9 heures et demie du matin, le 19 février 1969.

Le secrétaire du Comité,
Robert Normand,
Clerk of the Committee.

[*Text*]

EVIDENCE

(Recorded by Electronic Apparatus)

Monday February 17, 1969

[*Interpretation*]

TÉMOIGNAGES

[*Enregistrement électronique*]

Le lundi 17 février 1969

• 0833

The Chairman: Ladies and gentlemen, members of the Committee, I would like to welcome you to the first meeting of the Transport Committee here this morning.

I took the opportunity to invite the CBC and the newspapermen and allowed them to take pictures. I took that upon myself to do. I hope this is satisfactory to the Committee.

Before starting, may I take this opportunity to inform the public that the Standing Committee on Transport and Communications of the House of Commons is regarded as a portion of the House of Commons. Therefore, the Committee is governed for the most part in its proceedings by the same rules which prevail in the House of Commons, by Article 65 (10) of the Standing Orders of the House of Commons.

The Committee has received a great number of briefs concerning transportation problems of the Atlantic Provinces and the Committee is anxious to hear everyone who has submitted a brief to us. Therefore, we have asked everyone to comply with the request to supply the Committee with an official typewritten list of the names of those persons who form the delegations appearing before the Standing Committee on Transport.

I would also ask those who present a brief—I am sorry to say this—to be as brief as possible because our agenda is pretty well loaded. We have a very, very tight schedule, so I would ask them to limit the length of their presentations.

This morning we are starting with a brief from McCain Foods Limited, and I would ask the gentlemen who are going to present the brief to come forward, please.

We have a new procedure this morning. You will be talking direct to Ottawa via two lines of the Bell Telephone Company. I would ask all members of the Committee, if possible, whenever you want to speak to raise your hand and wait until I name you so that there will not be any mistake.

I would like to present to you Mr. Dan Swim: of McCain Foods from Florenceville.

Le président: Mesdames et messieurs, membres du Comité. Je vous souhaite la bienvenue ce matin à la première réunion du Comité des Transports.

J'ai saisi l'occasion d'inviter Radio-Canada ainsi que les journalistes et je leur ai permis de prendre des photographies. J'ai pris la liberté de le faire, et j'espère que le Comité est consentant.

Avant de commencer, puis-je dire au grand public que le Comité permanent des Transports et des communications de la Chambre des communes est considéré comme une partie de celle-ci. Par conséquent, le Comité est régi pour la plus grande partie par le Règlement de la Chambre des communes, par l'article 65(10).

Le Comité a reçu un très grand nombre de mémoires au sujet des problèmes du transport dans les provinces de l'Atlantique. Le Comité a hâte d'entendre tous ceux qui ont présenté des mémoires. Par conséquent, nous avons demandé à tous de bien vouloir donner au Comité une liste officielle, dactylographiée, des noms des personnes qui font partie de la délégation qui comparaît devant le Comité permanent des Transports.

Je demande aussi à ceux qui présentent un mémoire, et je regrette infiniment d'avoir à le faire, d'être aussi brefs que possible car notre programme est très chargé. Je leur demanderais donc de limiter leur exposé, car nous sommes très pressés.

Ce matin, nous commencerons donc par le mémoire de la *McCain Foods Ltd.* Je demanderais à ceux qui doivent présenter le mémoire de bien vouloir venir à l'avant.

Nous avons une nouvelle procédure, ce matin. Vous parlerez directement à Ottawa par le truchement de deux lignes de la compagnie de téléphone *Bell.* Je demanderais aux membres du Comité, quand ils veulent parler, de lever la main et d'attendre que je les nomme afin qu'il n'y ait pas d'erreur.

Je vous présente M. Dan Swim de la *McCain Foods,* de Florenceville.

[*Text*]

Mr. Dan Swim (McCain Foods Limited, Florenceville): Good morning, gentlemen of the Committee. We would like to discuss very briefly what we have in our brief.

Our company, McCain Foods, is about 12 years old and is one of the largest processors of frozen products in Canada. Indeed, we are one of the largest in the world. The matter of freight rates is very important to our company, both at the present time and for the future. Nearly all of our sales are outside of the Province of New Brunswick and our business could not exist as such were it not for Ontario and Quebec and being competitive in those places.

About 80 per cent of our business is done in the provinces of Ontario, Quebec and the Maritimes, that is east of the Manitoba border, and this movement is almost entirely by truck. We supply the Prairie Provinces and British Columbia by rail. This brief will cover principally the 80 per cent of our sales now handled by motor transport.

First, I would like to point out that our customers in Quebec and Ontario do require these over-the-road carriers. The reason for this is that many do not have sidings; therefore they have to have carriers to drop. Many of them are not full truckloads as well.

Over the years we have been plagued by a shortage of good refrigerator trailers to get our goods to the market and, of course, on many occasions our business has suffered because of this poor service. In other words, there just do not seem to be enough refrigerated trucks willing and able to carry our goods which we feel we could afford to pay. We are still straining at the moment to supply this service.

Just recently we accepted a small rate increase, the first in the history of the company of McCain Foods. We have vigorously resisted these higher rates and we have done this by, loading around the clock, seven days a week, as well as going to the individual carriers and making an agreement with them to load their vehicles to capacity. In other words, we have done everything we can to keep our costs down.

What we would suggest, what we would petition you for, gentlemen, is this: that you recommend to the Government of Canada that the subventions as laid down in the MFRA apply to the motor transport industry. We believe that the MFRA makes an important and necessary contribution to the economy of the Maritimes. The reason for this Act, of course, is well known, but we feel the

[*Interpretation*]

M. Dan Swim (McCain Foods Limited, Florenceville): Bonjour, messieurs les membres du Comité; nous voudrions brièvement exposer ce que porte notre mémoire.

La compagnie *McCain Foods*, date d'environ douze ans. C'est l'un des plus grands apprêteurs de produits congelés au Canada, et même dans le monde. La question des taux de transport de marchandises est très importante pour notre compagnie, actuellement et pour l'avenir. La plus grande partie de nos ventes se font à l'extérieur du Nouveau-Brunswick et nous n'existerions pas si ce n'était la concurrence de l'Ontario et du Québec.

Environ 80 p. 100 de nos affaires se font dans l'Ontario, le Québec et dans les provinces des Maritimes, soit à l'est de la frontière du Manitoba, et le transport se fait presque uniquement par camion. Quant aux provinces des Prairies et à la Colombie-britannique, nous y assurons le transport par voie de chemins de fer. Nous allons nous contenter de vous parler du transport routier.

Nos clients du Québec et de l'Ontario ont besoin de ce transport par camion. La plupart d'entre eux, justement, n'ont pas d'embranchements ferroviaires et, par conséquent, doivent avoir des services de camions. Nos ventes se font dans une grande partie à raison de moins qu'une charge de camion. Il y a déjà eu un grave manque de remorques frigorifiques et nos ventes ont souffert en raison de ce manque de service. En d'autres termes, il ne semble pas y avoir suffisamment de camions frigorifiques pour transporter nos produits aux taux que nous pouvons payer. A l'heure actuelle, nous nous forçons d'assurer ces services quand même.

Tout récemment, nous avons accepté une augmentation du taux de transport, pour la première fois dans l'histoire de la *McCain Foods*. Nous avons résisté vigoureusement à cette augmentation en expédiant sept jours par semaine, 24 heures par jour, et en demandant à chaque compagnie de camionnage de mettre la plus grande quantité de marchandise possible dans leurs camions. En d'autres termes, nous avons tout fait pour réduire nos frais.

Ce que nous vous demanderions, messieurs, c'est ceci: que vous recommandiez au gouvernement du Canada que les subventions qui s'appliquent selon la *Loi sur le taux de transport des marchandises dans les provinces maritimes* s'appliquent aussi au transport routier. Nous croyons justement que cette Loi contribue beaucoup et est indispensable à l'économie des Maritimes. La raison d'être de

[*Texte*]

spirit of the Act is not being carried out as it was intended.

We feel the spirit of this Act was to assist products from the Maritimes to be sold competitively both inside and across Canada at prices which are competitive. The purpose of this Act we believe is sound, but today we feel it just cannot accomplish its purpose unless it is applied to the motor transport industry.

We feel that the people who enacted this MFR Act were not too much worried about the railways, but were concerned with the competitive position and the economic well-being of the Atlantic region. We believe this is still the case today. Therefore, we feel that this should be extended to the motor transport industry. This would immediately place us in a better position competitively if it was carried out. We would then look to the motor transport industry to expand enormously and offer the kind of equipment—trucks, reefers, etc., that would then put us in a position to service especially the areas east of the Manitoba border.

Gentlemen, that pretty well covers our brief.

The Chairman: Thank you very much. If you would like to remain here I believe there are a few members who would like to ask questions. Mr. Nesbitt.

Mr. Nesbitt: I have two brief questions. The first one is: why do you find it more advantageous to ship your products by interprovincial motor transport rather than by refrigerated railway car?

Mr. Swim: That was partly covered, sir. The first reason is that most of our customers east of the Manitoba border do not have rail sidings. The second point would be that a good number of our customers require multi-drops which are quite impossible with rail because it would take such a long period of time between one siding and another siding.

Mr. Nesbitt: You have spoilage problems, I suppose, if the products get out of refrigerated cars.

Mr. Swim: Yes, they are very perishable.

Mr. Nesbitt: The second question is: how do transport costs by rail under the existing Maritime Freight Rates Act compare to transport costs by truck? Have you any figures

[*Interprétation*]

cette loi est parfaitement connue, mais nous estimons qu'on n'a pas traduit en actes l'esprit de la Loi.

L'intention était d'aider à vendre les produits des maritimes à des prix concurrentiels, à l'intérieur et à l'extérieur du Canada. L'objet de la Loi est très sage, mais nous estimons que de nos jours la Loi ne peut atteindre son but à moins qu'on l'applique au transport routier.

Nous pensons que les rédacteurs de la Loi ne se préoccupaient pas tellement des chemins de fer, mais voulaient surtout assurer une économie concurrentielle aux Maritimes. Nous croyons que c'est toujours le cas, d'ailleurs. Nous estimons donc qu'on devrait étendre la portée de la Loi pour couvrir l'industrie du transport routier, ce qui nous placerait immédiatement dans une meilleure situation de concurrence. Cela permettrait aussi de développer l'industrie du transport par camion et d'offrir le genre de service et de matériel, de camions, de wagons frigorifiques qui nous permettraient alors de mieux desservir les régions à l'Est de la frontière du Manitoba. Messieurs, voilà le résumé de notre mémoire.

Le président: Merci beaucoup. Monsieur, si vous voulez rester ici, je crois qu'il y a certains députés qui aimeraient vous poser des questions. Monsieur Nesbitt.

M. Nesbitt: J'ai deux questions, très brèves; premièrement, pourquoi trouvez-vous qu'il est plus avantageux d'expédier vos produits par transport routier interprovincial plutôt que par wagons frigorifiques du chemin de fer?

M. Swim: J'en ai donné une explication partielle. D'abord, la majorité de nos clients, à l'est du Manitoba, n'ont pas d'embranchements ferroviaires. Deuxièmement, une bonne partie de nos clients ont besoin de livraisons multiples, ce qui consommerait un temps considérable entre un embranchement et un autre.

M. Nesbitt: Vous avez des problèmes quant à la conservation, je suppose, si les produits ne sont pas expédiés par véhicules frigorifiques.

M. Swim: Oui, ces produits sont très périssables.

M. Nesbitt: Deuxième question: comment comparer le coût du transport par camion et le coût du transport ferroviaire aux termes de la Loi sur les taux de transport des mar-

[*Text*]

you could give us, either now or perhaps later?

Mr. Swim: I could give you some later. I could not at the moment.

Mr. Trudel: I would like to ask the witness about the multidrops and less-than-carload rates. Do you have distributors at the ultimate end who receive your products or do you make distribution yourself on a door-to-door basis?

Mr. Swim: We do—to warehouses.

Mr. Trudel: You do yourself?

Mr. Swim: Yes. To the warehouses, that is to the wholesalers; not to the retailers.

Mr. Trudel: Thank you. That is all, Mr. Chairman.

Mr. Nowlan: I have three questions. I would like to compliment the witness in being so brief in his brief.

The Economic Intelligence Unit Study last year suggested that transportation cost was vastly overrated and that only 5 per cent was really transportation cost as against distribution cost. Does the witness have any idea of the transportation cost of his manufactured product?

Mr. Swim: The main point covered by our company, that is the distribution point, is Toronto. We will take that one as an example. The cost of our product per pound would be approximately 13 or 14 cents. This will only be an approximate figure, sir. Therefore, paying a rate of about $1.05 to $1.10, it would work out to about 8 per cent.

Mr. Nowlan: Are you aware of the Economic Intelligence Unit Study commissioned by the Atlantic Development Board last year?

Mr. Swim: I have heard tell of it, sir, but I am not completely familiar with it.

Mr. Nowlan: According to your brief, 80 per cent of your goods are sent east of the Ontario-Manitoba border. At present how much of that goes by a Canadian route and how much of that goes through Maine? And would a Maine corridor give you any advantages?

Mr. Swim: I will answer your last question first. We feel that the corridor road would

[*Interpretation*]

chandises dans les provinces maritimes? Avez-vous des données sur cela?

M. Swim: Je pourrai répondre plus tard, mais pas à l'heure actuelle, je le regrette.

M. Trudel: Vous avez parlé de livraisons multiples et des taux de moins d'une charge. Avez-vous des distributeurs à la destination ou si vous assurez la distribution vous-mêmes, «de porte en porte»?

M. Swim: Nous le faisons nous-mêmes aux entrepôts.

M. Trudel: Vous le faites vous-mêmes?

M. Swim: Oui. Aux grossistes et non pas aux détaillants.

M. Trudel: Merci, monsieur le président.

M. Nowlan: J'aurais deux ou peut-être trois questions, et je félicite le témoin d'avoir été aussi bref dans son mémoire.

Première question: L'étude faite par la sous-section de renseignements économiques a suggéré qu'on avait grandement exagéré les frais de transport et, qu'en fait, il n'y avait que 5 p. 100 en cause pour le transport en comparaison des frais de distribution. Est-ce que le témoin aurait une idée de ce que sont les frais de transport pour ses produits manufacturés?

M. Swim: Le principal point de distribution pour notre compagnie, c'est Toronto. Prenons donc Toronto comme exemple. Le coût de notre produit par livre serait environ 13c. ou 14c., la livre. C'est un chiffre approximatif, monsieur. Par conséquent, si nous payons $1.05 ou $1.10, cela équivaudrait peut-être à 8 p. 100.

M. Nowlan: Êtes-vous au courant de l'étude de la sous-section de renseignements économiques qui a été demandée l'an dernier par l'Office d'expansion économique de la région de l'Atlantique?

M. Swim: J'en ai entendu parler, mais je ne la connais pas tout à fait.

M. Nowlan: Dans votre mémoire, vous prétendez que 80 p. 100 de vos produits se dirigent à l'est de la frontière de l'Ontario et du Manitoba? Quelle proportion par la voie canadienne, et quelle proportion est distribuée grâce à une route américaine, et est-ce qu'un corridor passant par le Maine serait un avantage?

M. Swim: Je répondrai d'abord à votre dernière question. Nous croyons que ce serait

[*Texte*]

give us an advantage in that it would reduce the mileage by approximately 180 miles between here and Montreal. It would be advantageous because we could then deliver our products more conveniently and in less time.

Mr. Nowlan: What way do your truck goods go now?

Mr. Swim: They move mainly now via motor transport.

Mr. Nowlan: Through Maine and the United States or an all-Canadian route?

Mr. Swim: An All-Canadian route mainly, with possibly an exception in the spring.

Mr. Nowlan: If there was a Maine corridor, you might be lured to the Maine corridor route?

Mr. Swim: I am sure our carriers would be, yes.

Mr. Nowlan: The last question, Mr. Chairman. You mentioned that trucks should be included under the MFRA as are trains. Do you go another step and say that payment should be to the carrier rather than to the shipper?

Mr. Swim: I believe we covered that just slightly in our brief, sir.

Mr. Nowlan: You feel that the shipper should receive at least a portion of this, so you are not completely for the MFRA as constituted at present.

Mr. Swim: That is right.

Mr. Nowlan: Thank you.

The Chairman: Mr. Skoberg.

Mr. Skoberg: Thank you, Mr. Chairman. You mentioned that you use trucks because of a lack of rail sidings. I presume that a large portion of your shipments go directly to the larger centres. Could you give me an indication of what areas do not have railway sidings to facilitate your business at this time?

Mr. Swim: We would service possibly two dozen accounts in Toronto, that is individual wholesalers to whom we sell, and of those two dozen accounts there probably would not be more than three or four which would have rail sidings.

[*Interprétation*]

un avantage s'il y avait un corridor à travers le Maine; cela réduirait le millage d'environ 180 milles d'ici Montréal. Oui, ce serait certainement avantageux puisque nous pourrions alors livrer nos produits beaucoup plus facilement en moins de temps.

M. Nowlan: Quelle est la route suivie par vos produits livrés par camions à l'heure actuelle?

M. Swim: A l'heure actuelle, c'est surtout par le transport routier.

M. Nowlan: Par le Maine et les États-Unis ou par les routes canadiennes?

M. Swim: Principalement, par route entièrement canadienne, excepté au printemps.

M. Nowlan: S'il y avait un corridor à travers le Maine, cela vous attirerait?

M. Swim: Oui. D'accord.

M. Nowlan: Une dernière question: vous avez mentionné que les camions devraient être inclus dans la Loi sur les taux de transport de marchandises dans les Maritimes. Est-ce que vous voudriez aussi que le paiement soit fait au transporteur plutôt qu'à l'expéditeur?

M. Swim: Je crois que nous en avons parlé brièvement dans notre mémoire.

M. Nowlan: Vous croyez que l'expéditeur devrait en recevoir au moins une partie. En d'autres termes, vous ne voulez pas que la Loi s'applique telle qu'elle existe à l'heure actuelle?

M. Swim: C'est exact.

M. Nowlan: Merci.

Le président: Monsieur Skoberg?

M. Skoberg: Comme vous l'avez mentionné, c'est en raison du manque de voies de garage ferroviaires que vous vous servez de camions. Je présume qu'une grande partie de vos expéditions se font directement vers les centres les plus considérables. Pourriez-vous m'indiquer quels seraient les endroits qui n'auraient pas de voies de garage ferroviaires pour faciliter vos affaires à l'heure actuelle?

M. Swim: Nous pourrions desservir environ deux douzaines de clients à Toronto, c'est-à-dire des grossistes particuliers à qui nous vendons. De ce nombre, il n'y aurait probablement pas plus que trois ou quatre qui auraient des voies d'évitement ferroviaires.

[*Text*]

Mr. Skoberg: When you have used refrigerated rail cars, have you had difficulty in obtaining a sufficient number of rail cars for your business?

Mr. Swim: We did at one time, yes. This would be up until about possibly a year and a half or two years ago. Then the Canadian Pacific Railway built a large number of rail cars and this has more or less eliminated the problem of obtaining rail refrigerated cars.

Mr. Skoberg: Has your company any interest in any truck lines whatsoever?

Mr. Swim: I have heard, sir, that they have an interest in a truck line.

Mr. Skoberg: Do you not know?

Mr. Swim: I do not know. No, I do not know.

Mr. Skoberg: Could you find out? Mr. Chairman, respectfully I would ask that this information be made available.

Mr. Swim: Yes, we could do that.

The Chairman: Mr. Rock.

Mr. Rock: Thank you, Mr. Chairman. You mentioned that your main sales are to Quebec and Ontario and you stress the need to apply MFRA to trucking in order to be more competitive. What I would like to know is, competitive with whom? With other Canadians or with foreign markets?

Mr. Swim: With other Canadian markets.

Mr. Rock: Where are the other Canadian markets? Where are the potatoes growing outside of this area here?

Mr. Swim: Our competitors, of course, are spread across Canada. One of the largest that we have is centered in Manitoba. There are several in Ontario and the surrounding Toronto areas.

Mr. Rock: Is there that much of a potato industry in Ontario?

Mr. Swim: They produce French fries there so I believe there must be, sir.

Mr. Rock: You are not sure yourself, then, whether Ontario and Quebec import most of

[*Interpretation*]

M. Skoberg: Une autre question, monsieur le président. Lorsque vous employiez les wagons frigorifiques du chemin de fer, aviez-vous de la difficulté à obtenir suffisamment de wagons pour vos affaires?

M. Swim: A un moment donné, oui. Jusqu'à un an et demi ou il y a deux ans, et ensuite la compagnie des chemins de fer Pacifique-Canadien a fait construire beaucoup de wagons, ce qui a éliminé une grande partie du problème d'obtenir les wagons frigorifiques des chemins de fer.

M. Skoberg: Ma dernière question, monsieur le président. Est-ce que votre compagnie a un intérêt dans des sociétés de camionnage?

M. Swim: J'ai entendu dire que c'est le cas.

M. Skoberg: Vous ne le savez pas?

M. Swim: Non, je ne le sais pas.

M. Skoberg: Respectueusement, je demanderais qu'on nous fournisse ce renseignement, monsieur le président.

M. Swim: Oui, nous pourrions le faire.

Le président: Monsieur Rock?

M. Rock: Oui, monsieur le président, j'aimerais demander au témoin, vous avez mentionné avant que la plus grande partie de vos ventes se font au Québec et dans l'Ontario, et vous avez aussi insisté sur le besoin d'appliquer la Loi sur les taux de transport marchandises aux Maritimes pour que la situation soit plus concurrentielle: avec qui? Avec d'autres marchés canadiens ou avec les marchés étrangers?

M. Swim: Avec les autres marchés canadiens.

M. Rock: Où se trouvent les autres débouchés canadiens? Où les pommes de terre poussent-elles en dehors de cette région?

M. Swim: Nos concurrents se trouvent à travers le Canada, mais un des plus grands se trouve au Manitoba, ainsi que plusieurs dans l'Ontario, dans la région de Toronto.

M. Rock: Y a-t-il vraiment une grande industrie de la pomme de terre en Ontario?

M. Swim: Elles produisent des frites, alors je le crois.

M. Rock: Vous n'êtes pas sûr. Donc, si le Québec et l'Ontario importent la plus grande

[*Texte*]

their potatoes possibly from the United States and they receive a lot of them from New Brunswick. You are not sure whether . . .

Mr. Swim: No, I am not sure of those market areas with regard to fresh potatoes.

Mr. Rock: Do you not think it would make a difference in your request here if you would find out whether Ontario and Quebec receive a lot of their potatoes from the United States and directed more of your attention to the fact that possibly there is too much importation into Canada and maybe there should be an effort to reduce this importation? You say competitive. Competitive with whom? This is what I am trying to find out. You are not sure yourself.

Mr. Swim: Competitive with the central Canadian producers. Possibly that would not clarify it.

Mr. Rock: Yes, but you are not sure whether there is very much of this production in Ontario and Quebec. You see, there may possibly be only a week or two's supply in Quebec and Ontario. I am not sure myself, but I find that you are just striking on this MFRA without actually having investigated whether the competition is really Canadian competition. If it is American competition, this would shed a different light on your objection.

Mr. Swim: I am not sure where those potatoes originate, sir.

The Chairman: Mr. Horner.

Mr. Horner: Do the railroads own most or much of the long-haul trucking industries in New Brunswick and in the Maritimes?

Mr. Swim: No, I do not believe so.

Mr. Horner: You do not think it would be in the same proportion as they do in the rest of Canada?

Mr. Swim: I am not that familiar with the rest of Canada, but in New Brunswick this is not the case to any large extent.

Mr. Horner: Have you made any attempt to sell your products to the United States in any way?

Mr. Swim: Yes, they have, sir.

[*Interprétation*]

partie de leurs pommes de terre des États-Unis, mettons, et ils en reçoivent beaucoup du Nouveau-Brunswick? Vous n'êtes pas sûr?

M. Swim: Je ne suis pas sûr de ces régions pour ce qui est des pommes de terres fraîches.

M. Rock: Est-ce que cela ne ferait pas une différence très grande dans votre demande si le Québec et l'Ontario recevaient beaucoup de leurs pommes de terre des États-Unis et concentraient davantage votre attention sur le fait que peut-être il y a trop d'importations au Canada, et qu'on devrait peut-être réduire ces importations. Quand vous parlez de concurrence, de qui parlez-vous, et vous n'êtes pas sûr vous-même.

M. Swim: Une situation concurrentielle vis-à-vis des producteurs du centre du Canada. Il est possible que cela ne corrige pas la situation.

M. Rock: Oui, mais vous n'êtes pas sûr qu'il y ait vraiment une grande production dans le centre de l'Ontario et au Québec. Il se peut, par exemple, qu'il n'y ait qu'une réserve d'une semaine ou deux dans l'Ontario. Je n'en suis pas sûr moi-même, et vous-même vous attaquez la Loi, sans avoir fait enquête suffisamment sur le fait si la concurrence est vraiment canadienne ou non. S'il s'agit d'une concurrence américaine, évidemment, votre objection apparaîtrait sous un éclairage différent.

M. Swim: Je ne sais d'où viennent ces pommes de terre.

Le président: Monsieur Horner?

M. Horner: Est-ce que les chemins de fer sont les propriétaires de la plus grande partie ou d'une grande partie de l'industrie du camionnage dans les Maritimes ou au Nouveau-Brunswick?

M. Swim: Non, je ne le crois pas.

M. Horner: Pas dans la même proportion que dans le reste du Canada?

M. Swim: Je ne connais pas tellement le reste du Canada, mais au Nouveau-Brunswick, pas dans une très grande mesure. Non.

M. Horner: Avez-vous essayé de vendre vos produits aux États-Unis?

M. Swim: Oui, on l'a essayé.

[*Text*]

Mr. Horner: Do you know what percentage of your products?

Mr. Swim: Very small.

Mr. Horner: Very small. Could you give the Committee some idea as to why this is? Is it competition?

Mr. Swim: Yes. We cannot be competitive for various reasons, one being that there are very few carriers that cross the international border. The rates, of course, are rather high; and Maine, our next-door neighbour, is a very large producer of potatoes and this places them very favourably in the markets. So we just cannot be competitive.

Mr. Horner: You are not asking for the MFRA to apply to goods transported into the United States?

Mr. Swim: No, sir.

Mr. Horner: Have you considered the possibility of air freight in any way?

Mr. Swim: It has been considered, but due to the high cubic volume of our products, it has been virtually eliminated.

The Chairman: Mr. Allmand.

Mr. Allmand: Mr. Swim, you say in your brief that 80 per cent of your business is done east of the Ontario-Manitoba border. What percentage of your business is done in Ontario and Quebec? I ask that question because the National Transportation Act only gives its jurisdiction over trucking to interprovincial operations and not to operations wholly within a province. Even if we were to amend the Maritime Freight Rates Act to include trucking, it seems that we could only do it for interprovincial operations.

Mr. Swim: I would say about 60 per cent.

Mr. Allmand: Sixty per cent of the 80 per cent or 60 per cent of your total business?

Mr. Swim: Sixty per cent of the total business, sir.

That would be broken down to approximately 40 to 45 per cent.

Mr. Allmand: You are talking about Quebec and Ontario.

Mr. Swim: Yes.

[*Interpretation*]

M. Horner: Savez-vous quelle proportion de vos produits?

M. Swim: Très petite.

M. Horner: Très petite proportion. Pourriez-vous donner une idée au Comité de la raison pour cela? Est-ce la concurrence?

M. Swim: Oui, nous ne pouvons pas être concurrentiels justement pour diverses raisons, l'une d'entre elles étant qu'il y a très peu de transporteurs qui traversent la frontière internationale. Il y a très peu de transports qui peuvent le faire, les taux sont plutôt élevés; puis, ensuite, l'État du Maine, notre voisin, est un grand producteur de pommes de terre, ce qui les place dans une situation très favorable auprès des débouchés. Nous ne pouvons pas soutenir la concurrence.

M. Horner: Vous ne demandez pas tout simplement que la Loi s'applique aux produits transportés aux États-Unis?

M. Swim: Non, monsieur.

M. Horner: Avez-vous songé aux transports aériens?

M. Swim: Nous avons songé à cela, oui, mais en raison du fort cubage requis par nos produits, on l'a presque éliminé.

Le président: Monsieur Allmand.

M. Allmand: Vous dites dans votre mémoire, vous dites que 80 p. 100 de vos produits se vendent à l'est de la frontière du Manitoba et de l'Ontario. Quel pourcentage de vos affaires se font dans l'Ontario et au Québec? Je pose cette question, parce que la Loi sur les transports n'étend sa juridiction qu'aux sociétés de camionnage interprovinciales et non pas aux sociétés entièrement intraprovinciales. Même si nous devions amender ou modifier la Loi sur les taux de transports des marchandises dans les provinces maritimes pour y inclure le transport par camion, il semble que nous ne pourrions seulement le faire que dans le cas des exploitations interprovinciales.

M. Swim: Je dirais environ 60 p. 100.

M. Allmand: Alors, 60 p. 100 des 80 p. 100 ou 60 p. 100 du total?

M. Swim: 60 p. 100 du total, ce qui voudrait dire environ 40 ou 45 p. 100 des 80.

M. Allmand: Dans l'Ontario et le Québec?

M. Swim: Oui.

[*Texte*]

Mr. Allmand: This is further to the question Mr. Skoberg asked. He asked if your company had any interest in a trucking company. Does your company itself own any trucks?

Mr. Swim: No, we do not. We used to, sir, but we found that it was just not paying for us. It just did not pay its way.

Mr. Allmand: How many companies with refrigerated trucks would compete for your business?

Mr. Swim: Usually we have to call for them—generally speaking, sir.

Mr. Allmand: For Maritime trucking companies?

Mr. Swim: Yes, that is right. There would be possibly five or six in this area; that would be within the Province of New Brunswick.

Mr. Allmand: In your brief you say there is a shortage of good refrigerated vehicles to serve you. Have you called for a bid for trucking companies outside of New Brunswick, from Quebec?

Mr. Swim: Yes, we have. We still find there is a shortage.

Mr. Nowlan: May I ask a supplementary?

The Chairman: If Mr. Allmand is through.

Mr. Allmand: Yes.

Mr. Nowlan: I wonder if the witness knows if the Ontario trucks are getting preferential rates for the same type of business in Ontario and Quebec to what you are paying them here?

Mr. Swim: No, I am sorry but I am not familiar with that. Possibly they are.

The Chairman: Mr. Allmand.

Mr. Allmand: You were also asked about routes. At the present time do you use, for the most part, the Trans-Canada Highway going north out of Florenceville into Quebec and Ontario? Is this the route you use?

Mr. Swim: Yes, just north of Florenceville.

An hon. Member: Is that finished?

Mr. Swim: No, it is not. That is just what I was going to say. There is no Trans-Canada Highway until you get to Perth, I believe.

[*Interprétation*]

M. Allmand: Pour faire suite à la question posée par M. Skoberg, à l'effet de savoir si votre compagnie avait des intérêts dans une société de camionnage, est-ce que votre compagnie est propriétaire de camions?

M. Swim: Non. Autrefois, oui, mais nous avons trouvé que cela n'était pas payant en ce qui concernait. L'affaire ne faisait pas ses frais.

M. Allmand: Combien de sociétés possédant des camions frigorifiques vous feraient concurrence?

M. Swim: Normalement, il faut que nous les demandions nous-mêmes.

M. Allmand: Des sociétés de camionnage des Maritimes?

M. Swim: Oui, c'est exact il y aurait peut-être 5 ou 6 compagnies dans cette région, cela veut dire dans l'intérieur de la province du Nouveau-Brunswick.

M. Allmand: Dans votre mémoire, vous dites qu'il y a un manque de bons camions frigorifiques pour desservir les régions. Avez-vous demandé des appels d'offres à l'extérieur du Nouveau-Brunswick, au Québec?

M. Swim: Oui. Nous croyons qu'il y a encore pénurie.

M. Nowlan: Puis-je poser une question supplémentaire?

Le président: Si M. Allmand a terminé.

M. Allmand: Oui.

M. Nowlan: Je me demande si le témoin sait si les camions de l'Ontario donnent des taux préférentiels au même genre d'affaires dans l'Ontario et le Québec, des taux préférentiels par rapport à ce qu'ils vous demandent ici.

M. Swim: Non, je regrette, je ne connais pas la situation. Peut-être le font-ils?

Le président: Monsieur Allmand.

M. Allmand: Vous avez aussi dit qu'à l'heure actuelle vous employez la route transcanadienne au nord de Florenceville pour entrer dans le Québec et l'Ontario. Est-ce la route que vous employez?

M. Swim: Oui juste au nord de Florenceville.

Une voix: Est-ce que la route est terminée?

M. Swim: Non, j'allais justement dire que la route transcanadienne n'est pas encore terminée jusqu'à Perth, je crois.

[*Text*]

Mr. Allmand: But you do use the Canadian route. When do they expect to finish that road? Do you know?

Mr. Swim: Hopefully—we have had a bridge there now for about a year—it should be finished very quickly.

Mr. Allmand: Thank you.

The Chairman: Mr. Perrault.

Mr. Perrault: Mr. Chairman, I would like to ask this question. In the brief that this company submitted to the committee in March 1968, they said this in the final paragraph:

> The extension of subsidy to the motor transport industry on the same basis as is now paid to the railroads is a progressive, positive and genuinely practical step . . .

If this subsidy is extended it is going to improve this company's competitive position.

In view of the fact that McCain Foods seems to be engaged in successful competition in the British Columbia market at the present time, where they sell a great deal of their goods, if this subsidy is extended will they be shipping more of their products by truck instead of rail shipment? You indicated today that penetration in Western Canada has not reached the national level because you are not able to offer truck delivery. Would it still improve your competitive position in the British Columbia market, the 20 per cent which lies beyond Ontario, if the truck industry were granted these additional subsidies? You seem to be doing very well in the West at the present time.

Mr. Swim: Actually that is rather difficult to state, sir. I would say that no doubt it would improve indirectly, but as the 20 per cent of business that we do west of the Manitoba border is almost exclusively rail, I do not see where it would possibly create any large improvement in British Columbia.

Mr. Perrault: Would it enable you to convert to truck shipment beyond Ontario? This is the question I am asking.

Mr. Swim: Over the years this has not been possible and I still do not think it would be possible.

[*Interpretation*]

M. Allmand: Mais vous utilisez la route canadienne. Quand est-ce qu'on s'attend de finir la route Transcanada? Le savez-vous?

M. Swim: Un pont existe depuis un an, alors la route devrait être terminée sou peu. Nous l'espérons.

M. Allmand: Merci.

Le président: Monsieur Perrault?

M. Perrault: Monsieur le président, je voudrais poser la question suivante. Dans le mémoire présenté par cette compagnie, en mars 1968, voici ce qu'on disait au dernier paragraphe:

> Étendre à l'industrie du transport routier les subventions dont bénéficient actuellement les chemins de fer constitue une initiative concrète véritablement pratique et marquée vers un esprit progressiste.

Si la subvention est étendue, cela améliorerait la situation concurrentielle de cette compagnie.

Vu le fait que la McCain Foods semble être engagée dans une situation concurrentielle réussie dans le marché de la Colombie-Britannique, à l'heure actuelle, où ils vendent une bonne partie de leurs produits, si cette subvention est étendue, est-ce qu'ils expédieront plus par camion que par chemin de fer? Vous avez indiqué aujourd'hui que la pénétration dans l'ouest du Canada n'est pas à l'échelle nationale, parce que vous êtes incapables d'en assurer la livraison par camion. Est-ce que cela améliorerait votre situation concurrencielle aux débouchés de la Colombie-Britannique, par exemple? Les 20 p. 100 qui existent au-delà de la frontière de l'Ontario, si l'industrie du camionnage reçoit ces subventions. Votre situation semble bonne dans l'ouest à l'heure actuelle.

M. Swim: Il serait plutôt difficile de le dire catégoriquement, monsieur. Je dirais indirectement, la situation s'améliorerait sans doute, mais comme les 20 p. 100 de nos affaires, à l'ouest de la frontière du Manitoba, se trouvent desservis presque exclusivement par chemin de fer, je ne vois pas du tout où ou comment cela pourrait améliorer grandement la situation de la Colombie-Britannique, par exemple?

M. Perrault: Est-ce que cela vous permettrait d'employer les camions au-delà de l'Ontario? C'est la question que je pose.

M. Swim: Au cours des années, cela n'a pas été possible. Je ne crois pas que ce le soit encore.

[*Texte*]

Mr. Perrault: If a subsidy were paid to the motor industry.

Mr. Swim: On a long haul it appears that the transport just cannot compete with rail.

The Chairman: Are you finished, Mr. Perrault?

Mr. Perrault: I would like to know where your main competition is at the present time. In both the central market and the western market, where does the area of competition originate?

Mr. Swim: I believe just inside the Manitoba border; that would be Carnation Co. Limited probably. I am just not familiar enough with sales to quote you any more of our competitors' names.

Mr. Breau: Mr. Chairman, there is a point that I would like the witness to clarify. Some of my colleagues have mentioned that this company might have an interest in trucking or something of the sort. I would like to pursue the point from a different angle. Even if your company owned their own trucks and delivered your own products it really would not make any difference. Could you tell us how good a service the CNR gives you now?

Being from New Brunswick I know that for many shippers, many manufacturers, even if they did want to ship by rail, it is practically impossible because of the shortage of cars. It probably takes a long time to travel from Florenceville to Toronto, while covering it by truck you would make it to Toronto in one day. So supposing you were to ship by rail, regardless of who owns the trucks, would there be a backlog in your distribution?

Mr. Swim: Yes, it would be much slower.

Mr. Breau: So then you people have to ship by truck?

Mr. Swim: Yes, in order to service our customers.

Mr. Breau: Not only for you, but it is a known fact in New Brunswick, is it not, that it is better to ship by truck anything you manufacture here because it is quicker?

[*Interprétation*]

M. Perrault: Oui, mais, s'il y avait une subvention au transport routier?

M. Swim: A la longue, à longue échéance, sur un long parcours, il semble que les camions ne peuvent pas concurrencer les chemins de fer.

Le président: Est-ce que c'est tout monsieur Perrault?

M. Perrault: Je voudrais savoir où se trouve votre concurrence principale à l'heure actuelle, dans le marché central et dans le marché de l'ouest. D'où procède-t-elle?

M. Swim: J'ai l'impression que juste à l'intérieur de la frontière du Manitoba, la compagnie Carnation, probablement. Je ne connais pas suffisamment le domaine des ventes pour vous donner les noms de nos autres concurrents.

M. Breau: Il y a une question pour laquelle j'aimerais avoir un éclaircissement. Il y a certains de nos collègues qui ont mentionné que cette compagnie pourrait avoir des intérêts dans l'industrie du camionnage ou quelque chose du genre. J'aimerais donc insister un peu plus sur un autre aspect. Même si votre compagnie avait ses propres camions, et si vous assuriez la livraison de vos propres produits, à mon sens, cela ne ferait aucune différence. Pourriez-vous nous dire alors quel genre de service le CNR vous donne maintenant.

Venant du Nouveau-Brunswick, je sais que plusieurs expéditeurs, même s'ils voulaient expédier par chemin de fer ne pouvaient pas le faire. C'est partiquement impossible en raison, tout d'abord, du manque de wagons et, deuxièmement, cela prend beaucoup de temps d'aller de Florenceville à Toronto, alors que, par camion, vous vous y rendez dans une journée. Alors, en supposant que vous expédiez pas rail, peu importe qui est propriétaire des camions, vous auriez un retard dans votre distribution?

M. Swim: C'est exact, ce serait beaucoup plus lent.

M. Breau: Alors, il vous faut expédier par camions?

M. Swim: Oui, c'est exact. Afin de desservir nos clients.

M. Breau: Non seulement pour vous, mais c'est un fait connu au Nouveau-Brunswick, n'est-ce pas, qu'il est préférable d'expédier par camion tout ce qui est fabriqué ici, car c'est plus rapide?

[*Text*]

Mr. Swim: It is quicker, yes.

Mr. Breau: Could you tell the Committee what other companies do? Do they usually ship by rail or by truck?

Mr. Swim: Well, of course, there again that depends on the points to which you are shipping, but into Ontario I feel that with a product of our type the transport is the answer mainly because of the reasons you have pointed out. Time, especially.

Mr. Breau: There are many other products shipped by truck.

Mr. Swim: Yes.

Mr. Breau: For example, Christmas trees. We ship a lot of them by truck and we ship a lot of other stuff by truck from New Brunswick.

Mr. Swim: That is right.

The Chairman: Mr. Horner, a supplementary question?

Mr. Horner: Yes, I wonder if we could be told just how many carloads of freight or how many truck-loads of freight your company would handle within a year. You have given us some figures of 80 per cent and 20 per cent. Eighty per cent of what? Have you any figures?

Mr. Swim: I have a breakdown, gentlemen, if it would be of interest, of the various provinces to which we shipped last year. If you have time I can list them off. Would that be of interest?

Mr. Horner: Go ahead.

Mr. Swim: It will take a few minutes.

Mr. Horner: You might give us an idea as to the total amount of shipments. How many carloads are we speaking of, or how many truckloads?

Mr. Swim: We are talking about 65 million pounds in the year 1968. Cars out west, 120,000 pounds. On a day-to-day basis I can tell you very much closer, sir. We ship on the average about eight to ten trucks and trailers per day, as well as about one railcar per day to the Western provinces.

Mr. Horner: To the Western provinces. To Central Canada, too, or is that more?

[*Interpretation*]

M. Swim: Oui, c'est exact. C'est plus rapide.

M. Breau: Oui, mais pourriez-vous dire au Comité ce que font les autres compagnies? Est-ce qu'ils expédient d'habitude par chemin de fer ou par camion?

M. Swim: Encore une fois, cela dépend de la destination. Mais, j'estime que, dans l'Ontario, pour un produit comme le nôtre, le transport par camion, c'est la réponse. Tout principalement pour la raison que vous avez donnée, soit le temps en cause.

M. Breau: Oui, il y a plusieurs autres produits qui sont expédiés par camion de toute façon.

M. Swim: Oui.

M. Breau: Oui, par exemple, les arbres de Noël, et plusieurs autres produits sont expédiés par camion du Nouveau-Brunswick?

M. Swim: C'est exact.

Le président: Monsieur Horner, une question supplémentaire?

M. Horner: Oui, je me demande si on pourrait savoir combien de chargements de wagons ou combien de chargements de camion votre compagnie fait dans une année. Vous nous avez dit, 80 p. 100, 60 p. 100, 20 p. 100 de quoi? Avez-vous des chiffres?

M. Swim: J'ai le détail, si cela pouvait vous aider pour les diverses provinces, en ce qui concerne nos expéditions l'an dernier. Si vous avez le temps, je pourrais vous les citer. Cela vous intéresse-t-il?

M. Horner: Allez-y.

M. Swim: Ça prendra quelques minutes.

M. Horner: Et alors, pourriez-vous me donner une idée de la totalité des expéditions? Combien de wagonnées ou combien de camions?

M. Swim: 65 millions de livres dans l'année 1968. Il s'agit là de livres. Et maintenant, en ce qui concerne les wagonnées pour l'ouest, jour par jour, je pourrais vous le dire de façon beaucoup plus précise. Nous expédions de huit à dix camions par jour en plus d'une wagonnée de chemin de fer en direction des provinces de l'Ouest.

M. Horner: Jusqu'à l'Ouest ou pour le centre du Canada aussi?

[*Texte*]

Mr. Swim: No, this would be the motor carriers, the highway carriers going to Central Canada.

Mr. Horner: The eight to ten trailers would be to Central Canada?

Mr. Swim: Right. The Atlantic, Quebec, Ontario. Rail would be west of the Manitoba border.

Mr. Horner: Most of your shipments, then, would be by truck?

Mr. Swim: Yes.

Mr. Horner: This is why you feel the MFRA would be better applied to motor transportation. You would then be benefiting more from it than you are today.

Mr. Swim: That is correct.

The Chairman: Mr. Portelance.

M. Portelance: Pouvons-nous nous exprimer en français ou devons-nous le faire en anglais?

Le président: Certainement, nous avons des interprètes. Si vous voulez attendre une minute, je vais leur demander d'interpréter pour vous.

M. Portelance: Lorsqu'on fait le transport par train, souvent on voit aussi des camions sur les trains. Utilisez-vous ce moyen de transport?

Le président: Vous parlez du service rail-route.

Mr. Swim: We have used this.

M. Portelance: À ce moment-là, les prix sont-ils réduits ou si vous obtenez le même prix? Ou accordez-vous le même rabais que par train?

Mr. Swim: It is very similar; very much the same.

Mr. Corbin: Mr. Chairman, I think the witness mentioned the figure of about 180 miles as being the distance saved if the product went through the Maine corridor route. Is that the figure you mentioned?

Mr. Swim: Yes, that is my information from a press release, sir.

Mr. Corbin: You have not calculated the actual saving yourselves.

Mr. Swim: No.

[*Interprétation*]

M. Swim: Non, les camions se rendent dans la partie centrale du Canada.

M. Horner: Les huit ou dix seraient destinés au centre du Canada?

M. Swim: Les provinces de l'Atlantique, l'Ontario et le Québec; le chemin de fer, va à l'ouest du Manitoba.

M. Horner: La plus grande partie de vos expéditions se font par camions donc.

M. Swim: Oui.

M. Horner: C'est donc la raison pour laquelle vous trouvez que la loi devrait s'appliquer à l'industrie du camionage? Vous pourriez en profiter plus qu'à l'heure actuelle.

M. Swim: C'est exact.

Le président: Monsieur Portelance.

Mr. Portelance: Can we speak French, or do we have to speak English?

The Chairman: Yes, certainly, you may speak French. We have interpreters here. If you want to wait just a moment, please, I shall ask them to interpret for you.

Mr. Portelance: With regard to railway transportation, we often see trucks on the trains. Do you use this method of transportation?

The Chairman: You mean the piggy back service.

M. Swim: Oui, nous l'avons déjà employé.

Mr. Portelance: In this case, are prices reduced or do you get the same price or do you grant the same discounts as you would by train?

M. Swim: Cela se ressemble beaucoup.

M. Corbin: Monsieur le président, je crois que le témoin a mentionné qu'une distance de 180 milles serait épargnée si le produit employait un corridor par l'État du Maine. Est-ce bien le chiffre?

M. Swim: Ce sont les renseignements que j'avais d'après un communiqué de presse, monsieur.

M. Corbin: En d'autres termes, vous n'avez pas calculé cette épargne vous-même.

M. Swim: Non.

[*Text*]

Mr. Corbin: This would be through what port of entry into Maine and out of what port at the Quebec border?

Mr. Swim: I believe that would be St. Stephen to Sherbrooke. I believe it was, sir.

Mr. Corbin: I see. I missed some of the questions put to you earlier. Did you say that you were in the trucking business yourselves?

Mr. Swim: No, our company is principally in frozen foods.

Mr. Corbin: Not McCain Foods, but do you have a subsidiary in the trucking business?

Mr. Swim: No, we do not.

Mr. Corbin: I see. In your opinion would the completion of the Trans-Canada Highway between the New Brunswick border and Quebec City improve conditions to a very great extent?

Mr. Swim: Oh, I believe it would, yes.

Mr. Corbin: And would the improvement of the existing Trans-Canada Highway in New Brunswick now to a four-lane route improve your transportation still more?

Mr. Swim: Yes, I believe it would.

Mr. Perrault: Mr. Chairman, it may not be technically a supplementary, but it is a question about the McCain operation that I would like to ask, if I may.

This company is attempting to hold the line in the matter of transportation costs. This seems to be the intent of the submission. They seek a subsidy for truckers from the taxpayers of Canada. What has been the percentage increase in costs and prices in other areas of the McCain operation in the past five years? Is there an attempt here to hold the line in the matter of transportation at taxpayer expense while your other costs—labour, production—have been rising? The second supplementary question is: What has been your annual increase in sales over that same period by years? Is it not a fact that your company has been a very successful company during these 10 years?

Mr. Swim: I believe it has been a successful company, sir. Now in answer to our holding the line on costs, of course, you cannot

[*Interpretation*]

M. Corbin: Et alors, par quel point d'entrée dans l'État du Maine et à quel point à la frontière du Québec?

M. Swim: Je crois qu'il s'agit de Saint-Stephen en passant par Sherbrooke. Je le crois.

M. Corbin: J'ai manqué certaines des questions qui vous ont été posées un peu plus tôt. Avez-vous dit que vous étiez dans l'industrie du camionnage vous-même?

M. Swim: Non. Notre compagnie a des produits congelés.

M. Corbin: Non pas McCain Foods, mais vous avez une subsidiaire dans l'industrie du camionnage.

M. Swin: Non.

M. Corbin: A votre sens, est-ce que, si on terminait la route Trans-Canada entre la ville de Québec et la frontière du Nouveau-Brunswick, la situation serait améliorée de beaucoup?

M. Swim: Je le crois, oui.

M. Corbin: Et alors, est-ce que l'amélioration de la route Trans-Canada, à l'heure actuelle, dans le Nouveau-Brunswick, et en faisant une route à quatre voies, améliorerait sensiblement votre transport?

M. Swin: Oui, je le crois.

M. Perrault: Une question complémentaire, monsieur le président. Ce n'est peut-être pas vraiment une question complémentaire, mais il s'agit d'une question quant aux opérations McCain, si on veut bien me permettre une telle question.

Cette compagnie essaie de maintenir les frais de Transport au même niveau. Cela semble être la portée de votre mémoire. Vous essayez d'obtenir une subvention pour le camionnage à partir des contriblables. Quelle fut l'augmentation en pourcentage quant au coût et aux prix pour les autres secteurs des opérations McCain au cours des cinq dernières années? Est-ce qu'on a essayé ici de maintenir les coûts de tranport aux dépens des contribuables ou est-ce que les autres coûts, main-d'œuvre, production, ont aussi augmenté? Et la deuxième question complémentaire: quelle fut votre augmentation annuelle des ventes pour cette même période par année? N'est-il pas vrai que votre société a très bien réussi au cours de ces dix dernières années?

M. Swim: Oui, je crois que notre compagnie a très bien réussi, oui. Et maintenant, la réponse pour ce qui est de maintenir la situa-

[*Texte*]

hire men today for what you could hire them 10 years ago.

Mr. Perrault: Can you pay the cost of running a railway, can you hold the line in the matter of rail costs and other shipping costs when you are unable to hold the line in other labour costs involved in the direct production of chips? Are not increasing costs a fact of the economy from coast to coast?

Mr. Swim: It appears they are.

The Chairman: Mr. Horner, a supplementary?

Mr. Horner: Yes. You have suggested that you have been plagued with difficulties in delivering refrigerated goods. Has your company attempted to buy refrigerator vehicles and rent them to the truckers? You can buy old refrigerator trailers and rent them to the truckers.

Mr. Swim: I believe that was explored at one time, sir, but it appeared to the company that this would not be the wise thing to do.

Mr. Horner: I think it would.

The Chairman: Mr. Allmand.

Mr. Allmand: Mr. Portelance asked about piggyback service. Do I understand that even if there was this piggyback service into the Maritimes it would not be a feasible means of transport and that it would still be better to go all the way by truck right from your factory?

Mr. Swim: We feel it would be. Number one, there is not a piggyback terminal right close. It would be about 30 miles south of us and time would be involved in getting from our plant to the piggyback terminal.

Mr. Allmand: Where is the piggyback terminal here in New Brunswick?

Mr. Swim: There is one at Woodstock.

The Chairman: Well, gentlemen, this is the end of the question period.

Mr. Rock?

Mr. Rock: Has it been understood that the witness will give us some information tomorrow?

The Chairman: Yes.

[*Interprétation*]

tion quant aux coûts: bien entendu, on ne peut avoir les mêmes coûts cette année qu'il y a dix ans.

M. Perrault: Est-ce que vous pouvez payer les coûts d'exploitation d'un chemin de fer? Est-ce que vous pouvez maintenir les prix quant aux coûts d'expédition par rail ou autre? Est-ce que vous pouvez vous maintenir pour ce qui est des autres coûts dans la main-d'œuvre entraînés dans la production directe, disons, des chips? Est-ce que l'augmentation des coûts n'est pas un fait de l'économie d'un océan à l'autre?

M. Swim: Il semble qu'il en est ainsi.

Le président: Question supplémentaire, monsieur Horner?

M. Horner: Question complémentaire. Vous dites que vous éprouvez des difficultés pour ce qui est d'obtenir des camions réfrigérés. Est-ce que vous essayez d'en acheter pour en louer aux camionneurs? Vous pourriez acheter de tels camions réfrigérés et les louer aux cammionneurs.

M. Swim: Je crois que nous avons étudié la possibilité à un moment donné, mais il a semblé à la compagnie que ce ne serait pas sage de procéder ainsi.

M. Horner: Je crois que ce le serait.

Le président: Monsieur Allmand?

M. Allmand: M. Portelance vous a demandé ce qu'il en était quant au service rail-route. Si je comprends bien, même s'il y avait un excellent service rail-route pour les Maritimes, ce ne serait pas un moyen possible de transport. Ne serait-il pas toujours préférable de le faire exclusivement par camions à partir de votre usine?

M. Swim: Oui, c'est notre avis. Tout d'abord, nous n'avons pas un terminus rail-route tout près. Ce serait environ trente milles au sud, ce qui entraîne du temps, soit pour le transport de l'usine au terminus rail-route.

M. Allmand: Où se trouve-t-il au Nouveau-Brunswick?

M. Swim: Il y en a un à Woodstock.

Le président: Messieurs, voilà la fin de la période de questions. Monsieur Rock.

M. Rock: Est-ce qu'il a été convenu que le témoin nous donnera des renseignements demain?

Le président: Oui.

[*Text*]

Mr. Rock: Would he also add to that their profits in the past years of operation.

Some hon. Members: No.

The Chairman: Mr. Rose.

Mr. Rose: This is supplementary to Mr. Nowlan's question. I do not believe the distinction was made by the witness between the transportation and the distribution costs from a particular point, say, the Toronto market. I wonder if the witness would be kind enough to bring in some figures when he makes his submission. I am asking him to add the transportation costs and distribution costs separately as they apply per pound to his product, as a percentage of gross sales and also as a percentage of the cost of the product per pound. Thank you.

The Chairman: I will see that you get that information, Mr. Rose. Mr. Breau.

Mr. Breau: Mr. Chairman, could the witness make clear, maybe by finding out, just what the difference in time would be between shipping by rail and by truck? It seems to me that that is the big advantage. Would the railways give you adequate service? Could you obtain that information for us?

Mr. Swim: I believe I could answer that. The highway transports go from our plant to Toronto, which is the main centre of distribution, in 20 to 24 hours.

Mr. Breau: How long does it take by rail?

Mr. Swim: By rail there would be at least a third morning delivery.

Mr. Breau: Mr. Chairman, did I understand that they have to show their profits for the last years? I do not think this is necessary.

The Chairman: No.

Mr. Breau: Because if they run effectively and make a profit it does not necessarily mean that the transportation policy should be different.

The Chairman: Mr. Rose.

Mr. Rose: I wonder, too, if the witness could give us, in the costs that I asked for, the

[*Interpretation*]

M. Rock: Tel que prévu il y a un instant, et aussi nous dira ce qu'il en est quant aux bénéfices qu'ils ont faits pour leurs opérations ces dernières années?

Des voix: Non.

Le président: Monsieur Rose?

M. Rose: C'est une question complémentaire à la question posée par M. Allmand. Je ne crois pas qu'une distinction fut faite jusqu'ici par le témoin entre les coûts de transport et les coûts de distribution à partir d'un point donné, disons le marché de Toronto. Le témoin serait-il assez bon maintenant de nous donner la statistique lorsqu'il présentera un fait donné? Est-ce qu'il ne pourrait pas aussi nous dire ce qu'il en est des coûts de transport et des coûts de distribution de façon distincte, par livre pour ces produits comparativement à l'ensemble des ventes et aussi du coût du produit par livre?

Le président: Oui. Je verrai à ce que vous obteniez ces renseignements, monsieur Rose. M. Breau?

M. Breau: Est-ce que le témoin ne pourrait pas établir clairement, peut-être en se renseignant, la différence de temps qui existe entre l'expédition par rail et l'expédition par camion? A mon avis, le temps semble être le grand avantage. Est-ce que le service ferroviaire vous donnerait un service satisfaisant et suffisant? Pourriez-vous nous avoir ces renseignements?

M. Swim: Je pense pouvoir répondre à votre question. Le transport routier va de notre usine à Toronto, qui est le principal centre de distribution, en 20 à 24 heures.

M. Breau: Et combien de temps faut-il par rail?

M. Swim: Au moins le tiers de plus.

M. Breau: Monsieur le président, est-ce vrai qu'il ont à révéler leurs profits pour les dernières années? A mon avis, ce n'est pas nécessaire.

Le président: Non, non.

M. Breau: Parce que si leur opération est efficace et qu'ils ont un bénéfice, et je ne crois pas que cela signifie nécessairement que la politique des transports doive être différente.

Le président: Monsieur Rose.

M. Rose: Est-ce que le témoin ne pourrait pas aussi nous donner les coûts que j'ai

[*Texte*]

various comparisons of five years ago and ten years ago so that we can have an idea of the trend.

The Chairman: Are there any more questions? This will complete the question period. I want to thank you, Mr. Swim. Mr. Swim is the traffic manager of his firm. I want to thank you very much.

Mr. Swim: Thank you, gentlemen.

The Chairman: For the next item on the agenda I will call upon the Moncton Board of Trade. The Moncton Board of Trade?

An hon. Member: They will not appear this morning, Mr. Chairman.

The Chairman: They will not appear?

The Atlantic Provinces Soft Drink Association. Will you come forward, please? Page 706. Mr. John Reynolds. May I call upon Mr. John Reynolds to sit at the head table.

May we have a resumé of your brief?

Mr. John Reynolds (President, Atlantic Provinces Soft Drink Association): Mr. Chairman and members of the Committee, our brief is concerned with a fairly simple problem, as you would expect, but it is nevertheless one that derives in part from the operation of the Railway Act and the Freight Rates Reduction Act. These acts operate to the significant advantage of large bottlers in Quebec and, by the same token, to the disadvantage of the small bottlers down here in the Atlantic Provinces.

Finished beverages, that is bottled goods or canned goods ready to drink, are shipped into the Maritimes by the carload at freight rates which are lower today than they were in 1958. I emphasize that. During this same period, rather in the last three years, we have had our empty bottle rates increased twice: by 10 per cent in October 1966 and by amounts varying between 3 per cent and 6 per cent in September 1967. The effect of these circumstances is to produce rates which seem to us to be enormous.

For example, if a 50,000-pound carload of empty bottles is shipped from Montreal to Sydney to my colleague, Mr. Lynch, he pays $1.12 per 100 pounds. If these bottles are filled up in Montreal, the rate drops to 78 cents per 100 pounds, which is just over 30 per cent less. I operate in Halifax amongst other places. Similarly, I ship a carload of empty bottles from Montreal and I pay $1.09

[*Interprétation*]

demandés: les différentes comparaisons entre il y a cinq ans et il y a dix ans pour que nous puissions avoir une idée de la tendance actuelle?

Le président: Avez-vous d'autres questions à poser? Alors nous terminons la période de questions. Je désire vous remercier, monsieur Swim. M. Swim est le directeur de l'expédition pour *McCain Foods*. Merci beaucoup.

M. Swim: Merci messieurs.

Le président: Maintenant, nous passons à l'ordre suivant, soit le *Board of Trade* de Moncton.

Une voix: Ils ne seront pas présents ce matin, monsieur le président.

Le président: Ils ne seront pas présents? *Atlantic Provinces Soft Drink Association* veuillez vous présenter s'il vous plaît.

Page 706. M. John Reynolds. Puis-je demander à M. John Reynolds de prendre place au bout de la table.

Donc, je vous demanderais de nous présenter un bref résumé de votre mémoire.

M. John Reynolds (président de Atlantic Provinces Soft Drink Association): Monsieur le président, membres du Comité, notre mémoire vous parle d'un sujet très simple. Mais c'en est un qui découle en partie des opérations de la Loi sur les chemins de fer et de la Loi sur la diminution des Taux de Transport des marchandises. Ces lois fonctionnent à l'avantage des embouteilleurs importants de la province de Québec, et donc au désavantage de petits embouteilleurs qui se trouvent ici dans les provinces de l'Atlantique. Les boissons en bouteilles ou en boîtes sont expédiées dans les Maritimes en wagonnées, suivant les tarifs des marchandises qui sont moins élevés aujourd'hui qu'ils ne l'étaient en 1958. Je vous signale ce fait: pendant la même période plutôt qu'au cours des trois dernières années, nous avons eu le taux de bouteilles vides qui fut augmenté à deux reprises dans une proportion de 10 p. 100 au mois d'octobre 1966, et de 3 p. 100 à 6 p. 100 au mois de septembre 1967. Ces circonstances ont eu pour effet alors d'entraîner des taux qui nous semblent énormes.

Ainsi si une wagonnée de 50,000 livres de bouteilles vides est expédiée de Montréal à Sidney, à mon collègue M. Lynch; il doit payer $1.12 le 100 livres. Si ces bouteilles sont remplies à Montréal, le taux passe à 78c. les 100 livres, soit environ 30 p. 100 de moins. De la même façon, je fais aussi affaire avec Halifax, parmi d'autres villes. Je vous envoie une wagonnée de bouteilles vides de Mont-

[*Text*]

per 100 pounds. If these are filled by one of my competitors in Montreal and they happen to be given a rate of 76 cents per 100 pounds, this is not quite so pronounced in the case of New Brunswick destinations. It is 89 cents for empty bottles and 72 cents if they are filled up.

With your permission, Mr. Chairman, I know you do not want me to read anything, but I cannot improve on the conclusion that I wrote. May I have your permission?

> Our conclusion is that we say that 37 Maritimes bottlers of soft drinks operating over 40 small plants are highly vulnerable to competition from the large bottlers in Quebec because of the advent of non-returnable bottles—you have all heard about those—and the ready acceptance of this disposable package by the grocery supermarkets. This vulnerability is increased by the present freight rates structure and unless the competitive position of Maritime bottlers is restored through freight rate changes, the erosion of their businesses will continue and the viability of another Maritimes industry will be in doubt.

> The Association, therefore, recommends the following alternative solution to this problem:
>
> (a) cancel the special rate for finished beverages and extend the tariff for empty bottles to cover the finished beverages, or
>
> (b) introduce carload rates for empty bottles at the rates now being charged for finished beverages.

I want to add a word of explanation. Those of you who have read my brief—and I trust you all have—will have noticed that I referred only to the Maritime Provinces rather than the Atlantic. This was because at the time this was done I was not able to collect the data from Newfoundland, but the circumstances are similar in Newfoundland, and we could very well add similar data.

I must not take more of your time, Mr. Chairman, because I know you have many briefs to hear, but I would like my colleague, Mr. Lynch, to give you one or two practical

[*Interpretation*]

réal à un autre endroit, et je paie $1.09 le 100 livres. Si ces bouteilles sont remplies par un de mes concurrents à Montréal, et s'ils reçoivent un taux de 76c. le 100 livres, ce n'est pas aussi marqué, dans le cas du Nouveau-Brunswick. C'est 89c. pour les bouteilles vides et 72c. si elles sont remplies.

Avec votre autorisation, monsieur le président, je sais que vous ne voulez pas que je vous lise quoi que ce soit, mais je ne saurais améliorer les conclusions que je vous ai écrites. Est-ce que vous me permettez d'en faire lecture?

> Voici notre conclusion, nous disons: que les 37 embouteilleurs de boissons non-alcoolisées qui exploitent au-dessus de 40 petites usines dans les Maritimes sont fortement menacées par la concurrence de leurs importants rivaux du Québec, à cause de l'instauration du système de bouteilles non récupérables dont vous avez entendu parler, et à cause de la faveur que connaît, auprès des supermarchés de l'alimentation, cette nouvelle formule d'emballage. Le barème actuel des frais de transport les rend encore plus vulnérables à cette menace. Il faudra modifier ces barèmes si on veut restaurer sur le plan de la concurrence, la position des embouteilleurs des Maritimes, faute de quoi leurs affaires continueront à péricliter et il faudra, une fois de plus, remettre en question la viabilité d'une industrie dans les Maritimes.
>
> Pour répondre à ce problème, l'Association recommande donc l'une ou l'autre des solutions suivantes: (a) annuler le tarif spécial pour les boissons, présentées sous forme de produits finis et étendre aux boissons finies le tarif présentement appliqué aux bouteilles vides ou (*b*) instaurer pour les bouteilles vides les tarifs présentement en vigueur pour le transport des boissons présentées sous forme de produits finis.

Je voudrais ajouter une explication. J'imagine que vous avez tous lu mon mémoire et vous remarquerez que je n'ai parlé que des provinces Maritimes plutôt que des provinces de l'Atlantique. Cela est dû au fait qu'au moment où nous avons rédigé ce mémoire, je n'ai pu obtenir les données de Terre-Neuve, mais les circonstances sont les mêmes qu'à Terre-Neuve et on pourrait y ajouter des données analogues.

Afin de ne pas prendre plus de votre temps, monsieur le président, parce que je sais que vous avez bon nombre de mémoires à entendre, mais je voudrais que mon collè-

[*Texte*]

examples of how this curiosity works in Sydney.

The Chairman: Thank you. Mr. McGrath?

Mr. McGrath: Could you have the witnesses identify themselves, their names, their capacities, whether they are lawyers, whether they directly represent those making the submission.

The Chairman: I was going to do that at the end of Mr. Lynch, but I could do it right away. As a matter of fact, I would like to clear something here myself because I have had a note this morning that Mr. John Reynolds is the president and here only in last year's letter it is marked executive vice-president. Which one is he?

Mr. Reynolds: Well, sir, I have to explain that that was written on my company notepaper. However, I have on my other hat this morning. I am the President of the Atlantic Provinces Soft Drink Association.

The Chairman: Mr. Lynch, you are the Vice-President?

Mr. Lynch (Vice-President, Atlantic Provinces Soft Drink Association): Thank you. Gentlemen and Members of the Committee, I will not take up a lot of your time. I would just like to point out how this special rate given to these full non-returnable bottles coming into our area works out, first of all, financially for the CNR.

In our business, Ideal Beverages Ltd., we had for two years the Canada Dry franchise. When we got into it first we did not have a labeller in order to put out these non-returnable quart bottles, so for a period of about a year and a half we brought these in full and we made good and full use of this wonderful 78 cent freight rate. However, in shipping these non-returnable bottles, if the car exceeds by very much 30,000 pounds in weight there is an awful lot of breakage with the result that we found we had damage claims on just about every carload that came in. So it worked out, as far as we could see in actual practice, that the CNR was losing money right down the line on this particular product. Whereas we would have a claim on just about every carload of full product coming in, with the empty bottles coming in there was never a claim.

We have never had a claim for broken bottles since 1949, which is a long time. So, it is not a profitable rate for the CNR. The rate certainly is not serving today any useful pur-

[*Interprétation*]

gue, M. Lynch, vous donne un ou des exemples d'ordre pratique pour nous montrer comment cette réalité se présente à Sidney.

Le président: Merci. Monsieur McGrath.

M. McGrath: Est-ce que les témoins ne pourraient pas s'identifier? Donner leur nom, leur titre, indiquer s'ils sont avocats, s'ils représentent ceux qui présentent la requête.

Le président: Je voulais le faire à la fin de la présentation de M. Lynch, mais je peux le faire tout de suite. Je voudrais préciser quelque chose ici même, j'ai reçu un avis ce matin me disant que M. John Reynolds est président, alors que dans sa lettre de l'année dernière, c'était indiqué vice-président exécutif. Lequel est-il?

M. Reynolds: Je dois vous expliquer. C'était écrit sur ma papeterie. Je suis président de l'Association des fabricants de boissons non alcoolisées des provinces de l'Atlantique.

Le président: Monsieur Lynch, vous êtes le vice-président?

M. Lynch (Vice-président de l'Association des fabricants de boissons non alcoolisées des provinces de l'Atlantique): Merci. Messieurs, membres du Comité, je serai bref. Je voudrais tout simplement vous signaler comment ce taux spécial qui est donné pour les bouteilles non-récupérables qui nous sont expédiées, se présente, d'abord, sur le plan financier, pour le National-Canadien.

Notre entreprise *Ideal Beverages Ltd.*, a eu, pendant deux ans la franchise de *Canada Dry*. Au début, nous n'avions pas un étiqueteur pour ces bouteilles non-récupérables, donc pendant un an et demi, nous les amenions ainsi et nous les utilisions pleinement au taux de fret de 78c. Mais lorsqu'on expédie ces bouteilles non-récupérables, si le poids du wagon est de plus de 30,000 livres, alors il y a beaucoup de bouteilles brisées, avec le résultat que dans chaque wagon qui nous parvient, il y a des réclamations pour dommages. En pratique, donc, le National-Canadien se trouve à perdre de l'argent partout avec ce produit. Alors que nous avions une réclamation pour chaque wagon plein qui nous arrivait, il n'y en a jamais eu dans le cas des bouteilles vides qui nous arrivaient.

Nous n'avons jamais eu de réclamation pour bouteilles brisées depuis 1949, ce qui est une longue période. Donc, ce n'est pas un taux rentable pour le National-Canadien. Ce

[*Text*]

pose except to give the Quebec bottler an advantage in the Maritimes over the small bottlers. It is really an unfair rate because we have to pay a freight rate on all ingredients, on the crowns, the glass, the sugar and everything, while all these rates are higher than the 78 cent rate. So we are getting competition from Quebec which really we should not have.

The CNR is subsidizing the bigger bottlers up the line to the detriment of those in the Maritimes. I think it is quite unfair and should not be permitted to continue. Thank you very much.

The Chairman: Thank you very much. Mr. Lynch. Mr. Thomas.

Mr. Thomas (Moncton): I would like to ask Mr. Reynolds about this curious anomaly in rates which the brief refers to, that you can ship full bottles from Montreal cheaper than you can ship empty bottles. Now, this was aggravated back in 1958, was it not, and there was a reduction made. At one time there was a 17 per cent...

Mr. Reynolds: There was the rollback of the—I am not very good on technical questions.

Mr. Thomas (Moncton): No.

Mr. Reynolds: But I think I would be right in saying there was the rollback in 1958, Mr. Armitage?

Mr. Armitage: Right.

Mr. Reynolds: Of 1960? It went up in 1958 and rolled back in 1960.

Mr. Armitage: Right.

Mr. Thomas (Moncton): Now, Mr. Reynolds, as I understand it, the National Transportation Act of 1967 will aggravate this problem because filled bottles are classed as non-competitive so the rates will be frozen.

Mr. Reynolds: That is right; that is correct.

Mr. Thomas (Moncton): Now, empty bottles—

Mr. Reynolds: For some curious reason are regarded as competitive.

Mr. Thomas (Moncton): But up until now you have been relieved of this because of the two-year freeze on carload rates. In other

[*Interpretation*]

taux n'est pas utile maintenant, sauf pour donner à l'embouteilleur du Québec l'avantage dans les Maritimes sur les petits embouteilleurs des Maritimes. C'est un taux injuste, parce qu'il nous faut payer les tarifs du fret pour tous les ingrédients: pour les couronnes, pour le verre, pour le sucre, enfin pour tous les éléments de fabrication, alors que tous ces taux sont plus élevés que celui de 78c. Il y a donc une concurrence qui nous vient du Québec qu'on ne devrait pas avoir.

Le National-Canadien se trouve donc à subventionner les plus grands embouteilleurs au détriment, des Maritimes. C'est injuste, à mon avis, et ne devrait pas se poursuivre. Merci beaucoup.

Le président: Merci beaucoup, monsieur Lynch. Monsieur Thomas.

M. Thomas (Moncton): Monsieur le président, je voudrais questionner M. Reynolds, au sujet de cette anomalie qui se présente dans les taux mentionnés dans son mémoire, c'est-à-dire qu'on peut expédier des bouteilles remplies à partir de Montréal à un coût moins élevé que des bouteilles vides. En 1958, la situation a empiré et il y a eu une diminution de faite. A un moment donné, il y avait 17 p. 100...

M. Reynolds: Il y avait la réduction de...mais je ne suis pas très bon sur les questions techniques.

M. Thomas (Moncton): Non.

M. Reynolds: Mais je pense que j'ai raison de dire que c'est le recul de 1958, Monsieur Armitage?

M. Armitage: C'est vrai.

M. Reynolds: De 1960? Il a augmenté en 1958 et a diminué en 1960.

M. Armitage: C'est juste.

M. Thomas (Moncton): Monsieur Reynolds, si j'ai bien compris, la Loi nationale sur les transports de 1967 se trouvera à aggraver ce problème, parce que les bouteilles remplies seront classées comme non-compétitives, donc le taux sera fixe.

M. Reynolds: C'est exact, c'est juste.

M. Thomas (Moncton): Alors, les bouteilles vides...

M. Reynolds: Pour une raison quelconque sont considérées comme compétitives.

M. Thomas (Moncton): Mais jusqu'ici, vous en avez été soulagés car il y a eu ce gel de deux ans. Autrement dit, ces taux n'augmen-

[*Texte*]

words, these rates will not increase until March 23. So, when this Act goes into effect your problem will be aggravated because then you will get new carload rates on your empty bottles. Is that right?

Mr. Reynolds: Our empty bottle rate is a competitive rate now and has been increased twice in the past three years. It can be increased again at any time, and it would not surprise me if it were. However, the commodity rate for the full bottles, by some curiosity which I do not understand—and I admit that quite freely—is a frozen rate and, as I said, is lower today than it was in 1958.

Mr. Thomas (Moncton): And nothing has been done to increase it in the Act of 1967?

Mr. Reynolds: Nothing can be done to increase it because of the Railway Act last year. I have been after the railways about this, but they say, "Well, we have no power until Parliament moves."

The Chairman: Are you through, Mr. Thomas? Mr. Trudel.

Mr. Trudel: I would like to ask a question of Mr. Reynolds, Mr. Chairman. Could you give us the percentage of the over-all business you are doing now in non-returnable bottles in the soft drink industry out of New Brunswick?

Mr. Reynolds: I am afraid I cannot give you a figure for the industry, but it would be 20 per cent for my own company, and I would think it would be more like 15 per cent for the industry as a whole down here.

Mr. Trudel: Now, another question, Mr. Chairman. At the present time you are talking about 40 bottlers in the area competing with the Quebec market. Are these bottlers not franchised operators bottling goods that are manufactured in Quebec and shipped down here? Are the bottlers not able to obtain franchises of the main bottling plants and process the goods here?

Mr. Reynolds: Yes, this is true. Almost all the bottlers in the Maritimes do have one of the main franchises, such as Coke, Pepsi and Seven-Up, but the price at which the non-returnable bottles are shipped down here is so attractive to the supermarkets that although they have not got Coke or Pepsi or Seven-Up written on them, the price is so good and they can make such a handsome mark-up that

[*Interprétation*]

teront pas avant le 31 mars. Donc, lorsque cette Loi entrera en vigueur, ce problème se trouvera d'autant plus grave, parce qu'alors vous aurez de nouveaux taux pour les bouteilles, n'est-ce pas?

M. Reynolds: Ce taux pour bouteilles vides est un taux concurrentiel maintenant et il a été augmenté deux fois, au cours des trois dernières années. Il peut être augmenté de nouveau à n'importe quel temps, et je ne serais pas étonné qu'il le soit. Mais le tarif préférentiel pour la bouteille pleine, pour une raison curieuse que je ne comprends pas du tout, est un taux qui a été fixé, et il est moins élevé aujourd'hui qu'il ne l'était en 1958.

M. Thomas (Moncton): Rien n'a été fait pour l'augmenter dans la Loi de 1967?

M. Reynolds: Rien ne peut être fait pour l'augmenter à cause de la Loi sur les chemins de fer de l'année dernière. Je m'en suis pris aux chemins de fer à ce sujet, mais ils répondent: «Nous n'avons aucun pouvoir avant que le Parlement n'agisse».

Le président: Vous avez terminé? Monsieur Trudel.

M. Trudel: Je voudrais poser une question à M. Reynolds, monsieur le président. Pourriez-vous nous dire le pourcentage, quel est l'ensemble de votre chiffre d'affaires pour les bouteilles non-retournables pour le Nouveau-Brunswick?

M. Reynolds: Je ne pourrais vous donner le chiffre pour l'industrie, mais ce serait 20 p. 100 pour notre propre société, et j'imagine que ce serait 15 p. 100 pour l'ensemble de l'industrie dans notre région.

M. Trudel: Une autre question, monsieur le président. En ce moment vous parlez de 40 embouteilleurs de la région qui font concurrence avec le marché du Québec. Ces embouteilleurs ne sont-ils pas des sociétés en franchise qui font l'embouteillage de produits qui sont fabriqués au Québec, et expédiés ici? Est-ce que les embouteilleurs ne peuvent pas obtenir une franchise des principales usines de mise en bouteilles et en faire la production ici même?

M. Reynolds: Oui, c'est juste. A peu près tous les embouteilleurs dans les Maritimes, ont une des principales franchises, comme le *Coke*, le *Pepsi* et le *Seven-Up* disons, mais le prix pour lequel ces bouteilles vides non-retournables sont expédiées ici, est tellement intéressant pour les supermarchés, bien que les noms *Pepsi, Coke* et *Seven-Up* ne sont pas écrits, le prix est tellement bon et on

[*Text*]

these are the things that will get the display space and these are the things that are eroding our business. What we are concerned about is that the volume is already hurting us, and if nothing happens, we can see that over the next several years, of course, it will become drastically worse. You pay so much for Coke, but if you see a bottle of cola that looks pretty goods and is substantially cheaper, you are going to buy it.

Mr. Trudel: In other words, Mr. Chairman, I believe what the witness is saying is that the private labels, or off-brands, if I may use that term, is what we are concerned about mainly here.

Mr. Reynolds: Right, sir.

The Chairman: Mr. Horner.

Mr. Horner: Mr. Reynolds, you believe that the full bottle rates from Montreal are not compensatory with the costs the railways must have in shipping them in here? Is this true?

Mr. Reynolds: I do not know anything about the railway business so I would not presume to express an opinion, but when Mr. Lynch is able to tell us that on every load of non-returnable bottles that he has brought in from Montreal a year or so ago—I believe it was 18 months that he mentioned—there was a substantial claim for breakage, and he could have added, I think, that the CN has found itself selling off remnants to local wholesalers in order to get rid of the stuff that the consignee would not accept—then I have pretty good reason to suspect that it is not profitable for the CN.

Mr. Horner: Has your company or your association at any time applied before the old Board of Transport Commissioners or the new Board?

Mr. Reynolds: Yes, sir, I took this question up with the railways some three or four years ago with the help and advice of the Maritimes Transportation Commission and more recently again with the two railways and with the new Canadian Transport Commission. I have had an exchange of letters with them, but, of course, all they can do is point out to me that until Parliament changes the legislation nothing can be done.

Mr. Horner: How do you suggest that Parliament should change the legislation?

Mr. Reynolds: Well, so long as the freeze is on, the commodity rate cannot change. I have

[*Interpretation*]

peut faire une telle augmentation dessus, que voilà les articles qui prennent la place sur les étalages et qui minent nos affaires. Ce qui nous préoccupe c'est que le volume nous est dommagable déjà, et que si rien ne se produit, on peut voir qu'au cours des prochaines années, la situation s'aggravera d'autant plus. Vous payez, tant, pour le *Coke*, mais si vous voyez une bouteille de cola qui semble assez bon et est moins cher, alors, vous allez l'acheter.

M. Trudel: En d'autres termes, monsieur le président, je pense que ce que le témoin dit ici, c'est que les étiquettes privées, ou les marques secondaires, si je peux les appeler ainsi, sont ce qui nous préoccupe essentiellement ici.

M. Reynolds: C'est juste.

Le président: Monsieur Horner.

M. Horner: Vous dites, monsieur Reynolds, que le taux, pour les bouteilles pleines venant de Montréal ne compense pas les frais d'expédition pour les chemins de fer? Est-ce vrai?

M. Reynolds: Je ne connais rien aux chemins de fer, je ne veux donc pas formuler d'avis ici, mais lorsque M. Lynch est en mesure de nous dire que pour chaque wagon de bouteilles non-retournables, qu'il a fait venir de Montréal, il y a un an environ, je crois même qu'il a dit dix-huit mois, il y avait de nombreuses réclamations pour les bouteilles brisées, et il aurait pu ajouter, je pense, que le National-Canadien s'est trouvé à vendre des restants grossistes locaux, afin de se débarasser des expéditions que le destinataire ne voulait pas accepter. Ce n'est donc pas rentable pour le National-Canadien.

M. Horner: Est-ce que votre société ou votre Association, à un moment donné, a demandé à l'ancienne Commission des transports ou à la nouvelle Commission?

M. Reynolds: Oui, j'en ai saisi les chemins de fer, il y a trois ou quatre ans, avec l'aide et les conseils de la Commission maritime des transports et plus récemment encore, auprès des chemins de fer, et la nouvelle Commission des transports. J'ai correspondu avec ces derniers, mais on me dit que tout ce qu'ils peuvent faire c'est de me signaler que tant que le Parlement ne change la Loi, rien ne peut être fait.

M. Horner: Comment le Parlement peut-il modifier cette Loi?

M. Reynolds: Aussi longtemps que les taux sont gelés, le taux préférentiel peut changer.

[*Texte*]

already said I do not understand how this curiosity arose, but those commodity rates that apply to beverages are frozen rates.

Mr. Horner: Are the rates only frozen on commodities going out of the Maritime area and not on commodities coming into the Maritimes?

Mr. Reynolds: No, no, no, certainly this rate is frozen and it only relates to goods coming into the Maritimes.

Mr. Lynch: May I make a point? Another curiosity about that rate is that the way it is written up in the CNR rate book it applies on full goods coming from the Montreal area east. If I was to put in a larger plant and start trying to ship non-returnable bottles towards the Quebec market, I cannot get that rate. This is a one-sided rate, to me.

Mr. Horner: Mr. Lynch, you are familiar with Bill C-231 in which the position of the captive shipper was outlined together with the procedure a captive shipper might take to apply for a special rate. Would your industry consider itself sort of captive in the Maritimes?

Mr. Lynch: I am not familiar...

Mr. Reynolds: I do not think we are familiar with that expression in this connection.

Mr. Horner: Well, I will let the question go, then.

The Chairman: Mr. Mahoney.

Mr. Mahoney: Could the witness tell us whether or not there is any move afoot in the provincial jurisdiction here to inhibit or even ban the use of disposable bottles?

Mr. Reynolds: Mr. Chairman, I could speak for about 10 minutes on this subject. I do not think any such legislation is at all likely. All bottles are disposable today, unfortunately, as we are finding that there are more so-called returnable bottles thrown away than there are non-returnable bottles. We have conducted a number of surveys: we did one in Halifax not too long ago on a mile of the Bedford Highway, and while I cannot quote you the figures from memory, certainly there were more returnable bottles discovered along the highway than there were non-returnable bottles. The children are not interested in the 2 cents, and our bottle loss

[*Interprétation*]

J'ai déjà dit que je ne comprends pas comment il se fait que cette situation se soit présentée, mais les taux préférentiels pour les boissons sont gelés.

M. Horner: Est-ce que les taux sont gelés simplement pour les denrées qui sont expédiées à partir de la région des Maritimes et non pas pour les denrées qui y sont expédiées?

M. Reynolds: Non, non, ce taux est gelé, et il ne touche que les denrées qui sont expédiées dans les Maritimes.

M. Lynch: Si on me permet une observation, une autre anomalie quant à ce taux, est la façon que c'est inscrit dans le manuel des taux du National-Canadien, qui s'applique pour toutes les denrées complètes qui viennent de Montréal vers l'est. Si je veux établir une plus grande usine et recommencer à expédier des bouteilles non-récupérables vers le marché du Québec, je ne peux pas obtenir un tel taux. D'après moi, c'est un taux à un côté.

M. Horner: Monsieur Lynch, vous connaissez le bill C-231 dans lequel on a indiqué la situation de l'expéditeur captif de même que la porcédure à suivre pour demander un taux spécial. Est-ce que votre industrie se considère comme captive ici dans les Maritimes?

M. Lynch: Je ne connais pas...

M. Reynolds: Nous ne connaissons pas cette expression à cet égard.

M. Horner: Eh bien, je laisserai tomber la question.

Le président: Monsieur Mahoney.

M. Mahoney: Monsieur le président, le témoin pourrait-il nous dire si, en ce moment, la province essaie de mettre fin à l'utilisation des bouteilles non-récupérables?

M. Reynolds: Monsieur le président, je pourrais vous en parler pendant un bon dix minutes. Je ne crois pas qu'une telle législation soit présentée. Toutes les bouteilles sont à jeter; malheureusement, nous nous apercevons qu'il y a plus de bouteilles récupérables qui sont jetées que les bouteilles non récupérables. Nous avons fait un certain nombre de relevés: nous en avons fait un à Halifax, il n'y a pas tellement longtemps, sur une distance d'un mille du Bedford Highway et quoique je ne peux vous donner les chiffres de mémoire, il semble que plus de bouteilles récupérables s'y trouvent le long de la route que de bouteilles non-récupérables. Les

[*Text*]

is much monstrous; they are just throwing them all away.

Mr. Mahoney: Thank you.

The Chairman: Mr. Skoberg.

Mr. Skoberg: Mr. Chairman and Mr. Reynolds, that answers a question I had in mind. I would like to have an expression of opinion on the littering that occurs with these non-returnables, but I realize that would be a lengthy question.

Do all the manufacturers in your association have non-returnable bottles now?

Mr. Reynolds: I should think every company today because all supermarkets insist on having non-returnable bottles.

Mr. Skoberg: At this particular time do you ship your bottles by rail and truck?

Mr. Reynolds: Mostly by truck. We do use the railroad, but mostly by truck.

Mr. Skoberg: Are you satisfied with the rates at this particular time?

Mr. Reynolds: Well, of course, one is never satisfied with the rates, but I think they are reasonably competitive. There is good competition for intra-Maritimes trucking.

The Chairman: Mr. Breau.

Mr. Breau: Mr. Chairman, could one of the witnesses tell us what percentage of their production goes into cans and what percentage goes into bottles?

Mr. Reynolds: Well, there are only two companies at the present time producing cans in the Maritimes, so you will not find great enthusiasm among the 40-odd other bottlers for selling cans.

Mr. Breau: What is the percentage in the rest of Canada, and what is the percentage in the Atlantic provinces?

Mr. Reynolds: I am sorry, I could not give you an answer.

Mr. Breau: Would you have the same problem with empty cans? Is there the same difference in the rates for the full cans?

[*Interpretation*]

enfants ne s'intéressent plus au deux cents, donc les pertes que nous avons en bouteilles sont très grandes. On les jette tout simplement.

M. Mahoney: Merci beaucoup.

Le président: Monsieur Skoberg.

M. Skoberg: Monsieur le président, monsieur Rynolds, cela répond à la question que j'avais en tête. Je voulais savoir ce qui en était quant aux bouteilles qui étaient jetées le long des routes, mais je vois que ce serait trop long.

Est-ce que tous les manufacturiers de votre Association ont les bouteilles non-récupérables maintenant?

M. Reynolds: Je pense que chaque société, aujourd'hui, les utilise vu que les supermarchés insistent pour avoir des bouteilles non-récupérables.

M. Skoberg: En ce moment, est-ce que vous expédiez vos bouteilles par rail et par route?

M. Reynolds: La plupart du temps par camions. Nous avons recours au service ferroviaire mais nous le faisons plutôt par le route.

M. Skoberg: Est-ce que vous êtes satisfait du taux en ce moment?

M. Reynolds: Évidemment, on n'est jamais satisfait des taux, mais enfin je pense qu'ils sont raisonnablement concurrentiels. Il y a une excellente concurrence pour le camionnage dans les Maritimes.

Le président: Monsieur Breau.

M. Breau: Monsieur le président, est-ce qu'un des témoins pourrait nous dire quel pourcentage de leur production s'est fait en canettes et en bouteilles?

M. Reynolds: Il n'y a que deux sociétés qui font la production de canettes dans les Maritimes, donc il n'y a pas tellement d'enthousiasme pour ce qui est des 40 autres embouteilleurs pour vendre des canettes.

M. Breau: Quel est le pourcentage dans le reste du Canada et quel est le pourcentage des provinces de l'Atlantique?

M. Reynolds: Je regrette, mais je ne pourrais pas vous donner la réponse.

M. Breau: Est-ce qu'il y aurait le même problème avec les canettes vides? Pour les canettes remplies, est-ce qu'il y aurait le même écart de taux?

[*Texte*]

Mr. Lynch: Yes there is, but we are relieved of it in that case because the can companies pay part of the freight. Because there was a can-manufacturing plant in Halifax, they so-called equalized the freight from Halifax.

Mr. Breau: One of you gentlemen mentioned that you are getting unfair competition when the supermarkets order soft drinks which are not under franchise. What would be the difference in the cost between, say, a plant in Moncton and a plant in Montreal for the same soft drink? What would be the difference in cost? Is there a disparity there?

Mr. Reynolds: I would like to refer to my brief there, I think. A company which produces, say, 5 million cases per year for its local market can produce an additional 50,000 to off-load in the Maritimes for a very small amount of money. It is marginal cost, is it not? You have covered your overhead; it is going to cost you 3 or 4 cents a case in labour, so why not?

Mr. Breau: Now, there is one point I think you are getting at there. What you are looking at is, if the freight rate were increased from Montreal down, could these private labels be produced by local industry, by the bottlers, or would they still be coming in?

Mr. Lynch: I would say that if the freight rate were increased—I know I can speak for our own company—that then we would be able to do custom bottling for Sobeys, for IGA or for someone else and give it to them at a price very, very close to what they are paying now, and we would get the business in the Maritimes. Right now we cannot compete with the big firms in Quebec as long as this subsidized freight rate is in existence.

Mr. Breau: Is it only because of the freight rate or . . .

Mr. Lynch: It is only because the freight rate that tips the scale, and we cannot do a thing about it.

Mr. Breau: Could you tell the Committee if the production cost at your plant is exactly the same as the production cost in Montreal? The other witness said there was a disparity there. What I am trying to find out is, if you are getting that competition, would a change in the freight rate offset everything or would it just offset it a little bit?

[*Interprétation*]

M. Lynch: Oui, mais nous en sommes soulagés dans ce cas car les sociétés de canettes défraient une partie du fret.

Puisqu'il y avait une usine de fabrication à Halifax, il y avait, pour ainsi dire, égalisation des taux à Halifax.

M. Breau: Un d'entre vous a mentionné que vous avez une concurrence injuste lorsque les supermarchés commandent des boissons non-alcoolisées qui ne sont pas sous franchise. Quelle serait la différence dans le coût disons à une usine de Moncton et une usine à Montréal, pour la même boisson non-alcoolisée? Quel serait l'écart du coût de production? Est-ce qu'il y a une disparité?

M. Reynolds: Je voudrais me reporter à mon mémoire, je pense. Une société qui produit, disons, 5 millions de caisses par année pour le marché local peut en produire 50 mille de plus afin de les écouler à bon marché dans les Maritimes. C'est un coût marginal, n'est-ce pas? Vous avez récupéré vos frais généraux; ça vous coûtera trois ou quatre cents par caisse pour la main-d'œuvre. Alors qu'importe?

M. Breau: Il y a un point où vous en venez. Ce qui nous intéresse, c'est si le taux de transport des marchandises était augmenté à partir de Montréal, l'industrie locale pourrait produire ces marques privées, ou est-ce qu'elles continueraient à être expédiées aux Maritimes?

M. Lynch: Je dirais que si ce taux était augmenté, je peux parler au nom de ma société, alors nous serions en mesure de faire l'embouteillage pour *Sobeys,* pour *I.G.A.* ou d'autres et les leur donner à peu près le prix qu'ils paient maintenant, et nous aurions le commerce des Maritimes. En ce moment, nous ne pouvons concurrencer avec les grandes entreprises du Québec aussi longtemps que ces tarifs susmentionnés sont en vigueur.

M. Breau: Est-ce simplement à cause du tarif?

M. Lynch: Non, c'est seulement à cause du tarif du transport qui fait pencher la balance, et nous n'y pouvons rien.

M. Breau: Est-ce que les frais de production, à votre usine, sont exactement les mêmes que les frais de production à Montréal? L'autre témoin a dit qu'il y avait une différence. Ce que j'essaie de savoir, c'est si vous subissez cette concurrence, est-ce qu'un changement dans le tarif de transport changerait tout cela ou est-ce que cela la réduirait un peu?

[*Text*]

Mr. Lynch: Let me explain it again to you. You are talking about production cost of a commodity like a soft drink which naturally depends upon, number one, the size of your plant: so many bottles a minute. It is going to cost you more to produce a case of soft drinks if your machine is turning out 50 or 60 bottles a minute than it does if it is running at 300 or 400. However, there is no reason why the companies in the Maritimes cannot put in this machinery that runs 300 or 400 bottles a minute. We have done it in Sydney in our own plant. We have other costs that the Quebec bottler does not have. For instance, it costs us money to bring the empty bottle into our plant, the crown into our plant, the syrups, the concentrates: we have to pay freight on everything. They are right next to these producers and they do not have to pay freight.

Outside of the freight rates, what I am saying is, adding everything together, if the 78 cent freight rate was put up to...

Mr. Breau: $1.12.

Mr. Lynch: At least $1.12—it should be higher because it is a finished product coming into our territory. Raw materials to be used in the production of goods should come in at a lesser rate. If this were so then we could handle all this private label bottling in the Maritimes in our own smaller plants throughout the Maritimes, in so-called depressed areas like our little island of Cape Breton, it would keep these people working.

Mr. Breau: Mr. Chairman, I have one more question. You still have to increase the volume of production, if you want to compete with them.

Mr. Lynch: We have done that, sir.

Mr. Breau: I heard that there were some countries in the world where because the water was not suitable, their soft drinks had to be finished in Canada and shipped there. Is this true and how does this affect you? Does it help you at all in, say, selling soft drinks to South America or some other countries?

Mr. Reynolds: Yes, there are one or two cases. One is Nassau, which is a fairly small market, and the other is Bermuda. Bermuda is presently serviced from the U.S.A. If it were possible by ocean freight to get soft drinks in cans into, say, the Caribbean,

[*Interpretation*]

M. Lynch: Laissez-moi vous l'expliquer encore une fois. Vous parlez des frais de production d'une denrée comme les eaux gazeuses qui, évidemment, dépendent, tout d'abord, de l'ampleur de votre usine: tant de bouteilles par minute. Cela vous coûtera plus de produire une caisse si votre machine produit 50 ou 60 bouteilles à la minute que si elle produit 300 ou 400. Mais il n'y a aucune raison pour laquelle les sociétés, dans les Maritimes, ne pourraient pas installer la machinerie qui produit trois ou quatre cents bouteilles à la minute. Nous l'avons déjà fait à Sydney dans notre propre usine. Mais nous avons d'autres frais de production que l'embouteilleur du Québec n'a pas. Par exemple, cela nous coûte de l'argent pour rapporter la bouteille vide à l'usine, faire venir les capsules, l'essence, les concentrés: il nous faut payer le transport pour tout, alors qu'eux sont juste à côté du producteur, ils n'ont pas ces frais à payer.

A part les tarifs de transport, ce que je dis, c'est que si nous ajoutons tout cela, si le tarif de 78c., le tarif marchandise était augmenté au moins à . .

M. Breau: $1.12.

M. Lynch: Au moins $1.12, il devrait être plus élevé car c'est le produit fini qui vient ici dans notre territoire. Les matériaux bruts devraient bénéficier d'un tarif moins élevé. Si c'était le cas, nous serions en mesure de nous occuper de la mise en bouteilles pour les marques privées par nos propres petites usines dans toutes les Maritimes, et dans les régions les moins favorisées comme l'Ile du Cap Breton, les gens travailleraient.

M. Breau: Une autre question. Il faudrait tout de même augmenter votre volume de production si vous voulez leur faire concurrence.

M. Lynch: Nous l'avons déjà fait.

M. Breau: J'ai entendu dire qu'il y avait certains pays dans le monde où, en raison de l'eau pas convenable, ils étaient obligés de faire terminer leurs liqueurs douces du Canada. Est-ce vrai et comment cela s'applique-t-il dans votre situation? Est-ce que cela vous aide, par exemple, pouvez-vous vendre des boissons gazeuses en Amérique du sud ou en d'autres pays?

M. Reynolds: Il n'y a que deux endroits, l'un c'est Nassau, débouché plutôt restreint, et l'autre ce sont les Bermudes. A l'heure actuelle, les Bermudes sont desservies par les États-Unis. Si c'était possible de transporter, par mer, les liqueurs douces en canettes, dans

[*Texte*]

Venezuela or Mexico or any of these places, of course they would very quickly slap on a tariff. They have all sorts of people they are desperately trying to employ and they are not going to allow us to ship in soft drinks. This is one thing they can do for themselves. The two exceptions are Bermuda and Nassau.

Mr. Breau: Do not forget St. Pierre.

Mr. Reynolds: St. Pierre and Miquelon.

The Chairman: Mr. Nesbitt.

Mr. Nesbitt: The questions I had have been answered, thank you.

The Chairman: Mr. Perrault.

Mr. Perrault: I would like to ask the witnesses if the provincial governments in the Maritimes have taken any action to discourage the use of disposable bottles. This has been done in some provinces, not by edict or by law, but the provincial governments have suggested, as a matter of making tourist facilities more pleasant, that disposible bottles not be used, and the bottlers have cooperated in at least one province of which I have knowledge. Has anything been done in the Maritimes on that?

Mr. Reynolds: We have had no official requests from provincial governments, either in Newfoundland, Prince Edward Island, Nova Scotia or New Brunswick. There has, of course, been a good deal of correspondence in the newspapers, but it is a lost cause. It is all going to be disposable containers. Maybe it will not be just like it is now.

Mr. Nesbitt: But there is public acceptance and this is the final criterion, then?

Mr. Reynolds: Yes. In this town you would have a job to buy something in a returnable bottle.

Mr. Nesbitt: May I ask this question, because the matter of the shipment of bottles seems to be a key issue here and I think you have produced some very interesting statistics. Have there been any feasibility studies with respect to the possibility of manufacturing bottles in the Maritimes and assistance to the establishment of an industry of this kind?

Mr. Lynch: Yes, indeed. A Finnish company, with the support of the New Brunswick Development Corporation, is presently build-

[*Interprétation*]

les Caraïbes, au Vénézuela, au Mexique, ou ailleurs, évidemment, on imposerait très vite un tarif. Ils ont toutes sortes de gens qu'ils essaient désespérément d'employer; par conséquent, on ne nous permettrait pas d'expédier des boissons gazeuses puisqu'ils peuvent le faire eux-mêmes. Les deux exceptions sont Nassau et les Bermudes.

M. Breau: N'oubliez pas Saint-Pierre.

M. Reynolds: Saint-Pierre et Miquelon.

Le président: Monsieur Nestbitt.

M. Nesbitt: Ma question a déjà reçu réponse de la part du témoin. Merci

Le président: Monsieur Perrault.

M. Perrault: J'aimerais demander aux témoins si les gouvernements provinciaux des Maritimes ont pris des mesures pour décourager l'emploi des bouteilles non-récupérables. Cela a été fait en certaines provinces, non par voie de législation, mais les gouvernements ont suggéré comme moyen d'avoir des commodités plus agéables pour les touristes, qu'on n'emploie pas ces bouteilles non-récupérables et les embouteilleurs ont collaboré au moins dans une province que je connais. Est-ce qu'on a fait quelque chose de ce genre dans les Maritimes?

M. Reynolds: Nous n'avons pas reçu de demandes officielles de la part des gouvernements provinciaux, d'aucune des quatre provinces de l'Atlantique. Evidemment il y a eu beaucoup de correspondance dans les journaux, mais la cause est perdue d'avance. Tous les contenants seront non-récupérables. peut-être que les choses ne seront pas comme elles le sont maintenant.

M. Nesbitt: Mais il y a accueil favorable de la part du public, et c'est le dernier critère, n'est-ce pas?

M. Reynolds: Oui. Ici vous auriez beaucoup de difficultés à obtenir une boisson gazeuse dans une bouteille récupérable.

M. Nesbitt: Puis-je poser cette question-ci, car il semble que l'expédition de ces bouteilles soit le facteur le plus important et je pense que vous avez produit des chiffres très intéressants. Y a-t-il eu des études de rentabilité faites quant à la possibilité de fabriquer des bouteilles, dans les Maritimes, et de l'aide pour l'établissement d'une industrie de ce genre?

M. Lynch: Oui, certainement. Une société finlandaise, avec l'aide de la *New Brunswick Development Corporation* construit une usine

[*Text*]

ing a glass plant at Scoudouc just outside Moncton, and they are hoping to get this thing into production by mid-summer of this year or thereabouts.

Mr. Nesbitt: Will this assist you with your problem?

Mr. Reynolds: This is certainly going to be a great help to us, but, of course, one does not know to what extent they can cover the wide range of bottles.

Mr. Nesbitt: Yes, it depends on volume again, does it not?

Mr. Reynolds: Right.

Mr. Nesbitt: Now, may I ask you this question: I notice that you have many members in your association; there are many people, despite its vicissitudes, interested in participating in this industry. There are a number of firms in New Brunswick and the other provinces. What is being done to make the industry more competitive, apart from the fight for a better freight rate deal? Do you have a specific program in which your association is engaged? Do you have the trading of information or formulae.

Mr. Reynolds: I think it would be stretching a point to say we have a specific program, but we do, in fact, meet two or three times a year in local areas and discuss common problems and, of course, the biggest problem is the distribution cost.

Mr. Nesbitt: My final question, Mr. Chairman, is this: I notice reference was made to the cost of sugar. What about these low calorie drinks? Has that improved your competitive situation by bringing in Sucaryl or some other substance?

Mr. Lynch: No, the wildly optimistic forecast about the proportion of the business that would go to the so-called "no cal" drinks has proved to be erroneous. I think in the Maritimes the share of the market presently would be something less than 6 per cent, and it is not growing. I think children want sugar, God bless them, and I think most people prefer sugar to Sucaryl.

Mr. Nesbitt: Have your production costs increased measurably in this industry in the last five years?

Mr. Reynolds: By 50 per cent.

Mr. Nesbitt: By 50 per cent?

[*Interpretation*]

de fabrication du verre à Scoudouc à l'extérieur de Moncton, et on espère pouvoir commercer la production à la mi-été.

M. Nesbitt: Est-ce que cela résoudra votre problème?

M. Reynolds: Cela nous aidera évidemment, mais on ne sait pas dans quelles mesures on pourra fabriquer toute la gamme des bouteilles.

M. Nesbitt: Cela dépend du volume encore une fois, n'est-ce pas, monsieur Reynolds.

M. Reynolds: Oui.

M. Nesbitt: Est-ce que je pourrais vous poser cette question-ci: j'ai remarqué que vous avez plusieurs membres dans votre Association; malgré les vicissitudes il y en a plusieurs qui s'intéressent à participer à cette industrie. Il y en a au Nouveau-Brunswick et dans les autres provinces. Qu'est-ce que l'on fait pour rendre l'industrie plus concurrentielle, à part cette lutte pour obtenir un tarif de transport plus juste? Avez-vous un programme précis dans lequel s'engage votre Association? Avez-vous un échange de renseignements ou de formules?

M. Reynolds: Il serait exagéré de dire que nous avons un programme précis, mais, en fait, nous nous réunissons deux ou trois fois par année dans certaines régions pour discuter de nos problèmes communs et évidemment, le plus grand problème ce sont les frais de distribution.

M. Nesbitt: Une dernière question, monsieur le président. J'ai constaté qu'on avait mentionné le coût du sucre. Qu'est-ce qui en est au sujet des boissons avec peu de calories? Est-ce que cela améliore votre situation compétitive quand on emploie *Sucaryl* ou un autre élément?

M. Lynch: Les prévisions très optimistes se sont révélées erronées au sujet de la proportion du commerce qui va aux boissons appelées «sans calorie». Je pense que dans les Maritimes la part du marché à l'heure actuelle serait de moins que 6 p. 100 et cela n'augmente pas. Les enfants veulent du sucre et la plupart des gens préfèrent le sucre au Sucaryl.

M. Nesbitt: Est-ce que vos coûts de production ont augmenté considérablement depuis cinq ans dans cette industrie?

M. Reynolds: De 50 p. 100 je dirais.

M. Nesbitt: De 50 p. 100?

[*Texte*]

Mr. Reynolds: That is about right.

Mr. Nesbitt: Labour and materials?

Mr. Reynolds: Trucks and tires, cartons and glass and freight—you name it.

Mr. Nesbitt: Thank you, Mr. Chairman.

The Chairman: Mr. Godin.

M. Godin: Une simple question au sujet du tarif pour les bouteilles vides et le produit fini. Un des témoins pourrait-il nous dire si ces tarifs s'appliquent spécialement aux eaux gazeuses et nous dire également, quel sort est réservé aux embouteilleurs de bière et aux distillateurs, dans le cas des bouteilles vides, afin de nous permettre de faire des comparaisons?

Mr. Reynolds: Yes. I apologize for my inability to reply in French. The answer is that this tariff applies only to soft drinks. Is that correct, Mr. Armitage?

The Chairman: Mr. Allmand.

Mr. Allmand: Most of my questions have been answered, but I have one question. I find it surprising that you say in the Maritimes it is hard to find drinks in returnable bottles, because in Montreal I find it hard to find them in disposable bottles. Actually, I asked the manager at the supermarket where I shop in Montreal if I could get drinks in disposable bottles and he said that very few people want them because of the price. He said that drinks in returnable bottles are cheaper. Now, that is supposed to be a rather affluent area.

We often hear stories in Central Canada that people in the Maritimes have a harder time making ends meet, so I find it difficult to understand why a more expensive soft drink would be in greater demand than one that is cheaper.

Mr. Reynolds: Well, the answer to that is quite complex. In Montreal, you have about 1.8 million people living within a very short distance of where the soft drink is made. In the Maritimes we have about 1.5 million in a parish that is approximately the size of England and half of Europe. We have many trucks that drive 25,000 miles a year in order to sell 30,000 or 32,000 cases of soft drinks. Our distribution cost is double or more the

[*Interprétation*]

M. Reynolds: C'est à peu près exact.

M. Nesbitt: La main-d'œuvre et les matériaux?

M. Reynolds: Les pneus et les camions, le verre, les caisses, le transport—n'importe quoi.

M. Nesbitt: Merci, monsieur le président.

Le président: Monsieur Godin.

Mr. Godin: Just one simple question regarding the tariff on empty bottles and the finished product. Could one of the witnesses tell us whether these tariffs apply specifically to soft drinks and also what is in store for beer bottlers and distillers, in the case of empty bottles, so that we can make valid comparisons?

M. Reynolds: Oui. Je m'excuse de ne pas pouvoir vous répondre en franaçis. La réponse est que le tarif s'applique seulement aux boissons gazeuses. Ai-je raison monsieur Armitage?

Le président: Monsieur Allmand.

M. Allmand: On a répondu à la plupart de mes questions, mais j'aimerais en poser une autre. Je trouve étonnant que vous dites, dans les Maritimes, qu'il est difficile de trouver des boissons en bouteilles récupérables, car à Montréal, je trouve très difficile de les trouver en bouteilles non-récupérables. J'ai demandé au gérant du supermarché où je fais mes épiceries, si je pouvais obtenir les boissons gazeuses en bouteilles non-récupérables et il m'a répondu que très peu de personnes en veulent en raison du prix, que les boissons en bouteilles récupérables sont moins chères. Et la région est censée être plutôt d'abondance.

On nous dit souvent dans le centre du Canada que les gens des Maritimes ont beaucoup plus de difficultés à rejoindre les deux bouts de leur budget, alors je comprends difficilement pourquoi une boisson gazeuse plus coûteuse serait plus en demande qu'une qui coûte moins cher.

M. Reynolds: La réponse est un peu compliquée. Y Montréal, vous avez environ 1.8 million de personnes qui se trouvent juste à côté de l'endroit où se fabriquent ces boissons gazeuses. Dans les Maritimes, nous avons peut-être 1½ million de personnes dans un territoire qui serait à peu près l'étendue de la Grande-Bretagne et de la moitié de l'Europe. Nos camions doivent parcourir 25,000 milles par année, afin de vendre 30 ou 32 mille

[*Text*]

distribution cost in Montreal, so our selling price is higher.

This means that the spread between the returnable and non-returnable bottles does not appear to be as much and, of course, as soon as we go into non-returnable bottles, we can carry approximately twice the quantity of goods on the same truck and the salesman can service twice the number of accounts because he does not have to spend all his time down in the basement finding empties and sorting them into Cokes and Pepsis and so on. The spread is not as much as it would be in Montreal.

Mr. Allmand: Yes, a very good answer.

A further question. You state that part of your high production costs is due to the fact that you have to bring in many materials to make the drinks. Has your Association taken steps to try and have these things produced at a central point such as Halifax or Moncton so that more will be produced here and less will have to be brought in?

Mr. Reynolds: Well, I think the answer is that it would not be economical. It is all quite interesting. I was asked about glass just now. The New Brunswick Development Corporation had this idea of getting glass produced in the Maritimes and I think it must have originated at least four or possible five years ago.

Now the two Canadian companies, Consumers Glass Company, Limited and Dominion Glass Company Limited, both looked at this very hard and very long. And there were some attractions like the old RCAF hangers which could be acquired at a nominal cost. But these two large companies had to say, "No, it is not economical." I think the answer would be the same if we looked at any of the others.

Mr. Allmand: What about the syrups for the drinks?

Mr. Reynolds: Well, in that regard you are in the hands of the franchised companies. Some companies in fact mix up their own flavours. Mine does. But of course of the coke people, you know, would not let you mix up theirs; they have a secret and they are going to hold on to it.

The Chairman: Mr. Rose.

[*Interpretation*]

caisses de boissons gazeuses. Nos frais de distribution sont donc le double ou plus que ceux de Montréal. Par conséquent, notre prix de vente est plus élevé.

Cela veut dire que l'écart entre les bouteilles récupérables et non-récupérables ne semble pas être aussi élevé et alors, du moment qu'il s'agit des bouteilles non-récupérables, nous pouvons transporter, environ, deux fois la quantité dans le même camion. Le vendeur peut donc traiter avec le double des clients, car il n'a pas à passer tout son temps à trouver ses bouteilles récupérables et à les trier selon qu'elles sont des *Cokes,* des *Pepsis,* et autres. Par conséquent, les frais ne seraient pas aussi élevés qu'à Montréal.

M. Allmand: Excellente réponse. Une autre question maintenant. Vous avez dit qu'une partie des frais élevés de production sont dus au fait qu'il vous faut importer beaucoup de matériaux afin de fabriquer votre boisson gazeuse, est-ce que votre Association a pris des mesures pour essayer de produire quelque chose à un endroit local et central ici-même. Par exemple, Halifax ou Moncton, afin qu'une production accrue prenne place ici et que vous soyez en mesure d'en importer moins.

M. Reynolds: Je crois que la réponse est qu'il ne serait pas économique ou profitable de le faire.

On m'a posé une question au sujet des bouteilles tout à l'heure. L'Office du développement du Nouveau-Brunswick avait eu cette idée de fabriquer du verre aux Maritimes et je crois que l'idée a été lancée il y a quatre ou cinq ans.

Les deux compagnies canadiennes, la *Consumer Glass* et la *Dominion Glass,* ont examiné la question très attentivement pendant longtemps. Il y avait un certain attrait, par exemple, les vieux hangars de l'ARC qu'on aurait pu obtenir à des coûts minimes, mais les deux grandes compagnies ont dû refuser parce que ce n'était pas économique ni rentable. On pourrait dire la même chose au sujet des autres éléments.

M. Allmand: Et qu'est-ce que vous pensez du sirop?

M. Reynolds: En fait, il ya plusieurs compagnies qui mélangent leur propre sirop mais évidemment vous êtes entre les mains de la Coca Cola qui a une formule secrète.

Le président: Monsieur Rose.

[*Texte*]

Mr. Rose: Most of my questions have been answered, Mr. Chairman, so I will be very brief.

I sympathize with the problems of the industry here and the competition from Quebec, especially in the non-returnables. It looks to me that either it is going to drive you to drink, and I am not referring to soft drinks, or you are going to have to join them—in other words you are going to go on with the non-returnables, as you have explained here rather thoroughly this morning.

My personal view is that these bottles are a menace and that perhaps we should be looking into a means other than glass for containers. I was interested in your survey statistics. I was wondering on the same topic of litter whether or not you found more returnables along the roadside because there are more of them, especially in soft drinks.

Mr. Reynolds: This could well be, but it would not be true of cans—and there were more cans than anything else.

Mr. Rose: Yes, but I do not believe they are really a menace. They are litter but they are not the menace. I want to ask a question similar to the one I asked the last witness. Our topic is transportation costs. I would like to have a comparison between ten years ago, five years ago and now on the percentage of your transportation costs compared with gross sales, because I would like to see in what direction it is going.

Mr. Reynolds: I have said that I can supply that. I can supply it for my own company without any difficulty.

Mr. Rose: Well perhaps from your company then—unless yours is a special situation, sir.

Mr. Reynolds: No, I should think ours would be typical.

Mr. Rose: My final question. Do these companies have no protection, because of the franchises they hold, from various imports? For instance, does not the Coca-Cola franchise protect importation into certain areas?

Mr. Reynolds: Yes.

Mr. Rose: Well what are we talking about then? We are not talking about the big names.

[*Interprétation*]

M. Rose: La plupart de mes questions ont trouvé leurs réponses alors je serai très bref. Je sympathise avec les problèmes de l'industrie ici et la concurrence de la part du Québec, surtout en ce qui concerne les bouteilles non-récupérables, j'ai l'impression que cela va nous conduire à boire d'autre chose s'il n'est pas possible justement d'éliminer ce problème, nous allons tout simplement nous joindre à eux, si vous ne réussissez pas à éliminer le problème des bouteilles non-récupérables.

Si ces bouteilles sont une menace, comme vous l'avez dit ce matin, nous devrions peut-être examiner une autre solution que des contenants de verre, au sujet de l'étude que vous avez faite, cela n'a intéressé quant à la quantité. Est-ce que vous avez trouvé beaucoup plus de bouteilles non-récupérables que de bouteilles récupérables le long de la route?

M. Reynolds: C'est peut-être le fait, mais il y a beaucoup plus de canettes.

M. Rose: C'est exact mais elles ne constituent pas vraiment un danger.

Je voulais poser une question semblable à celle que j'ai posée au témoin précédent, j'aimerais avoir une comparaison, puisque nous traitons des frais de transport, je voudrais avoir une comparaison entre les chiffres d'il y a 10 ans, 5 ans et les chiffres actuels des frais de transport comparés aux ventes brutes. J'aimerais voir quelle est la tendance.

M. Reynolds: Très bien, j'ai dit que je pourrais donner cette liste, je peux donner ces chiffres pour ma propre société et cela sans difficulté.

M. Rose: Pour votre société, à moins que votre situation soit une situation particulière?

M. Reynolds: Je ne le crois pas.

M. Rose: Une dernière question. Est-ce que ces compagnies n'ont aucune protection pour les franchises qu'elles détiennent, aucune protection contre les diverses importations. Par exemple, la franchise du Coca Cola, est-ce que cela ne protège pas l'importation dans une région en principe?

M. Reynolds: Oh oui.

M. Rose: Mais alors, de quoi parlons-nous? Nous ne parlons pas des grandes fabriques?

[*Text*]

Mr. Reynolds: We are talking about these private labels and somebody was kind enough to use the expression "off brands".

Mr. Rose: Supermarket labels?

Mr. Reynolds: Right.

Mr. Rose: Thank you.

The Chairman: Mr. Nowlan.

Mr. Nowlan: My questions have just about all been asked, especially the one put by Mr. Horner. You said this problem on rates had been taken up with the Board of Transport Commissioners and the present Canadian Transport Commission and the latter said that you cannot move until parliament moves. But have you had any indication that the anomaly of charging more for empties than for full bottles is going to be changed, and are you preparing a brief of your own to the Canadian Transport Commission for adjudication when this freeze ends—at the moment it is in March?

Mr. Reynolds: We had a meeting with the two railways in Montreal in November, as I recall, and they readily agreed that these commodity rates would be increased if the freeze came off or if it were possible for them to do it in some other way. They would not say that it would go up to the same rate they were charging us on empty bottles.

Mr. Nowlan: So you already have an indication from the railways that as far as the number one problem in your brief is concerned, this may be taken care of, regardless of anything else, by the railways once the freeze comes off?

Mr. Reynolds: If the freeze comes off or if they are free in some way to adjust that rate, which they are not at the moment.

Mr. Nowlan: Just to clarify the record, all your business is within this select area, is it not? I mean it is all within the Atlantic Provinces or the Maritimes?

Mr. Reynolds: Yes.

Mr. Nowlan: So you do not have the transportation problem out of the select area, which I think makes more relevant the obtainment of distribution and transportation cost figures.

Mr. Reynolds: Our freight bills are all inward.

Mr. Nowlan: Yes.

[*Interpretation*]

M. Reynolds: Nous parlons des étiquettes privées.

M. Rose: Les étiquettes des supermarchés?

M. Reynolds: C'est exact.

M. Rose: Merci.

Le président: Monsieur Nowlan.

M. Nowlan: Presque toutes mes questions ont été posées, une spécialement par M. Horner.

Vous dites que cette question du tarif marchandise a été étudiée par la Commission canadienne des transports et on vous a répondu qu'on ne peut rien faire avant que le Parlement n'agisse. Mais avez-vous eu un indice que normalement on charge plus pour les bouteilles pleines que pour les bouteilles vides et qu'on allait changer cela? Est-ce que vous préparez votre propre mémoire pour la Commission canadienne des transports lorsqu'on enlèvera le tarif fixe à la fin de mars?

M. Reynolds: Nous avons rencontré les deux compagnies de chemins de fer à Montréal, en novembre si je me souviens bien. Elles ont été d'accord que les frais de transport de ces denrées seraient augmentés lors du dégel du tarif, ou s'il était possible d'agir autrement et de contourner le problème. Les compagnies de chemins de fer n'ont pas voulu dire qu'on les augmenterait jusqu'au taux que nous payons à l'heure actuelle pour les bouteilles vides.

M. Nowlan: Ainsi, les chemins de fer vous ont déjà indiqué qu'en ce qui concerne votre principal problème, dans le mémoire, du moins, que cela serait réglé par les chemins de fer peu importe les autres questions.

M. Reynolds: Si les chemins de fer sont libres d'ajuster leur taux, mais ils ne sont pas libres de le faire à l'heure actuelle.

M. Nowlan: Votre rayon d'achat se trouve dans les Maritimes et alors vous n'avez pas le problème du transport en dehors de cette région choisie.

M. Reynolds: Oui.

M. Nowlan: Ainsi, vous n'avez pas de problème de transport en dehors de la région précitée, ce qui je crois justifie les chiffres des frais de transport et de distribution.

M. Reynolds: Toutes nos factures de transport portent sur les marchandises reçues.

M. Nowlan: Oui.

[*Texte*]

The Chairman: Mr. Rock.

Mr. Rock: Mr. Reynolds, does shipping by piggyback qualify through MFRA and does your Montreal competition ship by piggyback?

Mr. Reynolds: I believe some of them do, yes—not all but some. I think it depends on the destination. I think it depends on the railway sidings. We are back to the same old point: if there is a railway siding, it is a rail car and, if there is not, it is piggyback.

Mr. Rock: Mr. Reynolds, you mentioned in your statement unfair competition but, in doing so, you specified just the one area, supermarkets. In other words, are you saying there is no other competition in the soft drink industry except from supermarkets?

Mr. Reynolds: Yes, there is. I mentioned the supermarkets because, as you know, that is the floor under the business. I do not want to name names.

Mr. Rock: No.

Mr. Reynolds: But what happens is that the large companies have a broker in Halifax and in Saint John who acts strictly as a broker. He is going around and if there is a carload he brings it down—500 cases there and 800 there and so on. This is the way it operates.

Mr. Rock: Do you not believe that supermarkets sell soft drinks as loss leaders in the same manner as they do in the sale of bread?

Mr. Reynolds: I think they do that with their own brands. They certainly do not do it with ours.

Mr. Rock: Yes, I understand. I say this from experience, because I run a place called Lancaster Park and during the summer time I send out a truck for soft drinks. I have proven this to be the case.

The Chairman: We will charge you money for advertising.

Mr. Rock: The point is that I found this out through the company. I received soft drinks at exactly the same price as did the supermarket, yet the supermarket sold them cheaper than I could get them for.

Mr. Reynolds: That is right. It is a loss leader.

[*Interprétation*]

Le président: Monsieur Rock.

M. Rock: Monsieur Reynolds, est-ce que le transport rail-route aurait droit à la subvention de la Loi sur les tarifs marchandises des Maritimes et est-ce que votre concurrent de Montréal expédie par rail-route elle aussi?

M. Reynolds: Certains, oui, je le crois. Pas tous, mais certains. Je crois que cela dépend de la destination. Nous en revenons au vieux problème de savoir s'il s'agit de transport par chemin de fer ou par camion.

M. Rock: Vous avez mentionné dans votre déclaration, la concurrence injuste, mais vous avez mentionné une seule région ou un seul domaine, c'est-à-dire les marchés géants. En d'autres termes, il n'y a pas d'autre concurrence défavorable dans l'industrie des boissons gazeuses sauf dans le domaine des marchés géants?

M. Reynolds: Oui, il y en a certainement mais j'ai mentionné les marchés géants, car il s'agit du véritable problème de cette affaire. Je ne voudrais pas nommer les noms.

M. Rock: Non.

M. Reynolds: Mais les grandes compagnies ont un agent à Halifax, et à Saint-Jean, qui agit strictement comme agent. S'il a un changement disponible, il distribue 500 caisses ici, 800 caisses là, etc...

M. Rock: Ne croyez-vous pas que les marchés géants vendent les boissons gazeuses à perte tout comme ils le font pour le pain par exemple, afin d'attirer la clientèle?

M. Reynolds: Je crois qu'ils le font effectivement avec leur propre marque mais ils ne peuvent pas le faire avec les nôtres.

M. Rock: Oui, pendant l'été, je suis gérant de *Lancaster Park* et j'envoie un camion chercher des boissons gazeuses.

Le président: Nous allons vous faire payer la publicité.

M. Rock: Mais le point, c'est que j'ai découvert, grâce à la compagnie, que je recevais les boissons gazeuses au même prix que le supermarché, mais le supermarché vendait à un prix inférieur au mien.

M. Reynolds: Vous avez raison.

[*Text*]

Mr. Rock: Are there any canned soft drinks shipped into the Maritimes from Montreal?

Mr. Reynolds: Yes, and they come under the same commodity rate.

Mr. Rock: They do?

Mr. Reynolds: Yes, the same commodity rate.

The Chairman: Mr. Pringle.

Mr. Pringle: I have a very short question. We seem to be getting into the economics of the soft drink business. I thought maybe we should stick to transportation.

I was interested in the statement that the cost of transportation into the Maritimes appears to be less than out of the Maritimes, which brings up the problem of getting a product which is processed in the Maritimes to the markets in central Canada and in some cases in the West? Do we need to do something in this connection?

Mr. Reynolds: No, sir, we are not contemplating exporting our finished goods to what we refer to as "Upper Canada".

Mr. Portelance: What percentage of the soft drink business would you do here, even though there is competition from Quebec and the other provinces?

Mr. Reynolds: Our association?

Mr. Portelance: Yes.

Mr. Reynolds: Our association does around 8.5 million cases. What we are looking at at the moment is perhaps only 200,000 or 250,000 cases. We do not really know because we do not have any statistics. What we know is that it was not there at all three years ago, and we know it will tend to grow more and more if nothing is done about it.

The Chairman: Mr. Allmand.

Mr. Allmand: Sir, you are probably aware that the maritime premiers have asked for an extension of the freeze. What you want is an exception to what most maritimers seem to want.

[*Interpretation*]

M. Rock: Y-a-t-il des boissons gazeuses en canette qui sont expédiées vers les Maritimes à partir de Montréal?

M. Reynolds: Oui et au même tarif.

M. Rock: Ils font cela?

M. Reynolds: Au même taux.

Le président: Monsieur Pringle.

M. Pringle: Une très courte question. Il semble que nous nous dirigeons dans le domaine économique de l'industrie mais nous devrions peut-être revenir à la question des transports.

Le point qui m'intéressait, c'était une déclaration à l'effet que ce sont les frais de transport vers les Maritimes qui semblent être moins élevés qu'en allant à l'extérieur des Maritimes ou vers l'extérieur des Maritimes et alors le problème serait-il l'expédition vers les débouchés ou les marchés dans la partie centrale du Canada ou dans certains cas, dans l'Ouest? Pourriez-vous alors nous faire une déclaration à cet égard afin de savoir si nous devons agir?

M. Reynolds: Non, monsieur. Nous n'envisageons pas l'exportation de nos produits finis vers ce que nous appelons le Haut-Canada.

M. Portelance: Quel pourcentage de vos affaires dans les boissons gazeuses feriez-vous ici même s'il y a concurrence de la part du Québec ou d'ailleurs?

M. Reynolds: Notre Association?

M. Portelance: Oui.

M. Reynolds: Notre Association aurait une production d'environ 8 millions et demi de caisses, mais le cas que nous examinons à l'heure actuelle, vise 200,000 ou 250,000 caisses, nous ne le savons pas exactement, car nous n'avons pas de chiffres à ce sujet. Tout ce que nous savons, c'est que ce cas n'existait pas il y a trois ans. Nous savons que cela va augmenter de plus en plus si on ne fait rien à ce sujet.

Le président: Monsieur Allmand?

M. Allmand: Monsieur, vous savez probablement que les premiers ministres des Maritimes ont demandé le prolongement du gel des taux de transport; est-ce que vous voulez, c'est une exception plutôt à ce que la plupart des gens des Maritimes veulent?

[*Texte*]

Mr. Reynolds: Mr. Chairman, I am very conscious, indeed, that we are perhaps in the unique position of a minority of one.

Mr. Allmand: With respect to legislation, your case would have to be given very special consideration if you were to take exception. I am looking at the particular section in the law that now applies the freeze and wondering how we would work it out for people like you.

Mr. Reynolds: I realize that it would be very difficult, extremely difficult.

Mr. Horner: If the freeze were to remain on the MFRA and not remain on the Freight Rates Reduction Act would this be beneficial to you people?

Mr. Reynolds: I would like to refer that, if I may, to Mr. Armitage, my technical expert. May I do that, Mr. Chairman.

The Chairman: It would be a pleasure.

Mr. Armitage: Perhaps I should first interpret the question, Mr. Chairman, if I may. This would simply mean that the freeze would then remain westbound from the Atlantic Provinces to other parts of Canada and also on traffic within the region, but it would disappear in so far as traffic coming into the region was concerned. Now I think I would prefer to leave the answer to the question to Mr. Renaud because he is speaking on behalf of the soft drink industry.

I am sorry but I just interpreted the question as meaning that the freeze would disappear on eastbound but would remain in so far as traffic within the region is concerned and traffic westbound from the region to other parts of Canada, Now I think I would prefer, if it is all right with you, to leave the answer to you because you, after all, are speaking on behalf of the bottlers of soft drinks.

Mr. Reynolds: Certainly that would meet our problem.

Mr. Horner: Would you give the Committee some idea of the per cent of your market you have lost because of the freeze and the competition from Montreal?

Mr. Reynolds: I quoted these figures just now and they are off the top of my head. The total market in the Maritimes is of the order of 8.5 million and the goods coming in are of the order of 200,000 to 250,000. So it is not a

[*Interprétation*]

M. Reynolds: Monsieur le président, je sais très bien que nous sommes probablement dans une situation minoritaire.

M. Allmand: En ce qui concerne la Loi ou la législation, ce serait peut-être nécessaire d'étudier très attentivement votre situation particulière si vous voulez faire exception au gel car j'examine justement la Loi à cet égard, à l'égard du gel, et je me demande comment nous résoudrions le problème, ce serait difficile?

M. Reynolds: Extrêmement difficile, je suis d'accord.

M. Horner: Si le gel demeurait sur la Loi sur les tarifs marchandises des Maritimes et non pas sur le restant, qu'est-ce qui arriverait?

M. Reynolds: J'aimerais bien que M. Armitage y réponde, c'est mon spécialiste, en la matière technique.

Le président: Avec plaisir.

M. Armitage: Je devrais peut-être commencer par interpréter la question, si vous me le permettez monsieur le président. Cela voudrait dire tout simplement que le gel demeurerait sur le trajet vers l'Ouest, à partir des provinces de l'Atlantique vers les autres provinces du Canada et aussi pour ce qui est de la circulation à l'intérieur de la région concernée mais cela serait éliminé en ce qui concerne le trafic qui vient vers les Maritimes. Je préfère laisser répondre M. Reynolds à cette question car il parle au nom de l'industrie des boissons gazeuses. Est-ce que cela vous va M. Reynolds?

Je m'excuse, j'ai tout simplement interprété la question qu'en voulant dire que cela signifierait tout simplement que le gel disparaîtrait en ce qui concerne le trafic allant vers l'Est mais demeurerait en ce qui concerne le trafic interprovincial et vers l'Ouest du Canada. Je préférerais vous laisser répondre étant donné que vous parlez au nom des fabricants de boissons gazeuses.

M. Reynolds: Cela répondrait certainement à notre problème.

M. Horner: Et alors, à l'appui de ce problème, pourriez-vous nous dire quel pourcentage de votre marché auriez-vous perdu, en raison du gel et de la concurrence de Montréal?

M. Reynolds: Je vous ai donné ces chiffres tout à l'heure de mémoire mais le marché total dans les Maritimes est d'environ 8 millions et demi de caisses alors que les importations sont d'environ 200 ou 250,000 caisses, ce

[*Text*]

significant volume at this time; it displaces maybe 15 or 20 men. But it is the fact that it has grown from nothing to that figure over two years that one sees the trend, and what concerns us is that more and more of these perishing things are appearing on shelves all over the place.

Mr. Horner: You are fearful of the future if inbound traffic continues?

Mr. Reynolds: That is right.

Mr. Horner: Thank you.

The Chairman: Mr. Thomas.

Mr. Thomas (Moncton): Mr. Chairman, I have a supplementary question. I think we should clear the air on this matter of what the Maritimers want in respect of the freeze on freight rates. I agree with the four premiers, that this freeze on freight rates must continue. The problem here is not so much that you are in an awkward position because of the freeze but because bottled beverages have been classed as non-competitive and the rate has not been increased.

Mr. Reynolds: Right.

Mr. Thomas (Moncton): Now empty bottles have been classed as competitive and the rate is not frozen. Therefore I think that bottled beverages and empty bottles should be classed in the same category.

Mr. Reynolds: Right.

Mr. Thomas (Moncton): It is not a matter of taking off the freeze; it is a matter of putting the proper classification on bottled beverages. It is ridiculous that you can ship bottled beverages cheaper than you can ship empty bottles. We want the freeze to stay on.

Mr. Reynolds: Yes, sir, I am sure I do and I am sure all my colleagues and friends around would curse me into a heap if I said otherwise. But I can only quote, you see. I do not understand how on earth full beverages came to be regarded as non-competitive...

Mr. Thomas (Moncton): That is the point in a nut-shell, yes.

Mr. Reynolds: ...and empty bottles came to be regarded as competitive and subject to increase. It is beyond my comprehension. I write to your new commission.

[*Interpretation*]

qui veut dire qu'il n'y en a pas tellement à l'heure actuelle, le volume n'est pas tellement grand. Cela a mis en chômage peut-être 15 ou 20 hommes mais c'est le fait que toute cette histoire n'est partie de rien jusqu'à ce chiffre au cours d'une période de deux ans et qu'on voit justement une tendance se dessiner.

M. Horner: Vous craignez l'avenir donc si ce trafic continue vers les Maritimes.

M. Reynolds: Vous avez raison.

M. Horner: Merci.

Le président: Monsieur Thomas.

M. Thomas (Moncton): Une question complémentaire. Je crois que nous devrions peut-être régler la question de ce que veulent les gens des Maritimes en ce qui concerne le gel sur les tarifs marchandises. Je suis du même avis que les quatre premiers ministres, qu'on doit continuer ce gel du tarif marchandise. Le problème, ce n'est pas que votre situation soit fixée en raison du gel mais plutôt en raison du fait que les boissons gazeuses en bouteilles sont censées être non-concurrentielles et que le taux n'a pas été augmenté.

M. Reynolds: Oui.

M. Thomas (Moncton): Les bouteilles vides ont été classées comme concurrentielles et le tarif n'est pas gelé, par conséquent notre problème, à mon sens, c'est que les boissons en bouteilles et les bouteilles vides devraient être dans la même catégorie.

M. Reynolds: Vous avez raison.

M. Thomas (Moncton): Il n'est pas question d'éliminer le gel mais tout simplement que la classification soit la même pour les deux catégories. C'est ridicule de voir qu'on peut avoir deux tarifs différents pour des bouteilles vides ou pleines.

M. Reynolds: Oui, je suis sûr que personnellement, je le veux et les autres autour de la table m'en voudraient si je le niais. Je ne puis que citer, je ne connais pas tous les points techniques. Comment a-t-on pu considérer les bouteilles pleines comme étant non-concurrentielles.

M. Thomas (Moncton): C'est là le point critique.

M. Reynolds: Alors que les bouteilles vides sont censées être concurrentielles et par conséquent sujettes à une augmentation, je ne comprends vraiment pas. Par conséquent, j'écrirai à la nouvelle Commission canadienne des transports.

[*Texte*]

Mr. Thomas (Moncton): Your position has been aggravated by the fact that they class bottled beverages as non-competitive?

Mr. Reynolds: Right.

Mr. Thomas (Moncton): Which is ridiculous. I just wanted to clarify that.

Mr. Nowlan: I have a supplementary question. Surely the CTC has power to reclassify this anomaly regardless of the freeze.

Mr. Reynolds: I have been corresponding with Mr. Hellyer's executive assistant and he assures me that he has not.

Mr. Nowlan: I do not care about Mr. Hellyer's executive assistant—there is a new one there right now—and we do not even know where Mr. Hellyer is most of the time. But have you been corresponding with the CTC, Mr. Pickersgill?

Mr. Reynolds: I understand my correspondence was sent across to the expert of the CTC and it was their reply that I got.

Mr. Nowlan: You got a reply from the CTC?

Mr. Reynolds: No sir, I got a reply quoting the CTC.

Mr. Nowlan: On a point of order, Mr. Chairman, is there a CTC observer in this room right now?

The Chairman: Not that I know of, Mr. Nowlan.

Mr. Nowlan: There are other observers from other interested bodies. Do you mean to say that there is no observer from the Canadian Transport Commission at these proceedings in the Atlantic area?

The Chairman: Not to my knowledge.

Mr. Nowlan: I could make a comment about that, but I wonder, Mr. Chairman, if we could get this anomaly corrected. Regardless of the production of soft drinks and all the other problems in the Atlantic area I, for one, would be interested in the copy of the letter you got from the Minister. I think a letter should have come from the CTC and that there should have been a CTC ruling on it. I think, further, Mr. Chairman, that there should be some missive from this Committee stating that the CTC should have an observer. If other people can take the time to sit here for X number of hours at some of the meetings of this Committee, I do not know why they cannot. I think this is a real omission.

[*Interprétation*]

M. Thomas (Moncton): Votre situation est pire du fait qu'on classe les bouteilles vides comme non-concurrentielles.

M. Reynolds: Oui, c'est exact.

M. Thomas (Moncton): C'est une chose que je ne comprends aucunement, je voulais tout simplement éclaircir le point.

M. Nowlan: Question supplémentaire. La Commission a sûrement le pouvoir de reclasser cette question, peu importe le gel.

M. Reynolds: J'ai eu un échange de correspondance avec l'adjoint exécutif de M. Hellyer qui m'assure que ce n'est pas vrai.

M. Nowlan: Peu m'importe l'adjoint exécutif, il a été remplacé et il y en a un nouveau et la plupart du temps, nous ne savons pas où se trouve M. Hellyer. Mais avez-vous communiqué avec la Commission, avec M. Pickersgill?

M. Reynolds: Ma correspondance, si j'ai bien compris, a été transmise aux experts, aux spécialistes de la Commission et c'est la réponse que j'ai reçue de la Commission.

M. Nowlan: Vous avez reçu une réponse de la Commission?

M. Reynolds: Non, j'ai reçu une réponse citant la Commission.

M. Nowlan: Est-ce que je pourrais avoir un renseignement? Est-ce qu'il y a des observateurs de la Commission à l'heure actuelle?

Le président: Pas à ma connaissance.

M. Nowlan: Il y en a des autres partis, mais voulez-vous dire qu'il n'y a pas d'observateurs de la Commission au cours de nos séances dans la région de l'Atlantique?

Le président: Pas que je sache.

M. Nowlan: Je pourrais peut-être formuler un commentaire à ce sujet-là mais je me demande, monsieur le président, si on peut corriger cette anomalie. Peu importe la production des boissons gazeuses, et les problèmes de la région de l'Atlantique, personnellement, j'aimerais bien voir une copie de la lettre que vous avez reçue du ministre qui à mon sens aurait dû venir de la Commission. Il aurait dû y avoir une décision de la part de la Commission et de plus, le Comité devrait dire à la Commission qu'elle envoie un observateur, s'il y en a d'autres qui prennent le temps de siéger pendant X nombre d'heures, la Commission devrait avoir un observateur. C'est un véritable manquement.

[*Text*]

The Chairman: I think it will be in our report, Mr. Nowlan. You can rest assured of that.

Gentlemen, this is the end of the question period. I would like to thank Mr. Reynolds and Mr. Lynch for the way they have answered the questions.

Mr. Reynolds: Thank you very much for giving us so much time. Shall I send a copy of that correspondence to our Chairman?

The Chairman: Yes.

Gentlemen, our next brief will be from the City of Saint John and I would like to call upon the delegation from that city. We have with us His Worship Mayor Joseph A. MacDougall and Mr. Pappas.

I will now call upon His Worship to give us a briefing.

His Worship Joseph A. MacDougall (Mayor of the City of Saint John, N.B.): Mr. Chairman and members of the Committee. I would like to say at the outset that we are grateful, finally, for the opportunity of appearing before the Committee. Because our particular brief is primarily to do with the Freight Rates Reduction Act and so on I have asked our Common Clerk, who is also a lawyer, to present this brief so that he would be able to answer any technical problems with respect to the questions.

Now at the outset I would say that we, as a city, substantially endorse the brief of the Saint John Port and Industrial Development Commission and, again, substantially the Board of Trade of the City of Saint John. We are perhaps a little bit more general than the Board of Trade in so far as we support them in all the remarks they have made or will make with the possible exception that we are a little more general in our request for an international airport, basically southwestern New Brunswick, to service all the people in that area—cities like Fredericton, Saint John, Sussex, St. Stephen, St. George and so on. We take in perhaps a little broader area than was mentioned in the brief by the Board of Trade.

I will now ask Mr. Pappas, our Common Clerk, to present the brief on behalf of the city.

Mr. D. Pappas (Common Clerk of the City of Saint John, N.B.): Thank you, Mr. Chair-

[*Interpretation*]

Le président: La Commission sera au courant de ce qui se passe. Voici la fin de la période des questions, je voudrais remercier M. Reynolds et M. Lynch de la façon qu'ils ont répondu à nos questions.

M. Reynolds: Merci beaucoup.

Est-ce que je peux envoyer une copie de cette correspondance au président?

Le président: Oui. Messieurs, maintenant, nous entendrons le mémoire de la Ville de Saint-Jean et je demanderais donc à la délégation de la Ville de Saint-Jean de venir se présenter. Son Honneur le maire M. Joseph A. MacDougall, M. Pappas, M. Stanley Rice. Je demande donc à Son Honneur le maire de nous présenter son mémoire.

M. MacDougall (maire de Saint-Jean, N.B.): Monsieur le président, membres du Comité, je voudrais vous dire tout d'abord que nous sommes heureux enfin d'avoir une occasion de comparaître au Comité et vu que notre mémoire traite essentiellement de la Loi sur les tarifs ferroviaires et ainsi de suite, j'ai demandé au greffier, qui est aussi avocat, de vous présenter ce mémoire pour qu'il soit en mesure de répondre à tout problème d'ordre technique qui pourrait se poser quant aux questions que vous aimeriez nous présenter.

Tout d'abord, je vous dirais qu'en tant que représentants de notre ville, nous appuyons vraiment le mémoire de la *Saint John Port and Industrial Development Commission* et une fois de plus aussi, nous appuyons le mémoire de la Chambre de commerce de la ville de Saint-Jean. Nous sommes peut-être un peu plus général que la Chambre de commerce mais nous appuyons tout de même toutes les observations que cet organisme a faites ou fera et aussi peut-être avec cette exception que nous avons une représentation plus générale pour l'obtention d'un aéroport international dans le Sud-Ouest du Nouveau-Brunswick pour desservir toute la population de cette région, les villes de Fredericton, de Saint-Jean, Sussex, Saint-Stephen, Saint-George et ainsi de suite.

Nous incluons donc peut-être une région un peu plus vaste que celle qui est mentionnée dans le mémoire de la Chambre de commerce.

Donc je cède la parole à M. Pappas, notre greffier, afin qu'il vous présente le mémoire au nom de la Ville de Saint-Jean.

M. Pappas (Greffier de la Ville de Saint-Jean, Nouveau-Brunswick): Merci beaucoup

[*Texte*]

man. What we have pointed out in our brief is that the lower rates provided for in the Maritime Freight Rates Act is intended to give an advantage to the Maritime Provinces over comparative rates in other parts of Canada. However we feel that the introduction of competition to the railways by other forms of transport has to a certain extent destroyed these advantages.

We have also referred to the National Transportation Act in which it states that the national policy in connection with transportation is to relate the total costs in order to maintain economic well-being.

We also mention that the Maritimes are still in the position of being required to pay more to transport their goods to the markets in Central and Western Canada because of the greater distances involved from those markets, and we also feel that for this reason the national policy does not take into account these geographical differences.

We have also pointed out that Section 1 of the National Transportation Act refers to situations where all modes of transport are able to compete. It is our submission in this respect that in order to give effect to this national policy it therefore becomes necessary to re-examine the Maritime Freight Rates Act and apply the subsidies contained therein to other forms of transport. I believe the 1960 report of the Economic Intelligence Unit relating to the Atlantic and Maritime transportation studies also makes reference to this as well.

Our second point is that under the Railway Act, as amended by the National Transportation Act, certain fixed rates are set in relation to flour and grain which are shipped to the eastern ports. Obviously the purpose of this section is to encourage the continued use of the eastern ports for the export of grain and flour.

Just briefly, under the scheme the Governor in Council is authorized to pay to a railway company that carries this flour and grain to the eastern ports at these fixed eastern rates an amount equal to the difference between the amount received and the rate that would normally have been charged. We make reference to the fact that the eastern ports, particularly the one in Saint John, have the facilities for transporting, shipping and loading all types of commodities in addition to flour and grain.

For this reason, it is our submission that in order to make greater use of these existing port facilities and to effectively assist trans-

[*Interprétation*]

monsieur le président. Ce que nous exposons dans notre mémoire, c'est le fait que le taux inférieur prévu par la Loi sur les taux de transport dans les Maritimes donne un avantage aux provinces Maritimes comparativement aux autres tarifs dans les autres régions du Canada. Cependant, nous sommes d'avis que la concurrence apportée par les autres modes de transports se trouve à annuler ces avantages dans une certaine mesure.

Nous parlons ici de la Loi nationale sur les transports où l'on déclare que la politique nationale à l'égard du transport doit rattacher l'ensemble des coûts afin de maintenir un bien-être sur le plan économique.

Nous parlons aussi du fait que les Maritimes se trouvent dans la situation où elles doivent toujours payer davantage pour l'acheminement de leurs denrées vers les marchés du Canada central et de l'Ouest, et donc pour cette raison, la politique nationale, à notre avis, ne tient pas compte de ces écarts géographiques.

Nous signalons de même qu'à l'article Un de la Loi nationale sur les transports, on parle d'une situation où tous les modes de transport sont comparés et nous sommes d'avis que pour mettre en vigueur cette politique, il est donc essentiel que les subsides soient aussi consentis pour les autres modes de transport. Nous savons aussi que dans le rapport de 1966 de l'*Economic Intelligence Unit* ayant trait à l'étude sur le transport dans les Maritimes on parle aussi de cet aspect de la question.

Deuxièmement, en vertu de la Loi sur les chemins de fer modifiée par la Loi nationale des transports, certains taux fixes sont établis par rapport aux céréales, à la farine qui sont expédiées vers les ports de l'Est.

De toute évidence, ces dispositions ont pour but d'encourager l'utilisation soutenue des ports de l'Est pour l'acheminement de la farine et des céréales.

Donc, en vertu de ce programme, le gouverneur en Conseil est autorisé à payer à la société ferroviaire qui fait le transport des céréales ou de la farine vers les ports de l'Est, un montant égal à la différence entre le montant reçu et le taux qui aurait été exigé normalement.

Nous parlons du fait que les ports de l'Est surtout celui de Saint-Jean, ont les installations de transport et de chargement de tous

[*Text*]

portation in the Atlantic Provinces, the provisions of the Railway Act be enlarged so that eastern rates be applied to a variety of commodities in addition to grain and flour. And we make this submission solely on the assumption that no competitive mode of transport to the eastern ports is available for these other commodities.

The final point we make is that since it is evident under the National Transportation Act that shippers are encouraged to use facilities at the ports of Saint John and Halifax, there may be situations arise which have the direct effect of lessening the use of these two major ports.

We suggest that some measure of control be imposed on the planning and establishment of harbour facilities in the Maritimes. This may be prompted by a maritime or some form of regional harbour control board given adequate powers to consider applications for new ports as they are presented to them. We feel that the proper planning of ports in this way could achieve economies and generally upgrade the efficiency of transportation in the Maritime Provinces. Thank you.

The Chairman: Mr. Breau, do you have a question?

Mr. Breau: I have just one short question. The mayor mentioned the feasibility of an international airport at Saint John. Would this be located in Saint John or would it be outside?

Mr. MacDougall: I did not use the word "Saint John" as such. I said "to serve the people in the entire southwestern area".

Mr. Breau: Would this include Moncton.

Mr. MacDougall: Yes.

Mr. Breau: Have you any idea where a suitable location would be?

Mr. MacDougall: I have ideas on areas, yes.

Mr. Breau: Do you mind telling the Committee? Has it not been made public yet?

Mr. MacDougall: No.

[*Interpretation*]

genres de denrées en plus de chargement des céréales et de la farine dans cette région.

Nous sommes d'avis que pour mieux utiliser ces installations portuaires et pour vraiment aider au système des transports dans les provinces de l'Atlantique, les dispositions de la Loi doivent être modifiées pour que le taux de l'Est s'applique à tout un ensemble de denrées, en plus des céréales et de la farine.

C'est là notre recommandation, simplement, en partant du fait qu'il n'y a pas de mode concurrentielle pour le transport de ces autres denrées vers l'Est.

Une dernière observation que j'aimerais faire, c'est qu'en vertu de la Loi nationale des transports, les expéditeurs sont encouragés à avoir recours au service des ports de Saint-Jean et d'Halifax, et que la situation qui se présenterait alors serait que nous aurions des services portuaires faisant double emploi et qui ne seront pas utilisés vraiment efficacement.

Nous proposons donc qu'il y ait un certain contrôle sur l'aménagement, le service portuaire dans les Maritimes, ce qui pourrait être fait par une Commission des ports nationaux sur le plan régional qui étudierait les demandes de nouveaux aménagements portuaires au fur et à mesure où ces dernières seraient présentées.

Nous sommes d'avis qu'une planification appropriée pour les ports servirait mieux l'économie afin d'améliorer l'efficacité du rendement du transport dans les Maritimes.

Merci beaucoup.

Le président: Monsieur Breau, avez-vous une question?

M. Breau: J'ai une question très brève.

Le maire MacDougall a parlé, je pense, de la possibilité d'avoir un aéroport international à Saint-Jean, est-ce que ce serait à Saint-Jean ou à l'extérieur?

M. MacDougall: Non, je n'ai pas parlé de Saint-Jean comme tel, j'ai parlé d'un aéroport pour desservir la population du Sud-Ouest.

M. Breau: Cela inclurait Moncton?

M. MacDougall: Oui.

M. Breau: Quel serait le meilleur emplacement d'après vous?

M. MacDougall: J'ai des idées quant à cet emplacement.

M. Breau: Auriez-vous la possibilité de nous dire ce qu'il en est? Est-ce public?

M. MacDougall: Non, pas encore.

[*Texte*]

Mr. Breau: Would it be in Saint John? Can you answer that?

Mr. MacDougall: No, I do not think so. We are not considering the possibility of an airport in Saint John because of the problems that we have had with weather and so on. We do not feel, after the years that we have had a port there, that it would be feasible to have an international airport because of our weather conditions.

Mr. Breau: We have read a lot in the press about the possibility of Chatham being used as an international airport. Would this serve you in Saint John?

Mr. MacDougall: Not too well.

Mr. Breau: What about Moncton? How far is it from Moncton to Saint John?

Mr. MacDougall: About 90 miles.

The Chairman: Mr. Bell.

Mr. Bell: Mr. Pappas, I understand that you feel that the principle of assisting flour and grain through Maritime ports, which has been established for quite some time now and re-instituted into the National Transportation Act, should be applied to other commodities?

Mr. Pappas: I am sorry, Mr. Bell, I did not hear the last part of your question.

Mr. Bell: You feel that this principle, which has been established for some time and has been reinstituted into the new National Transportation Act, of assisting certain commodities to use the ports of Halifax and Saint John could be well applied to other commodities.

Mr. Pappas: Yes, we do. It would have to be seriously looked at. We do not have the facilities ourselves to make any sort of study in depth, so to speak, but we feel that it warrants perhaps further investigation. We are not suggesting to you what sort of commodities might be involved here. We also have to consider the manufacturers in the Maritimes when you consider subsidizing commodities that are brought here, or that are brought into the Maritimes from the outside. But simply for the purpose of utilizing the facilities of the ports, say, for export shipments, it could very well be applied to certain commodities.

[*Interprétation*]

M. Breau: Est-ce que ce serait à Saint-Jean? Pouvez-vous nous répondre?

M. MacDougall: Non, je ne crois pas. On ne songe pas à la possibilité d'avoir un aéroport à Saint-Jean. Je pense que les problèmes météorologiques que nous connaissons nous indiquent qu'il serait impossible d'avoir un aéroport international.

M. Breau: Nous avons beaucoup entendu parler dans les journaux, je ne sais pas si cela est vraiment pertinent ici, mais on a parlé de la possibilité d'utiliser l'aéroport de Chatham pour un aéroport international qui desservirait Saint-Jean.

M. MacDougall: Pas tellement.

M. Breau: Combien de milles y a-t-il de Saint-Jean à Moncton?

M. MacDougall: 90 milles.

Le président: Monsieur Bell.

M. Bell: Je voudrais simplement demander à M. Pappas: êtes-vous d'avis que le principe voulant que l'on aide au transport des céréales et de la farine pour leur expédition par les ports des Maritimes est établi depuis un certain temps et nous l'avons inséré dans la nouvelle loi sur les transports et cela devrait s'appliquer aux autres denrées.

M. Pappas: Je m'excuse monsieur Bell, je n'ai pas entendu la dernière partie de votre question.

M. Bell: Ce principe que vous prétendez être établi depuis un certain temps visant à aider au transport de certaines denrées pour qu'on utilise les ports de Saint-Jean et Halifax, ces denrées auxquelles on songe maintenant sont la farine et les céréales, trouvez-vous que cela pourrait s'appliquer aussi dans le cas d'autres denrées?

M. Pappas: Oui, c'est là notre avis. Il faudrait vraiment étudier la question. On ne pourrait avoir les services nous-mêmes pour faire une étude sérieuse sur la question mais nous sommes d'avis que cela mériterait d'être étudié plus longuement. Nous ne suggérons pas quel genre de denrées pourraient être visées par ces dispositions, mais nous avons aussi songé aux fabricants dans les Maritimes si vous reconsidérez la possibilité de subventionner les denrées qui sont acheminées vers les Maritimes, simplement aux fins d'utiliser les services portuaires, disons pour l'expédition des exportations, cela pourrait aussi s'appliquer pour certaines autres denrées.

[*Text*]

Mr. Bell: You have not had a chance to study some sort of arrangement with the New England States for the transfer of commodities of this nature? I am thinking of the motor car agreement that we have in Southern Ontario, which is definitely a certain type of arrangement. Do you not agree that something could be done, on a reciprocal basis, with the products of the Atlantic area and the New England States?

Mr. Pappas: I think you are quite right there. I think the natural market for the Maritimes is north-south as opposed to east-west. Perhaps this is one of the things that was given up when the Maritimes agreed at the time of Confederation. In a distance of not more than 300 to 400 miles, we have markets of many many millions of people—probably more than the entire population of Canada. I think you are quite right, that perhaps some arrangements could be made on an exchange with the Eastern States of the United States.

Mr. Bell: I wish to ask Mayor MacDougall one final question. We have been successful in having a new CPR service with Digby almost in our hot little fists. Does he now give top priority to the new airport for southwestern New Brunswick that has been mentioned by him and by the other Saint John briefs we are going to hear? Would you put it in first place? That is what I am asking.

Mr. MacDougall: No, I would not necessarily put it in first place. I believe on the long-haul, yes, it would be number one; but I feel that the stepping up of port facilities, which, in my opinion, is long-overdue, would be in first place, because this is a must and is needed yesterday.

Mr. Bell: On this matter of port facilities, do you have any complaints, from a Saint John standpoint, about the railways having given any preference in rates, or any other extra consideration, to Halifax? I do not want to get into the Halifax-Saint John argument in any way, but are you fully satisfied, as the Mayor of Saint John, that in the negotiations for containers and the like in the two ports the railways have shown any par-

[*Interpretation*]

M. Bell: Vous n'avez pas eu l'occasion de faire une étude afin de voir si on ne pourrait pas prendre des dispositions avec les États de la Nouvelle-Angleterre pour le transfert de certaines denrées. Je songe, disons, à l'entente pour les véhicules moteurs, que nous avons pour le sud de l'Ontario et qui constitue certainement un certain type d'entente. Ne convenez-vous pas alors que quelque chose de ce genre, pourrait être fait sur une base réciproque pour les produits de la région atlantique et des États de la Nouvelle-Angleterre?

M. Pappas: Je pense que vous avez tout à fait raison, là. Le marché naturel pour les produits des Maritimes se fait du nord au sud plutôt que de l'est à l'ouest. C'est peut-être là une des choses auxquelles on a renoncé lorsque les Maritimes ont convenu d'adhérer à la Confédération. Dans une distance d'au plus trois à quatre cents milles, nous avons des débouchés possibles d'un bon nombre de millions de personnes, peut-être plus que toute la population du Canada. Vous avez tout à fait raison. Je pense que certaines dispositions pourraient être prises en vue d'entreprendre des échanges entre les États de l'est et les États-Unis.

M. Bell: Je voudrais, donc, poser une dernière question, au maire MacDougall. Nous avons presque réussi à obtenir un nouveau service du Pacifique-Canadien à Digby. Donne-t-il à présent la première priorité à l'aménagement du nouvel aéroport pour desservir la région du sud-ouest du Nouveau-Brunswick, comme il l'a mentionné, et comme l'indiquent les autres mémoires de Saint-Jean que nous entendrons plus tard.

Est-ce que vous établissez cette première priorité pour l'aéroport?

M. MacDougall: Non, je ne pense pas que c'est vraiment là la première priorité, mais je crois qu'à long terme, oui, ce serait la principale priorité, et je dirais que l'accélération des travaux d'aménagements portuaires qui, à mon avis sont dus depuis longtemps, occuperait la première priorité, parce que c'est essentiel, et que nous en avions besoin, depuis longtemps.

M. Bell: Pour ce qui est des aménagements portuaires, est-ce que vous avez des plaintes, des griefs, du point de vue de Saint-Jean, du fait que les chemins de fer aient donné un traitement préférentiel quant aux taux ou toute autre considération à Halifax. Et je ne veux pas soulever une controverse entre Saint-Jean et Halifax. Est-ce que vous êtes vraiment sûr, en votre qualité de maire de Saint-Jean, qu'au cours des négociations qui

[*Texte*]

ticular preference? Have there been complete fairness and impartiality in the negotiations with the railways relative to your responsibilities?

Mr. MacDougall: Sticking strictly to my own responsibility, in which I was very closely associated with the negotiations, I can only repeat what I said publicly, that we were prepared to guarantee a reduction of the cost of shipping a container from a given stand point in England into Montreal, Toronto, Detroit, or Chicago via Saint John, as against Halifax. We were prepared to put a reduction in writing and guarantee it. We lost it.

I have yet to have anybody explain this to me. Therefore, I cannot say "unfair"; I do not know. But we were prepared to put this in writing, and we lost it. Indeed, the federal government's studies, both the Atlantic Development Board one and the second study, confirmed what we were offering a cheaper cost of putting a container through from a given point in England to those given points of Montreal, Toronto, Detroit and Chicago.

That held up in the first group, but in the last, in Chicago, it dropped somewhat due to the fact that, going through Saint John on the CPR line, they would, for a certain leg of the journey, have to farm this out because they had to lease the railroad for a short portion of the road. Therefore, a little of it was lost there. But, in any case, there was a guarantee of less cost into all of those areas.

Just what happened, or how this is explained, I do not know, and I cannot say "unfair". I can say that in fact it did happen, and we just do not know the answer.

Mr. Bell: All I can say, Mr. Chairman, is here is item No. 2 for the Canadian Transport Commission to investigate. Thank you very much.

The Chairman: Mr. Perrault?

Mr. Perrault: Mr. Chairman, I wish to ask His Worship and his colleague a question. I am interested in the recommendation in their brief that subsidies be paid to all modes of transport. One modification in the brief

[*Interprétation*]

ont eu lieu, disons, pour les *containers* et ainsi de suite, entre les deux ports, les chemins de fer ont fait preuve de préférence? En ce qui vous concerne, croyez-vous que les négociations avec les compagnies de chemins de fer ont été complètement honnêtes et impartiales?

M. MacDougall: Pour ce qui est de ma propre responsabilité, ayant étroitement participé aux négociations, je ne peux que répéter ce que j'ai déclaré au public. Nous étions prêts à garantir une diminution du coût d'expédition de *containers*, à partir d'un point donné en Angleterre vers Montréal, Toronto, Détroit, Chicago, par Saint-Jean, comparativement à Halifax. Et nous étions prêts à consentir, par écrit, une réduction et à la garantir. Nous l'avons perdue.

Personne ne me l'a expliqué encore, et par conséquent, je ne puis dire, «injuste». Je n'en sais rien. Mais, nous étions prêts à nous engager, par écrit, à maintenir une garantie. Nous avons perdu, et les études effectuées par le gouvernement fédéral sur l'Office du développement de l'Atlantique, puis la deuxième étude qui a aussi confirmé le fait que nous offrions un prix inférieur pour l'expédition de *containers* à partir d'un point donné en Angleterre vers ces points de Montréal, Toronto, Détroit, Chicago.

Pour premiers groupes, is l'ont maintenu, mais pour le dernier, à Chicago, cela a baissé quelque peu, dû au fait qu'en passant par Saint-Jean, la ligne du C.P.R. devrait, pour une partie du trajet, avoir recours, disons, aux services ou faire la location de services ferroviaires pour une petite portion de la route. Par conséquent, nous avons perdu quelque peu de ce côté, mais de toute façon, on était sûr que le coût serait moins élevé, pour toutes ces régions à partir de Saint-Jean.

Alors, que s'est-il produit? comment peut-on l'expliquer, je n'en sais rien. Je ne saurais vous dire qu'il est injuste. Je puis vous dire que cela s'est produit, mais nous ne savons pas du tout quelle en est la réponse.

M. Bell: Tout ce que je puis dire, monsieur le président, c'est le poste n° 2 que la Commission canadienne des transports doit examiner. Merci beaucoup.

Le président: Monsieur Perrault?

M. Perrault: Monsieur le président, j'aimerais poser une question à Son Honneur et à ses collègues. Ce qui m'intéresse, ce sont les recommandations qu'ils formulent dans leur mémoire, soit que des subventions soient

[*Text*]

recommends that this be done to achieve the original purposes of the MFRA.

Now, subsidies are costing the Canadian taxpayer millions of dollars a year all across this country, and my question is: At what point will it be possible to remove subsidies in this area?

Is this recommended as a policy in perpetuity? Should not the object of subsidies be to enable a certain area, or industry, to achieve a competitive position?

Have you established any targets which would enable the federal government to remove the need to subsidize the Maritimes? I am not being critical of the Maritimes because I know that many other parts of the country are being subsidized, as well—indeed, all provinces, in some form.

Mr. MacDougall: I have a definite point in time. It would be at the time that those who talked us into Confederation were to see to it that we were given back all of the things we had prior to Confederation, and that we were to be on a parity with Central Canada. That is the exact time.

Some hon. Members: Hear, hear.

Mr. Perrault: It is still an indeterminate date, Mr. Chairman, but His Worship's observation is quite interesting.

Relative to a subsidy, has any dollar estimate been prepared by the City of Saint John on the effect of subsidizing all modes of transport from the Maritimes to Central Canada? How much will it cost the Canadian taxpayer to do this?

Mr. MacDougall: No, we have not done a study on that. I believe, though, if you are interested in that particular point, that a study is being done, or is being completed, and is being presented to the federal government.

Mr. Perrault: Thank you.

The Chairman: Mr. Horner?

Mr. Horner: Just to clarify it in my mind, Mr. MacDougall, there has also been a suggestion that the MFR rates should be applied to products coming into the Maritimes for Maritime consumption. You are not in any way suggesting that? You are merely suggesting that the proposed rate that is now

[*Interpretation*]

payées à tous les modes de transports et une modification qui se trouve dans le mémoire recommande qu'il en soit tenu compte afin de réaliser les objectifs initiaux de la Loi sur les taux de Transports des marchandises dans les provinces Maritimes. Les subsides coûtent présentement aux contribuables canadiens des millions de dollars par année, à travers le Canada et la question que je voudrais poser est la suivante: à quel point serait-il possibe de faire disparaître les subsides dans cette région?

Cette politique s'applique-t-elle indéfiniment? Le but des subsides n'est-il pas d'aider un certain secteur ou une industrie à atteindre une position compétitive? Avez-vous établi un objectif qui permettrait au gouvernement fédéral de faire disparaître cette nécessité de subventionner les Maritimes? Je ne critique pas les Maritimes, parce que je sais que bon nombre des autres régions du Canada reçoivent aussi des subventions. Toutes les provinces, d'ailleurs.

M. MacDougall: Oui. J'ai établi un objectif. Ce serait au moment où ces personnes qui nous ont convaincus d'entrer dans la Confédération, devraient s'assurer que nous récupérions tout ce que nous avions avant d'entrer dans la Confédération et que nous soyons sur un pied d'égalité avec le centre du Canada. Voilà le moment exact.

Des voix: Bravo, bravo.

M. Perrault: C'est donc une date imprécise, indéterminée. Mais l'observation de Son Honneur le maire est assez intéressante. En ce qui concerne une subvention, la Ville de Saint-Jean a-t-elle jamais prévu ce que seraient les répercussions financières de subventionner tous les modes de transports des Maritimes vers le centre du Canada? Combien en coûterait-il aux contribuables canadiens pour le faire?

M. MacDougall: Non, nous n'avons pas fait une telle étude. Mais, seulement, je pense que si vous êtes intéressés à connaître ces données, on est en train de faire une étude, ou sur le point de la terminer et de la présenter au gouvernement fédéral.

M. Perrault: Merci.

Le président: Monsieur Horner?

M. Horner: Monsieur MacDougall, voici: on a dit que les taux du transport des marchandises dans les Maritimes, devraient aussi s'appliquer pour ce qui est expédié dans les Maritimes, pour la consommation dans les Maritimes. Ce n'est pas du tout ce que vous dites. Vous dites simplement que les taux

[*Texte*]

applicable to flour and grain for export be applied to other commodities for export, for the better use of the ports, not for the consumption?

The Chairman: Mr. Mahoney?

Mr. Mahoney: Perhaps I should tell the witness that those who are recording the proceedings are having a difficult time recording nods and shakes of the head.

The Chairman: Mr. Mahoney, will you talk into your mike, please?

Mr. Mahoney: I thought perhaps the witness might record his answers to the last two questions before I started.

Section 329 deals with two rather specific classes of commodities at the present time, and also with commodities originating elsewhere in Canada where it seems to be in the national interest that a subsidy be paid so that the eastern ports be used. I question, however, that it was designed primarily to subsidize the eastern ports. I suggest it was rather to allow of continuity in transport and in export.

Do you not feel that in presenting this proposal to the Committee for its serious consideration it would be incumbent on you, if not now, at some later date, to supplement your brief by suggesting certain specific classes of commodities that should be treated in the same way as grain and flour?

The Chairman: Mr. MacDougall?

Mr. MacDougall: I am going to hand that one to Mr. Pappas.

Mr. Pappas: First I must say that we have as yet made no studies along the line you have suggested. We believe that there are organizations which can produce these sorts of recommendations. We are not saying we are the ones who can do it, but we would be prepared to examine it in further detail for the Committee and perhaps arrive at something more definite than is set out in the brief.

Mr. Mahoney: In other words, the essence of your recommendation is that there must be other commodities that perhaps should be treated the same as grain and flour, and that someone should study the situation?

[*Interprétation*]

suggérés applicables présentement à la farine et aux céréales d'exportation s'appliquent aussi aux autres denrées d'exportation pour une meilleure utilisation des installations portuaires et non pour la consommation?

Le président: Monsieur Mahoney?

M. Mahoney: Je dois attirer l'attention du témoin sur le fait que les préposés à l'enregistrement des comptes rendus ne peuvent enregistrer des signes de la tête.

Le président: Monsieur Mahoney, voulez-vous parler dans le micro s'il vous plaît?

M. Mahoney: Le témoin voudrait-il enregistrer ses réponses aux dernières questions avant que je ne commence.

L'article 329, traite à l'heure actuelle de deux catégories bien précises de denrées, et aussi, de denrées provenant d'autres points du Canada, où il semble être dans l'intérêt national de verser des subsides pour qu'on utilise les ports de l'Est. Je me demande si cela a été essentiellement conçu pour subventionner les ports de l'Est. Je pense que c'était plutôt pour permettre une solution de continuité dans les transports et les exportations.

N'êtes-vous pas d'avis qu'en présentant cette proposition au Comité pour étude sérieuse, il vous incombait, sinon présentement, du moins à une date ultérieure, de proposer que certaines catégories spécifiques de denrées devraient recevoir le même traitement que la farine et les céréales?

Le président: Monsieur MacDougall?

M. MacDougall: Je cède la parole à M. Pappas.

M. Pappas: Tout d'abord, je dois vous dire que nous n'avons pas encore fait d'études selon la proposition que vous avez faite. Nous sommes d'avis qu'il y a des organismes qui peuvent donner de tels renseignements ou fournir de telles recommandations. Nous ne disons pas que nous sommes des spécialistes pour le faire, mais j'ajouterais que nous serions prêts, disons, à étudier la question dans ses détails pour la gouverne du Comité et peut-être vous présenter des propositions plus précises que celle que nous avons faites en suivant le mémoire.

M. Mahoney: En d'autres termes, vos recommandations veulent essentiellement qu'il y ait d'autres denrées qui devraient être considérées sur un pied d'égalité avec la farine et les céréales et que quelqu'un devrait étudier la situation?

[*Text*]

Mr. Pappas: To be a little more specific, we are saying that other commodities should come under this policy, but we are not quite sure which ones.

Mr. Mahoney: Secondly, in advocating an international airport do you have any figures available to indicate whether, in fact, there are sufficient off-loading passengers and off-loading air freight in the southwestern New Brunswick region to justify the maintenance of 24-hour immigration, customs and health services at an airport?

Mr. Pappas: First of all, I want to make it clear that the presentation of that particular item is under the Saint John Board of Trade.

Mr. Mahoney: I will save that question for them.

Mr. Pappas: I say that what we did in Saint John was to farm out the particular things to each group. We reviewed these and then stated that we were prepared to back up the recommendations of the Port and Industrial Development Commission, as well as those of the Saint John Board of Trade, with the one qualification I gave you.

Mr. Mahoney: Thank you.

The Chairman: Mr. Thomas?

Mr. Thomas (Moncton): Yes, Mr. Chairman. Mr. MacDougall, I understand that this winter has been a reasonably good one for the port of Saint John relative to cargo shipments in and out, or mainly coming in?

Mr. MacDougall: Yes.

Mr. Thomas (Moncton): I am happy that you have had a good year but have you had any problems with rail transportation, that is, in getting sufficient boxcars to move your export shipments rapidly across the country?

Mr. MacDougall: We have had some problems, but in fairness to both railroads we would have to say that although there was a very sharp increase in the volume of traffic the railroads co-operated very well, and, by and large, did an excellent job.

There were problems—let us not try to put those under the rug—because when you are talking ordinarily of 20 cars and all of a sudden you need 100, 120 or 200, you are not

[*Interpretation*]

M. Pappas: Nous disons, pour être plus précis, que les autres denrées devraient être aussi visées par cette même ligne de conduite, mais nous ne savons pas au juste lesquelles.

M. Mahoney: Deuxièmement, en proposant un aéroport international, avez-vous des chiffres qui indiqueraient qu'il y a réellement assez de passagers ou de marchandises qui seraient déposés dans la région du sud-ouest du Nouveau-Brunswick, pour justifier le maintien de services de santé, de douane et d'immigration dans un aéroport?

M. Pappas: Tout d'abord, je veux vous dire bien clairement que la présentation de cette rubrique en particulier sera faite lorsqu'il sera question de la Chambre de commerce de Saint-Jean.

M. Mahoney: Je garderai la question pour plus tard.

M. Pappas: Ce que nous avons fait à Saint-Jean, c'est que nous avons demandé à chaque groupe d'étudier un aspect. Ensuite nous avons revisé le tout et avons dit que nous étions prêts à appuyer et nous sommes prêts à appuyer les recommandations de la *Port and Industrial Development Commission,* ainsi que celles de la Chambre de commerce de Saint-Jean, avec la seule réserve que je vous ai donnée.

M. Mahoney: Merci beaucoup.

Le président: Monsieur Thomas?

M. Thomas (Moncton): Oui monsieur le président. M. MacDougall, si je comprends bien, cet hiver fut assez bon pour Saint-Jean en ce qui concerne le mouvement des marchandises à l'arrivée et au départ.

M. MacDougall: Oui.

M. Thomas (Moncton): Je suis heureux d'apprendre que l'année a été bonne, mais avez-vous connu des problèmes par rapport au transport ferroviaire, c'est-à-dire si vous avez obtenu suffisamment de wagons pour expédier assez rapidement vos marchandises d'exportation à travers le pays?

M. MacDougall: Nous avons connu certains problèmes, mais, en toute justice, à l'égard des deux Sociétés ferroviaires, nous devons ajouter que, dû à une augmentation marquée, quant au volume de trafic, les chemins de fer ont vraiment très bien collaboré, et ont fait un excellent travail. Nous avons connu des problèmes, n'essayons pas de les cacher. Lorsque vous parlez habituellement, disons, de vingt wagons et que soudainement vous en avez

[*Texte*]

always able to have these at a snap of the finger. However, in fairness to the railroads and to the port and to the workers, and so on, they all did an excellent job in handling the excess traffic that we had through the port of Saint John this winter. Certainly, some extra machinery would have gone an awful long way in helping us out.

Mr. Thomas (Moncton): In the same vein, sir, if the port should be successful in the next few years in increasing the exports coming through it, will it be necessary for the railways to update their facilities or to increase their facilities to handle this movement of freight coming in by water or across the country?

Mr. MacDougall: Yes.

The Chairman: Mr. Nesbitt?

Mr. Nesbitt: I have a very brief question, Mr. Chairman, that I would like to direct to His Worship.

In the event of expanded facilities for export by water from the port of Saint John, would there be an adequate supply of pilots available for the increase in the amount of shipping?

Mr. MacDougall: I think we can supply the necessary pilots for any increase that takes place. I do not think this should be a problem at all. I have talked with one or two of the pilots on this particular matter and they assure me that this is not a problem.

Mr. Nesbitt: I am glad to have got that straight, Mr. Chairman, because I know this is a particular problem at the port of Saint John.

Mr. MacDougall: Yes.

The Chairman: Mr. Allmand?

Mr. Allmand: Your Worship, in your brief you say that you support the Saint John Board of Trade in what they say on highways. Does this mean that you support the proposal for the corridor road, or an interstate highway system, which would go, I suppose, from Saint John through Maine up towards the Quebec border?

Mr. MacDougall: That is right.

Mr. Allmand: I just wanted to know whether you supported them fully on that point.

[*Interprétation*]

besoin de cent ou cent vingt ou deux cents, il n'est pas toujours facile de les obtenir sur-le-champ. Cependant, je suis d'avis, en toute justice à l'égard des deux Sociétés ferroviaires et du Port et des employés, qu'ils ont tous fait un excellent travail pour la manutention du trafic excédentaire que nous avons eu dans le Port de Saint-Jean cet hiver. Sûrement, un équipement additionnel aurait beaucoup aidé dans une telle circonstance.

M. Thomas (Moncton): Donc, alors, si le port doit réussir au cours des prochaines années, à augmenter son commerce d'exportations, ou, le mouvement de marchandises qui passent dans ce port, les sociétés de chemins de fer devront-elles améliorer ou augmenter leurs services, afin de pouvoir suffire à la manutention des marchandises qui arrivent par bateaux ou à travers le pays?

M. MacDougall: Oui.

Le président: Monsieur Nesbitt?

M. Nesbitt: Une question très brève, monsieur le président, que je voudrais poser à Son Honneur le maire. Au cas où les services et installations portuaires s'élargiraient, y aurait-il suffisamment de pilotes pour faire face à l'augmentation du mouvement maritime?

M. MacDougall: Oui. Nous aurons suffisamment de pilotes pour toute augmentation qui se présenterait. Je ne crois pas que ce soit un problème. J'en ai parlé à un ou deux des pilotes et ils me donnent l'assurance que ce n'est pas là un problème.

M. Nesbitt: Je suis heureux d'avoir reçu une réponse précise car je sais que c'est un problème surtout en ce qui concerne le port de Saint-Jean.

M. MacDougall: Oui.

Le président: Monsieur Allmand?

M. Allmand: Votre Honneur, dans votre mémoire, vous dites que vous appuyez la Chambre de commerce de Saint-Jean à l'égard de ce qu'ils disent à propos des autoroutes. Cela signifie-t-il que vous appuyez la proposition pour la route corridor ou un réseau routier inter-état qui partirait de Saint-Jean, traverserait le Maine et irait jusqu'à la frontière du Québec?

M. MacDougall: Oui, c'est juste.

M. Allmand: Je voulais simplement savoir si vous les appuyez entièrement, à cet égard.

[*Text*]

Mr. MacDougall: On all points of both groups, with the exception that we are a little more general on the international airport.

The Chairman: A supplementary question, Mr. Nowlan?

Mr. Nowlan: A supplementary question to His Worship on that.

Mr. Mayor, you are familiar with the Economic Intelligence Unit Study on the corridor road. Do you think their estimate of the cost versus the benefits is fairly accurate? In other words, it is going to be quite an undertaking for the Canadian taxpayer to pay for the road. On the basis of their preliminary traffic surveys is there sufficient traffic to justify it?

Mr. MacDougall: Speaking in general terms, I am convinced, without any question or doubt, that all good roads and good bridges will justify themselves in Canada over the next 50 years.

Mr. Nowlan: Specifically, if you are familiar with it do you think their estimate of cost versus the benefit of the Maine corridor is realistic?

Mr. MacDougall: Yes, I am familiar with it, but I cannot be all that sure about how realistic it is. I think it is a projection, and on that basis I support it because I believe that is so; but it is not supported in fact.

The Chairman: Mr. Corbin?

Mr. Corbin: This is a supplementary to Mr. Bell's question to His Worship, the Mayor. In connection with the establishment of container facilities at the port of Saint John, I do not believe, sir, that you hinted in any way that the National Harbours Board was to blame for losing these facilities, but I wonder, as well, if you are aware that the role of the National Harbours Board is not to dictate to any company, private or otherwise, but to help, aid and suggest, and that the final decision of any company, be it private or public, to use the ports of Saint John, Halifax, or Quebec City, is one that they themselves make and that the government has little to do other than to suggest and help, if such assistance is required?

Mr. MacDougall: Are you suggesting that the only influence the government may, or

[*Interpretation*]

M. MacDougall: Oui, tous les points de deux groupes, sauf que nos vues diffèrent au sujet de l'aéroport international.

Le président: Question complémentaire, monsieur Nowlan?

M. Nowlan: Question complémentaire adressée à Son Honneur à cet égard.

Monsieur le maire, pour ce qui est de ces études économiques sur cette route corridor, qui furent faites, croyez-vous que le facteur coût, comparativement aux avantages qu'on pourrait en tirer, est assez précis? En d'autres mots, cette route sera tout un fardeau pour le contribuable canadien. D'après les enquêtes préliminaires effectuées sur la circulation, est-ce que cela justifie une telle dépense?

M. MacDougall: Dans l'ensemble, je vous dirai que je suis convaincu que toutes les bonnes routes et tous les bons ponts se justifient d'eux-mêmes, au Canada, au cours des cinquante prochaines années. Il n'y a pas l'ombre d'un doute.

M. Nowlan: D'après vous, l'évaluation du coût par rapport aux avantages que l'on retirerait de ce corridor est-elle réaliste?

M. MacDougall: Oui, je les connais, mais je ne suis pas tout aussi sûr quant à l'aspect réaliste. Je pense que c'est une évaluation, une projection. Je l'appuie, parce que je crois que c'est une projection mais on ne peut pas dire que je l'appuie effectivement.

Le président: Monsieur Corbin?

M. Corbin: Question complémentaire à celle de M. Bell, à l'endroit de M. MacDougall. En ce qui a trait à l'établissement de dispositions pour les *containers* au port de Saint-Jean, je ne crois pas, monsieur, que vous ayez laissé entendre que le Conseil des Ports nationaux fut à blâmer pour la perte de ces installations portuaires, mais, je me demande aussi si vous êtes au courant que le rôle du Conseil des Ports nationaux n'est pas de s'imposer à qui que ce soit, à n'importe quelle compagnie, privée ou autre, mais d'aider et de proposer, et que la décision finale d'une compagnie, qu'elle soit privée ou publique, d'établir ou d'employer un port plutôt qu'un autre, en est une qui est prise par la compagnie même et que le gouvernement n'a pas grand chose à y voir, sauf de suggérer ou d'aider si une telle aide est requise.

M. MacDougall: Est-ce que vous suggérer alors, que la seule influence que le gouverne-

[*Texte*]

may not, have had in this decision was solely through the National Harbours Board?

Mr. Corbin: No, I am not; but I would tend to believe that the National Harbours Board was one of the principal intermediaries in these negotiations.

Mr. MacDougall: The cost of putting a container terminal in the port of Saint John was cheaper than it was to do so in Halifax.

Mr. Corbin: Then you still do not know why the companies involved chose another port?

Mr. MacDougall: And for the carriers to take these containers through to the given points I mentioned it was was significantly cheaper to come through the port of Saint John.

Mr. Corbin: According to your figures?

Mr. MacDougall: According to the federal government's figures.

Mr. Corbin: What figures are these?

Mr. MacDougall: The Atlantic Development Board's figures, put out by them; and they are confidential to the federal government. We received a copy of this particular brief through the Port and Industrial Development Commission, and those figures are available.

Mr. Corbin: On what date were these put out?

Mr. MacDougall: I cannot give you that, but I can give you a supplementary, to give you the exact date and page of the two studies carried out by the federal government.

Mr. Corbin: Thank you.

The Chairman: Mr. Skoberg.

Mr. Skoberg: Mr. Chairman, I want to ask His Worship whether or not some of the non-confidential correspondence from your city to the National Harbours Board and to the railway companies involved could be supplied to this Committee? I ask, because I would like to have your opinion on whether there were co-operation and co-ordination between the various departments involved in determining the location of this containerization port.

Mr. MacDougall: Let me say that although I do not agree with the policies of the

[*Interprétation*]

ment puisse ou ne puisse pas avoir pour cette décision, c'est grâce au Conseil des Ports nationaux seulement?

M. Corbin: Non. Mais, j'aurais tendance à croire, toutefois, que le Conseil des Ports nationaux était l'un des principaux intermédiaires dans ces négociations.

M. MacDougall: Les installations relatives aux *containers* dans le port de Saint-Jean ont coûté moins que celles de Halifax.

M. Corbin: Et alors vous ne savez pas pourquoi la compagnie en cause ou les compagnies en cause ont choisi un autre port?

M. MacDougall: Pour transporter ces *containers* aux divers points que j'ai mentionnés, cela aurait coûté beaucoup moins de le faire via Saint-Jean.

M. Corbin: Selon vos chiffres?

M. MacDougall: Selon les chiffres du gouvernement fédéral.

M. Corbin: Quels sont ces chiffres?

M. MacDougall: Ce sont les chiffres de l'Office d'expansion économique de la région de l'Atlantique, qu'ils ont eux-mêmes mis à notre disposition; et ces chiffres sont confidentiels pour le gouvernement fédéral. Et nous avons reçu une copie de ce mémoire par l'entremise de la Port and Industrial Development Commission.

M. Corbin: Et à quelle date les chiffres vous ont-ils été donnés?

M. MacDougall: Je ne connais pas la date exacte, mais je pourrais vous donner les copies supplémentaires, pour que vous sachiez la date exacte et la page des deux études effectuées par le gouvernement fédéral.

M. Corbin: Merci.

Le président: Monsieur Skoberg.

M. Skoberg: Monsieur le président, je voudrais demander à Son Honneur s'il lui est possible ou non de nous remettre une partie de la correspondance qui s'est effectuée entre la Ville d'une part et le Conseil des Ports nationaux et les compagnies de chemins de fer d'autre part. Je pose cette question parce que j'aimerais que vous me disiez s'il y a eu collaboration et coordination entre les divers ministères en cause, pour déterminer l'emplacement des *containers* dans le port.

M. MacDougall: Permettez-moi de dire que même si je ne suis pas d'accord avec la

[*Text*]

National Harbours Board—and have stated so publicly on more than one occasion—in this particular instance I do not think that the National Harbours Board could have been fairer.

We can supply this Committee with whatever information we had on this, and I can assure you, if you want to check with the members of the National Harbours Board, as well as the Chairman, that they are as puzzled as we are.

Mr. Skoberg: Is it your opinion, Your Worship, that there is co-ordination between those who are concerned in the location of this port? I refer particularly to the railway companies, the National Harbours Board and the CTC. Are you satisfied, in your mind, that there is co-ordination, and are you able to present your briefs to those authorities which are responsible in that particular field?

Mr. MacDougall: You are able to present them, but I think they act as separate entities; and when you ask about co-ordination, I say no, I do not think there is any co-ordination.

The Chairman: Mr. Tom Bell?

Mr. Bell: Before that subject is dropped may I just repeat what I said previously, and what Mr. Nowlan brought up, that I really feel—and I say this sincerely—that the Canadian Transport Commission has a responsibility to investigate any of these matters that arise here affecting the railways. We had the first example brought forward by the bottlers, on whether or not these rates are compensatory, and certainly they should be involved in that in some way.

Second, I do not say they are charges, but some indefiniteness and questions have been raised about the railways and their rates. I am not taking this opportunity to take any cheap swipes at the Canadian Transport Commission—we can all do that—but they have a good staff and have capable men. I really feel that an effort should be made tonight to get one or two of their experts to join us for the rest of this trip, even to protect their own interests.

Would you agree to convene this Committee for five minutes in closed session at noon today to discuss this very fact?

An hon. Member: The steering committee can deal with it.

[*Interpretation*]

politique du Conseil des Ports nationaux, et je l'ai déjà dit en public, à plus d'une occasion dans ce cas particulier, je ne crois pas que le Conseil des Ports nationaux aurait pu être plus honnête. Nous pouvons fournir à votre Comité tous les renseignements voulus au sujet de ce que nous avions à cet égard. Je puis vous assurer, et si vous voulez vérifier auprès des membres du Conseil des Ports nationaux, ainsi qu'auprès du président, ils sont aussi perplexes que nous.

M. Skoberg: Êtes-vous d'avis, Votre Honneur, qu'il y a eu coordination entre ceux qui s'intéressent à l'emplacement de ce port? Je parle surtout de la compagnie de chemins de fer, du Conseil des Ports nationaux et de la Commission des Transports? Êtes-vous sûr qu'il y ait eu coordination et êtes-vous en mesure de présenter vos mémoires aux autorités responsables dans ce domaine particulier?

M. MacDougall: Vous êtes capables de les présenter, oui. Mais je crois qu'ils agissent séparément et quand vous parlez de coordination, je dis non, je ne crois pas qu'il y ait eu coordination.

Le président: Monsieur Tom Bell?

M. Bell: Avant de passer à un autre sujet, est-ce que je pourrais répéter, encore une fois, ce que j'ai dit et ce que M. Nowlan a soulevé. Je crois et je dis sincèrement que la Commission des Transports, à mon sens, a une responsabilité de faire enquête sur ces questions qui sont soulevées ici, relativement aux chemins de fer. Nous avons eu un premier exemple donné par les usines d'embouteillage quant à savoir si les taux étaient compensatoires ou non, et l'on devrait certainement les intéresser dans une certaine mesure à ce sujet.

Deuxièmement, je ne dis pas qu'il y a des accusations, mais il existe un certain doute et des questions se sont posées quant aux chemins de fer et leurs taux. Je ne saisis pas l'occasion pour essayer d'accuser la Commission, nous pouvons tous le faire, mais leur personnel est bon, et ont des hommes capables et compétents. Je crois sincèrement qu'on devrait faire un effort, ce soir, pour essayer d'obtenir la présence d'un ou deux experts de la Commission, pour protéger leurs propres intérêts à cet égard.

Je me demande si vous pourriez convoquer ce Comité pendant cinq minutes, cet après-midi, à huis clos, pour discuter de ce fait?

Une voix: Le comité de direction peut s'en occuper.

[*Texte*]

The Chairman: Well, as this is the end of our...

Mr. MacDougall: Mr. Chairman, perhaps I could make just one further point relative to these questions that have been asked. It will be very brief and it is also public, therefore it is not something that I am pulling from here, there or anywhere.

At Atlantic Development port day, held in Halifax on December 1, a panel submitted an excellent presentation. Number one on the panel asked why the carrier, namely, the steamship line, could make maximum one profit by virtue of going into port A, which we will say is the competing port with Saint John, and the second man made the point that the railroad could also make maximum profits by virtue of pulling out of that particular point on a unit train basis. You can check the records. I asked the following question, and it was not answered: In that case, why does the taxpayer have to be subsidizing? At no time was that question answered. The chairman of the panel came down and shook hands and admitted to me that this question had not been answered, and the Chairman of the Harbours Board commission also said that this question had yet to be answered.

The Chairman: Thank you, Mr. Mayor. Mr. Nowlan?

Mr. Nowlan: I have a supplementary on this question of ports, although not directly relative to which was chosen between Halifax and Saint John; that perhaps raises a conflict of interest with me. But on the general proposition, and the last recommendation, Mr. Mayor, in your brief, suggesting a Maritimes harbour control board, are you advancing that in lieu of the National Harbours Board, as a decentralized agency of the National Harbours Board, or as an independent agency separate and apart from the National Harbours Board?

Mr. MacDougall: It could be associated with the National Harbours Board, or it could be independent. What we are primarily concerned about is this: Let us say an industry sets up somewhere down the coast between Saint John and St. Stephen and we put in a harbour and certain facilities there. What we are suggesting here is that with the two national ports of Halifax and Saint John so designated in the Atlantic

[*Interprétation*]

Le président: Comme c'est la fin de nos questions...

M. MacDougall: Monsieur le président, je me demande si je pourrais ajouter quelque chose relativement aux questions posées. C'est aussi du domaine public, par conséquent, ce n'est pas quelque chose que je tire de l'air.

Lors de la journée pour la mise en valeur des ports de l'Atlantique, tenue à Halifax le premier décembre, un «panel» a soumis une excellente présentation. Le premier membre du «panel» a demandé pourquoi le transporteur, c'est-à-dire la compagnie maritime, pourrait-il faire un bénéfice maximum sur le transport du minerai en passant par le port A, qui, par exemple, ferait concurrence au port de Saint-Jean, et le deuxième membre a signalé que les chemins de fer pourraient aussi faire des profits maximums, en organisant les départs d'un point proprement dit sur la base d'un train homogène. Vous pourrez le vérifier. J'ai posé la question suivante qui n'a pas reçu de réponse: Dans ce cas, pourquoi le contribuable doit-il subventionner? On n'a jamais donné de réponse à cette question. Le président du séminaire m'a donné la main. Il m'a avoué qu'on n'avait pas donné réponse à la question. Le président de la Commission des Ports a aussi dit qu'on n'avait pas encore répondu à cette question.

Le président: Merci beaucoup, monsieur le maire. Monsieur Nowlan?

M. Nowlan: Question supplémentaire au sujet des ports, qui n'est pas tout à fait pertinente au choix effectué entre Saint-Jean et Halifax; cela soulève peut-être un conflit d'intérêt, en ce qui me concerne en tous les cas. Mais au sujet de la recommandation générale, la dernière recommandation dans votre mémoire, monsieur le maire, proposant la création d'une commission de contrôle pour les ports des Maritimes, est-ce que vous proposez cela pour remplacer le Conseil des Ports nationaux, c'est-à-dire comme organisme décentralisé du Conseil des Ports nationaux ou comme un organisme indépendant et tout à fait distinct du Conseil des Ports nationaux?

M. MacDougall: L'organisme pourrait être associé au Conseil des Ports nationaux ou il pourrait être indépendant. Ce qui nous préoccupe le plus, disons que c'est le fait qu'une industrie s'établit quelque part le long de la côte, entre Saint-Jean et Saint-Stephen, et décide d'y établir un port et certaines installations portuaires. Ce que nous disons, alors, c'est qu'avec les deux ports nationaux ainsi désignés dans la région de l'Atlantique, ceux

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area we believe that further harbour facilities for so-called ports should not be instituted unless some board takes a look at the over-all economy so that we can make maximum use of the existing facilities.

Mr. Nowlan: At the moment, with the various boards that we have in the Atlantic area, some perhaps in a state of temporary flux, but including the National Harbours Board, there have been no over-all studies in relation to say, the Saint John and Halifax future potential?

Mr. MacDougall: I know of none, Mr. Nowlan.

Mr. Nowlan: This is not a facetious question, but is the fact of a Maritime harbour control board just further confirmation of the fact—one more nail in the box—that the Maritimes should come together to help resolve their own problems, or where they want perhaps more than they have in the last 100 years?

Mr. MacDougall: I think that it is almost self-evident.

The Chairman: Thank you, gentlemen; and I want to thank His Worship the Mayor, and all his staff. Thank you very much.

The next item on our agenda is the brief from the Saint John Board of Trade and I would like to call upon Mr. Crosby and Mr. Lummis. Mr. Crosby is the President and Mr. Lummis is the General Manager. You have all received a copy of the brief from Board of Trade so I will ask you, Mr. President, if you would make a short statement on that.

Mr. James M. Crosby (President, Saint John Board of Trade): Yes, Mr. Chairman. It was not our original plan that I would deliver this brief from our Board because it was developed primarily by a committee of our Board which spent a lot of time developing it, and the chairman of that committee was originally to deliver the brief. However, I have summarized the brief which you have before you on page 689, and Mr. Lummis, as General Manager of the Board, will be prepared to answer some of the questions which I cannot handle which you may happen to submit with reference to our proposition.

In addition, I would like to mention at this time that we have a supplemental submission to present to you with regard to air transport matters and an international airport for

[*Interpretation*]

d'Halifax et de Saint-Jean, nous croyons, que l'on ne devrait pas prévoir d'autres installations portuaires pour des prétendus ports, à moins qu'il n'y ait un office qui examine l'économie dans son ensemble pour pouvoir employer au maximum les dispositions portuaires actuelles.

M. Nowlan: A l'heure actuelle, avec les diverses commissions que nous avons dans la région de l'Atlantique, certaines d'entre elles dans un état de fluctuation temporaire, mais comprenant le Conseil des Ports nationaux, il n'y a pas eu d'études d'ensemble en ce qui concerne, par exemple, les possibilités futures de Halifax et de Saint-Jean?

M. MacDougall: Je n'en connais pas, monsieur Nowlan.

M. Nowlan: Ce n'est pas pour être drôle, mais la création d'une commission de contrôle des ports des Maritimes ne constitue-t-elle pas une autre preuve que les Maritimes devraient collaborer plus étroitement pour régler leurs propres problèmes, plus qu'ils ne l'ont fait depuis cent ans!

M. MacDougall: Je pense que çà se voit de soi.

Le président: Je vous remercie messieurs. Je voudrais remercier son Honneur le maire ainsi que ses collaborateurs. Merci beaucoup. Et maintenant, nous avons au programme, un mémoire du *Saint John Board of Trade*. J'aimerais donc donner la parole à M. Crosby et à M. Lummis. M. Crosby est le président et M. Lummis, le directeur général.

Vous avez tous reçu le mémoire de la Chambre de commerce. Je vous demanderais donc, monsieur le président, si vous voulez faire une brève déclaration à ce sujet.

M. James M. Crosby (président de la Chambre de commerce de Saint-Jean): Oui, monsieur le président. Je n'avais pas l'intention de présenter personnellement le mémoire au nom de notre Chambre de commerce, car un comité de notre Chambre a passé beaucoup de temps à le rédiger et le président de ce comité devait d'abord présenter le mémoire. J'ai résumé le mémoire que vous avez devant vous, et qui se trouve à la page 689. M. Lummis, directeur général de la Chambre de commerce, est prêt à répondre à certaines questions auxquelles je ne pourrais pas répondre, et que vous pourriez poser au sujet de notre mémoire.

Nous avons aussi un autre mémoire à vous présenter en ce qui concerne les questions de transport aérien et en ce qui concerne un aéroport international pour le sud-ouest du

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southwestern New Brunswick, as referred to by our Mayor a short time ago. This is a supplemental submission to what we had originally put in our brief with reference to air matters, and I understand that your Committee will take this under consideration.

In reviewing our brief very shortly, I would like to say that it is based on the premise of stressing the growth centre concept for regional development which requires an efficient, of course, and effective transportation system. We feel that our city, as the largest city in New Brunswick and the largest industrial centre in the Atlantic Provinces, is worthy of carrying out this concept. We have a population in the greater Saint John area of over 100,000 people. You have been made aware of this concept by a number of agencies who have studied the matter during the past few years and most recently reference was made by the Hon. Jean Marchand in the House of Commons to the application of this concept in order to develop the eastern portion of our country.

On pages 690 and 691 our brief includes comments on highway improvements which we feel are essential to the area, especially where Saint John is not located on the Trans-Canada Highway system and, therefore, it is essential that we have feeder roads in all directions to connect with this system and also with the U.S. border.

We also refer in our brief to the east-west interstate highway which is a slightly different concept fom the corridor road one that was mentioned earlier this morning. We can elucidate on this further, but as far as we are concerned, the way that we see it is that as far as the government is concerned, it would only mean a question of upgrading the road from Saint John to St. Stephen if this concept were put into effect. The rest of the development would have to come from across the border.

We stress the necessity for all-weather highways of an adequate capacity and they are required in three directions from our city: east towards Moncton to connect with the Trans-Canada Highway; north towards the City of Fredericton, our provincial capital, also to connect with the Trans-Canada Highway, and west to St. Stephen to the U.S. border. We were very pleased to see that the connection to the south of our city by the institution of the new Bay of Fundy Service will be maintained and will be much more efficient and effective, we hope, with the introduction of the new ferry on that run.

With regard to our air transport matters, the brief which we have submitted here was

[*Interprétation*]

Nouveau-Brunswick, comme l'a mentionné notre maire il y a quelques instants. Il s'agit d'un mémoire supplémentaire à celui que nous avions présenté en ce qui concerne le transport aérien. Si j'ai bien compris, votre Comité doit étudier cette question.

Pour passer en revue notre mémoire, je pourrais vous dire qu'il est fondé sur la croissance des centres d'expansoin régionale, ce qui exige des moyens de transport efficaces. Nous croyons que notre ville, étant donné quelle est la plus grande ville du Nouveau-Brunswick et le centre industriel le plus considérable de la région de l'Atlantique, mérite justement de faire l'objet de ce concept. Nous avons plus de 100,000 personnes dans la région de Saint-Jean. Il y a plusieurs organismes qui ont étudié la question depuis quelques années et qui nous ont fait part de leurs conclusions. L'honorable Jean Marchand, à la Chambre des communes récemment, a parlé de l'application de cette idée afin de développer la partie Est de notre pays.

Aux pages 690 et 691, nous parlons justement de l'amélioration du réseau routier, qui est essentielle, surtout parce que Saint-Jean ne se trouve pas sur la route Transcanadienne, il est donc essentiel que nous ayons des routes pour relier tout le réseau ainsi que la frontière américaine.

Nous parlons aussi, dans notre mémoire, de la route inter-États est-ouest qui est un peu différente de l'idée du corridor de l'État du Maine qu'on a mentionnée ce matin. Nous pourrions peut-être expliquer un peu plus en détail, mais en ce qui nous concerne, la façon dont nous entrevoyons le problème c'est que, en ce qui concerne le gouvernement, il ne s'agirait que d'améliorer la route entre Saint-Jean et Saint-Stevens, si on appliquait cette idée. Le reste du développement évidemment devrait se faire de l'autre côté de la frontière.

Nous avons aussi insisté sur la nécessité d'avoir des routes bonnes en tout climat, qui seraient nécessaires en trois directions vers l'est, en direction de Moncton, vers le nord, jusqu'à la ville de Fredericton, pour être reliée à la route Transcanadienne, et à l'ouest vers Saint-Stevens et à la frontière américaine. Nous avons été très heureux de constater que les liens vers le sud de notre ville seraient garantis par le maintien du transbordeur de la Baie de Fundy et avec le nouveau traversier qui doit être installé bientôt.

En ce qui concerne le transport aérien, dans le mémoire supplémentaire que nous

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an enlargement of our original premise with the necessity to have in our general area in southwestern New Brunswick a really effective international airport. We foresee that when the Viscount and the Vanguard aircraft are phased out it will become uneconomic for main-line carriers to serve two cities of Saint John and Fredericton, and it is vital that both these cities and the area of southwestern New Brunswick have this type of service, both from the point of view of air freight and passengers.

We feel that Saint John, as the industrial centre of New Brunswick and the Maritimes, warrants an airport of this calibre somewhere near or fairly accessible to the city. Also, Fredericton, as the capital city of our province, could combine with us in this effort and could make very good use of this facility.

Another point is that if it were established it would mean that the Gagetown military area would have the services of this same airport. So, we have three areas which would benefit from it. We feel the population of the general area to be serviced would run to 250,000 people.

In view of these situations we recommend in our brief that the Government of Canada initiate immediately a technical study to establish a suitable location which is readily accessible to Saint John, Fredericton and the areas in south-western New Brunswick for the construction of an airport of international standards. These reasons as presented in the supplementary brief, we feel, bear out the need for this technical study.

We make reference in our brief to the Maritime Freight Rates Act and the L.C.L. freight rate matter which was very contentious, and also the matter of the freeze which has been discussed here and they will be taken up, we understand, in the brief from the Maritimes Transportation Commission. These matters are also of extreme interest and urgency to our Board and, as pointed out by our Mayor, we are wholeheartedly behind him for these improved developments.

In our brief reference is also made to the construction of the Chignecto Canal which we feel would be a natural extension of the St. Lawrence Seaway and provide low-cost water rates on bulk commodities to the Great Lakes and also from the northern part of our province to the southern part of our province.

Last year's comments regarding our port, for the most part, are still valid. Despite a sustained effort by our Port and Industrial Commission and our city which we thor-

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avons donné, nous insistons pour la région générale du sud-ouest du Nouveau-Brunswick. Cela nous prend nécessairement un aéroport international. Quand le *Viscount* ou le *Vanguard* n'existeront plus, il ne sera pas profitable pour les grandes lignes de desservir Saint-Jean et Fredericton, et pour ces deux villes, et la région du sud-ouest du Nouveau-Brunswick, il est essentiel d'avoir ce genre de services du point de vue du transport des marchandises et des voyageurs.

Nous trouvons que Saint-Jean, comme centre industriel du Nouveau-Brunswick et des Maritimes, a besoin d'un aéroport de cette nature, à un endroit qui soit accessible à la ville. De même, Fredericton, à titre de capitale, pourrait peut-être se joindre à nous pour pouvoir employer ces dispositions.

Autre chose, si on l'établissait, cela voudrait dire aussi que la région militaire de Gagetown pourrait profiter du même aéroport. Il y aurait donc trois régions qui pourraient en profiter. Nous croyons que la région générale compte environ 250,000 habitants. Vu cette situation, dans notre mémoire nous recommandons que le gouvernement du Canada commence une étude technique, immédiatement, pour déterminer un emplacement qui serait accessible à Saint-Jean, à Fredericton et aux régions du sud-ouest du Nouveau-Brunswick, pour la construction d'un aéroport international. Les raisons que nous avons données dans notre mémoire supplémentaire indiquent qu'une telle étude serait nécessaire.

Nous mentionnons aussi la Loi sur les taux de transport des marchandises dans les Maritimes ainsi que les taux visant les chargements incomplets, question très controversée, de même que la question du gel qu'on a discutée ici. Si nous avons bien compris, ces questions seront soulevées auprès de la Commission des transports des Maritimes. Ces questions sont urgentes pour notre Chambre de Commerce, comme l'a dit le maire, et nous l'appuyons pour obtenir ces améliorations.

Nous avons aussi mentionné la construction du Canal de Chignectou qui serait une extension naturelle de la Voie maritime du Saint-Laurent et qui donnerait accès aux Grands lacs, ainsi qu'une voie d'accès du nord vers le sud de notre province.

Les commentaires que nous avions faits, l'an dernier, au sujet de notre port, sont toujours valides. Malgré les efforts faits par la Commission du port, et la ville, nous esti-

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oughly commend, little real progress, we feel, has been made in obtaining special facilities which are required to service existing and potential traffic. The need for these facilities and the upgrading of general cargo facilities is most apparent. A busy season like we have been fortunate to enjoy during the past few weeks, I might say, when the port's capacity is taxed to the full, points out the need for this type of improvement.

Since this brief was prepared, strenous efforts have been made to attract container traffic to the port of Saint John with some success, but final results depend on the availability of container crane facilities, that these are not, of course, presently, available and the Board maintains that the National Harbours Board policy of not providing these facilities until the traffic materializes should be altered. We feel that the basic infrastructure must be available so that container traffic can be attracted to the port.

With regard to super port matters, we understand a study is still going on in this respect for the construction of a port to handle ships of up to 500,000 tons and we wish to remind your Committee of the positive advantages in locating a port such as this in our city and the advantages of this type of facility are outlined in our brief.

To conclude, we feel that all these things should be made on a long-range basis, but the top, immediate priorities, as stressed by our Mayor, too, are an immediate improvement in our port facilities to handle container traffic and to handle the traffic that we feel should be developed through the port; and the construction of an international airport so that we can benefit from the many advantages offered by this type of facility and enable our city and province to keep pace with developments in the rest of our country.

That, gentlemen, is a synopsis of the brief which you have before you which was prepared a year or so ago.

The Chairman: Thank you very much. Mr. Nesbitt.

Mr. Nesbitt: Mr. Chairman, there is one observation I would like and it is this: my questions are going to be confined to the supplementary submission by the Saint John Board of Trade, particularly with reference to airports and airlines. I would refer to page

[*Interprétation*]

mons qu'il y a eu très peu de progrès pour obtenir des dispositions spéciales pour desservir le trafic actuel et éventuel. Le besoin de telles installations et l'amélioration des dispositions pour les marchandises sont essentiels. Depuis quelques semaines, nous avons vu que lorsque le port est rempli, il y a un argument de plus pour obtenir ces améliorations.

Depuis la rédaction du mémoire, il y a eu des efforts concentrés pour essayer d'attirer les conteneurs vers le port de Saint-Jean avec un certain succès, mais tout dépend de l'existence des installations voulues. La Chambre de commerce maintient qu'à l'heure actuelle nous ne les avons pas à notre disposition. Nous croyons donc que la politique du Conseil des ports nationaux n'aime pas les prévoir jusqu'à ce que le trafic qui les justifie, devrait être modifié. Nous croyons que l'infrastructure de base doit exister pour justifier et attirer le trafic.

En ce qui concerne l'aspect des grands ports, si nous avons bien compris, il y a des études qui se poursuivent dans ce domaine, en vue de la construction de ports pouvant desservir des navires de 500,000 tonnes. Nous voulons rappeler à votre Comité les avantages qu'il y aurait à avoir l'emplacement d'un tel port dans notre ville, ainsi que les avantages inhérents à ce genre d'installations, dont nous avons fait mention d'ailleurs dans notre mémoire.

En conclusion, nous croyons que toutes ces choses devraient être faites ou mises en vigueur à long terme, mais en ce qui concerne les priorités immédiates, comme l'a souligné notre maire, il faudrait améliorer les installations portuaires en vue du trafic des conteneurs, et d'attirer aussi le trafic qui devrait être assuré par le port, ainsi que construire un aéroport international afin que nous puissions profiter de tous les avantages offerts par ce genre d'installation, pour permettre à notre ville et à notre province de marcher au pair avec les développements qui se produisent ailleurs dans notre pays.

Voilà, Messieurs, un résumé du mémoire que nous avions présenté, il y a un an, et que vous avez devant vous.

Le président: Merci beaucoup. Monsieur Nesbitt.

M. Nesbitt: Monsieur le président, il y a une observation que j'aimerais faire. Je me limiterai dans mes questions au mémoire supplémentaire présenté par la Chambre de commerce de Saint-Jean, tout particulièrement en ce qui concerne les aéroports et les

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3 of the supplementary submission where it mentions that it is expected that a new three-level policy will be created with respect to airlines. It is my understanding, Mr. Chairman, that when the Canadian Transport Commission appeared before our Committee a short while ago, this Committee was informed that a policy almost identical to the one suggested by the Saint John Board of Trade has, in fact, been instituted and is the policy of the Commission.

For that reason I think I would like to make an observation at this point, Mr. Chairman. That is just one more reason why a member or representative of the Canadian Transport Commission should be, at least as an observer, at this meeting because these are matters that directly refer to the Commission.

There are one or two questions I would like to put to the witness who is representing the Saint John Board of Trade. The first question is this: there was a great deal of emphasis by him that the Government of Canada should initiate a technical study to establish the appropriate location of an airport in southwest New Brunswick. I note in the submission that specific emphasis was placed on the location of this airport apparently somewhere between the City of Saint John and the City of Fredericton. Just from an outsider's point of view, I am curious as to why an area equidistant, say, from Saint John, Fredericton and perhaps Moncton was not proposed. I am curious as to why Moncton was omitted from this brief. Can you answer that question?

Mr. Crosby: Saint John and Fredericton are only about 60 miles apart. Moncton is 95 miles from Saint John and 125 miles from Fredericton. So, on airport midway between them would not be of any advantage to the three cities because it would be too far from all of them.

Mr. Nesbitt: Mr. Chairman, I appreciate that point of view. I am quite familiar with this part of the province, I might say, from previous experience and I would just like to say this. There is a great deal of emphasis placed on the fact, as I gather from the supplementary submission, that there be one large international airport in the area for jets, and that other supplementary air services be carried by other carriers, but surely it would not be feasible to have more than one major international airport in southwestern New Brunswick, would it?

[*Interpretation*]

lignes aériennes. Je me réfère donc à la page 3 de son mémoire supplémentaire où on dit qu'on s'attend qu'une nouvelle politique à trois niveaux soit mise en vigueur en ce qui concerne les lignes aériennes. Si j'ai bien compris, quand la Commission canadienne des transports a comparu devant notre Comité, il y a peu de temps, notre Comité a su qu'une politique presque identique à celle proposée par la Chambre de commerce de Saint-Jean a en fait été instituée et fait partie de la politique de la Commission.

Par conséquent, j'aimerais formuler notre réaction maintenant, monsieur le président. Il s'agit d'une raison de plus, si je me souviens bien, pour laquelle un membre de la Commission devrait assister à nos séances, à titre d'observateur au moins, car ce sont là des questions qui les intéressent directement.

J'aurais maintenant une ou deux questions directes à poser au témoin qui représente la Chambre de commerce de Saint-Jean. Ma première question est la suivante: vous avez beaucoup insisté sur le fait que le gouvernement du Canada initie une étude technique pour établir l'emplacement approprié d'un aéroport pour le sud-ouest du Nouveau-Brunswick. Je vois dans le mémoire que vous insistez un peu sur l'emplacement de cet aéroport qui devrait être établi entre la ville de Saint-Jean et la ville de Fredericton. Du point de vue d'un étranger, et par pure curiosité, je me demande pourquoi un emplacement a égale distance entre Saint-Jean, Fredericton et Moncton, peut-être, n'a pas été proposé. Pourquoi avez-vous laissé tomber Moncton? Pouvez-vous répondre à cette question?

M. Crosby: Saint-Jean et Fredericton ne sont qu'à soixante milles de distance l'une de l'autre. Moncton se trouve à quatre-vingt-quinze milles de Saint-Jean et à 125 milles de Fredericton. Alors, un aéroport à mi-chemin entre elles ne serait d'aucun avantage pour les trois villes, car il serait trop éloigné des trois.

M. Nesbitt: Je comprends très bien ce point de vue. Je connais cette partie de la province, dois-je ajouter, parce que j'y suis déjà venu. Si j'ai bien compris, votre mémoire supplémentaire vous avez besoin d'un grand aéroport international pour les avions à réaction. Et les services aériens supplémentaires seraient assurés par d'autres transbordeurs aériens, mais il ne serait pas rentable d'avoir plus d'un aéroport international dans le sud-ouest du Nouveau-Brunswick, n'est-ce pas?

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Mr. Crosby: You mean southwestern New Brunswick and none for the rest of the province?

Mr. Nesbitt: Are you suggesting two large jet airports, one somewhere in the Fredericton—Saint John area and one in the Moncton area?

Mr. Crosby: No, we are suggesting one in southwestern New Brunswick which would service approximately half the province. As I say, it is part of our growth centre concept that this type of airport should be made available to build a growth centre around the city.

Mr. Nesbitt: With respect to regional carriers which, of course, is the policy of the Canadian Transport Commission and the supplementary work they can do to the mainliners, so to speak, other than Eastern Provincial Air Lines are there any other regional carriers now available who could take on some of these services?

Mr. Crosby: No. There may be E.P.A., but they do not service our airport.

Mr. Nesbitt: I wondered if in your investigations, when looking into the question of regional carriers in New Brunswick, if you discovered any regional carriers available now, who are in business at the moment, who should be able to expand their service?

Mr. Crosby: The substance of our brief was to have an airport that would be able to handle large jet aircarft. We do not envisage that our present airport would be capable of expansion and performing this job.

Mr. Nesbitt: I am very sorry; perhaps I did not phrase my question correctly. As I gather from your supplementary submission, you anticipate regional carriers doing a lot of the local service in New Brunswick and adjacent Atlantic Provinces?

Mr. Crosby: We did not want to lose what we already had, in other words.

Mr. Nesbitt: No, but I say that in addition to the increase in the main line jet traffic to the proposed major airports, that the local work and the local services to other areas in New Brunswick and, indeed, the other Atlantic Provinces, would be done by regional carriers. The question I have in mind is, other than the Eastern Provincial Air Lines which is a regional carrier, are there any other companies that you know of in exist-

[*Interprétation*]

M. Crosby: Vous voulez dire dans le sud-ouest du Nouveau-Brunswick et pas ailleurs?

M. Nesbitt: Est-ce que vous devriez avoir deux aéroports pour les gros avions à réaction, un dans la région de Fredericton-Saint-Jean et l'autre dans la région de Moncton?

M. Crosby: Non, nous en proposons un seul dans le sud-ouest du Nouveau-Brunswick, qui pourrait desservir à peu près la moitié de la province. Comme je l'ai ajouté, cela fait partie de l'idée des centres de croissance, que nous puissions avoir un tel aéroport, pour construire un tel centre autour de la ville

M. Nesbitt: Quant aux transbordeurs régionaux qui font partie de la politique de la Commission canadienne des transports, ainsi que le travail supplémentaire qu'ils pourraient effectuer pour les transbordeurs de lignes principales, est-ce qu'il y a d'autres transbordeurs régionaux, en plus de Eastern Provincial Air Lines, qui pourraient assurer ces services à l'heure actuelle?

M. Crosby: Non, il y aurait peut-être E.P.A., mais ils ne desservent pas notre aéroport.

M. Nesbitt: Alors que vous faites enquête sur cette possibilité, au Nouveau-Brunswick, est-ce qu'il y a des transbordeurs régionaux qui seraient disponibles à l'heure actuelle, qui font affaire à l'heure actuelle, et qui pourraient étendre leurs services jusque-là?

M. Crosby: Notre mémoire précisait que nous devrions avoir un aéroport qui serait capable de recevoir ces gros avions à réaction; nous ne croyons pas que l'aéroport actuel puisse être développé à ce point-là.

M. Nesbitt: Je m'excuse, je me suis peut-être mal exprimé. Si j'ai bien compris votre mémoire supplémentaire, vous vous attendez qu'il y ait des transbordeurs régionaux qui assurent les services locaux au Nouveau-Brunswick et dans les provinces voisines.

M. Crosby: En d'autres termes, nous ne voulions pas perdre ce que nous avions déjà.

M. Nesbitt: Oui, mais vu l'augmentation du nombre des gros avions à réaction vers les aéroports principaux, le service local pour les autres endroits du Nouveau-Brunswick et les autres provinces de l'Atlantique serait assuré par les transbordeurs régionaux. Et alors, la question à laquelle je songeais était celle-ci: est-ce que, à part Eastern Provincial Air Lines, qui est une ligne régionale, il y a d'autres compagnies, à l'heure actuelle, qui

[*Text*]

ence at the moment which would be able to carry out these functions of a regional carriers.

Mr. Crosby: No, I could not answer that question.

Mr. Nesbitt: I gather it is anticipated that any regional carrier, Eastern Provincial or any other air lines that might be formed, would require some kind of assistance, no doubt. In your studies have any recommendations been made as to whether the type of assistance that might be necessary for regional carriers be in the nature of subsidy for equipment such as aircraft or the granting of routes now available to the mainline carriers, such as Air Canada, or is it a question of rates? Has any work been done on this?

Mr. Crosby: No.

The Chairman: Mr. Mahoney.

Mr. Mahoney: I, like Mr. Nesbitt, will restrict myself to the air transport problems you have raised. I am not interested really in lecturing, but it seems to me that there is a tremendous amount of confusion in the area of what is an international airport and a tendency to perhaps equate "international airport" with "big airport".

I hope you will appreciate, sir, that an international airport is one at which 24 hours a day, 7 days a week service is provided by the Immigration Department, the Customs Division and the Department of National Health and Welfare. Have you any figures to indicate whether or not an international airport, in fact, is justified?

Mr. Crosby: We want an airport of international standards, not necessarily an international airport.

Mr. Mahoney: Well, you do in one place, but you wind it up by calling it an international airport. "Fredericton, as the capital of the province, should be served by an international airport." There may be more compelling reasons ...

Mr. Crosby: It has to be international anyway, if it is going to develop traffic. If there are going to be large planes, they have to come from outside the country.

Mr. Mahoney: What information do you have? Do you have figures indicating the amount of international traffic that is terminating or wants to terminate in southwestern New Brunswick?

[*Interpretation*]

pourraient assurer les services d'un transbordeur régional?

M. Crosby: Non. Je ne pourrais pas répondre à cette question.

M. Nesbitt: Si j'ai bien compris, vous vous attendez qu'un transbordeur régional, que ce soit *Eastern Provincial* ou un autre qui serait établi, aurait sans doute besoin d'assistance. Dans vos études, est-ce que vous avez formulé des recommandations quant au genre d'assistance ou d'aide qui serait peut-être nécessaire pour le transbordeur régional, que ce soit sous forme de subventions pour le matériel ou les avions, par exemple, les aéronefs, ou que l'on accorde des routes qui sont actuellement desservies par Air Canada, par exemple, ou est-ce qu'il s'agit des taux? A-t-on étudié ces aspects de la question?

M. Crosby: Non.

Le président: Monsieur Mahoney.

M. Mahoney: Comme M. Nesbitt, je vais me limiter aux problèmes de transport aérien que vous avez soulevés. Encore une fois, je ne veux pas vous faire la leçon, mais il me semble qu'il y a une certaine confusion qui existe en ce qui a trait à la définition d'un aéroport international. Nous avons peut-être tendance à faire l'analogie entre un «grand aéroport» et un «aéroport international».

Vous savez sans doute, Monsieur, qu'un aéroport international attire les services des douanes, de l'immigration, de la santé, vingt-quatre heures par jour, sept jours par semaine. Avez-vous des chiffres pour indiquer si oui ou non un aéroport international serait justifié dans cette région?

M. Crosby: Nous voulons un aéroport répondant aux normes internationales, pas nécessairement un aéroport international.

M. Mahoney: C'est ce que vous voulez, selon votre mémoire, mais vous voulez l'appeler aéroport international. Fredericton, à titre de capitale de la province, devrait être desservie par un aéroport international. Il y a peut-être d'autres raisons plus fortes...

M. Crosby: Il faudrait qu'il soit international, de toute façon, s'il veut avoir un certain trafic. S'il doit y avoir de gros avions, ils doivent venir de l'extérieur du pays.

M. Mahoney: Quels sont les renseignements que vous avez à votre disposition? Avez-vous des chiffres pour indiquer quelle serait la quantité de trafic international qui devrait se terminer dans le sud-ouest du Nouveau-Brunswick?

[*Texte*]

Mr. Crosby: We feel that our part of the country is going to grow enough that it should have this type of airport and it is this type of airport that has been established in other parts of the country.

Mr. Mahoney: I think that is a feeling, sir, if I may say with respect, that would be shared by almost any metropolitan area of more than 50,000 or 60,000 people. For example, Calgary, does not have an international airport in spite of the fact that the traffic at that airport is perhaps six times the volume of the Edmonton international airport.

The Chairman: Are you finished, Mr. Mahoney?

Mr. Mahoney: No, I have another question, sir. You point in your brief to cargo handling and cite in your original brief figures showing 30 to 40 per cent increase per year since 1960 in cargo handling. In your supplemental brief you cite that air cargo has been growing at the rate of 25 per cent per year. Are those, again, local figures or are they national averages or what?

Mr. Crosby: They are national figures.

Mr. Mahoney: Thank you.

Mr. Corbin: My questions refer to the highways problems brought up in your brief and I am particularly interested in what you term the east-west interstate highway plan. In some connections this has a great deal of similarity with the proposed Maine Corridor route.

Mr. Crosby: Yes. I might ask Mr. Lummis, the General Manager, who is more familiar with this to comment on that for you.

Mr. Corbin: Do you envisage this type of project as a long-term project or is this up for immediate consideration?

Mr. Lummis: Perhaps if I gave a little bit of background it might be helpful. Several years ago there was a committee organized in the United States that proposed an east-west interstate highway; that is, a highway of interstate standards—a double-barrelled highway.

Mr. Corbin: What states were represented on this committee?

Mr. Lummis: The committee included people all the way from the New York Thruway, Amsterdam, New York, right through to Calais including Saint John. It originated in the area of Bangor and was to be a highway to go directly west from Calais to the New York Thruway. It would serve the more

[*Interprétation*]

M. Crosby: Nous estimons que notre partie du pays va se développer suffisamment pour justifier ce genre d'aéroport qu'on a construit dans d'autres parties du pays.

M. Mahoney: Je pourrais peut-être dire que toutes les régions métropolitaines ayant plus de 50 ou 60,000 personnes ont le même problème. Calgary, par exemple, n'a pas d'aéroport international, malgré le fait que le trafic de cet aéroport est peut-être six fois celui d'Edmonton.

Le président: Avez-vous terminé, monsieur Mahoney?

M. Mahoney: Non, monsieur. J'ai une autre question à poser. Dans votre mémoire, vous parlez des marchandises et vous dites qu'il y a eu une augmentation de 30 ou 40 p. 100 depuis 1960. Dans votre mémoire supplémentaire, vous parlez du transport-marchandises qui augmentait de 25 p. 100 par année. Encore une fois, s'agit-il de chiffres locaux ou des moyennes nationales, ou quoi?

M. Crosby: Des chiffres nationaux.

M. Mahoney: Merci.

M. Corbin: Mes questions ont trait aux problèmes des routes, que vous avez soulevés dans vos mémoires. Et je m'intéresse surtout à ce que vous appelez le réseau inter-États est-ouest. En somme, ce réseau ressemble beaucoup à celui qu'ils ont proposé pour le Maine.

M. Crosby: M. Lummis, à titre de directeur général, est peut-être plus au courant de la question, et il pourrait sans doute vous répondre.

M. Corbin: Songez-vous à ce genre de projet comme étant un projet à long terme, ou est-ce que vous voudriez que cela soit étudié immédiatement?

M. Lummis: Si je vous donnais quelques détails, cela aiderait peut-être. Il y a plusieurs années, une commission a été établie aux États-Unis et a proposé une route inter-États est-ouest, c'est-à-dire une route à voies divisées.

M. Corbin: Quels États étaient représentés au sein de ce comité?

M. Lummis: Le comité comprenait des représentants du *New York Thruway,* Amsterdam, New York, jusqu'à Calais et Saint-Jean. La route commencerait dans la région de Bangor, irait directement vers l'Ouest, de Calais jusqu'au *New York Thruway,* et desservirait les régions les plus populeuses de

[*Text*]

populated areas of Maine following almost U.S.2. It would have a turnpike presently constructed going down to Boston; it would have a spur off it that would go up to the autoroute near Sherbrooke, P.Q. This committee feels this is the most practical because it would serve the populated areas of the United States whereas a more northern route would be through more of a wilderness area. The difference in mileage, we understand, is insignificant.

The Chairman: Does that answer your question, Mr. Corbin?

Mr. Corbin: No, it certainly does not.

Is this project up for immediate consideration or is this looked upon as a long-term project—and I am talking in terms of 10, 20 or 30 years?

Mr. Lummis: I think the people in the United States who are advocating this say it is needed immediately. It has been studied recently by a commission in Maine. I do not know their findings as yet. I understand they are in the process of completing their study and part of that is in the study. Does that answer your question?

Mr. Corbin: Well, it is a vague answer but it answers...

Mr. Lummis: It is not the type of thing that is expected to be completed right away, if that is what you mean.

Mr. Corbin: Certainly not in 10 years.

Mr. Lummis: No.

Mr. Corbin: In terms of immediate benefit to Canada, and we are mainly concerned here with New Brunswick and you yourself are concerned with Saint John, what can we expect from this highway? You have things in your brief; you have some conclusions, but I do not entirely agree. If you will let me go on for a minute, I think it is fine to find solutions to your problems in your area of the province, in your part of Canada, but at the same time you are creating an enormous problem along the traditional routes of the flow of traffic from the Maritimes to Central Canada, and it is along these routes that we have hundreds of services which cater to the transport industry. What will happen to them?

Have you looked at this problem in terms of the depressing effect it will have on all

[*Interpretation*]

l'État du Maine, en longeant la route U.S. 2. Vous auriez donc une autoroute qui est en voie de construction, jusqu'à Boston, et qui aurait un embranchement qui se rendrait jusqu'à l'autoroute, près de Sherbrooke, dans le Québec. La commission estime que cela serait la route la plus pratique, car elle desservirait une région populeuse des États-Unis, alors qu'une route passant plus au nord desservirait une région quasi désertique. La différence, en milles, est très peu significative, si nous avons bien compris.

Le président: Est-ce que cela répond à votre question, monsieur Corbin?

M. Corbin: Non, certainement pas. Est-ce que le projet est à l'étude à l'heure actuelle, ou est-ce qu'on estime qu'il s'agit d'un projet à long terme, et je parle de dix, vingt ou trente ans?

M. Lummis: Je crois que les gens, aux États-Unis, qui voudraient voir achever le projet disent que cela est nécessaire immédiatement. Une commission de l'État du Maine l'a étudié récemment, mais je ne connais pas leurs conclusions. Si j'ai bien compris, on est en voie de terminer une étude, et une partie de cela se trouve dans cette étude. Est-ce que cela répond à votre question?

M. Corbin: C'est une réponse vague, oui, mais une réponse...

M. Lummis: Ce n'est pas le genre de chose qu'on s'attend de voir terminée immédiatement. C'est cela que vous voulez dire?

M. Corbin: Certainement pas dans dix ans.

M. Lummis: Non.

M. Corbin: Sous forme d'avantages immédiats pour le Canada, ainsi que pour le Nouveau-Brunswick, et vous-même vous estimez que ce serait des avantages pour Saint-Jean, que pouvons-nous attendre de cette autoroute? Vous avez certaines choses dans votre mémoire et dans vos conclusions, mais je ne suis pas tout à fait d'accord. Si vous me permettez de poursuivre pendant une minute ou deux, je crois que c'est très bien de vouloir trouver des solutions à vos problèmes, dans votre région de la province, dans votre partie du Canada, mais en même temps vous créez un problème énorme le long des routes tarditionnelles du trafic des Maritimes vers le centre du Canada. Et c'est le long de ces routes, de ces réseaux, que nous avons des centaines de services pour l'industrie des transports, qu'est-ce qu'il leur arriverait à eux?

Avez-vous songé à ce problème, en fonction des résultats déprimants que tout cela aurait

[*Texte*]

this area, let us call it from Saint John through Edmundston until you get on the route to Quebec City to Montreal?

Mr. Lummis: You mean the Trans-Canada Highway route?

Mr. Corbin: The Trans-Canada Highway route.

Mr. Lummis: The effect it would have? I think the traffic continues to grow. I do not see this as a project to be completed within two or three years. It takes many, many years to build this kind of a route, and over the long term I do not see it having a tremendous detrimental effect with the increase in traffic that is occurring.

Mr. Corbin: Perhaps not in 30 years from now, but would you not agree that if we were to go about constructing such a route, or at least our end of it, tomorrow morning and have it completed in two years that it would certainly be detrimental to the traditional routes?

Mr. Lummis: I do not know.

Mr. Corbin: You have not studied the...

Mr. Lummis: We have not studied how it would be detrimental. We believe there would be many advantages to the Maritimes with a shorter route...

Mr. Corbin: To parts of the Maritimes, you mean?

Mr. Lummis: I think it covers a pretty big part.

Mr. Corbin: Yes, perhaps, in terms of the population it covers, but I would tend to conclude that it would mainly benefit the southwestern portion of New Brunswick and not the Maritimes as a whole, because there are other routes and if they were to be completed to Trans-Canada Highway standards they would serve the Maritimes equally as well as the proposed Maine Corridor route.

The Chairman: Mr. Corbin, I think we are running quite a lot behind.

Mr. Corbin: That is all for now.

The Chairman: We are behind our scheduled time and I would ask the members to please be brief, if they can. Mr. Skoberg.

[*Interprétation*]

pour toute la région de Saint-Jean à Edmundston, à Québec, à Montréal?

M. Lummis: Vous voulez dire la route Transcanadienne?

M. Corbin: En effet.

M. Lummis: L'effet que cela aura? Je pense que le trafic augmente toujours et ce projet ne sera pas terminé avant deux ou trois ans. Il faut bon nombre d'années pour aménager une telle route, et à long terme, je ne crois pas que cela soit vraiment nuisible, vu l'augmentation de la circulation.

M. Corbin: Peut-être pas dans trente ans, mais ne convenez-vous pas que, si vous aménagez une telle route, ou du moins notre tronçon, dès demain matin, et que vous la terminez en deux ans, cela aurait des effets nuisibles, disons, pour la route traditionnelle?

M. Lummis: Je n'en sais rien.

M. Corbin: Vous n'avez pas étudié la...

M. Lummis: Nous n'avons pas étudié jusqu'à quel point cela serait nuisible. Nous croyons que les avantages seraient nombreux pour les Maritimes, avec une route moins longue...

M. Corbin: Pour une partie des Maritimes?

M. Lummis: Je pense que cela comprend toute une région assez grande.

M. Corbin: Oui, peut-être, pour ce qui est de la population, cela comprend une assez grande population, mais en ce qui me concerne, je serais porté à conclure que cela serait à l'avantage essentiellement de la région du sud-ouest du Nouveau-Brunswick et non pas de l'ensemble des Maritimes, parce qu'il y a d'autres routes, et si on devait les terminer pour les mettre suivant les normes de la Transcanadienne, elles pourraient desservir les Maritimes aussi bien que ce projet de route vers le Maine.

Le président: Monsieur Corbin, je pense que nous avons dépassé l'heure de la séance.

M. Corbin: C'est tout pour l'instant.

Le président: Nous sommes en retard, et je demanderais donc aux membres du Comité d'être aussi brefs que possible. Monsieur Skoberg.

[*Text*]

Mr. Skoberg: I notice you did suggest that it was your opinion that the National Harbours Board should provide the facilities for containerization traffic. In the event that the railway companies do not intend running unit trains from that harbour should the National Harbours Board still provide that facility to handle the containers?

Mr. Lummis: We feel that the National Harbours Board should provide the facilities. They say, "You get the traffic and we will provide the facilities," but it is awful hard to get the traffic without the facilities. So, we feel that the facilities should be provided so that we can attract the traffic.

Mr. Skoberg: In other words, then the facilities should be provided at every port by the National Harbours Board...

Mr. Lummis: No, not at every port.

Mr. Skoberg: ...which may use this type of traffic. You could use the same argument.

Mr. Lummis: Well, it may. I think we have a pretty good argument for utilizing our port. I do not think it should be provided to every port.

Mr. Skoberg: For the major ports, though, that are going to be used by containerization traffic, that facility should be provided by the National Harbours Board?

Mr. Lummis: We have had projections of 80 per cent of the traffic. The general traffic may be handled in this method and we understand that Saint John is the largest handler of general traffic on the east coast; it handles more general traffic than Halifax. Therefore, if general traffic is going to swing over to containerization, we should be equipped to handle containerization. Otherwise we are going to be left out of a field we are normally in and one which we have proven we are in a good position to handle.

Mr. Skoberg: Well, regardless of ports, sir, do you believe that these facilities should be provided at the major ports?

Mr. Lummis: Definitely.

Mr. Skoberg: Have you made any representation to the Minister of Transport in regard to the airport you are referring to and, if so, when did you make it?

Mr. Lummis: No. This concept was developed only in the last few months.

[*Interpretation*]

M. Skoberg: Je vois que vous avez proposé, qu'à votre avis, l'avis du Conseil des ports nationaux devrait prévoir des installations pour le transport des conteneurs. Si les sociétés ferroviaires ne prévoient pas un certain nombre de trains homogènes à partir de ce port, est-ce que le Conseil des ports nationaux devrait toujours assurer ces services pour le transport des conteneurs?

M. Lummis: Nous sommes d'avis que le Conseil des ports nationaux devrait fournir les installations. Il dit: «vous avez le trafic et nous fournirons les installations», mais ce doit être assez difficile d'avoir le trafic sans les installations. Donc, les installations devraient être fournies, pour que nous puissions alors encourager le trafic à y venir.

M. Skoberg: Donc, les installations devraient être fournies dans tous les ports, par le Conseil des ports nationaux...

M. Lummis: Non, pas dans tous les ports.

M. Skoberg: ...qui pourrait avoir un tel trafic. Vous pourriez utiliser le même argument?

M. Lummis: Peut-être, mais je pense que nous avons un assez bon argument à présenter pour l'utilisation de notre port. Je ne crois pas qu'on doit l'assurer à tous les ports.

M. Skoberg: Dans les principaux ports, si on les utilise pour les conteneurs, ces services devraient être alors assurés par le Conseil des ports nationaux?

M. Lummis: Nous avons prévu 80 p. 100 du trafic. Le trafic général peut être fait suivant cette méthode, et Saint-Jean, je pense, est le principal centre du trafic de la côte est, et il y a plus de trafic qu'à Halifax. Donc, si on passe au système des conteneurs, on devrait être équipé pour le service des conteneurs, autrement, nous ne serons pas dans une situation favorable.

M. Skoberg: Peu importe les ports, vous croyez donc que ces installations devraient être fournies aux principaux ports?

M. Lummis: Oui, sûrement.

M. Skoberg: Est-ce que vous avez présenté des instances au ministre des Transports à l'égard de cette aérogare dont vous parlez? Si oui, quand?

M. Lummis: Non. Ce concept fut mis au point au cours des derniers mois seulement.

[*Texte*]

The Chairman: Mr. Nowlan.

Mr. Nowlan: Mr. Chairman, my question is a single one as to the people who are on the scene because I am interested in the comprehensive brief which covers a multitude of interests ranging from the concept of the international airport which the witness says has been developed in the last two or three months to the historic Chignecto Canal which has been on the agenda for many years before this Committee was ever formed. As practical men on the scene, if you had your wish, and we had the power, which of these many interests would you rank first in your list of priorities?

Mr. Lummis: I think in my summary I mentioned port facilities first, and the international airport second. This is what the Board feels and I am only speaking for the policy of the Board.

Mr. Nowlan: So the Maine Corridor and the Chignecto Canal come further down the list, as far as the Board is concerned?

Mr. Lummis: Yes.

The Chairman: Mr. Pringle.

Mr. Pringle: I notice the statement says that the airport at Fredericton cannot be expanded. I agree it could not be expanded to meet the standards of an international airport, but in the interim why could the airports at Fredericton or Saint John not be expanded to take care of our national airlines rather than our international so they could service cross-Canada flights without being deemed to be of a regional nature. Then at some time in the future one international airport might be put in the blueprints.

In other words, an international airport of the size that you suggest would require quite a heavy amount of traffic in order to justify it. However, if you state that the airport at Fredericton cannot be expanded to meet the conditions, you might be in a reasonable position here for a number of years, but not able to handle the properly classed national traffic and thus be dependent on Montreal for feeder lines. I just wonder if you have given any consideration to that?

Mr. Lummis: Our major premise is that we feel that this is something that is going to develop and we should really start planning ahead. We have taken the present inadequacies as we see them or as our committee sees them of our present airport facilities and have tried to work out some solution that

[*Interprétation*]

Le président: Monsieur Nowlan.

M. Nowlan: Monsieur le président, il y a une question que je voudrais poser aux gens qui sont sur place, parce qu'un mémoire général comprend un certain nombre d'intérêts qui vont du concept de cet aéroport international, qui, selon le témoin, a été mis au point au cours des deux ou trois derniers mois, au canal de Chignectou qui est à l'ordre du jour depuis bon nombre d'années, même avant que ce comité soit constitué. Alors, je me demande, si vous le vouliez et si nous pouvions le faire, quels seraient les intérêts pour lesquels vous établiriez la première priorité?

M. Lummis: Je pense que j'ai parlé des aménagements portuaires et ensuite de l'aéroport international. C'est ce que le Conseil croit, et je ne parle qu'au nom de la politique du Conseil.

M. Nowlan: Donc, la route du Maine et le canal de Chignectou ne sont pas une des toutes premières priorités, pour ce qui est du Conseil?

M. Lummis: Oui.

Le président: Monsieur Pringle.

M. Pringle: Je vois que dans votre déclaration, vous dites que l'aéroport de Fredericton ne peut être agrandi. Donc, je conviens qu'on ne peut l'agrandir pour répondre aux normes d'un aéroport international, mais entre temps, pourquoi les aéroports de Fredericton ou de Saint-Jean ne seraient-ils pas agrandis pour desservir nos lignes aériennes nationales, plutôt qu'internationales, pour qu'ainsi, on puisse desservir les vols canadiens plutôt que d'être simplement de nature régionale? A un moment donné, dans l'avenir, un aéroport international pourrait être prévu.

En d'autres mots, ce que je vous propose, c'est qu'un aéroport international de l'envergure proposée exigerait un trafic très intense pour que ce soit justifié. Mais, si vous dites que l'aéroport de Fredericton ne peut être agrandi, pour répondre aux exigences, peut-être seriez-vous en mesure, pendant un certain nombre d'années, mais vous ne seriez pas équipés pour le trafic national et vous devriez compter sur Montréal pour la ligne d'alimentation. Est-ce que vous y avez songé?

M. Lummis: Les prémisses, c'est que nous avons là une chose qui va se présenter et dont nous devrions prévoir la planification dès maintenant. Nous tenons compte des déficiences actuelles, telles que nous les concevons, ou telles que notre Comité les voit, des aménagements de notre aéroport actuel,

[*Text*]

might be valid in the years ahead. We have tried to get with it now, as it were.

Mr. Pringle: Yes, I agree with that, but I just wondered if maybe it was a little overstatement that the airports at Saint John and Fredericton could not be expanded in the interim to take care of—

Mr. Lummis: I would not have the technical information to answer the question.

The Chairman: A very short question, Mr. Allmand?

Mr. Allmand: It deals with this international airport and with respect to the questions that Mr. Nesbitt and Mr. Pringle were asking. From looking at your map it would seem to me that to make the best use of a large airport it should be located somewhere in the area of Sussex because I think with good roads it would be less than an hour from Moncton, Fredericton and Saint John. I wonder if you have given thought to that because the proposed international airport, for example, around Montreal could be 80 miles from the city, but that is only about an hour with good roads—an hour, more or less. How far would Sussex be respectively from Moncton, Saint John and Fredericton?

Mr. Lummis: It is about 80 miles from Fredericton, I think, and about 45 miles from Saint John.

Mr. Allmand: And how far from Moncton?

Mr. Lummis: About 45, say, from Moncton.

Mr. Allmand: Because your proposal to put an international airport merely to serve Fredericton...

Mr. Lummis: We are proposing a technical study to look into this situation.

Mr. Allmand: I see.

Mr. Lummis: If they will come up with some assessment like that...

An hon. Member: If we are going to try to cover this brief before noon.

The Chairman: This finishes the questioning on this brief. I want to thank the two gentlemen, Mr. Crosby and Mr. Lummis, for their co-operation.

Our next brief will be presented by Mr. K. C. Irving from Irving Oil. Mr. Irving will you step forward, please? I think you all

[*Interpretation*]

et nous essayons de trouver des solutions valables pour les années à venir, et nous essayons de voir ce qui en est maintenant.

M. Pringle: J'en conviens, mais est-ce que ce n'était pas un peu trop que de dire que les aéroports de Fredericton et de Saint-Jean ne pourraient pas être agrandis entre-temps, pour...

M. Lummis: Je n'ai pas les renseignements et les données techniques pour répondre à cette question.

Le président: Une question très brève, monsieur Allmand?

M. Allmand: Pour ce qui est de cet aéroport international, à l'égard des questions posées par M. Nesbitt et M. Pringle, en voyant la carte du Nouveau-Brunswick, il me semble que pour mieux utiliser un grand aéroport, ce serait plutôt dans la région de Sussex qu'on devrait l'aménager, car, s'il y avait d'excellentes routes, cela prendrait moins d'une heure pour venir de Moncton, de Saint-Jean et de Fredericton. Y avez-vous songé, parce qu'un aéroport international, disons près de Montréal, se trouvera peut-être à 80 milles de la ville, mais ce n'est qu'à une heure avec une excellente route, une heure plus ou moins. Alors, Sussex se trouve à combien de milles de Moncton, de Saint-Jean et de Fredericton?

M. Lummis: A environ 80 milles de Fredericton, et 45 milles de Saint-Jean.

M. Allmand: Et de Moncton?

M. Lummis: Environ 45 milles peut-être.

M. Allmand: Votre proposition visant à aménager un aéroport international simplement pour desservir Fredericton...

M. Lummis: Nous proposons qu'on fasse une étude technique de la situation.

M. Allmand: Je vois.

M. Lummis: Si on faisait une telle évaluation...

Une voix: ...si nous voulons finir l'étude de ce mémoire avant midi.

Le président: Nous terminons la période des questions, et je désire remercier les deux témoins, MM. Crosby et Lummis, pour leur bonne collaboration.

Le prochain mémoire sera celui de M. K. C. Irving, de *Irving Oil*. Monsieur Irving, voulez-vous avancer, s'il vous plaît?

[*Texte*]

received a copy of the brief from Irving Oil this morning. I have on my immediate right Mr. K. C. Irving; next to him is another Mr. Irving—Mr. A. L. Irving—and then Mr. G. B. Lawson. I will ask Mr. K. C. Irving to read his brief

Mr. Nesbitt: On a point of order.

The Chairman: Yes.

Mr. Nesbitt: I wonder Mr. Chairman, since Mr. Irving has a rather extensive brief—I know most of the members of the Committee would be very interested in hearing his observations—if he could present the brief now and in view of the time—I know he is a very busy man—perhaps he could come back to us after lunch to answer questions because I imagine there will be quite a few questions.

The Chairman: If Mr. Irving could give us a short summary of his brief—we still have about 25 minutes—I believe we could take an extra 5 or 10 minutes. I might as well tell you now that we have an invitation to a reception and luncheon at the hotel at 12.45. I know I might be a little hard on you fellows, but we are a little behind in our schedule and if we want to stick to our schedule I think we should keep going.

An hon. Member: Mr. Chairman, perhaps during the lunch hour we could read the brief.

An hon. Member: That is right.

An hon. Member: If we hear Mr. Irving now, we could study the brief during the lunch hour.

The Chairman: We will start by having Mr. Irving read his brief and we will see how it goes.

Mr. K. C. Irving (Chief Executive Officer, Irving Oil Limited): Gentlemen, I appreciate this opportunity to appear before you as a follow-up to my letter of February 12th. Following the pattern that has been suggested by the Chairman, I would like to ask Mr. Lawson to read an outline of my views.

Mr. G. B. Lawson (Assistant to the President, Irving Oil Limited): Mr. Chairman and gentlemen, in my letter of February 12, 1969, suggesting I would be prepared to appear before this sitting of the Standing Committee on Transport and Communications of the House of Commons, I made reference to the

[*Interprétation*]

Je pense que vous avez tous reçu, ce matin un exemplaire du mémoire de *Irving Oil*. A ma droite, se trouve M. K. C. Irving, puis un autre M. Irving—M. A. L. Irving—et M. G. B. Lawson. Je demanderai à M. K. C. Irving de nous donner lecture de son mémoire.

M. Nesbitt: J'invoque le Règlement.

Le président: Oui.

M. Nesbitt: Monsieur le président, je vois que le mémoire de M. K. C. Irving est assez long et nous sommes tous intéressés à entendre ce qu'il a à dire, alors, je me demandais si M. K. C. Irving ne pourrait pas présenter son mémoire dès maintenant, vu l'heure. Je sais que c'est un homme très occupé; peut-être pourrait-il revenir après déjeuner pour répondre à nos questions, parce que j'imagine que nous aurons beaucoup de questions à lui poser.

Le président: Peut-être pourrait-il nous donner un résumé de son mémoire. Nous avons encore à peu près 25 minutes à notre disposition. On pourrait prendre 5 ou 10 minutes de plus, parce que notre déjeuner, peut-être aussi bien vous dire, nous avons été invités à déjeuner à l'hôtel à 12 h. 45. J'insiste peut-être un peu trop, mais nous sommes un peu en arrière sur l'horaire prévu; il nous faudra donc nous en tenir à l'emploi du temps.

Une voix: Monsieur le président, pendant l'heure du déjeuner, nous pourrions peut-être lire le mémoire.

Une autre voix: En effet.

Une autre voix: Si nous pouvions entendre M. Irving, dès maintenant, nous pourrions étudier le mémoire pendant le déjeuner.

Le président: Nous entendrons tout d'abord M. Irving, puis nous verrons.

M. K. C. Irving (Directeur général, Irving Oil Limited): Messieurs, j'apprécie beaucoup l'occasion qui m'est fournie de comparaître ici, à la suite de la lettre que je vous ai fait parvenir le 12 février. A la suite aussi de la présentation proposée par le président, je voudrais demander à M. Lawson de vous donner lecture d'un aperçu de mon mémoire.

M. G. B. Lawson (Adjoint au président, Irving Oil Limited): Monsieur le président, Messieurs, dans la lettre que je vous ai adressée le 12 février 1969, dans laquelle je disais être prêt à comparaître à cette séance du comité permanent des Transports et des Communications de la Chambre des commu-

[*Text*]

desirability of incentive rates to encourage industrial development and there is also reference to the need for the greatest possible degree of co-operation between the two railways in the use of existing lines and equipment. I appreciate very much the opportunity of appearing before you today to expand on these points.

I would also like to explain in some detail my concern about what I term as unfair competition and the possibility of unfair competition. It is also my intention to draw certain problems which I believe must be a result of the terms of reference given to top management...

An hon. Member: Could you read a little more slowly?

Mr. Lawson: Certainly, I will slow down for the benefit of the translators. It is also my intention to draw your attention to certain problems which I believe must be a result of the terms of reference given to top management of the Canadian National Railways in the Atlantic region.

Before exploring these matters more fully, I would like to say that a detailed brief on transportation and related economic problems had been prepared last year and it had been my hope to present this information to your predecessor Committee in April 1968. Various matters have changed since that time, but I believe the summary of that brief still is applicable and I leave copies of this summary with you.

In that summary I would like to draw your attention specifically to item number 5 with reference to the designated area under the government's Industrial Incentives Program. If I have correctly interpreted the recent statement of the Hon. Jean Marchand, the government now is prepared to adopt and support the growth-centre principle which presumably will encourage development in major centres. This, in my view, is the role the government should be playing and we are encouraged by the Minister's proposal.

In dealing with some of the transportation problems of the Atlantic Provinces, it is quite possible my remarks might be considered as a reflection on management personnel, especially management personnel of the Canadian National Railways. This is not my intention.

[*Interpretation*]

nes, je vous ai parlé du fait qu'il serait souhaitable d'avoir des taux, afin d'encourager le développement industriel; on y parle aussi de la nécessité d'avoir toute la collaboration voulue entre les deux chemins de fer dans l'utilisation des lignes actuelles et de l'équipement. J'apprécie beaucoup l'occasion qui nous est fournie de comparaître ici afin d'élaborer sur ces deux points.

Je voudrais aussi vous expliquer en détail la préoccupation que je ressens quant à cette concurrence injuste qui nous vient et aussi à cette possibilité de concurrence injuste. J'ai aussi l'intention de vous signaler certains problèmes qui, à notre avis, doivent être le résultat du mandat qui fut donné à la haute administration...

Une voix: Pourriez-vous lire un peu plus lentement?

M. Lawson: Oui, je vais ralentir pour les interprètes. J'ai aussi l'intention de vous signaler certains des problèmes qui, à mon avis, sont le résultat du mandat qui fut donné à la haute administration du National-Canadien dans la région de l'Atlantique.

Mais avant d'explorer toutes ces questions plus en détail, je voudrais vous dire qu'un mémoire détaillé sur les transports et autres problèmes économiques connexes, avait été rédigé la semaine dernière et j'osais espérer pouvoir vous donner ces renseignements au comité qui vous a précédés au mois d'avril 1968. Différentes questions sont modifiées depuis lors, mais je pense qu'un résumé de ce mémoire vaut toujours et je vous laisse copie de ce résumé.

Dans ce résumé, je voudrais particulièrement vous signaler le point numéro 5, ayant trait aux régions désignées relevant du programme d'encouragement industriel du gouvernement. Si j'ai bien interprété la déclaration faite récemment par l'honorable Jean Marchand, le gouvernement est maintenant prêt à adopter et à appuyer le principe du centre de croissance qui encouragerait les développements principaux dans les grands centres. Cela, à mon avis, est le rôle du gouvernement et le rôle qu'il doit assumer et nous sommes vraiment encouragés à la suite de cette proposition du ministre.

En traitant de certains des problèmes de transport des provinces de l'Atlantique, il est possible que les observations que je vous fasse soient considérées comme étant une réflexion sur l'administration du personnel, tout particulièrement en ce qui a trait au Natio-

[*Texte*]

The CNR has excellent people in the Atlantic region now and has had excellent people in the past.

I do feel they have been handicapped by top level policy, a policy which I have found very difficult to understand and much more difficult to justify. This policy often appears to be designed to cut the price to any level to force out competition and presumably the policy also dictates that losses should be recouped by charging all the traffic will bear in areas where there is no direct competition.

It is necessary for me to go back to 1932 to tell you of my early experience with this policy and how it was put into effect. In 1932 following an increase in rates, I sought from the CNR rates which would make it practical for our company to continue to deliver oil products by rail to these affected areas. The rates quoted were not acceptable. We argued in Moncton for the better part of two years and throughout these discussions I made it clear to the CNR that I would be forced to go to coastal tanker delivery unless the rates were re-adjusted.

In 1934 I was told to go to water transportation. In July of that year I bought a tanker in Scotland and put it into operation in the fall of 1934. During 1934, 1935 and 1936 our company built numerous water terminals and purchased equipment to facilitate delivery by coastal tanker.

In 1937 I was confronted by the CNR officials—fine gentlemen and some of them even personal friends—who told me I should withdraw the tanker from service. This was no veiled threat by the CNR, it was simply an outright statement. If I did not remove the tanker, the CNR said, it would cut its rates so drastically that my competitors would have an advantage over me in every community where I was shipping by coastal tanker.

When I refused to take off the tanker service which the CNR had forced me into in the first place, the CNR fulfilled its threat and cut freight rate charges to all competitive points by amounts ranging from 28 to 45

[*Interprétation*]

nal-Canadien. Telle n'est pas mon intention. Le National-Canadien a une excellente administration dans la région de l'Atlantique. Maintenant, il y a eu d'excellentes représentations par le passé.

Mais plutôt, je crois qu'il y ait eu un handicap par la politique de la haute administration, politique qui éprouve beaucoup de difficulté à comprendre et, encore plus, à justifier. Bien souvent, cette politique semble être conçue pour couper les prix à tout niveau afin de faire disparaître toute concurrence et alors, cette politique dit que les pertes doivent être récupérées en cherchant toute la circulation qui peut se faire dans les régions où il n'y a pas de concurrence directe.

Je dois donc me reporter à l'année 1932 pour vous faire part de mes premières expériences face à cette politique et la façon dont elle fut mise en vigueur. En 1932, à la suite d'une augmentation des taux, j'ai demandé au National-Canadien des taux qui nous permettraient de toujours faire la livraison des produits pétroliers par le transport ferroviaire dans ces régions affectées. Mais les taux cités n'étaient pas acceptés. Mais pendant deux ans, nous avons prétendu, au cours de ces négociations et de ces pourparlers, ce que j'ai établi bien clairement auprès du National-Canadien, que je devais avoir recours aux services de pétroliers-côtiers, à moins qu'on ne fasse un rajustement des taux.

En 1934, on m'a dit: alors, utilisez le transport maritime. Au mois de juillet de la même année, j'ai acheté un pétrolier en Écosse et je l'ai mis en opération en automne 1934. Pendant les années 1934, 1935 et 1936, notre société a construit plusieurs terminus maritimes et a acheté de l'équipement afin de faciliter la livraison par pétrolier-côtier.

En 1937, je fus confronté par les hauts fonctionnaires du National-Canadien, d'excellents représentants et même des amis personnels, qui m'ont dit que je devrais retirer ce pétrolier du service. Ce n'était pas une menace voilée du National-Canadien, mais c'était seulement une déclaration en bonne et due forme. Si je ne retirais pas le pétrolier, le National-Canadien disait qu'il ferait une telle coupure de ses taux que mes concurrents seraient dans une situation avantageuse dans toute collectivité où je faisais la livraison par pétrolier-côtier.

Lorsque j'ai refusé de retirer ces services vers lequel le National-Canadien m'avait poussé d'abord, le National-Canadien a donc réalisé ses promesses en coupant tous les taux dans les proportions allant de 28 à 45 p.

[*Text*]

per cent. I will leave for your examination copies of the freight rate charges showing exactly what was done.

Incidentally, gentlemen, in connection with the references to material that will be left with you, you will find it all at the back of the brief as an appendage.

Admittedly, the period of 1932-1937 is a long time ago; that was the policy of the CNR then. As you can see it was a tough, even vicious, policy. My concern is whether that policy or any part of it remains in effect today.

I would like to summarize some details we have prepared in connection with transportation costs of chlorine, caustic and wood products. I will give you copies containing more details and I would commend this material to your study. I am sure you will be able to form your own conclusions.

First, let me refer to the freight charges for bringing chlorine from Shawinigan to West Saint John and the rates for movement from Shawinigan to Port Hawkesbury. It is 535 miles from Shawinigan to West Saint John and 760 miles from Shawinigan to Port Hawkesbury. The rates I am going to quote are for 100 pounds.

In December 1960 the Shawinigan to West Saint John rate was $1.26 and had been for some considerable time. In October 1961 we learned that a rate had been established from Shawinigan to Port Hawkesbury at 86 cents. We naturally asked for a rate comparable which, in effect, should have been lower because of the shorter haul. We were refused. Finally in February 1962 we were able to negotiate a rate of $1.04. Port Hawkesbury continued to enjoy its 86 cent rate. It was not until February 1963 that we were able to get the same 86 cent rate even though the haul was more than 200 miles shorter. In January 1967, the rates to Saint John and to Port Hawkesbury were increased to 95 cents. Our current ton-mile rate is 3.5 cents while Port Hawkesbury enjoys a 2.5 cent per ton-mile rate.

While we have not used the service, in April 1968 we were quoted a 63 cent rate from Dalhousie to West Saint John involving a haul of 269 miles. The Dalhousie-Port Hawkesbury rate in 1963 was 45 cents and in 1967 it was 50 cents, covering a haul of 429 miles. The current ton-mile rate would be 4.7 cents to Saint John and 2.3 to Port Hawkesbury.

[*Interpretation*]

100. Je vous laisse donc, pour fin d'étude, copie des taux afin de vous montrer ce qui s'y fait.

En passant, Messieurs, pour ce qui est des données que nous vous laisserons, vous les trouverez en annexe à la fin du mémoire.

A la fin de la période de 1932 à 1937, soit il y a bon nombre d'années, ce fut là la politique du National-Canadien. Comme vous pouvez le voir, c'était une politique vicieuse, très dure; et ma préoccupation est de voir si cette politique ou partie de cette politique est toujours en vigueur de nos jours. Je voudrais donc vous résumer certains des détails que nous avons préparés à l'égard des coûts de transport du chlore, du caustique et des produits forestiers. Je vous fournirai copie contenant plus de détails et je vous demanderais de bien vouloir étudier toutes ces données. Je suis sûr que vous serez en mesure de tirer vos propres conclusions.

Tout d'abord, permettez-moi de vous parler du tarif pour le transport du chlore, de Shawinigan à Saint-Jean ouest, et du taux de transport de Shawinigan à Port Hawkesbury. Il y a 535 milles de Shawinigan à Saint-Jean ouest, et 760 milles de Shawinigan à Port Hawkesbury. Les taux que je vais vous citer sont pour les 100 livres.

Au mois de décembre 1960, le transport de Shawinigan à Saint-Jean ouest avait un taux de $1.26, et depuis assez longtemps. Au mois d'octobre 1961, nous avons appris qu'un taux avait été prévu pour Shawinigan à Port Hawkesbury et il était de $0.86. Donc, nous avons demandé un taux comparable et qui aurait pu être inférieur, vu la distance plus courte. Ce qu'on nous a refusé. Enfin, au mois de février 1962, nous avons été en mesure de négocier un taux de $1.04. Port Hawkesbury a toujours eu ce taux de $0.86. Ce n'est qu'au mois de février 1963 que nous avons été en mesure d'obtenir le même taux de $0.86, bien que le parcours soit de plus de 200 milles plus court. Au mois de janvier 1967, les taux de Saint-Jean à Port Hawkesbury ont connu une augmentation et ont été portés à $0.95. Le taux courant de la tonne-mille est de 3.5 cents, alors que Port Hawkesbury a un taux de 2.5 cents par tonne-mille.

Alors, que nous n'avons pas eu recours à ce service, au mois d'avril, 1968, on nous a donné un taux de $0.63 à partir de Dalhousie à Saint-Jean ouest, sur un parcours de 269 milles. De Dalhousie à Port Hawkesbury, le taux, en 1963, était de $0.45 et, en 1967, il était de $0.50 pour un parcours de 429 milles. Le taux courant de la tonne-mille serait de 4.7 cents à Saint-Jean et de 2.3 cents à Port Hawkesbury.

[*Texte*]

Costs for caustic transportation from Shawinigan were equally disturbing and unrealistic from our point of view. In 1961 we had a rate of 57 cents and in August 1961 a rate of 43 cents was established for Port Hawkesbury. In 1967 our rate was increased to 63 cents while rates of 47 cents and 52 cents, depending on the size of the railcars, were established for Port Hawkesbury. In August 1968 a rate of 44 cents was established for Port Hawkesbury by using 190,000 pound cars. In August 1968 there was no applicable rate for Shawinigan to West Saint John because by that time we had been forced to obtain our caustic from other sources and by other means of transportation.

I would like to bring to your attention the rail rates for pulp transported from Saint John to New Milford, Conn., a distance of 810 miles compared to a rate for pulp transported from Abercrombie, N.S. to Chester, Pa., a distance of 1,720 miles. The current rate on the shorter haul from Saint John to New Milford is $8.56 per ton or $1.05 cents per ton-mile. The rate on Abercrombie-Chester haul is $8.63 per ton or .68 cents per ton-mile. It is quite possible that someone will have an explanation for this policy and for these rates, but quite frankly, gentlemen, both the policy and the rates are beyond our understanding.

I have referred to the need for greater co-operation by the railways within the Province of New Brunswick and I have suggested that more time and energy should be devoted to creating incentive rates to encourage industrial development.

I think our experience in the movement of wood chips is pertinent to your study. The most direct CNR route for the movement of chips from Veneer is via St. Leonard, McGivney, Fredericton to Saint John, a distance of 248.2 miles. The most direct route via CNR to St. Leonard via CPR to Saint John via Fredericton, is a distance of 229.2 miles. The all-CNR route being used is via Moncton, a distance of 315.5 miles. The ton-mile rate is 1.06 cents using the shortest all-CNR route, but the CNR travels an extra 67 miles on its own lines and, as you can see, there would be a saving of approximately 86 miles if the cars were moved over a combination of CNR and CPR lines.

[*Interprétation*]

Le coût pour le transport du caustique de Shawinigan était tout aussi inquiétant et irréaliste, à notre avis. En 1961, nous avions un taux de $0.57 et au mois d'août 1961, un taux de $0.43 fut établi pour Port Hawkesbury. En 1967, notre taux fut porté à $0.63, alors que les taux de $0.47 et de $0.52, suivant les wagons, furent établis pour Port Hawkesbury. Au mois d'août 1968, un taux de $0.44 fut établi pour Port Hawkesbury en utilisant des wagons de 190,000 livres. Au mois d'août 1968, il n'y avait pas de taux valable pour Shawinigan à Saint-Jean ouest, parce qu'alors, nous aurions dû obtenir notre caustique d'autres sources et en vertu d'autres moyens de transport.

Je voudrais vous signaler le taux ferroviaire pour le transport de la pâte à papier à partir de Saint-Jean à New Milford, Connecticut, soit un parcours de 810 milles, comparativement au taux pour le transport du même produit de Abercrombie, Nouvelle-Écosse, à Chester, Pennsylvanie, soit un parcours de 1,270 milles. Le taux pour le parcours moins long de Saint-Jean à New Milford est de $8.56 la tonne ou 1.05 cent par tonne-mille. Le taux pour le parcours de Abercrombie à Chester est de $8.63 la tonne ou de .68 cent par tonne-mille. Il est donc possible que quelqu'un puisse expliquer cette politique et ces taux mais, sincèrement, Messieurs, cette politique et ces taux, nous ne parvenons pas vraiment à les comprendre.

Je vous ai parlé de la nécessité d'avoir une plus ample collaboration des services ferroviaires dans la province du Nouveau-Brunswick, et je vous ai dit qu'on devait consacrer plus de temps et d'énergie afin de créer des taux plus encourageants, afin d'entraîner un développement industriel plus grand.

Je crois que notre expérience pour le transport des copeaux de bois est très pertinente à l'égard de votre étude. Le parcours le plus direct par le National-Canadien, à partir de Veneer, via Saint-Léonard, McGivney, Fredericton, Saint-Jean, ce qui fait un parcours de 248.2 milles. Le parcours le plus direct par le National-Canadien à Saint-Léonard, par le CPR, à Saint-Jean, par Fredericton, donne un parcours de 229.2 milles. La route qui fait exclusivement partie du National-Canadien se fait par Moncton, soit un parcours de 315.5 milles. Le taux tonne-mille est de 1.06 cent, utilisant la route la plus courte du National-Canadien, mais le National-Canadien parcourt 67 milles additionnels le long de sa propre ligne, et comme vous pouvez voir, on pourrait gagner environ 86 milles si les wagons utilisaient les lignes du National-Canadien et du Pacifique-Canadien.

[*Text*]

A similar situation is in existence on shipments from Deersdale to Saint John and I will give you copies of a report containing details on these routes. That, again, is in the appendix to this material, gentlemen.

There are examples in Canada today of unusual and even historic co-operation with industry in order to provide highly attractive transportation rates. For instance, it is my understanding that the Pacific Great Eastern Railway owned by the British Columbia Government follows a freight rate policy to promote development of the interior of British Columbia. Accordingly, pulp mills located at any point along this line pay the same freight rate on shipments to tidewater at Vancouver. The Pacific Great Eastern delivers wood chips from 75 to 150 miles from the mill at a flat rate of $2.31 per unit of chips containing approximately 100 cubic feet of solid wood. This represents a rate ranging from .56 cents to .64 cents per ton-mile on a 150 mile haul.

In New Brunswick the cost of shipping wood chips from Deersdale to Saint John via the shortest all-CN route would be $1.75 per ton-mile. The most direct available route from Deersdale to Saint John on CNR lines is 148.1 miles while the most direct rail route using CN and CP lines is 131.3 miles. The route used via Moncton is 215.4 miles.

However, perhaps the most notable example of co-operation is that which has made possible a rebirth of the coal industry in Alberta and shipment to British Columbia for trans shipment through the soon-to-be-established super port at Roberts Bank to Japan. It is my understanding that special railcars have been designed and are being built for this very purpose and it is also my understanding that the CPR freight rate for coal of $5.00 per ton was considered $1.50 per ton too high for the Japanese steel makers. There were negotiations which led to the establishment of a $3.50 rate. This apparently is equivalent to .5 cents per ton-mile. Jack L. Ashley, President of Kaiser Steel, described the rate as historic. In this section of Canada I think we would describe it as unbelievable.

In my view this is co-operation and incentive at their best. Is there any reason why the same type of co-operation and the same degree of incentive for industry cannot be afforded on the east coast of Canada? Is it

[*Interpretation*]

Une situation analogue se présente pour les expéditions à partir de Deersdale à Saint-Jean, et je vous fournirai copie des rapports qui vous donnent le détail de ces routes. Une fois de plus, cela se trouve en annexe à ce mémoire.

Il y a des exemples au Canada, aujourd'hui, de cette collaboration sur le plan historique avec l'industrie, afin d'assurer des taux de transport vraiment intéressants. Ainsi, si je comprends bien, le Pacific Great Eastern Railway, propriété du gouvernement de la Colombie-Britannique, a suivi une politique du tarif ferroviaire afin d'encourager le développement de l'intérieur de la Colombie-Britannique. En conséquence, les usines de pâte à papier qui sont le long de cette ligne paient le même taux pour les expéditions à Vancouver. Le Pacific Great Eastern Railway fait l'expédition des copeaux à partir d'une distance de 75 à 150 milles de l'usine, à un taux fixe de $2.31 l'unité, contenant environ 100 pieds cubes de bois solide, ce qui représente un taux allant de .56 cent à .64 cent la tonne-mille, pour un parcours de 150 milles.

Au Nouveau-Brunswick, l'expédition des copeaux de bois de Deersdale à Saint-Jean par la route la plus courte du National-Canadien serait de $1.75 la tonne-mille. La route la plus directe disponible de Deersdale à Saint-John par la ligne du CNR est de 148.1 milles, alors que la route la plus directe par rail, utilisant les lignes du National et du Pacifique-Canadien, est de 131.3 milles. La route utilisant le parcours par Moncton est de 215.4 milles.

Mais le meilleur exemple de collaboration est peut-être celui qui a donné lieu à la renaissance de l'industrie des charbonnages de l'Alberta et de leur expédition vers la Colombie-Britannique, une grosse expédition à la suite de l'aménagement du port de Roberts Bank, vers le Japon. Des wagons spéciaux ont été conçus et sont en construction à cette fin. Si je comprends bien, le taux de transport du Pacifique-Canadien pour le charbon est de $5.00 la tonne et fut considéré comme étant de $1.50 trop élevé, par les fabricants d'acier japonais. On a négocié, ce qui a donné lieu à l'tablissement d'un taux de $3.50 ce qui représente .5 cent la tonne-mille. M. Jack L. Ashley, président de Kaiser Steel, a dit qu'il s'agissait là d'un taux vraiment historique. Dans cette région du Canada je pense que nous dirions que c'est à peu près incroyable.

Mais, à mon avis, il s'agit là d'un encouragement, et d'une collaboration vraiment excellente. Alors, pourquoi ne pas avoir ce même genre de collaboration et d'encouragement pour l'industrie le long du littoral est

[*Texte*]

not reasonable that we should expect in this economically depressed section of Canada the same type of imaginative thinking and the same beneficial rates which have been made available to the resource-rich provinces of Alberta and British Columbia, not to mention the Japanese steel makers.

The Chairman: I want to thank you for the comments on your brief. Mr. Skoberg.

Mr. Skoberg: Mr. Chairman, it is 12.30. Do you want to start the questioning now?

The Chairman: One moment, please. May I have a little order, please. What is your point of order?

Mr. Rock: Mr. Chairman, I believe a brief like this does not have much relevance with what we are here for except that this brief—just a minute. Now, wait...

The Chairman: Order.

Mr. Rock: ...is basically a complaint on rates and rates are supposed to be settled by the Canadian Transport Commission. Well, they are supposed to be.

An hon. Member: What are we here for?

Mr. Rock: This Committee is here for a different purpose completely. We are not here to discuss the rates themselves.

The Chairman: Make your point of order, Mr. Rock.

Mr. Rock: Mr. Chairman, we can do nothing about the rates themselves. When anyone has a complaint about the rates he is supposed to make a submission to the Canadian Transport Commission and the matter is settled there.

Mr. Horner: Mr. Chairman, if I may speak on the point of order? This brief is right to the core of the problems that the Maritimes are faced with in the application of Bill C-231. I say this brief is right to the core of the problem.

The Chairman: Gentlemen, I think this is the time to adjourn until after lunch. Just a minute please, before we adjourn, Mr. Craig and Mr. Dickson from the Maritimes Transportation Commission will be with us this afternoon to observe our proceedings. Do not forget we resume at 2.00 o'clock.

[*Interprétation*]

du Canada? Est-ce qu'on ne peut pas aussi s'attendre dans cette région de marasme économique d'avoir la même imagination créatrice et les mêmes taux bénéfiques qui ont été mis à la disposition des provinces riches en ressources que sont l'Alberta, la Colombie-Britannique, pour ne pas mentionner les fabricants d'acier japonais.

Le président: Je désire vous remercier pour votre mémoire. Monsieur Skoberg.

M. Skoberg: Monsieur le président, il est midi et demi. Voulez-vous commercer l'interrogatoire dès maintenant?

Le président: Un instant, s'il vous plaît. Un peu d'ordre s'il vous plaît. Quel est votre rappel au Règlement?

M. Rock: Monsieur le président, je crois que ce mémoire n'a vraiment pas trait à la raison d'être de notre réunion ici. Non...un instant s'il vous plaît...

Le président: A l'ordre.

M. Rock: Il s'agit, au fond, d'une plainte sur les taux, et les taux sont censés être établis par la Commission canadienne des transports. Ils sont censés l'être.

Une voix: Pourquoi sommes-nous ici?

M. Rock: En fait, notre Comité a des objets tout à fait différents, nous ne sommes pas ici pour discuter les taux mêmes.

Le président: Faites votre rappel au Règlement, monsieur Rock.

M. Rock: Monsieur le président, nous ne pouvons rien faire au sujet des taux eux-mêmes. Lorsque quelqu'un a une plainte à faire au sujet des taux, il est censé la faire auprès de la Commission canadienne des transports et c'est là que la question est réglée.

M. Horner: Monsieur le président, puis-je dire quelque chose au sujet de ce rappel au Règlement? Ce mémoire touche à la racine même du problème des transports auquel font face les provinces de l'Atlantique pour ce qui est de l'application du Bill C-231.

Le président: Messieurs, je crois que le temps est venu de lever la séance; nous reviendrons après le déjeuner. Un instant, s'il vous plaît. Avant de lever la séance, M. Craig et M. Dickson, de la Commission des transports des Maritimes, assisteront à la séance de cet après-midi, à titre d'observateurs. N'oubliez pas que la séance reprend à 14 heures.

[*Text*]

AFTERNOON SITTING

The Chairman: Gentlemen, I understand that you would like a little more information on Mr. Irving's brief, so I would ask that he read the summary of it.

Mr. Rock: Mr. Chairman, before you do that and in reference to my earlier point of order...

The Chairman: Order, please. I do not think I recognized your point of order, Mr. Rock.

Mr. Rock: It is actually against my principles to be restricted in any way.

Mr. K. C. Irving: Mr. Chairman, may I ask Mr. Lawson to read the summary of the brief that we proposed submitting last April.

Mr. G. B. Lawson: This is a summary of the brief prepared for submission to the Standing Committee on Transportation and Communications of the House of Commons dated April 26, 1968. Most of the points set out here remain appropriate today. You will recognize that since April, 1968, there have been some changes. In any event, these remain Mr. Irving's views.

1. *Freight Rates.* The Atlantic Provinces are entitled to freight rates which will enable manufacturers to operate within the province and to reach the markets of central Canada at a competitive price. Freight rate adjustments alone will not solve our economic problems. These problems are tied to federal transportation, monetary and tariff policies.

2. *Railway Co-operation.* There should be much more co-operation between the two rialways in the use of existing rail lines in New Brunswick.

3. *Unfair Competition.*

A. While the railway may have to operate at a loss in order to serve some isolated areas the CNR should not be able to use the taxpayers' money to cut rates for the express purpose of forcing railways competition out of business. There is clear evidence the CNR has done just that.

B. When faced with competition from coastal shipping or river shipping CNR rates

[*Interpretation*]

SÉANCE DE L'APRÈS-MIDI

Le président: A l'ordre, messieurs. Je présume que vous aimeriez avoir un peu plus de renseignements sur le mémoire de M. Irving; aussi je lui demanderais de vous en lire le résumé.

M. Rock: Monsieur le président, avant que vous ne le fassiez, et eu égard au point que j'avais soulevé précédemment...

Le président: A l'ordre, s'il vous plaît. Je ne crois pas avoir reçu votre rappel au Règlement.

M. Rock: C'est tout simplement contre mes principes d'être limité; c'est tout.

M. K. C. Irving: Est-ce que je pourrais demander à M. Lawson de vous lire le résumé du mémoire que nous avions l'intention de vous soumettre au mois d'avril dernier?

M. G. B. Lawson: Il s'agit du résumé d'un mémoire à présenter au Comité permanent des Transports et communications de la Chambre des communes, en date du 26 avril 1968.

La plupart des points qui y sont soulevés sont toujours d'actualité. Vous constaterez que, depuis le 26 avril 1968, il y a eu des changements, du moins selon l'avis de M. Irving.

Premièrement, toutes les marchandises des Provinces de l'Atlantique ont droit à un tarif marchandise, qui permettra aux fabricants de fonctionner dans leur province et d'atteindre les marchés du Canada central à des prix compétitifs.

A eux seuls, les ajustements de tarif du fret ne résoudrons cependant pas tous nos problèmes économiques. Ceux-ci sont liés aux transports fédéraux, à la monnaie et à la politique tarifaire.

Deuxièmement, collaboration avec les chemins de fer. Il devrait y avoir une beaucoup plus grande collaboration entre les deux systèmes ferroviaires pour les lignes de chemins de fer existantes au Nouveau-Brunswick.

Troisièmement, concurrence déloyale.

A) Bien que les chemins de fer soient parfois amenés à fonctionner à perte afin de desservir des régions isolées, le CNR ne devrait pas pouvoir employer les fonds des contribuables à couper les prix dans le but spécifique de rendre impossible la concurrence avec les chemins de fer. Il est pleinement évident que c'est justement ce qu'a fait le CNR.

B) Placé devant la concurrence des transports maritimes ou fluviaux, il a réduit ses tarifs

[*Texte*]

have been reduced to meet that competition and to eliminate it. I question whether attempts to eliminate coastal and river shipping is in the public interest, especially when Canadian taxpayers, including those in the Atlantic Region, must finance the CNR's deficit operations.

4. *Harbour Development.* The development of Saint John harbour must be undertaken to assure the future importance and growth of Saint John, New Brunswick's largest city. Consideration should be given to the study of a new breakwater with the aim of greatly expanding the area of the existing harbour and providing protected anchorage area in what is now the outer harbour. The people of New Brunswick should be assured of the development of Saint John harbour to its fullest potential.

5. *Designated Areas.* The cities of Saint John and Fredericton are not included in the governments industrial incentive program for so-called designated areas. In the Atlantic Provinces, long recognized as a depressed area of Canada, the major cities should not be deprived of this growth incentive. The City of Saint John must quickly more than double in size if it is to attain the position that would enable it, on its own, to stimulate its own growth and develop, and in doing so enhance the economy of the province.

6. *Chignecto Canal.*

A. The Chignecto Canal, the long-promised canal through the isthmus of Chignecto close to the New Brunswick-Nova Scotia border, must be built to link the Bay of Fundy area with the St. Lawrence Seaway, creating entirely new traffic and trading patterns involving the industrial centres of central Canada and the United States on the Great Lakes and the Atlantic seaboard. Construction of the canal should be accorded top priority.

B. If the Chignecto Canal had been built as promised at the time of Confederation this section of Canada would still enjoy the thriving economy it then enjoyed. The competition provided by coastal shipping would have kept the rail freight rates in line and provided an alternative means of reaching the central Canada markets at a reasonable cost.

C. Profits. The profit factor cannot be ignored by the railways but we must remember that billions of dollars have been spent in Canada to build a great system of rail lines

[*Interprétation*]

pour pouvoir la supporter, et par là même l'éliminer. Je me demande pourtant si les tentatives d'élimination des transports côtiers et fluviaux servent les intérêts du public, surtout quand les contribuables canadiens, y compris ceux de la région atlantique, doivent financer les déficits du CNR?

Quatrièmement, dispositions portuaires. Le développement du Port Saint-Jean doit être entrepris de façon à ce que soient assurés la croissance et l'importance future de la ville de Saint-Jean, la plus grande du Nouveau-Brunswick. Il y a lieu d'envisager l'étude d'une nouvelle jetée en vue d'étendre la zone portuaire actuelle et d'offrir une aire de mouillage protégée dans ce qui est actuellement l'avant-port. La population du Nouveau-Brunswick doit avoir l'assurance que le développement du Port Saint-Jean sera réalisé au maximum des possibilités.

Cinquièmement, régions désignées. Les villes de Saint-Jean et de Frédéricton ne font pas partie des programmes d'industrialisation du gouvernement s'appliquant aux régions dites désignées. Or les grandes villes des Provinces Atlantiques—depuis longtemps reconnues comme étant une région économiquement faible du Canada—ne devraient pas être privées d'une telle impulsion. La ville de Saint-Jean doit presque doubler de volume en peu de temps pour accéder au niveau à partir duquel elle pourrait, d'elle-même, relancer son propre développement, et ce faisant celui de toute la province.

Sixièmement, le canal de Chignecto. Ce canal à travers l'isthme de Chignecto près de la frontière de la Nouvelle-Écosse, doit être construit pour relier la région de la Baie de Fundy à la Voie maritime du Saint-Laurent, créant ainsi un courant de circulation entièrement nouveau ainsi qu'un système d'échanges commerciaux touchant le centre industriel du Centre du Canada et des États-Unis, grand lac de la côte Atlantique, c'est donc une haute priorité qui devrait être accordée à la construction du canal.

B) Si le canal de Chignecto avait été creusé comme promis au moment de la Confédération, cette partie du Canada jouirait encore de l'économie florissante qu'elle connaissait à ce moment-là.

Sous l'influence de la concurrence de transports maritimes, les tarifs du fret ferroviaire fussent demeurés normaux, doublant la possibilité d'atteindre les marchés centraux moyennant un coût raisonnable.

C) Profits. Le facteur «profit» ne peut être délaissé par les compagnies ferroviaires, mais il faut bien se rappeler que des milliards de dollars ont été dépensés au Canada pour

[*Text*]

and canals. Under these circumstances the Atlantic provinces must not be told that because of rail costs we cannot have access to the markets of central Canada.

D. Economic climate. The economic climate of New Brunswick must be changed to encourage new industry, growth and population which in turn will create more traffic for the railways and other forms of transport. That is the foundation on which the elimination of existing disparity with central Canada must rest.

The Chairman: Thank you very much.

Mr. Portelance: Mr. Irving, according to this brief you had to pay more for transportation than other places. During this period of time did your firm guarantee certain minimums in respect of transportation, once you had a price from the CNR? Also, do you figure the bottom price was offered to you or did you get just the regular rate for non-guarantee arrangements?

Mr. Irving: Well, we were told it was the best price they would give us. We knew it was not their best price because other places were being accorded much better treatment. So they were giving better rates to other areas even within the Atlantic provinces. It was just a matter of them not applying the lower rates to our area.

Mr. Portelance: And would not the main reason for this, Mr. Irving, be that perhaps other firms were guaranteeing a minimum of transportation...

Mr. Irving: I could not tell you the reason. It never made any sense to me. Although we had much discussion on the various points and rates, I never got a satisfactory answer. If they could give a more attractive or lower rate in one section why could they not give it to us, particularly when the haul was shorter?

Mr. Portelance: Well, as an example, would your own firm offer incentive quantity discounts to your customers across the country?

Mr. Irving: Well I have always advocated that you could not sell to one customer at a lower price than another for the same type of delivery. I have always advocated that but sometimes competitors will force you to do things that make you feel rather cheap.

[*Interpretation*]

construire un vaste système de chemins de fer et de canaux.

Ce qui fait qu'on ne peut dire aux Provinces Atlantiques que l'accès au centre du Canada nous est interdit du fait du coût élevé du transport par rail.

D) Climat économique. Le climat économique du Nouveau-Brunswick doit être changé afin d'encourager de nouvelles industries et un accroissement de la population, ce qui donnerait plus d'activité aux chemins de fer et aux autres moyens de transport. C'est sur cette base que repose la suppression de la disparité existante avec le centre du Canada.

Le président: Merci beaucoup.

M. Portelance: Monsieur Irving, aux termes de ce mémoire, vous avez dû payer plus pour les transports qu'en d'autres endroits. Durant cette période, avez-vous fermement garanti des minimums sûrs en ce qui concerne le transport une fois les prix fixés par le CNR? Considériez-vous que le tarif minimum vous était offert, ou était-ce le tarif normal sans garantie?

M. K. C. Irving: On nous a dit que c'étaient le meilleurs prix qui pouvait nous être faits. Nous savions que ce n'étaient pas leurs meilleurs prix, car d'autres se voyaient bien mieux traités. C'est ainsi qu'ils accordaient de meilleurs tarifs à d'autres régions, même à l'intérieur des provinces de l'Atlantique. C'est tout simplement qu'elles n'appliquaient pas les tarifs réduits à notre région.

M. Portelance: Et la raison principale de cet état de choses, ne serait-ce pas que d'autres compagnies garantissaient peut-être un minimum de transport?

M. K. C. Irving: Je ne pourrais vraiment vous en donner la raison; cela n'a jamais eu beaucoup de sens pour moi. Bien que vous ayons souvent discuté de ces différents points et des tarifs, je n'ai jamais eu de réponse satisfaisante. S'ils étaient à même d'accorder un tarif préférentiel, pourquoi ne pas nous le donner à nous, spécialement quand le camionnage était réduit?

M. Portelance: Est-ce que vous auriez donné des escomptes avec vos clients à travers le Canada?

M. K. C. Irving: J'ai toujours prétendu qu'il était impossible de vendre à un client à un prix réduit par rapport à un autre avec le même type de livraison. C'est toujours ce que j'ai prétendu, mais il arrive que des concurrents vous forcent à agir de façon plutôt mesquine.

[*Texte*]

Mr. Portelance: But you do not offer volume discounts?

Mr. Irving: Oh, yes. In respect of oil, for instance, you have different types: you have tanker rates, pipeline rates, tank car rates, truck rates; tank wagon rates and service station rates, and the charges for the same product all differ because there is a different method of delivery. Different expenses are involved so different prices are justified.

Mr. Portelance: Thank you.

The Chairman: Mr. Skoberg.

Mr. Skoberg: Mr. Chairman and Mr. Irving, of course I realize that the major industrialists as well as the railways in the province should be primarily concerned about the provinces they are in and working out of, but is it your opinion that railways should receive a heavy subsidization in order to create the incentive that you refer to in your brief?

Mr. Irving: Well, you know, it is just a matter of business. First, you should operate as economically as possible, and after you have done your best—taken your shortest line haul, made the best arrangements you can as far as costs and various expenses are concerned—and found that you are still unable to operate then I would say, yes, you might be justified in subsidization or something of that kind. But, basically, first get your costs down to as low a figure as possible, and then after you do that you could get a subsidy or whatever may be necessary.

Mr. Skoberg: What amount of shipping do you do by rail at this particular time?

Mr. Irving: What amount?

Mr. Skoberg: Yes.

Mr. Irving: Oh, considerable.

Mr. Skoberg: I notice in your brief—and that is why I raise the question—that you refer to the wood chips and lumber and the availability of cars. I am wondering whether you have found the same trouble to date with the shipping that you have entered into with the railroads?

Mr. Irving: Yes. I can take Chipman, CPR, and there is no problem. They have a sawmill there and a chipmill. About 70 miles away at Deersdale, a CNR point, we have experienced some problems in getting wide-doored cars and lumber cars.

[*Interprétation*]

M. Portelance: Mais le volume, un escompte pour le volume?

M. K. C. Irving: Oui, certainement, mais vous avez des tarifs de toute sorte: Vous avez les taux pour les pétroliers pour les pipe-lines, pour les camions-citernes, les wagons-citernes, vous en avez pour les stations-services, et les frais pour un même produit diffèrent tous car les moyens de livraison ne sont pas les mêmes. Des frais variés sont encourus, ce qui explique la diversité des prix.

M. Portelance: Merci.

Le président: M. Skoberg.

M. Skoberg: Je comprends évidemment que les principaux industriels ainsi que les chemins de fer de la province devraient en premier lieu s'intéresser aux provinces où ils se trouvent et travaillent, mais êtes-vous d'avis que les chemins de fer devraient se voir largement subventionner afin de promouvoir la relance dont vous faites mention dans votre mémoire?

M. K. C. Irving: Savez-vous, c'est juste une question d'affaires. Tout d'abord, vous devriez procéder de la façon la plus économique possible, et une fois que vous avez fait de votre mieux, réduit le camionnage et pris les meilleures dispositions pour abaisser les diverses dépenses, si vous vous trouvez toujours incapable d'exploiter votre affaire, je dirais oui, vous êtes justifié de recevoir une subvention ou une chose du genre. Mais, avant tout, il vous faut réduire les frais au minimum; après quoi il vous serait loisible de voir à une subvention ou à tout autre moyen nécessaire.

M. Skoberg: Quelle est la quantité d'expéditions par rail que vous faites à l'heure actuelle?

M. K. C. Irving: La quantité?

M. Skoberg: Oui.

M. Irving: Elle est considérable.

M. Skoberg: J'ai remarqué dans votre mémoire que vous parlez de copeaux de bois, de bois d'œuvre et des wagons disponibles. Et, je me demande si, jusqu'ici, vous avez éprouvé les mêmes difficultés à l'égard de vos expéditions par chemin de fer?

M. Irving: Oui. Je pourrais dire qu'actuellement il n'y a aucun problème. A 70 milles d'ici, à Deersdale, desservi par le CN, nous avons éprouvé certains problèmes, pour obtenir des wagons à portes larges et les wagons destinés au transport du bois.

[*Text*]

Deersdale is not too bad but up at Veneer where we have a hardwood mill, a softwood sawmill and a chipmill we have been experiencing great trouble. The CNR is unable to supply us with cars of the right quantity or type. In fact, I do not think they have any chain binder cars which are the modern type of cars for shipping lumber. At least, if they have we get very few of them if any.

When it comes to chips I think there are supposed to be 80 cars in that service, but about 10 of them as a rule are in the shops for repairs; we are short. To remedy our shortage we are trucking much of our lumber across to Van Buren and loading it on the Bangor Aroostock railway and shipping it down to Boston and the United States by that method. To get rid of our lumber we have also been forced, within the last two or three months, to buy several trucks and trailers to haul lumber to the U.S. Right now we are very short of cars.

Mr. Skoberg: You have made representations to the management of the CNR to no avail?

Mr. Irving: Oh, yes. They are doing the best they can. They should be allotted more money to buy some new cars for use in this part of the country.

Mr. Skoberg: I have another question, Mr. Chairman. It is noted that on page 2 of the brief of February 12 there is a statement concerning extensive changing of crews on short provincial hauls and whether this has any bearing, I will ask the question now. You referred to the changing of crews. Has this any bearing on the routing of a shipment within the province and why did you bring that into the picture? I would presume this should be a management-labour consultation.

Mr. Irving: My information on this perhaps is a year old but we will take Deersdale as an example. To ship by way of Fredericton to Saint John I was told that one crew would pick it up at Deersdale; they would change crews at Napadogan; that crew would bring it into Fredericton and another crew would take it from there to Saint John.

That has changed somewhat and perhaps that is one of the reasons they are hauling this 83 miles farther, or whatever the mileage is, to Moncton. They can go right through on their line to Moncton and then haul back but it is a great many more miles. That may be one of the reasons for that.

[*Interpretation*]

A Deesrdale la situation n'est pas trop grave, mais à Veneer où nous avons une usine de bois dur, une usine de bois mou et ensuite une usine de copeaux de bois, nous avons vraiment beaucoup de difficultés. Le CN est incapable de nous fournir la quantité et le genre de wagons nécessaires. En fait, je ne crois pas qu'ils aient les wagons spéciaux qui nous sont nécessaires pour l'expédition du bois. S'ils en ont, nous en obtenons très peu.

Quant aux sciures, je crois que 80 wagons sont prévus pour ce service, mais d'habitude il y en a 10 dans les ateliers de réparation. Pour remédier à cette lacune, il nous faut expédier une quantité considérable de bois par camion jusqu'à Van Buren et ensuite nous l'expédions par le chemin de fer Bangor-Aroostook et par bateau jusqu'à Boston aux États-Unis. Depuis 2 ou 3 mois, afin de nous débarrasser du bois, nous avons dû acheter plusieurs camions et remorques afin d'expédier les sciages aux États-Unis. A l'heure actuelle, il nous faudrait beaucoup plus de wagons.

M. Skoberg: Vous en avez avisé la direction du CN, mais sans succès?

M. Irving: Oui. Mais ils font de leur mieux. Il leur faudrait plus d'argent pour acheter plus de wagons et les mettre au service de cette région du pays.

M. Skoberg: Dans votre mémoire du 12 février, à la page 2, il y a une déclaration visant les répercussions des changements fréquents d'équipes sur les faibles parcours. Je vous demanderais, est-ce que cela a des répercussions sur les expéditions dans la province? Et, alors, pourquoi l'avez-vous mentionné? Cela relève plutôt d'une consultation patronale-ouvrière.

M. Irving: Mes renseignements remontent à un an, mais prenons Deersdale. Si j'ai bien compris, afin d'expédier à Saint-Jean en passant par Fredericton, on nous a dit qu'une équipe prendrait la marchandise à Deersdale; l'équipe serait changée à Napadogan, et se rendrait jusqu'à Fredericton, et une autre équipe se rendrait à Saint-Jean.

Mais, cela a changé quelque peu, et il se peut que ce soit une des raisons pour lesquelles on a prolongé le parcours de 83 milles, jusqu'à Moncton. C'est parce qu'ils peuvent aller directement jusqu'à Moncton et ensuite revenir sur leur route, bien que la distance soit beaucoup plus longue. Voilà peut-être une des raisons.

[*Texte*]

Mr. Skoberg: But in effect, Mr. Irving, the changing of crews really has nothing to do with the distance. This is strictly an internal situation.

Mr. Irving: At the present time?

Mr. Skoberg: The changing of crews no matter where the train may be running does not come into the transportation problem, if I am correct.

Mr. Irving: Well, it is past as far as we are concerned. It is a matter of divisional points. I think in the last year or so there has been some adjustment in these divisional points, but still this matter, if it still remains, and I think it does to some degree . . .

Mr. Skoberg: I would suggest that actually this is a management-labour matter and we will not concern ourselves here today with it. I notice you did make a statement that the CNR was cutting rates to force competition out of business and I would like to know whether this is based on your experience of quite some number of years ago or whether this is current, and whether you really do believe that the CNR is cutting rates to force competitive people out of business.

Mr. Irving: I would say so, yes. That is why I made the statement in the brief. Why do they give rates to Port Hawkesbury much lower than those quoted for Saint John? It must be to compete with water transportation or something like that. We have been given those reasons. How authentic they are I am not sure, but that would be the policy. I think that had a great deal to do with it—at least we were told this.

Mr. Skoberg: You also referred to the fact that the CNR attempted to eliminate coastal shipping. I just wonder whether somewhere in your brief you could indicate in what areas this elimination was entered into and also what shipments it did affect at that particular time?

Mr. Irving: Yes, I can give you a complete list of that.

Mr. Skoberg: If you will just refer to the table that you have there I will look it up at a later time, Mr. Irving.

Mr. Irving: The happening in 1932 was the increasing of the rate from Halifax to points along the south shore of Nova Scotia. . .

Mr. Skoberg: I beg your pardon; may we come up to date? Is this happening today, in your opinion?

[*Interprétation*]

M. Skoberg: Mais, en fait, le changement d'équipe n'a rien à voir avec la distance. C'est une situation interne.

M. Irving: A l'heure actuelle?

M. Skoberg: Le changement d'équipe, peu importe le parcours du train, n'a rien à faire au problème des transports à moins que je me trompe.

M. Irving: Il en fait partie selon nous. C'est une question de points divisionnaires. Depuis environ un an, il y a eu un certain ajustement de ces points divisionnaires. Mais, il reste toujours, que, si cette situation demeure, et elle demeure dans une certaine mesure . . .

M. Skoberg: Je crois qu'il s'agit d'une question de relations ouvrières dont nous n'avons pas à nous occuper. Mais, j'ai constaté que dans votre déclaration vous dites que le CN baisse les prix afin d'éliminer la concurrence. Je me demande si vous vous fondez sur votre expérience d'il y a plusieurs années ou si c'est encore en cours aujourd'hui. Croyez-vous vraiment que le CN réduit ses taux afin d'éliminer les concurrents?

M. Irving: Je crois que oui. C'est la raison pour laquelle j'ai fait cette déclaration dans le mémoire. Pourquoi les taux du CN à Port Hawkesbury sont-ils beaucoup plus bas que ceux de Saint-Jean? C'est probablement pour faire concurrence aux transports maritimes. Ce sont là les raisons qu'on nous a données. Mais je ne suis pas certain si elles sont véridiques. Ce serait leur politique, Du moins, c'est ce qu'on nous a dit.

M. Skoberg: Et, vous avez aussi mentionné le fait que le CN a tenté d'éliminer le transport maritime côtier. Pourriez-vous nous dire dans quelles régions on a procédé ainsi et aussi quelles étaient les expéditions en cause?

M. Irving: Oui, je pourrais vous donner une liste complète.

M. Skoberg: Pourriez-vous me donner la référence du tableau afin que je puisse l'étudier plus tard?

M. K. C. Irving: Oui, en 1932, ce qui s'est produit, c'est que l'augmentation du taux entre Halifax et la côte sud de la Nouvelle-Écosse.

M. Skoberg: Je m'excuse. Mais, est-ce que vous pourriez nous dire ce qui en est aujourd'hui? Est-ce que cela se produit aujourd'hui, à votre avis?

[*Text*]

Mr. Irving: Yes, I would think so. You know, perhaps people do not express themselves as clearly, but I am sure it is.

Mr. Skoberg: Will you substantiate at some later time—possibly in a letter to the Chairman—cases that you know of where this is happening today? I believe it is of great concern to this Committee that we do know of these cases if such exist.

Mr. Irving: All right. I can bring you up to the late thirties, very definitely, right here in Fredericton.

Mr. Skoberg: I am more concerned with the late sixties, Mr. Irving.

Mr. Irving: In the sixties?

Mr. Lawson: There is no question about that. All you have to do to get a better rate is to take it in, say, by transport or take it in by water.

Mr. Skoberg: With all due consideration the statement has been made, and I think it should be substantiated in order that this Committee can look at the facts as they actually are.

I have another question, Mr. Chairman, and I will be very brief. In what form and to what industry should special incentive rates be provided? It is suggested in your submission that special incentives should be provided. I am wondering which industry should be included.

Mr. Irving: Mr. Chairman, in answer to that question I would say the pulp and paper industry. When I say incentive rates there is a good opportunity for multiple car shipments or large quantities in trains, and that sort of thing, and I think those are the kinds of things that should be done so that we can get the raw material to the pulp mills at a better price.

Mr. Skoberg: In your consideration, Mr. Irving, are you in favour of nationalization of the CPR in order to have a co-ordinated transportation policy in Canada?

Mr. Irving: You would not expect me to answer that question!

Mr. Skoberg: I only asked it, Mr. Chairman, because...

Mr. Irving: If I could answer that I would be superhuman.

The Chairman: You had better have a better question, because I am going to cut you off, Mr. Skoberg.

[*Interpretation*]

M. Irving: Je crois que oui. Peut-être que les gens ne s'expriment pas aussi clairement, mais je suis sûr que cela se produit.

M. Skoberg: Pourriez-vous le prouver un peu plus tard, peut-être dans une lettre au président, mentionnant les cas que vous connaissez où cela se produit? Je crois qu'il est important pour le Comité d'être au courant de ces cas, s'il y en a.

M. Irving: Je pourrais vous dire ce qu'il en est jusqu'à la fin des années trente, ici à Fredericton.

M. Skoberg: Les années soixante m'intéressent beaucoup plus.

M. Irving: Les années soixante?

M. Lawson: Il n'est pas question de cela. Pour obtenir un meilleur taux, nous n'avons qu'à recourir au transport maritime.

M. Skoberg: Sauf votre respect, la déclaration a été faite et je crois qu'on devrait avoir les faits à l'appui afin de pouvoir les examiner tels qu'ils existent. Une autre question, monsieur le président, et je serai bref. Quelle forme les taux spéciaux d'encouragement doivent-ils prendre? Vous en avez exprimé le désir dans votre exposé. Dans quelles industries est-ce qu'on devrait appliquer les stimulants?

M. K. C. Irving: Monsieur le président, en réponse à cette question, je dirais l'industrie de la pâte et du papier. Et, quand je parle de taux d'encouragements, c'est une bonne occasion d'obtenir des expéditions de plusieurs wagons ou de grande quantité dans les trains, et ainsi de suite. C'est le genre de choses que nous pourrions faire pour permettre de transporter les matières premières aux usines de pâte et papier, à un meilleur taux.

M. Skoberg: Est-ce que vous êtes en faveur de nationalisation du CP afin d'avoir une politique coordonnée de transports au Canada?

M. Irving: Vous ne vous attendez sûrement pas que je réponde à cette question.

M. Skoberg: Je pose la question, monsieur le président, parce que...

M. K. C. Irving: Si j'étais capable de répondre à cette question, je serais surhumain.

Le président: Si vous n'avez pas de meilleure question, je donne la parole à quelqu'un d'autre.

[*Texte*]

Mr. Skoberg: All right; this is the last one. I am sure the previous questions could be answered if we are interested in the co-ordination of transportation. Concerning the canal, you suggest here that it was promised at the time of Confederation and I would appreciate knowing where I can obtain that in print for my own information.

Mr. Irving: Sir John A. Macdonald confirmed that several times. Bids were called just shortly after Confederation. After Sir John A. Macdonald's first defeat after Confederation he brought this up in the House of Commons. You will find a record of it there. At that time he said this was promised at the time of Confederation. The government went so far as to call for bids and did receive bids for the building of the canal but they never let the contract, and Sir John A. Macdonald was very much put out at that.

Mr. Skoberg: I wonder whether your research people would provide the date for me at a later time, Mr. Irving?

Mr. Irving: Yes, I can get you the date.

The Chairman: Mr. Nesbitt?

Mr. Nesbitt: Mr. Chairman, in view of the very startling information given to us this morning by Mr. Irving in his brief there are one or two questions I would like to ask of him.

How many times in the last five or six years have either you or members of your company made representations to the CNR and the former Board of Transport Commissioners—now the Canadian Transport Commission—or, indeed, the government direct to the Minister of Transport concerning these rate problems you have encountered and also the rate problems that you use as illustrations in your brief?

Mr. Irving: Mr. Chairman, in respect of that question it is a continuous matter of conversation between us and the railways. When it comes to making representations to the government, we have done this on many occasions. I have not been to see the Board of Transport Commissioners but we have gone to all the powers that be to try to have things adjusted.

[*Interprétation*]

M. Skoberg: Une dernière question. Je suis certain qu'on pourrait répondre à la question précédente si l'on s'intéressait vraiment à la coordination des transports. Mais, en ce qui concerne les canaux, vous avez laissé entendre qu'on vous l'avait promis au moment de la Confédération. Je serais curieux de savoir où je pourrais trouver cela par écrit, pour ma propre gouverne.

M. Irving: Sir John A. Macdonald l'a confirmé plusieurs fois. Il y a eu des appels d'offre immédiatement après la Confédération. Et, après la première défaite de Sir John A. Macdonald, après la Confédération, il a soulevé la question à la Chambre des communes. Vous en trouverez certainement la preuve là. A ce moment-là, il a dit que cela avait été promis au moment de la Confédération. Le gouvernement avait même fait un appel d'offre et avait reçu des soumissions pour la construction du canal. Mais en fait, ils n'ont jamais donné le contrat et Sir John A. Macdonald était très mécontent.

M. Skoberg: Est-ce que vous pourriez me donner la date de cela?

M. K. C. Irving: Oui, je pourrais vous donner la date.

Le président: Monsieur Nesbitt.

M. Nesbitt: Monsieur le président, vu les renseignements des plus intéressants et même très étonnants que M. Irving nous a fournis ce matin dans son mémoire, je voudrais lui poser quelques questions.

Combien de fois, au cours des 5 ou 6 dernières années, avez-vous vous-même ou des employés de votre compagnie fait des instances auprès du National-Canadien ou encore à l'ancienne Commission des transports, maintenant la Commission canadienne des transports ou encore directement au gouvernement, à l'égard de ce problème des différences de taux que vous avez constatées ainsi que l'exemple que vous fournissez dans votre mémoire?

M. Irving: Monsieur le président, à l'égard de ces deux questions, je dois vous dire que c'est toujours une question d'entretiens entre nous et les chemins de fer. Lorsque le moment vient de faire des instances auprès du gouvernement, nous l'avons fait à plus d'une reprise. Quant à la Commission des transports, je ne les ai pas rencontrés moi-même. Mais nous sommes allés voir tous les différents organismes afin d'essayer d'avoir un ajustement possible.

[*Text*]

Mr. Nesbitt: So far as you can recall, then, you have not done direct to the Board of Transport Commissioners or its successor, the Canadian Transport Commission.

Mr. Irving: I am not certain of that; personally I have not been, but perhaps some of the others have.

Mr. Nesbitt: When you are dealing with the CNR I take it you deal with very senior officials in Montreal, the President or the Vice President. When would be the last time you spoke to them about these rates?

Mr. Irving: We are talking about rates at the moment in respect of establishing a new industry. We are talking to officials in Moncton. We have been to Montreal many times in respect of some of these matters. They negotiate direct with their people in Montreal and sometimes we do see their officers in Montreal.

Mr. Nesbitt: For the purpose of the record, because some members of the Committee may wish to carry this on when other people are before us as witnesses, could you give us any idea of how recently and how many times, say in the last two or three years, that you or your immediate colleagues in your company have had conversations with people of the presidential or vice-presidential level of the CNR concerning these rates?

Mr. Irving: I have been to Montreal about four or five times in that time. I am sure other members of our organizations have been there several times. We are in constant communication with Moncton, I would say, in respect of rates.

Mr. Nesbitt: What sort of answers would you get from these senior officials—I presume it would be the President or the Vice-President?

Mr. Irving: Oh, a wonderful reception but no action.

Mr. Nesbitt: What kind of explanations, Mr. Irving, if any?

Mr. Irving: The freeze, for instance, that there is on freight rates—we hope it never goes off because we have been told that some of these 11 to 9 cent rates that are in existence now will go up to perhaps 38 to 52—that is right; from 11 to 17 cents to 38 to 52 cents if the freeze goes off. We have been told that.

Mr. Nesbitt: Have they ever indicated that they might be prepared to change some of

[*Interpretation*]

M. Nesbitt: Alors, dans la mesure où vous pouvez vous en souvenir, vous ne vous êtes pas présenté à la Commission des transports ou encore à la CCT?

M. Irving: Non, pas en ce qui me concerne personnellement.

M. Nesbitt: Pour ce qui est du National-Canadien, je pense que lorsque vous les rencontrez, c'est avec les hauts fonctionnaires de Montréal, le président ou le vice-président. Quelle est la dernière fois que vous leur avez mentionné le sujet des taux?

M. Irving: Nous parlons des taux actuellement en vue de l'établissement d'une nouvelle industrie, avec les fonctionnaires de Moncton. Nous nous sommes rendus à Montréal plus d'une fois pour certaines de ces questions. Ils négocient directement avec leurs représentants à Montréal, et parfois nous rencontrons les fonctionnaires de Montréal.

M. Nesbitt: Pour le compte rendu, comme certains membres du Comité voudront peut-être reprendre cette ligne de pensée avec d'autres témoins, pourriez-vous nous dire si vous les avez rencontrés récemment et combien de fois au cours des 2 ou 3 dernières années vous ou vos collègues immédiats de votre compagnie avez eu des entretiens avec le président ou vice-président du National-Canadien à l'égard de ces taux?

M. Irving: Je me suis rendu à Montréal, 4 ou 5 fois. Je suis sûr que d'autres membres de nos organisations s'y sont rendus plus d'une fois. Nous communiquons continuellement avec Moncton, pour ce qui est des taux.

M. Nesbitt: Quel genre de réponse obtiendriez-vous des hauts fonctionnaires, soit du président ou du vice-président?

M. Irving: Une excellente réception mais sans suites.

M. Nesbitt: Mais alors, quel genre d'explications?

M. K. C. Irving: Du gel du tarif ferroviaire. Nous espérons qu'il ne disparaisse jamais, parce que, les taux de 9 cents et 11 cents qui sont présentement en vigueur seront peut-être portés à 38 ou 59 cents, c'est exact, de 11 à 17 cents ils seront portés à 38 et 52, si le gel est enlevé. C'est ce qu'on nous a dit.

M. Nesbitt: Est-ce qu'ils ont indiqué qu'ils seraient prêts à changer certains de ces taux

[*Texte*]

these astonishing rates that you have given us this morning, for instance from Saint John to one point in the United States and another point in the United States, and the port the States have cancelled?

Mr. Irving: I beg your pardon?

Mr. Nesbitt: Have they indicated they might be prepared to make some changes in these very unusual charges that you have given us?

Mr. Irving: Not recently.

Mr. Nesbitt: They have not made any changes. Have you or your officials ever made any representations direct to the Minister of Transport?

Mr. Irving: No; perhaps he has heard our complaints but we have not made representations to him direct.

Mr. Nesbitt: In other words, your chief conversations in this matter have been with the President or Vice-President of the CNR.

Mr. Irving: That is correct.

Mr. Nesbitt: Thank you, Mr. Chairman.

Mr. Nowlan: Mr. Chairman, may I ask a supplementary on this particular point? I wonder, Mr. Chairman, if Mr. Irving or his accountants could figure out what extra cost there has been on the examples he cited in his brief this morning because of this differential rate?

Mr. Irving: Mr. Chairman, we would be very glad to have that figured out and let you know. For instance, we discontinued buying in Canada. We bought in the Gulf of Mexico, brought it in by tanker and now we are bringing it from Europe by tanker. We could not get an adjustment in the rates.

Mr. Nowlan: But in the three or four examples you gave us this morning in your brief there is no over-all total cost nor cost by product of what you had to pay out because of the differential.

Mr. Irving: We could work that out for you very well, but does it matter much? It is all water under the bridge. We have showed a loss or a profit in the past. Pulp and paper is very poor earnings as you know right now, and that applies right across the country pretty much, particularly here where the business has never been very profitable. We have always been working on a close margin here in New Brunswick in the production of pulp.

[*Interprétation*]

plutôt étonnants, que vous avez mentionnés ce matin, par exemple, le Saint-Jean et un autre point aux États-Unis au port que les États-Unis ont supprimé?

M. Irving: Pardon?

M. Nesbitt: Ont-ils indiqué qu'ils seraient prêts à modifier ces taux inusités que vous avez mentionnés?

M. Irving: Pas récemment.

M. Nesbitt: Ils n'ont pas apporté de changements. Est-ce que vous ou vos représentants avez présenté des instances directement au ministre des Transports?

M. Irving: Peut-être a-t-il entendu parler de nos griefs, mais on ne lui a pas présenté des instances directement.

M. Nesbitt: En d'autres mots, vos principaux entretiens ont été avec le président et le vice-président du National-Canadien?

M. K. C. Irving: C'est exact.

M. Nesbitt: Merci beaucoup.

M. Nowlan: Une question complémentaire sur ce point, monsieur le président. M. Irving ou ses comptables pourraient-ils nous dire quels coûts additionnels cela présente pour les exemples qu'il nous a donnés dans son mémoire ce matin, vu le taux différentiel?

M. Irving: Oui, nous nous ferons un plaisir de faire faire ce calcul et de vous en faire part. Par exemple, nous avons cessé d'acheter au Canada. Nous achetons plutôt dans le Golfe du Mexique, et nous faisons le transport par pétrolier, de même que de l'Europe. Il est impossible de rectifier les taux.

M. Nowlan: Mais dans les trois ou quatre exemples que vous nous avez donnés dans votre mémoire ce matin, il n'est pas question de coût global ni de coût par produit de ce que vous devez payer à cause du taux différentiel.

M. Irving: Nous pourrions également faire ces calculs pour vous, mais, est-ce que cela importe tellement? C'est du passé. Nous avons exploité à perte ou à profit par le passé. La pâte et le papier représentent des gains appréciables dans l'ensemble du pays, surtout ici où cette industrie n'a jamais été tellement rentable. La marge des bénéfices de la production de la pâte à papier a toujours été très étroite au Nouveau-Brunswick.

[*Text*]

Mr. Trudel: Mr. Chairman, I would like to ask the witness whether the main area of concern seems to be on wood chips and lumber at present.

Mr. Irving: Yes, that is so; I would say, yes.

Mr. Trudel: This leads to my next question. Where you have tankers that you are using oil, and so on, you are not as much concerned as you would be with this other type of service that you are securing.

Throughout your brief you have been using the example of ton per mile—on a ton per mile basis. In setting up rates I would like to suggest to you, Mr. Irving, that this is not the entire story. If you are going to use that we might as well use unit trains, and so on, because you are now using a service where you are paying the maximum rate that can be obtained for that special service you require. If you are talking about unit trains from these various points you would be in the lower rate that you claim to have been deprived of.

Mr. Irving: Mr. Chairman, we made that very suggestion to the CNR—unit trains to move goods. We have covered that ground thoroughly.

Mr. Trudel: On unit trains I am sure you would not use ton per mile with the same emphasis you give it throughout your brief, because then you would be obtaining the lowest possible rate that is being offered possibly to some of your competitors.

Mr. Irving: Would you repeat that again please?

Mr. Trudel: You are claiming that at the present time on this ton per mile basis you are paying a much higher rate than you should be paying. I suggest to you that unless my interpretation is wrong some of the rates you mention in your presentation as being lower rates are possibly the rates that are being given as unit train rates or on a maximum rate.

Mr. Irving: It could be, but take the Pacific Great Eastern; I do not think that is correct. In any case, we could supply many cars at a time. We could even supply ship and train loads.

Mr. Trudel: This is the point that I was trying to make. I have one more question,

[*Interpretation*]

M. Trudel: Monsieur le président, je voudrais demander au témoin si la principale préoccupation en ce moment est les copeaux et les sciages.

M. Irving: Oui, il en est ainsi.

M. Trudel: J'en arrive donc à mon autre question. Il semble que lorsque vous avez des pétroliers que vous utilisés pour le pétrole, vous n'êtes pas tellement intéressés que vous le seriez pour les autres genres de service que vous obtenez.

Tout au long de votre mémoire vous parlez de tonnes au mille. Je crois que lorsqu'il s'agit d'établir les taux, monsieur Irving, ce n'est pas tout ce qui est en cause. Si on utilise la tonne-mille, alors aussi bien parler de trains unitaires parce que vous utilisez un service pour lequel vous payez le taux maximum qu'on peut exiger pour ce service particulier, dont vous avez besoin. Si vous parlez du train unitaire pour ces différents points, vous auriez alors un taux moins élevé que celui dont vous prétendez avoir été privé.

M. Irving: Monsieur le président, nous avons aussi fait cette proposition au Canadien-National, c'est-à-dire de se servir de trains unitaires pour transporter les marchandises. Nous avons étudié cette question avec soin.

M. Trudel: Pour ce qui est de trains unitaires, je suis certain que vous n'insisteriez pas autant sur les tonnes-milles que vous le faites tout au long de votre mémoire parce que vous auriez alors le taux le moins élevé qui est offert à certains de vos concurrents.

M. Irving: Pourriez-vous répéter une fois de plus?

M. Trudel: Vous prétendez qu'en ce moment, en parlant en termes de tonnes-milles, vous payez un taux beaucoup plus élevé que ce que vous devriez payer. Mais, à moins que mon interprétation soit fausse, je crois que certains des taux dont vous avez dit dans votre mémoire qu'ils sont moins élevés, sont peut-être les taux de trains unitaires ou les taux maximums.

M. Irving: Oui, peut-être, mais pour le *Pacific Great Eastern*; je ne crois pas que ce soit exact. De toute façon, nous pourrions fournir un grand nombre de wagons à un moment donné, et même des navires et des chargements.

M. Trudel: C'est ce à quoi je voulais en arriver. Et, une autre question, si vous me le

[*Texte*]

Mr. Chairman, if you will allow me. You have mentioned various rate structures to different points but are not Veneer and some of your other operations off the main rail line and, therefore, having one or two cars to be picked up would cause a different rate.

Mr. Irving: You might say they are off to some extent, out of St. Leonard about 23 miles, but the INR runs across the top of the province right into St. Leonard so they just pick them up on their way by. At Deersdale we are right on the main through line—the best line in New Brunswick. A 2 per cent grade, or something like that, is the maximum grade they have on the line.

Mr. Trudel: Fine, but if they only stopped to pick up one car you would expect to pay a higher rate than if they had to pick up a unit train or form a unit train.

Mr. Irving: Well, wonderful; if they will give it us on two or three or half a train load or whatever it is, why yes. We have discussed all that with the CNR.

Mr. Trudel: Would you agree, then, that the ton per mile would change if you were using the basis that I have been mentioning?

Mr. Irving: It would change if I had the power to change it but the CNR will not change it.

Mr. Trudel: Well, this is something for us to consider after. Thank you.

The Chairman: Mr. Horner?

Mr. Horner: I understand, Mr. Irving, that these rates you are speaking of are now frozen with regard to caustic and pulp.

Mr. Irving: May I just take a minute? I do not think they are but I would like to check. The rates on chlorine and caustic that we are talking about are not frozen?

Mr. Horner: They are not frozen?

Mr. Irving: That is correct. Possibly the wood rates within the province may be but I am not sure.

Mr. Horner: Then you would suggest, particularly with caustic and chlorine, that there is not enough competition really with regard to the CNR in order to hold their rates on an even keel or in a competitive area?

Mr. Irving: Well, you cannot have the whole province on water. No, I do not think

[*Interprétation*]

permettez. Vous avez parlé des divergences dans la structure des taux entre différents points, mais, est-ce que certaines de vos autres opérations, en Veneer en particulier, ne se trouvent pas loin de la ligne ferroviaire principale, de sorte que le taux serait différent s'il n'y a qu'un ou deux wagons à aller chercher.

M. Irving: Oui, dans une certaine mesure, il se trouve à 23 milles de Saint-Léonard, mais le INR passe au nord du Nouveau-Brunswick pour se rendre à Saint-Léonard et les prend donc en passant. A Deersdale nous sommes directement sur la voie principale, la meilleure ligne du Nouveau-Brunswick, dont la pente est de 2 p. 100 au maximum.

M. Trudel: Excellent, mais si on arrête pour un seul wagon, vous devez vous attendre que le taux soit plus élevé que si vous constituez tout un train ou si on s'arrête pour tout un train unitaire.

M. Irving: Oui, si on nous le donne pour deux ou trois trains ou la moitié d'un train, d'accord. Nous avons discuté toute la question avec le National Canadien.

M. Trudel: Alors, est-ce que vous êtes d'accord que la tonne-mille sera différente si on utilise cette autre norme?

M. Irving: Oui, si je pouvais le faire moi-même. Mais, le National Canadien ne veut pas le faire.

M. Trudel: Alors, on pourra voir ce qu'il en est plus tard. Merci.

Le président: Monsieur Horner?

M. Horner: Si je comprends bien, monsieur Irving, les taux dont vous parlez sont gelés, c'est-à-dire ceux de l'acide caustique, et de la pâte.

M. Irving: Un instant, s'il vous plaît. Je ne crois pas qu'ils le soient, mais je voudrais vérifier. Les taux de l'acide caustique et du chlore ne sont pas gelés.

M. Horner: Ils ne se sont pas gelés?

M. Irving: Non, peut-être que le taux sur le transport du bois à l'intérieur de la province l'est, mais je n'en suis pas certain.

M. Horner: Donc, pour ce qui est du chlore et de l'acide caustique, vous diriez qu'il n'y a pas suffisamment de concurrence pour que le National Canadien maintienne ses taux à un niveau donné ou à un niveau concurrentiel.

M. Irving: Vous ne pouvez pas maintenir toute la province comme cela. Non, je ne

[*Text*]

it is enough competition; it is not enough agreement or understanding.

Mr. Horner: Then why do you suggest in your brief that the rate should be cheaper per ton mile from Port Hawkesbury than it is from Saint John?

Mr. Irving: Well, it is cheaper.

Mr. Horner: Why is it cheaper if it is not competition?

Mr. Irving: Well, competition—now, they tell you water transportation, but you know some of these places are frozen up and the answer is that is a grey area because the Gulf of St. Lawrence is pretty hard to navigate in the winter time and the St. Lawrence River is, too, for barges. So it is very questionable whether they could have water transportation the year round.

Mr. Horner: The two rates that you suggested, through, and the differences are both going into Shawinigan which is in the same area.

Mr. Irving: That is right.

Mr. Horner: It is only the difference in the haul between the length of mileage from Port Hawkesbury as yours is to Saint John. Is there not enough competition in order to lower this? The reason I asked this question is that during the transport committee inquiry into the application of Bill C-231 the CNR and CPR both maintained that in no area of Canada that they could think of was there not effective competition. They excluded, perhaps, the grain question of the West but they said in other parts of Canada and in other commodities there is ample competition to keep rates in line.

Mr. Irving: The rates should be reasonable at all times. If you sell somebody down the street something at a 25 or 30 per cent discount you should be able to sell to his neighbour, who is a little closer to you, for the same price, not charge him more.

Mr. Horner: Or less.

Mr. Irving: Well, you should charge him less.

Mr. Horner: If competition is ample, why is it—and I may be wrong—that you can get

[*Interpretation*]

crois pas qu'il y ait suffisamment de concurrence, ni suffisamment d'entente et de compréhension.

M. Horner: Alors pourquoi dites-vous que le taux par tonne-mille serait moins élevé à partir de Port Hawkesbury qu'à partir de Saint-Jean?

M. Irving: Mais il est moins élevé.

M. Horner: Pourquoi si ce n'est pas à cause de la concurrence?

M. K. C. Irving: La concurrence! On nous parle de transport maritime mais certains de ces endroits sont couverts de glace et de fait c'est une zone grise. La navigation est assez difficile dans le Golfe et le Fleuve Saint-Laurent pour les chalands en hiver. Il est donc douteux qu'on puisse recourir au transport maritime à l'année longue.

M. Horner: Pour les deux taux dont vous parlez et les écarts, il s'agit de transport vers Shawinigan, qui se trouve dans la même région.

M. Irving: Oui, c'est exact.

M. Horner: Ce n'est qu'un écart entre le nombre de milles de Port Hawkesbury, comparativement à la distance entre votre entreprise et Saint-Jean. Est-ce qu'il n'y a pas suffisamment de concurrence pour faire baisser ce taux? La raison pour laquelle je vous pose cette question c'est qu'au cours de l'enquête du Comité des transports sur l'application du Bill C-231 le National Canadien et le Pacifique Canadien prétendaient l'un et l'autre qu'il n'y avait pas, selon eux, de région du Canada où il n'y avait pas de concurrence vraiment efficace. Ils n'incluaient peut-être pas la question des céréales de l'Ouest, mais ils disaient que dans les autres régions du Canada et pour les autres marchandises il y avait suffisamment de concurrence pour maintenir les taux à un niveau normal.

M. Irving: Il faut que les taux soient raisonnables en tout temps. Si vous vendez quelque chose à quelqu'un avec un escompte de 25 ou 30 p. 100, vous devriez être en mesure de vendre à son voisin, qui est plus rapproché de nous, au même prix, et non pas lui réclamer davantage.

M. Horner: Ou à un prix inférieur.

M. Irving: Oui, lui réclamer moins en fait.

M. Horner: S'il y a suffisamment de concurrence, comment se fait-il, et je puis me

[*Texte*]

caustic from Europe cheaper than you can from Quebec? Is this what I understood you to say a little while ago?

Mr. Irving: Yes, we are; 12,000 tons per year—maybe 15,000 tons per year—from Europe.

Mr. Horner: Basically is it the transportation part of it that is cheaper or is it the cost of the caustic at the point of origin?

Mr. Irving: Well, when we were faced with a disadvantage in respect of a competitor who has pulp the same as we to sell, we have to look for some source of supply where we could at least get the same price. By investigating and building tanks and spending money and buying it in large lots of 5,000 tons at a time—which is 10,000 tons of 50 per cent caustic—we are able to get a better price. The freight cost, I suppose is greater, but the basic cost of the caustic is less.

Mr. Horner: The total cost is greater.

Mr. Irving: No; the total cost is less. Transportation might be more but the basic cost of the caustic is less, so it gives us a less finished cost.

Mr. Horner: I meant the cost is greater in Quebec—the total cost. But if you took that same quantity and moved it by boat via the St. Lawrence Seaway, could you then not get it as cheap?

Mr. Irving: Via the Chignecto Canal we might.

Mr. Horner: Without the Chignecto Canal you could not? You are then suggesting that in order for there to be competitive rates into this part of New Brunswick the Chignecto Canal is necessary.

Mr. Irving: I beg your pardon?

Mr. Horner: You are then suggesting that in order for competition to be the full rate-setting force the Chignecto Canal into this part of New Brunswick is necessary.

Mr. Irving: Oh, most essential. It has been for 100 years.

Mr. Horner: If I may ask one or two more questions, Mr. Chairman, I think it is impor-

[*Interprétation*]

tromper, que vous puissiez obtenir de l'acide caustique à un prix moins élevé en Europe qu'au Québec? Est-ce bien ce que vous avez dit il y a un instant?

M. Irving: Oui, nous importons peut-être 12 ou 15 mille tonnes par année de l'Europe.

M. Horner: Mais, au fond est-ce que c'est le coût du transport ou le prix d'achat de l'acide caustique qui est moins élevé?

M. Irving: Lorsque nous nous trouvions en face d'un désavantage vis-à-vis d'un concurrent qui vend du bois de pâte, tout comme nous, nous avons dû chercher une source d'approvisionnement qui nous permettrait de vendre au moins au même prix. Grâce à des études et la construction de réservoirs, en dépensant de l'argent et en achetant par lots de 5,000 tonnes à la fois, soit 10,000 tonnes de bois d'une teneur de 50 p. 100 de caustique, nous avons pu obtenir un meilleur prix. Le coût de transport est plus élevé j'imagine, mais le coût de base de l'acide caustique est moins élevé.

M. Horner: Le coût total est plus élevé.

M. Irving: Non, le coût total est moindre. Les frais de transport sont peut-être plus élevés, mais le coût de base est moins élevé, de sorte que le coût du produit fini est moins élevé.

M. Horner: Je voulais dire que le coût est plus élevé au Québec, le coût total est plus élevé. Mais, si vous preniez la même quantité et que vous la transportiez par navire en empruntant la voie maritime, du Saint-Laurent, est-ce que vous ne pourriez pas l'obtenir à un prix aussi avantageux?

M. K. C. Irving: En empruntant le canal de Chignecto, peut-être.

M. Horner: Mais, sans ce canal vous ne pourriez pas le faire? Alors, vous laissez entendre que pour qu'il y ait des taux concurrentiels dans cette région du Nouveau-Brunswick, le canal de Chignecto est essentiel?

M. Irving: Pardon?

M. Horner: Est-ce que vous dites que pour que la concurrence soit la force qui régisse les taux, le canal de Chignecto est essentiel?

M. Irving: Oui, tout à fait, et depuis 100 ans déjà.

M. Horner: Je voudrais poser une ou deux autres questions de plus que je pense impor-

[*Text*]

tant under this study, because under the new application of Bill C-231 competition alone is the basic rate setter. This is the principle of the Bill. If the Chignecto Canal was necessary 100 years ago it would be more than necessary today under this new rate setting business. Would you agree with that?

Mr. Irving: It is wonderful to hear.

M. Horner: I just wanted to find out your opinion of that. I have one other question. Under the application of the new Bill you suggested in your brief, particularly in the latter part of it, that you believed many of the rates set by the CNR are not compensatory.

In other words, they are not covering the basic cost of moving of the goods; they are doing it at a loss, really, in order to maintain the business they carry on.

Mr. Irving: Well, I would not say that. The lower we sink as far as industrial activity goes here, the less traffic we are going to have. They have the road beds, they have the rights-of-way, and they have all these facilities. If they can increase, then down goes their cost of operation.

Mr. Horner: In the last part of your brief, you said:

> While railroads may operate at a loss in order to serve isolated areas, the CNR should not use taxpayers money to cut rates at the expense of forcing railway competition out of business.

This is what you say and this is what I meant. Do you believe the railroads are, in effect, still doing that?

Mr. Irving: They are on the edge, in certain places.

Mr. Horner: Are you or your company knowledgeable as to the application of a captive shipper clause into the new bill, and your ability to apply for captive shipper's rate?

Mr. Irving: No, I am not sir.

Mr. Horner: Your lawyers are not. I would suggest, as I suggested during the Committee, it would not be of much help. But I was told that it would, and I wondered whether you had actually tried to apply for that clause.

[*Interpretation*]

tantes dans le cadre de cette étude, car en vertu de la nouvelle application du Bill C-231, seule la concurrence régit les taux. C'est le principe du projet de loi. Si le canal de Chignecto était essentiel il y a 100 ans, il est d'autant plus essentiel aujourd'hui dans le cadre du nouveau processus pour établir le tarif. N'est-ce pas?

M. Irving: C'est merveilleux de vous entendre.

M. Horner: Je voulais simplement savoir ce que vous en pensiez. J'ai une autre question à poser. En vertu de l'application de ce nouveau projet de loi, vous laissez entendre dans votre mémoire, et surtout dans la dernière partie que, selon vous, bon nombre des taux établis par le National-Canadien ne sont pas compensatoires.

En d'autres mots, qu'ils ne couvrent pas le coût de base du transport des marchandises. On travaille vraiment à perte de façon à poursuivre leur entreprise.

M. Irving: Je n'irais pas jusque-là. Plus l'activité industrielle sera faible moins il y aura de circulation. Ils ont les structures, ils ont les droits et ils ont les moyens. S'ils peuvent augmenter ils diminuent le coût de fonctionnement.

M. Horner: Dans la dernière partie de votre mémoire, vous dites:

> Bien que les chemins de fer puissent être exploités à perte pour desservir les régions isolées, le National-Canadien ne devrait pas utiliser l'argent des contribuables pour baisser les taux afin de faire disparaître toute concurrence ferroviaire.

Voilà ce que vous dites et c'est ce que je voulais dire. Croyez-vous que les chemins de fer le font toujours?

M. Irving: Ils sont sur le point, pratiquement.

M. Horner: Est-ce que vous ou votre compagnie savez ce qu'il en est de la clause du nouveau bill concernant l'expéditeur captif et votre possibilité de demander le tarif de l'expéditeur captif?

M. Irving: Non, je ne sais pas.

M. Horner: Vos avocats ne sont pas au courant. Je suggérerais, comme je l'ai déjà fait au comité, que cela n'aiderait pas beaucoup. Mais on m'a dit que ça aiderait, et je me demande si vous aviez demandé l'application d'une telle clause.

[*Texte*]

Mr. Irving: Well, we will look into it.

M. Thomas (Moncton): Mr. Chairman, in reading Mr. Irving's letter of February 12th, I was interested in these comments on page 2:

> We should familiarize ourselves with the circumstances surrounding the removal of the Moncton-Buctouche railway.

For the benefit of the members of the Committee who may not know where Buctouche is, I wonder if he could tell us just what assurances were given, and by what levels of government, that an adequate service would be provided as replacement for the rail line which was abandoned. And he also goes on to say that these commitments have not been honoured. Could you enlarge upon that, Mr. Irving?

Mr. Irving: Mr. Chairman, if I may, I would like to just read something on this.

> We were persuaded not to oppose the discontinuance of the operation of the Moncton-Buctouche railway. This was against our better judgment. E. V. Shore, who represented a group of local business people in opposing abandonment of the line, was the area's only spokesman at the second hearing, and the only person who made a determined effort to retain the line. He could not understand why we did not appear at the hearing to voice our opposition to loss of the service.
>
> It was because we had been assured that the area would be placed at no disadvantage and that the CNR would deliver freight at no added cost if the line was discontinued. A commitment was made with full authority, on behalf of the Provincial Government, the parties claiming he was also speaking for the Hon. J. W. Pickersgill, then Minister of Transport.
>
> No sooner was the hearing over, than we were told we would have to pick up our carload shipments at Shediac, Harcourt, or Rexton, which we have been forced to do ever since. This has been a tremendous blow to the community of Buctouche as they now have an added transportation cross barrier which discourages the establishment of a new industry.

This will be corrected only when the CNR provides service equivalent to that which

[*Interprétation*]

M. Irving: Nous verrons ce qu'il en est.

M. Thomas (Moncton): Monsieur le président, à la lecture de la lettre de M. Irving en date du 12 février, je me suis intéressé aux commentaires qu'il a faits, en page 2:

> On devrait se familiariser avec les circonstances qui ont entraîné la disparition du chemin de fer de Moncton-Buctouche.

Pour la gouverne des honorables députés qui ne savent peut-être pas où se trouve Buctouche, pourriez-vous nous dire au juste quelles assurances furent données, et par quel niveau de gouvernement, qu'un service adéquat serait assuré pour remplacer cette ligne qui était abandonnée? Vous poursuivez en disant que ces engagements n'ont pas été honorés. Est-ce que vous pourriez élaborer un peu plus là-dessus, M. Irving?

M. Irving: Monsieur le président, si on veut bien me le permettre, je vais seulement lire quelque chose à ce sujet:

> On nous a persuadé de ne pas nous opposer à l'abandon de la ligne ferroviaire Moncton-Buctouche. C'était contre notre meilleur jugement. E. V. Shore qui représentait un groupe d'hommes d'affaires locaux s'opposant à l'abandon de cette ligne ferroviaire, était le seul porte-parole de la région à la deuxième audience, et le seul qui ait déployé des efforts pour maintenir cette ligne. Il ne pouvait pas comprendre pourquoi nous n'avions pas comparu à cette audience pour faire part de notre position à cette cessation de service.
>
> C'était simplement parce que nous avions reçu l'assurance que cette région ne se trouverait pas désavantagée et que le National-Canadien assurerait la livraison des marchandises au même tarif si la ligne était fermée. Cet engagement avait été fait avec l'autorisation de l'autorité, au nom du gouvernement provincial et on prétendait parler au nom de l'honorable J. W. Pickersgill qui était alors ministre des Transports.
>
> A peine les audiences terminées, on nous a dit que nous devrions aller chercher nos expéditions à Shédiac, Harcourt ou Rexton, ce que nous avons dû faire depuis lors. Ce fut un coup terrible pour la collectivité de Buctouche parce que maintenant il y a cette barrière de l'augmentation du coût de transport qui empêche l'établissement de toute nouvelle industrie.

Ce sera réglé simplement lorsque le National-Canadien fournira un service équivalent

[*Text*]

existed before the line was abandoned, and at no extra cost.

Mr. Thomas (Moncton): Has your company made further representations to the CNR or the Canadian Transport Commission to ask them to honour their commitments to provide this service?

Mr. Irving: Yes, we do have an industry in Buctouche and we do bring many carloads of freight into Buctouche. We have been told by the CNR that if we want our freight, we must pick it up at Rexton, Shediac or Moncton.

Mr. Thomas (Moncton): In other words, they still have not provided the service that you were promised.

Mr. Irving: They have not provided us with the service we were promised.

The Chairman: Mr. Corbin.

Mr. Corbin: I have no question, Mr. Chairman, but this is a point of order of sorts. Just to set the records straight, Mr. Irving in the summary of his brief, in paragraph 5, says:

> Saint John and Fredericton are not included in the federal government designated areas.

But I think they are now, since last fall. I think we should set the records straight on that.

Mr. Irving: Mr. Chairman, may I answer that this way. We were greatly encouraged by what Prime Minister Trudeau told us when he was down here last year. We expected that Saint John would be included.

However, to date, Saint John is not included, as I understand. Our Atlantic Development Board has been cut down. But, Mr. Jean Marchand, the Minister, in his statement last Friday, I think it was, mentioned and referred to this area. That encouraged us greatly. It has been our opinion for four or five years that Saint John should be included in these centres.

The situation is going to change, but it actually has not changed to this moment, as far as I know.

Mr. McGrath: I have one or two questions that have already been answered by Mr. Irving. Perhaps he could answer this one.

[*Interpretation*]

à celui qui existait avant qu'on abandonne cette ligne ferroviaire et sans coût additionnel.

M. Thomas (Moncton): Est-ce que votre Société a présenté d'autres instances au National-Canadien ou à la Commission canadienne des transports pour leur demander d'honorer leurs engagements de fournir ce service?

M. Irving: Oui, nous avons une industrie à Buctouche et nous avons pas mal de transports à assurer. Le National-Canadien nous a dit que si nous voulions avoir nos expéditions, nous devions les prendre à Rexton, Shédiac et Moncton.

M. Thomas (Moncton): En d'autres termes, ils n'ont toujours pas assuré le service qu'on vous avait promis.

M. Irving: Non.

Le président: M. Corbin.

M. Corbin: Je n'ai pas de questions à poser, monsieur le président, mais j'en appelle au règlement, plus ou moins. Simplement pour la clarté du compte rendu, M. Irving, dans le résumé de son mémoire, à l'alinéa 5 dit que:

> Saint-Jean et Fredericton ne sont pas incluses dans les régions désignées du gouvernement fédéral.

Mais je pense qu'elles le sont maintenant depuis l'automne dernier. Je pense que nous devrions rétablir le compte rendu sur ce point.

M. Irving: Monsieur le président, si on veut bien me permettre de répondre à cette observation de la façon suivante. Nous avons été vraiment encouragés par ce que M. Trudeau nous a dit lorsqu'il est venu nous rendre visite l'année dernière. Nous nous attendions à ce que Saint-Jean soit inclus.

Cependant, jusqu'ici Saint-Jean n'est pas inclus dans une telle région désignée. De plus le plan développement de l'Atlantique a été ralenti. M. Jean Marchand, le ministre, dans sa déclaration de vendredi dernier, je pense, en a parlé. Cela nous a vraiment encouragés. Notre point de vue depuis déjà 4 ou 5 ans, était que Saint-Jean soit inclus dans ces centres de régions désignées. La situation va changer, mais elle ne l'a pas été encore jusqu'ici. Du moins, pour autant que je sache.

M. McGrath: Monsieur Irving a déjà répondu à une ou deux questions que je voulais poser. Peut-être pourrait-il répondre

[*Texte*]

What would be the consequences to his organization if the freeze is lifted and the anticipated escalation of rates to which he has already referred takes place?

Mr. Irving: There have been changes in New Brunswick. Mactaquac Dam has been built. We have timber holdings in the State of Maine. That lumber was always processed in Saint John. The Mactaquac Dam has created a 65-mile stretch of dead water. It has affected the flow below the dam to Fredericton. That dam, by the way, is about 12 miles from here up the river. So we have been affected greatly. Would you mind repeating your question?

Mr. McGrath: What consequences to your organization would follow the anticipated escalation of the rates to which you referred, if and when the freeze is lifted?

Mr. Irving: We are being forced now to relocate plants to handle this lumber from the State of Maine. It can no longer come down to Saint John. We have rates now in existence that run from 11 to 17 cents. We understand that if the freeze is lifted—and we have been told this, I believe, or there is good indication—those rates will go from 38 to 52 cents, instead of 11 to 17 cents which now exist. That is very important to us.

Mr. McGrath: My question, sir, is what immediate effect would this have on your operation?

Mr. Irving: It would wreck what we are planning on doing.

The Chairman: Mr. Breau.

Mr. Breau: Mr. Irving, you mentioned in your brief quite a disparity between the rates for pulp and paper from Nova Scotia to a point in Pennsylvania and Saint John to a point in Connecticut. You recall what I mean? Is there a danger that the difference you have to pay in the freight—or maybe you are hauling it some other way—but is danger that the difference in price that you will have to pay would result in a reduction in price paid to the lumbermen?

Mr. Irving: Oh yes, that works right back. Any pulp mill in New Brunswick today, any straight pulp mill, is having great difficulty to operate. We have a mill in Saint John. We have increased its capacity by 700 or 800 per cent since we took it over in 1946. We have not closed a day. And we have operated continuously with the exception of three or four days last week when we had a short-lived strike. But barring that, we have run

[*Interprétation*]

à celle là. Quelles seraient les conséquences pour sa compagnie si le gel était levé et si l'escalade des taux qu'il a mentionné avait lieu?

M. Irving: Il y a eu des modifications au Nouveau-Brunswick. Le barrage Mactaquac a été construit. Nous avons des concessions forestières dans l'état du Maine, du bois qui a toujours été transformé à Saint-Jean. Le barrage Mactaquac a créé un plan d'eau de 65 milles et il a affecté le débit vers Fredericton. Ce barrage se trouve à 12 milles en amont sur la rivière. Nous avons donc été affecté. Pourriez-vous répéter votre question?

M. McGrath: Quelles seraient les conséquences pour votre organisation de l'escalade prévue des taux dont vous avez parlé, lorsque le gel sera levé?

M. Irving: Nous devons maintenant réinstaller nos usines pour s'occuper de ce bois de l'état du Maine. Il ne peut plus venir jusqu'à Saint-Jean. Nous avons maintenant des taux qui vont de onze à dix-sept cents. Si ce gel était levé, c'est ce qu'on nous a dit et je pense, que tout nous indique que ce taux irait de trente-huit à cinquante-deux cents plutôt que de onze à dix-sept cents tel qu'il en est maintenant. C'est très important pour nous.

M. McGrath: Ma question, monsieur, est quel serait les résultats immédiats sur votre exploitation?

M. Irving: Cela ruinerait ce que nous avons l'intention de faire.

Le président: Monsieur Breau.

M. Breau: Monsieur Irving, vous avez mentionné dans votre mémoire, la disparité qui existe dans les taux de la pâte et du papier, entre la Nouvelle-Écosse et un point en Pennsylvanie et Saint-Jean et un point du Connecticut. Vous vous en souvenez, n'est-ce-pas? Y a-t-il un danger que la différence que vous devez payer dans le tarif marchandises, que cette différence dans les prix entraîne une réduction des prix payés aux bûcherons?

M. Irving: Oh oui. Tout cela a des répercussions tout le long de la ligne. N'importe quelle usine de pâte à papier du Nouveau-Brunswick aujourd'hui, n'importe laquelle, a beaucoup de difficultés à fonctionner. Nous avons une usine à Saint-Jean. Nous avons augmenté la capacité de 700 ou 800 pour cent depuis que nous l'avons prise en main en 1946. Nous n'avons pas fermé une seule journée. Notre exploitation a été constante sauf 3

[*Text*]

continuously since 1946 at capacity. We rebuilt the mill and we increased capacity 700 or 800 per cent and never lost a day.

Of course it could have a great effect. The question now is, can we now absorb these freight charges. It is just on the edge, as I said some place here. We work on 1% here, in B.C. on equity. B.C. works on 25 per cent profit.

Mr. Breau: Concerning your retail organization, or the sector retailing your oil business, from many of the briefs we have received this morning, I take it you deliver most of your oil by truck, even outside Quebec? What I am getting at is, supposing that the Maritime Freight Rates Act would apply to other modes of transportation, other than rail, would it help your retail organization to penetrate better in Quebec and Ontario?

Mr. Irving: No, I do not think we could say that that would have any effect as far as oil is concerned, because you either have a change agreement or you transport your oil there by large tankers, and your railway or truck transport would be done from local distributing points in the Province of Quebec.

Mr. Breau: So it would not necessarily result in a better price delivered in Quebec for you.

Mr. Irving: No.

Mr. Breau: Now concerning the Chignecto Canal, I think that about maybe 10 years ago, if I recall, you made some kind of commitment or you said that you would make a commitment if the various governments would make a definite commitment. Would you be ready to tell this Committee, or make public, what your intentions would be, supposing the government would go ahead now? What would you propose?

Mr. Irving: Well, at that time, we said we would spend 100 million on industry. It depends when you draw the line, but that would be so still. Time is running out as far as I am concerned, but that is quite possible, yes.

[*Interpretation*]

ou 4 jours la semaine dernière, où nous avons eu une grève de courte durée. Mais, à cette exception près, nous avons exploité l'usine continuellement depuis 1946 à pleine capacité. Nous avons reconstruit l'usine et nous avons augmenté sa capacité de 700 ou 800 pour cent sans perdre une seule journée.

Évidemment, cela pourrait avoir de grands résultats. La question est de savoir si nous pouvons vraiment absorber ces frais de transport. C'est juste à la limite, comme je l'ai déjà dit. Nous avons une marge d'un pour cent ici tandis que la Colombie-Britannique a une marge de vingt-cinq pour cent de profit.

M. Breau: En ce qui concerne votre organisation de vente au détail ou le secteur qui s'occupe de la vente au détail des produits pétroliers, je crois comprendre, d'après de nombreux mémoires que nous avons reçus ce matin, que la plus grande partie de votre pétrole est livré par camion, même à l'extérieur du Québec. Je veux en venir au point suivant: supposons que la Loi sur les taux de transport des marchandises dans les provinces Maritimes soit modifiée pour inclure les autres modes de transport, en plus du rail, est-ce que cela aiderait votre organisation de vente au détail à mieux pénétrer les marchés du Québec et de l'Ontario?

M. Irving: Je ne crois pas que l'on puisse dire que cela aurait une influence en ce qui concerne le pétrole. Ou bien vous avez un changement dans l'entente, ou bien vous transportez votre pétrole par navires citernes et vous le distribuez ensuite sur le marché de la province de Québec par rail aux camions à partir de centres locaux de distribution.

M. Breau: Alors, cela ne donnerait pas nécessairement un meilleur prix pour le pétrole que vous livrez au Québec?

M. Irving: Non.

M. Breau: Au sujet du canal de Chignecto, il y a environ 10 ans je crois, vous vous étiez engagé ou vous aviez dit que vous vous engageriez, si les divers gouvernements voulaient aussi s'engager. Pourriez-vous révéler à notre Comité ou au public ce que vous entendez faire si le gouvernement se décide à aller de l'avant?

M. Irving: A ce moment-là, nous avions dit que nous dépenserions 100 millions de dollars pour l'industrie. Cela dépend des projets du gouvernement, mais notre proposition tient toujours. Évidemment le temps passe, en ce qui me concerne, mais c'est toujours possible, je crois.

[*Texte*]

Mr. Breau: But you would still invest 100 million dollars?

Mr. Irving: You would have to give me a minute to think that over, how I was going to raise it. But basically that is right. I can almost give you an off-the-cuff answer on that, and the answer would be yes.

Mr. Breau: I saw by some press reports last summer, I think, that you were interested in setting up a super-port in and around Saint John, was it?

Mr. Irving: Correct. It is right in Saint John city now, on the East Side.

Mr. Breau: Hou would this help your transportation by super-tankers from New Brunswick? As far as you are concerned, would it help to alleviate the problems you have had, in maybe importing some raw materials or getting something from Quebec, even if you do not get the Chignecto Canal?

Mr. Irving: Oh yes. It would be a wonderful thing. It would augment the benefit greatly. You see, the reasons for these super-tankers are two. The Suez Canal was closed in 1967, was it not? The first time was in the fall of 1956. But this last time was 1967, right? So, from that time on we have had to come around by the Cape, all around Africa. It has increased the distance from about 8 thousand miles to we will say 12 thousand miles for the haul. So that just rushed the matter of building these super-tankers, because the cost was so great.

I am trying to rush through this; I could tell a whole story. But anyway, you have got to have these larger tankers in order to transport oil from the Persian Gulf to Saint John. In order to bring it to Saint John, you have to have deep water, and we are putting this terminal outside of Saint John, or I guess it is in the city, in a way. We have 130 feet of water, so we have no trouble. That is why we are building.

Mr. Chairman: Mr. Nowlan.

Mr. Nowlan: My questions have been answered, other than the one I am going to ask. May I ask seriously, sir, a supplemental on the Chignecto Canal. Looking at the Atlantic area, is it more economic to join P.E.I. to the mainland, compared to separating Nova Scotia from the mainland?

Mr. Irving: Well, I have many friends in Prince Edward Island, and I will say this. It is most important to the Bay of Fundy and the Gulf of St. Lawrence to have the Chignecto Canal.

[*Interprétation*]

M. Breau: Mais, vous seriez toujours prêt à investir 100 millions?

M. Irving: Il faudrait me donner une minute pour que je sache où je vais les trouver. Mais en principe, oui. Je peux pratiquement vous donner une réponse immédiate et c'est «oui».

M. Breau: J'ai vu dans les journaux, l'été dernier je crois, que vous étiez intéressé à établir un super-port, dans les environs de Saint-Jean, n'est-ce pas?

M. Irving: Oui, à saint-Jean, dans la ville même de Saint-Jean, du côté est.

M. Breau: Comment cela aiderait-il par exemple votre transport par pétroliers géants jusqu'au Nouveau-Brunswick. En ce qui vous concerne, est-ce que cela allégerait le problème que vous avez eu pour l'importation des matières premières du Québec, même si vous n'obtenez pas le canal de Chignecto?

M. Irving: Ah oui, il nous faut l'obtenir. Cela augmenterait beaucoup les avantages. La raison de ces pétroliers géants est double. Le canal de Suez a été fermé en 1967, n'est-ce pas? Une première fois l'automne 1956, mais la dernière fois c'était en 1967, exact? Et alors, à partir de ce moment, nous avons dû faire tout le tour de l'Afrique par le Cap. Ce qui a augmenté la distance de 8,000 milles à 12,000 milles pour un seul parcours. Ce qui a tout simplement fait accélérer cette question des pétroliers géants car le coût était tellement considérable.

Je pourrais vous conter toute une histoire, mais j'essaie de raccourcir un peu. Il faut absolument avoir ces pétroliers géants pour transporter le pétrole du golf Persique jusqu'à Saint-Jean. A Saint-Jean il faut évidemment un port en eau profonde et c'est pourquoi nous construisons ce port. Nous avons maintenant 130 pieds d'eau, il n'y a donc aucune difficulté. C'est la raison pour laquelle nous construisons.

Le président: M. Nowlan.

M. Nowlan: Mes questions ont trouvé réponse, sauf celle que je vais poser. Puis-je poser sérieusement une question à propos du canal de Chignecto. En examinant la région de l'Atlantique, est-ce qu'il est plus économique de relier l'Île du Prince-Édouard à la terre ferme, plutôt que de séparer la Nouvelle-Écosse de la terre ferme?

M. Irving: J'ai beaucoup d'amis à l'Île du Prince-Édouard et je puis dire qu'il est très important pour la baie de Fundy et le golfe du Saint-Laurent d'avoir le canal de Chignecto.

[*Text*]

Mr. Nowlan: But if the Northumberland Strait went ahead, which is a big if, is that going to affect negatively any inland sea routes?

Mr. Irving: Well, it would have to be a tunnel or a bridge, because I think more people than in shipping would be affected. The fisheries, ice, and everything else have to be taken into account. I presume that is all figured out. But I would not want to deprive Prince Edward Island of anything that they want.

Mr. Nowlan: You have a Canso causeway now, linking Cape Breton and Nova Scotia. You have a Northumberland Strait linking P.E.I. and the mainland. This makes a Chignecto canal—each time you have another appendage to the mainland you are going to have more difficulty getting the canal through, are you not?

Mr. Irving: Well, I think we were the only people who opposed the causeway being built as it is. We claimed that it could be left opened, that it should be bridged rather than having a causeway. That has increased our distance getting into the Gulf of St. Lawrence by 160 miles with large ships. You can take up to 10,000 tonners through the canal at Canso. But you cannot take a larger boat. There is also Georges Bay in the north end of the Strait. It freezes up early in the fall generally speaking, although this year has been a good year. And I claimed that the time was going to cut navigation by at least three weeks in the Northumberland Strait in that area. And it has. Some years it has cut it down as much as five weeks.

Mr. Chairman: Mr. Perrault.

Mr. Perrault: Mr. Chairman, this brief suggested that the kind of action required here is the kind that has been taken on the West Coast. Is there any reason why that same type of co-operation with the same degree of incentive for industry cannot be effected on the East Coast of Canada?

Reference is made to the shipment of chips from Northern British Columbia via P.G.E., which is a good railway, and there is reference to the Japanese coal-steel agreement. I would just respectfully point out, Mr. Chairman, that one of the reasons why the Japanese coal-steel agreement is in effect, is not to reap a great profit for the people of Canada—I think it is a very marginal proposition from that standpoint—but precisely because this is one way that we can remove the need for subsidies and all designated area incentives.

[*Interpretation*]

M. Nowlan: Oui, mais si on procédait à la construction du projet du détroit de Northumberland, est-ce que cela affecterait cette route intérieure par mer?

M. Irving: Il faudrait un tunnel ou un pont, car je crois qu'il y aurait beaucoup plus de gens en cause que ceux des transports. Il faudrait tenir compte des pêches, de la glace, et tout le restant. J'imagine qu'on a tenu compte de tout cela. Mais je ne voudrais pas priver l'Île du Prince-Édouard de quoi que ce soit qu'ils veuillent.

M. Nowlan: Vous avez la chaussée Canso à l'heure actuelle visant à relier Cap-Breton à la Nouvelle-Écosse. Vous avez aussi le projet du détroit de Northumberland visant à relier l'Île du Prince-Édouard à la terre ferme. Chaque projet que vous ajoutez diminue les chances d'obtenir le canal, n'est-ce pas?

M. Irving: Je crois que nous sommes les seuls à nous opposer à la construction de la chaussée telle que prévue. Nous avons dit qu'on devrait construire un pont plutôt qu'une chaussée. Cela augmente de 160 milles la distance que les gros bateaux devront parcourir pour se rendre dans le golfe du Saint-Laurent. Par le canal de Canso on peut faire passer des navires de 10,000 tonnes, mais pas plus. Vous avez aussi la baie Georges qui se trouve juste au nord du détroit, la glaciation s'y produit tôt à l'automne généralement. J'avais prétendu, à ce moment-là, que cela réduirait la saison de navigation de trois semaines au moins dans le détroit de Northumberland. Et c'est ce qui est arrivé même jusqu'à cinq semaines.

Le président: M. Perrault.

M. Perrault: Monsieur le président, dans le mémoire on suggère que les mesures nécessaires ici sont du même genre que celles qui ont été prises sur la côte de l'Ouest. Y a-t-il une raison pour laquelle le même genre de collaboration ne pourrait pas avoir lieu sur la côte Est du Canada?

On mentionne les copeaux du nord de la Colombie-Britannique qui sont expédiés par le PGE qui est une excellente compagnie ferroviaire et on parle aussi de l'accord charbon-acier avec le Japon. J'aimerais faire remarquer, monsieur le président, qu'une des raisons pour lesquelles l'accord charbon-acier avec le Japon est en vigueur, n'est pas que cela rapporte beaucoup au peuple canadien, je pense que c'est très marginal, mais précisément parce que c'est un moyen de pouvoir éliminer le besoin de subventions et d'assistance.

[*Texte*]

The coal is coming from British Columbia, not Alberta. Fernie has been a very depressed area in our province. It has now been re-designated and is no longer regarded as a slow-growth area. The facts quoted are not strictly speaking correct. When the steel is put together there will not be any government subsidy paid. The Robert's Bank facility is being built as a result of federal-provincial co-operation, but Vancouver harbour is one of the few facilities in all of Canada which has consistently been showing a profit.

I think it is a good example of how, if we get co-operation on the part of business, government and labour, we can remove the need for subsidies in certain areas. So I would not quote the West Coast as the kind of pattern that the Maritimes should follow, at least in the immediate future.

Mr. Irving: Mr. Chairman, I do not agree with that thinking. Perhaps not subsidy, but get the cost down. Provide us with comparative rates. I think that rate worked out to 66 cents, 67 cents, on the West Coast, per ton mile?

Mr. Perrault: What document are you quoting from? You are talking about the shipment of pulp chips.

Mr. Irving: Yes. $2.31.

Mr. Perrault: That is on the Pacific Great Eastern.

Mr. Irving: Yes, that is correct. That rate runs from .56 to .64 per ton mile. Now, compare that with the rates that we are paying. There is just no comparison at all.

Mr. Perrault: I do not think they are directly comparable though.

Mr. Irving: Oh yes.

Mr. Perrault: There is different typography. All sorts of factors enter into it. The P.G.E. has been extended into Norther British Columbia as a result of the railway's plan to expand. Pulp mills have been established along the right-of-way. It is far easier to load.

Mr. Irving: But...

Mr. Perrault: Mr. Chairman, the second point I was making about this Japanese coal contract is that there is no give-away of the peoples' resources involved in this deal, and I know that my friends from B. C. admit

[*Interprétation*]

Le charbon vient de Colombie-Britannique, pas d'Alberta. Fernie est une région très déshéritée de notre province. Elle n'est plus maintenant considérée comme une région de sous-développement. En fait, ce n'est pas vraiment exact. Lorsque l'accord entrera en vigueur, il n'y aura plus de subventions payées. La coopération fédérale-provinciale a permis la construction de Robert's Bank mais le port de Vancouver est une des rares installations au Canada qui ait toujours été rentable.

Je crois que c'est un excellent exemple de collaboration entre l'industrie, le gouvernement et la main-d'œuvre et grâce à cette collaboration nous supprimons le besoin de subventions dans certaines régions. Par conséquent, je ne donnerais pas la côte ouest comme modèle pour les Maritimes, du moins dans un avenir rapproché.

M. Irving: Monsieur le président, je ne suis pas d'accord avec cette façon de penser. Peut-être non pas des subventions, mais une réduction des coûts tout de même. Nous assurer des taux comparables. Je crois que le taux était de 66 ou 67 cents, par tonne-mille, pour la côte ouest.

M. Perrault: De quel document sortez-vous ces chiffres? Vous parlez des expéditions de copeaux?

M. Irving: Oui, à $2.31.

M. Perrault: Par le *Pacific Great Eastern.*

M. Irving: Oui c'est exact. Le taux par tonne-mille va de $.56 à $.64. Comparez cela aux taux que nous payons. Il n'y a pas de comparaison valable.

M. Perrault: Je ne crois pas que l'on puisse les comparer vraiment.

M. Irving: Oh, si!

M. Perrault: Il y a toutes sortes d'éléments qui entrent en ligne de compte. Les chemins de fer PGE a été étendu vers le nord de la Colombie-Britannique en raison des projets d'expansion des chemins de fer. Les usines de pâte à papier se sont installées le long de la voie et c'est beaucoup plus facile de faire l'expédition.

M. Irving: Mais...

M. Perrault: Mais le deuxième point, monsieur le président, que je voulais soulever au sujet du contrat de charbon-acier avec le Japon, c'est qu'il n'y a pas de ressources que l'on donne dans cette affaire. Je sais que c'est

[*Text*]

it is a pretty slim marginal economic proposition. But at least, it removes the needs for incentives.

Mr. Irving: Mr. Chairman, I am not suggesting a give-away. That is a matter of operation for the CNR to work out, and we are asking for competitive rates. Now do not tell me that we do not have, in the Northern part of New Brunswick, as serious problems as B.C. We have.

Mr. Perrault: Mr. Chairman, I am just simply saying this. I do not think it is wise to suggest that this is the kind of pattern that is required in New Brunswick today, because this is a plan in British Columbia which does not require heavy government subsidies. I think that subsidies are going to be required in the Maritimes for some period to come.

Mr. Irving: Mr. Chairman, regardless of how it comes about, we do require the lower per ton mile rate.

Mr. Chairman: Gentlemen, as you know, we are running about 1 hour and 10 minutes behind our time. Once again I would ask the members to try to be as brief as they can, and I would ask Mr. Irving to be as quick as he can to answer. Mr. Rock.

Mr. Rock: Mr. Irving, first of all, I do not know from where you have your oil shipped, your crude oil. What I want to know from you is have you ever thought of, or have you ever studied the possibility of the pipeline being extended from Toronto through to Montreal and through to here, and getting oil from the western provinces? And secondly, you were talking about chips, pulp chips being shipped. And also there is talk of building pipelines for chips. Have you ever looked into the possibility of building pipelines for the transportation of pulp chips?

Mr. Irving: Yes, we were a party to that experiment. It was on the Pink River, I believe, the Marathon Pulp mill. We were one of the group that carried on some experiments there in respect to the pipelining of chips. We have developed that to a point, and unless the railways do something, maybe that might be the answer. I do not know for sure.

Mr. Horner: Mr. Irving, with regards to maintenance of the Maritimes Freight Rates

[*Interpretation*]

que mes amis en C.-B. disent que c'est une question économique marginale. Mais au moins on enlève le besoin de stimulants.

M. Irving: Monsieur le président, je ne suggère pas du tout qu'on nous subventionne. C'est une question d'exploitation que le National-Canadien doit étudier et nous demandons tout simplement des taux concurrentiels. Ne me dites pas alors que dans le nord du Nouveau-Brunswick nous n'avons pas un problème aussi grave que celui de la Colombie-britannique, nous en avons un.

M. Perrault: Je ne suis pas en désaccord, monsieur le président, je dis simplement que ce n'est pas prudent de suggérer que c'est la seule solution aux problèmes du Nouveau-Brunswick aujourd'hui car, c'est un plan en Colombie-Britannique qui n'exige pas de grandes subventions gouvernementales. Et je crois que les Maritimes, vraiment, auront besoin de subventions pendant un certain temps.

M. Irving: Peut importe comment on procède, nous avons vraiment besoin du tarif par tonne-mille le plus bas.

Le président: Messieurs comme vous le savez nous avons environ une heure et dix minutes de retard sur notre horaire. Encore une fois je demanderais aux députés d'être aussi brefs que possible et je demanderais à M. Irving aussi, de répondre le plus rapidement possible. Monsieur Rock?

M. Rock: Monsieur Irving, tout d'abord, je ne sais pas d'où vous importez votre pétrole brut. Ce que je veux savoir, c'est, est-ce que vous avez déjà songé, ou avez-vous déjà étudié la possibilité d'étendre l'oléoduc de Toronto à Montréal et jusqu'ici, et obtenir le pétrole des provinces de l'Ouest? Et, deuxièmement, vous avez aussi mentionné les copeaux de bois, et la pâte à papier que l'on expédie. Il a aussi été question de construire des conduites pour les copeaux. Avez-vous examiné la possibilité de construction d'une conduite de transport des pulpes?

M. Irving: Oui. En fait, nous participions à cette expérience. C'était à Pink River, je crois l'usine à papier Marathon. Nous faisions partie du groupe qui a fait certaines expériences en ce qui concerne le transport par conduites des pulpes de bois. Nous l'avons développé jusqu'à un certain point et à moins que les chemins de fer ne fassent quelque chose, ce sera probablement la solution. Je n'en suis pas sûr.

M. Horner: Monsieur Irving, en ce qui concerne la Loi des taux de transport des mar-

[*Texte*]

Act, which, in a sense, if it is maintained for years from now, may well be a subsidy to the transportation industry in the Maritimes. I think you will agree with that. Is it not better, from the taxpayers point of view, to pay that subsidy to a specific part of the economy like transportation rather than raise the equalization payments to the Maritimes.

Mr. Irving: Raise the which?

Mr. Rock: The equalization payments between the provinces. For example, we in Alberta get nothing under the equalization grants from the federal gouvernment, but the Maritimes get something. Would it not be better to pay the subsidy to a specific part of the economy rather than holus-bolus to the governments?

Mr. Irving: Well, Mr. Chairman, if I may say in answer to that question, I think how the federal government spends their money is very important; and I think they should study these matters and make sure that they are going to get the best value for what they do spend, and going to get the results they think are needed.

Mr. Horner: From an industrialist like yourself in the development of the Maritimes, surely you would rather see it go to a specific segment of the economy rather than to the government to spend on any project it might like to.

Mr. Irving: It all depends on the government; it depends on the people who have to do with the spending of it. But I could not answer that.

It is very good to have, as far as our rail rates are concerned, and if it takes subsidies to get the rail rates down to earth so that we can carry on and develop industry here, well then it would be great to have the federal government decide that they are going to subsidize us, if that is necessary, to get these rates down to where we can be competitive.

Mr. Chairman: One last question from Mr. Bell.

Mr. Bell: Mr. Chairman, I am encouraged to ask this question because of the support and interest of some of the members in the Chignecto Canal, particularly Mr. Horner, who is one of the leading transportation experts in the House of Commons. I am also anticipating, Mr. Chairman, what one of the Saint John groups has in its brief. But as Mr. Irving has said, time is running out, and I am wondering if Mr. Irving would agree that

[*Interprétation*]

chandises des Maritimes, si on le maintient pendant des années encore, il y aura en quelque sorte une subvention à l'industrie des transports dans les Maritimes. Vous serez d'accord, je pense. Du point de vue du contribuable, est-ce qu'il ne serait pas préférable de subventionner un secteur particulier de l'économie plutôt que d'augmenter les paiements de la péréquation pour les Maritimes.

M. Irving: Augmente quoi?

M. Rock: Les paiements de péréquation entre les provinces. Par exemple, nous en Alberta, nous ne recevons rien en vertu de la péréquation fédérale, mais les Maritimes elles, en reçoivent. Est-ce qu'il ne serait pas préférable de subventioner un secteur de l'économie, plutôt que de tout donner aux gouvernements?

M. Irving: En réponse à cette question, monsieur le président, si vous me le permettez, je dirais que la façon dont le gouvernement fédéral dépense son argent, est très importante. Et je crois que le gouvernement devrait étudier ces questions et s'assurer qu'il va obtenir le meilleur usage des fonds à dépenser et essayer d'obtenir les résultats attendus et nécessaires.

M. Horner: Mais un industriel comme vous, dans le développement et l'expansion des Maritimes, préféreriez voir un secteur particulier de l'économie recevoir la subvention plutôt que voir le gouvernement dépenser les fonds pour n'importe quel projet qu'il désire?

M. Irving: Tout dépend du gouvernement. Tout dépend des gens qui devront effectuer les dépenses. Je ne pourrais pas répondre à cette question.

En ce qui concerne les taux de transport par chemins de fer, si la réduction des tarifs de transport par chemin de fer exige des subventions afin que nous puissions continuer à progresser et développer l'industrie, alors, je serais en faveur des subventions afin de réduire les taux de façon que nous puissions être concurrentiels.

Le président: Une dernière question, monsieur Bell.

M. Bell: Je pose cette question en raison de l'intérêt manifeste de certains membres pour le canal de Chignecto, notamment M. Horner, qui est un des experts en matière de transport à la Chambre. Je prévois aussi, monsieur le président, quelque chose présenté par l'un des groupes de Saint-Jean. Mais comme l'a dit M. Irving le temps passe et je me demande si M. Irving ne serait pas d'accord si ce Comité décidait de formuler une recom-

[*Text*]

this Committee should make as one of its recommendations, after we finish this tour, a final last ditch giant economic survey of the Chignecto Canal to settle once and for all its possibilities and future in the light of all the new aspects of it, the power, the pleasure craft industry, and everything else connected with it.

Would this not satisfy him and his associates from an industrial standpoint?

Mr. Irving: A study?

Mr. Bell: A final up-to-date economic study of some kind in the light of all the new possibilities, if this Committee recommended it.

Mr. Irving: Mr. Chairman, we have had five or six studies now. They have all said it was possible and could very well be built. One or two said that perhaps we are short of money now, and we should build it later. But it has been well studied and it is practical. So I would say, the building of it is the next thing. But if somebody would like to take another look at it, that is alright with me, but let us look at it immediately.

Mr. Bell: This is what they call in Ottawa now a study in depth. It comes after you have had about five ordinary surveys.

Mr. Nowlan: I have a question, not on the subject of the Chignecto Canal, but the M.F.R.A. I do not see it in Mr. Irving's brief and I do not think he has been asked the question. Is he in favor of extending the M.F.R.A. to trucks, the truck industry as a subsidy? And if not, why not?

Mr. Irving: Now, do not ask me to advise you...

Mr. Nesbitt: No, I am only asking because there is an absolute silence in your brief. You have covered a multitude of other areas. You are concerned with the Maritime Freight Rates Act, and I would like to know if you are in favor, from an economic point of view, of extending the benefits, if there are benefits, in that Act to the trucking industry, and if not, why not?

Mr. Irving: I think the people in the trucking business know what they should have, or they should know what they need and if they can justify it, extend it to them. I am not here for the purpose of supporting or being against that because I have not got the

[*Interpretation*]

mandation ou un vœu à la fin de notre tournée, pour essayer de faire une dernière étude économique du canal de Chignecto quant aux possibilités et quant à son avenir à la lumière de tous les nouveaux aspects, du programme hydro-électrique, de l'industrie de plaisance et autres.

Est-ce que cela ne le satisferait pas, lui et ses associés, du point de vue industriel?

M. Irving: Une étude?

M. Bell: Une dernière étude économique à jour, à la lumière de toutes les nouvelles possibilités, si le Comité le recommandait.

M. Irving: Monsieur le président, nous avons eu cinq ou six études jusqu'à ce jour. Toutes les études ont dit que c'était possible, que le canal pourrait très bien être construit. Une ou deux études ont dit que nous manquions peut-être de fonds à l'heure actuelle et que nous pourrions le construire plus tard. On l'a étudié à fond et c'est réalisable. Par conséquent je dirais que la construction doit être la prochaine étape. Mais si on veut l'examiner de nouveau, très bien, je suis d'accord, mais, examinons le tout de suite.

M. Bell: Ce serait ce que nous appelons maintenant à Ottawa, une étude en profondeur. Cela vient après cinq études ordinaires.

M. Nowlan: J'ai une question qui n'a pas trait au canal de Chignecto, mais à la Loi sur les transports des marchandises dans les Maritimes. Je ne le vois pas dans le mémoire de M. Irving et je ne crois pas qu'on ait posé la question. Est-ce qu'il serait en faveur d'étendre la Loi pour couvrir l'industrie du camionnage? Subventionner le camionnage? Et si non, pourquoi?

M. Irving: Ne me demandez pas de conseils.

M. Nesbitt: Je pose seulement la question parce que vous n'en parlez pas dans votre mémoire. Vous avez couvert toute une gamme de sujets. J'aimerais donc savoir si vous êtes en faveur du point de vue économique, d'étendre ces avantages, si avantages il y a, dans la Loi du transport des marchandises par camions et si non, pourquoi pas?

M. Irving: Je pense que les personnes qui s'occupent des transports par camion savent ce qu'il leur faut, ou au moins devraient le savoir; s'ils peuvent le justifier, très bien, étendons la portée de la Loi. Mais je ne suis pas ici afin d'appuyer cela ou de m'y opposer,

[*Texte*]

information on that, but if the people who are in the trucking business say, "Give us the thing" and can back it up with facts and it can be handled in a satisfactory way, then that is all right.

The Chairman: Gentlemen, I think we have had a fairly good debate and I think we want ... Yes, Mr. Nesbitt?

Mr. Nesbitt: Just one supplementary I made a note of. Could Mr. Irving tell us what the approximate cost at the present time would be of the Chignecto Canal?

Mr. Irving: I understood there was a study made four or five years ago and that the estimated cost was $80 million. I think that was for a 27-foot depth of water over the sills and I think that was a one-lock canal. That might not be the price—you might want a two-lock canal. Then, too, there is talk of power development at the head of the Bay of Fundy and this area lends itself. The Cumberland Basin and Shepody Bay are ideal for that sort of development.

I am not sure just what that figure would be today but for a single lock about $80 million was suggested as taking care of it, but it could very well be more than that today.

Mr. Nesbitt: That would be about $80 million or so.

Mr. Irving: It could be over $100 million, well over $100 million, to put in two locks. I am not sure.

Mr. Nesbitt: That would still be about the amount of the recent annual deficit of the CBC.

The Chairman: I want to thank you, Mr. Irving. You have been very kind.

I will call upon the Saint John Port and Industrial Development Commission.

Gentlemen, we have with us here Mr. Oland, Mr. Mooney, Mr. McCavour and Mr. MacDonald.

Now we will have a resume of the brief of the Saint John Port and Industrial Development Commission.

Mr. Philip W. Oland (Chairman of the Commission): Mr. Chairman, the Saint John Port Industrial Development Commission wishes to express its thanks for the opportunity of presenting this brief and appearing before your Committee during your visit to Fredericton.

This Commission, created by an act of the Legislature, is a fully corporate body estab-

[*Interprétation*]

car je n'ai pas les renseignements voulus. Si toutefois ceux qui sont dans l'industrie du camionnage trouvent que c'est là une bonne chose et qu'ils peuvent le soutenir par des preuves et des chiffres, et qu'on puisse le faire de façon satisfaisante, très bien, faisons-le.

Le président: Messieurs, je crois que nous avons eu une discussion utile. Monsieur Nesbitt?

M. Nesbitt: Une question supplémentaire. Monsieur Irving, pourriez-vous nous donner le coût approximatif du canal de Chignecto?

M. Irving: Il y a quatre ou cinq ans, on avait fait une étude et le coût estimatif était de $80 millions. Je crois qu'il s'agissait de 27 pieds d'eau et d'une seule écluse. Mais ce n'est peut-être pas le genre de canal qu'on voudrait maintenant. On voudrait peut-être deux écluses. On parle aussi d'un développement hydroélectrique au fond de la Baie de Fundy, endroit idéal pour ce genre de développement. Le bassin de Cumberland et la baie de Shepody se prêtent aussi à cela.

On m'avait dit qu'environ 80 millions de dollars couvriraient une seule écluse, mais il se peut fort bien que ce soit plus que cela aujourd'hui.

M. Nesbitt: Environ 80 millions de dollars.

M. Irving: Cela pourrait dépasser pour deux écluses, $100 millions. Je n'en suis pas sûr.

M. Nesbitt: Ce serait environ le dernier déficit annuel de Radio-Canada, de toute façon.

Le président: Je veux vous remercier, monsieur Irving. Je demanderais à la *Saint John Port and Industrial Development Commission* de présenter son mémoire.

Messieurs, nous avons comme témoins M. Oland, M. Mooney, M. MacDonald et M. McCavour.

Nous aurons maintenant un bref résumé du mémoire de la Commission du développement industriel et portuaire de Saint-Jean.

M. Philip W. Oland (président de la Commission): Monsieur le président, la Commission du développement industriel et portuaire de Saint-Jean veut exprimer ses remerciements d'avoir eu l'occasion de présenter son mémoire et de comparaître devant votre comité au cours de sa visite à Fredericton.

La Commission, créée par une loi de la législature, est un organisme incorporé établi

[*Text*]

lished in 1961 to improve the maintenance, equipment, administration, development and prosperity of the port and the industrial development and prosperity of the city.

Our brief was submitted more than a year ago and you have it before you. I have also distributed copies of this summary and a map of the Port of Saint John. I am happy to say that two important items contained in our original brief have been resolved within the past year. I refer to designated areas and Saint John is about to qualify for the benefits offered by the Area Development Agency.

The other important item is the recent announcement of a new Saint John-Digby ferry service by the Canadian Pacific Railway and the building by the federal government of modern terminals for this vessel on both sides of the Bay of Fundy.

The most striking needs in transportation are the inadequate facilities of the Port of Saint John. During this current shipping season up to 10 vessels have laid at anchor outside the harbour awaiting a berth. Meanwhile 28 to 30 vessels have been tied up at pierside. There were seven vessels there this morning, gentlemen.

Ships are being seriously delayed...

The Chairman: Please, it is very, very noisy and the interpreters are having a very hard time hearing the speakers.

Mr. Oland: Ships are being seriously delayed in being loaded because a shortage of docks, shed space and suitable cranes and shore handling equipment, particularly for containers. Saint John has had an opportunity to prove its worth during the current shipping season, perhaps because United States coast ports have been tied up with labour unrest and Montreal has been congested and subject to delays because of labour conditions.

The National Harbours Board policy for the construction of wharfs and provision of unloading facilities is hard to believe. For example, Saint John has been requesting unloading equipment for grain and bulk materials for many years. The National Harbours Board say, "You have no record of any volume of bulk commodities being unloaded so there is no need." All export grain comes to Saint John by costly railroad and we are unable to benefit from the St. Lawrence Seaway to bring it more economically from the west.

[*Interpretation*]

en 1961 afin d'améliorer le maintien, l'équipement, l'administration, le développement et la prospérité du port, ainsi que le développement industriel et la prospérité de la ville.

Notre mémoire a été soumis il y a plus d'un an. Vous l'avez maintenant devant vous. J'ai aussi distribué des exemplaires du résumé, ainsi qu'une carte du port de Saint-Jean. Je suis heureux de dire que deux points importants de ce mémoire ont été résolus depuis un an. Je parle des régions désignées et Saint-Jean est à la veille d'être admissible aux avantages offerts par l'Agence de développement régional.

L'autre question importante, c'est la décision récente d'instaurer un service de transbordeur de Saint-Jean à Digby, par le Pacifique Canadien, et la construction par le gouvernement fédéral d'un terminus moderne pour les navires sur les deux rives de la Baie de Fundy.

Les besoins les plus marquants dans le transport viennent des installations insuffisantes du port de Saint-Jean. Au cours de la saison de navigation courante, jusqu'à dix navires ont dû être ancrés à l'extérieur du port en attendant un poste à quai. De vingt-huit à quarante navires ont été retenus au quai. Ce matin, il y avait là sept navires.

Le président: Il y a beaucoup de bruit et les interprètes ont de la difficulté à comprendre celui qui parle.

M. Oland: Il y a beaucoup de retard pour les navires en raison d'un manque de quais, d'entrepôts, ainsi que les grues nécessaires, particulièrement pour les conteneurs. Saint-Jean a eu l'occasion de prouver sa valeur au cours de la saison de navigation actuelle, peut-être en raison du fait que les ports de la côte Est des États-Unis ont connu des grèves, et que le port de Montréal a été très congestionné et a subi des retards en raison des conditions des relations ouvrières.

La politique du Conseil des ports nationaux quant à la construction des quais et des installations de débardage est très difficile à croire. Par exemple, Saint-Jean demande de l'équipement pour décharger le grain et le matériel en vrac depuis plusieurs années. Le Conseil des ports nationaux dit qu'il n'existe pas de rapports sur les marchandises en vrac qui sont déchargées effectivement, et que par conséquent aucun besoin n'existe. Toutes les céréales destinées à l'exportation viennent à Saint-Jean par chemin de fer, ce qui est très coûteux; par conséquent, nous sommes incapables de profiter de la Voie maritime du Saint-Laurent pour le transporter de façon plus économique de l'Ouest.

[*Texte*]

This also applies to feed grains and brewers malt, which are extensively used in the province. The same chicken-or-egg principle applies to the provision of container terminal facilities. The National Harbours Board say, "Guarantee us the business and how the cranes and so forth will be paid for first." The shipping companies say, "We would not send a vessel to Saint John unless the facilities were there."

We believe it is the responsibility of the National Harbours Board to develop fully the Port of Saint John by changing their policy on port facilities. Large ports such as Rotterdam, Antwerp and Hamburg have complete facilities to load and unload ships quickly and efficiently, while in Canada the National Harbours Board expects ships to load and unload with their own ship's gear which, by comparison, is slow and inefficient and normally used only on small islands and outports.

Mr. Mahoney: Mr. Chairman, on a point of order. I wonder if the Committee would prefer to ask questions rather than to have read to them a document that they have in front of them. In any case, we have used up an awful lot of time here today and we do have the document. It is a thing of beauty and I wonder if we should not perhaps get on with the questions.

Mr. Oland: Mr. Chairman, that is fine. This has been distributed and we are ready to answer any questions that you may have.

Mr. Rock: Could I request that that be printed then?

The Chairman: It is printed already. It was distributed. It was printed a year ago.

Mr. Oland: This is a summary printed very recently.

The Chairman: It is just a resumé of the original brief. Are there any questions? Mr. Horner.

Mr. Horner: What is the National Harbours Board's answer? Is it a shortage of cash? Why have they not gone ahead with modernization of the Port of Saint John? What is their reply to your request that you make again in this brief?

Mr. Oland: They allot so much money each year. If you will look at page four, third paragraph of the supplementary document,

[*Interprétation*]

Ceci s'applique aussi à la provende et au houblon, qui sont employés considérablement dans la province. Le même principe s'applique quant aux installations d'arrivée pour les conteneurs. Voici ce que dit le Conseil des ports nationaux: «Garantissez-nous des affaires et un moyen de payer l'équipement.» D'autre part, les compagnies de navigation nous disent qu'elles n'enverront pas de navires à Saint-Jean à moins que les installations ne soient là.

Nous croyons qu'il est du ressort du Conseil des ports nationaux de développer pleinement le port de Saint-Jean, en changeant sa politique quant aux installations portuaires. Les grands ports comme Rotterdam, Anvers et Hambourg ont toutes les facilités voulues pour charger et décharger les navires rapidement et de façon efficace alors qu'au Canada le Conseil des ports nationaux s'attend que les navires chargent et déchargent leur cargaison avec leur propre équipement ce qui, en comparaison, est lent, inefficace et sert normalement seulement pour les petites îles et les ports locaux.

M. Mahoney: Monsieur le président, un rappel au Règlement. Est-ce qu'on ne préférerait pas poser des questions plutôt que tout simplement se faire lire les documents que nous avons déjà devant nous. Nous avons déjà pris beaucoup de temps et nous avons déjà le document devant nous. C'est un beau texte, mais je me demande si on ne devrait pas tout simplement poser des questions.

M. Oland: Très bien. Le texte a été distribué et nous sommes prêts à répondre aux questions.

M. Rock: Nous pourrions peut-être le faire imprimer.

Le président: Cela est chose faite, et depuis un an.

M. Oland: Le texte-ci est un résumé que nous avons fait imprimer tout récemment.

Le président: Il s'agit d'un résumé du mémoire original. Auriez-vous des questions? Monsieur Horner.

M. Horner: Quelle est la réponse du Conseil des ports nationaux? Dit-il qu'il y a insuffisance d'argent. Pourquoi n'a-t-il pas modernisé le port de Saint-Jean? Quelle réponse a-t-on fournie à votre demande?

M. Oland: On prévoit une somme chaque année. Si vous consultez la page 4 du document supplémentaire, au troisième alinéa, on

[*Text*]

they are spending $27 million this year in six ports and Saint John is not even mentioned.

They do it by turn, apparently.

Mr. Horner: When was the last time an expenditure was made on Saint John?

Mr. Oland: Last year and the year before—an extension to one wharf at the cost of $1.2 million.

Mr. Horner: But as yet there is no suggestion that the modernization of the handling facilities at the port will be gone ahead with?

Mr. Oland: They say this is not their responsibility.

Mr. Horner: Have the shipping companies using the port made any suggestion of getting together under an association or a corporation and building the port handling facilities?

Mr. Oland: No, they have not, Mr. Chairman.

Mr. Horner: I will forego any more questions, Mr. Chairman.

The Chairman: Mr. Corbin.

Mr. Corbin: My question concerns the relation that could develop between the corridor road, the main corridor road, and an east-west highway through the States in relation to the development of the Port of Saint John. I wonder, sir, if you would have any comments to make along that line? Would there be advantages or disadvantages?

Mr. Oland: This would be a great advantage, Mr. Chairman. This would be a road right through to Chicago right to the Port of Saint John. This would be a tremendous advantage to the Port of Saint John.

Mr. Corbin: In what way precisely would that be an advantage?

Mr. Oland: It could be a high-speed tractor trailer thoroughfare from Saint John.

Mr. Corbin: Year round?

Mr. Oland: Year round. We have quite a few tractor trailers from the United States right now that come into our port.

Mr. Corbin: Thank you.

The Chairman: Mr. Horner, a supplementary question?

Mr. Horner: Following up the questions I asked earlier, has any request been made or

[*Interpretation*]

y dit qu'on dépense cette année $27 millions dans six ports, et Saint-Jean n'y était pas mentionnée.

Ils le font à tour de rôle, apparemment.

M. Horner: Depuis quand a-t-on fait des dépenses pour Saint-Jean?

M. Oland: L'année dernière et l'année précédente, on a prolongé un quai, pour la somme de $1,200,000.

M. Horner: Mais on n'a pas encore proposé la modernisation des services de manutention au port de Saint-Jean.

M. Oland: Le Conseil dit que ce n'est pas de son ressort.

M. Horner: Est-ce que les armateurs qui ont recours aux services de ce port ont proposé qu'ils pourraient constituer une association ou encore une corporation pour aménager le service de manutention?

M. Oland: Non, monsieur le président.

M. Horner: Je renonce à mes autres questions, monsieur le président.

Le président: Monsieur Corbin?

M. Corbin: Je voudrais poser une question qui a trait au rapport qui pourrait exister entre la route corridor et la route est-ouest par les États-Unis, et le développement du port de Saint-Jean. Est-ce que vous auriez des commentaires à faire sur le sujet? Est-ce qu'il y aurait des avantages ou des désavantages?

M. Oland: Ce serait un très grand avantage, monsieur le président. Il s'agirait d'une route qui irait à partir de Chicago jusqu'au port de Saint-Jean et ce serait un très grand avantage pour le port de Saint-Jean.

M. Corbin: Comment cela serait-il un avantage?

M. Oland: Ce serait une grand'route jusqu'à Saint-Jean pour les camions-remorques.

M. Corbin: A l'année longue?

M. Oland: Oui; nous avons déjà beaucoup de camions-remorques qui viennent des États-Unis jusqu'au port de Saint-Jean.

M. Corbin: Merci beaucoup.

Le président: Monsieur Horner, question complémentaire.

M. Horner: Oui, pour reprendre une des questions que j'ai posées plus tôt, est-ce qu'on

[*Texte*]

any offer of help been made by the provincial government to establish handling facilities at the port?

Mr. Mooney: If I may answer that, Mr. Chairman, at our last meeting with the National Harbours Board on September 23 last, provincial representatives were present at that meeting and the Province of New Brunswick displayed a keen interest in the future of the Port of Saint John. This is the situation at the moment.

We do feel in Saint John that there is a willingness on the part of the provincial government to participate in any arrangements or in any improvements that may come about and which are badly needed at this time, as Mr. Oland has pointed out.

The Chairman: Mr. Mahoney? Mr. Allmand?

Mr. Allmand: Sir, does most of the freight coming into the Port of Saint John come via Canadian Pacific through Maine, or does it come by CNR down from the north of New Brunswick?

Mr. Oland: More comes from the Canadian Pacific, but the Canadian National does participate in about 45 per cent of the traffic, which comes on the Canadian route. The Canadian Pacific uses the Maine Central Railway.

Mr. Allmand: Yes, the Canadian Pacific goes through Maine towards Montreal.

Mr. Oland: That is right.

Mr. Allmand: Since it appears to be a much quicker route, would it be used for more perishable products? How does most of the wheat come to Saint John? Over Canadian Pacific?

Mr. Oland: It comes on both railways. There are both the National Harbours Board grain terminals on the west side of the harbour and the Canadian National terminal on the east side. You can see that on the map which you have before you.

Mr. Allmand: Yes, I was looking at that.

Mr. Oland: The white area that you see on the west side is served by the Canadian Pacific—if you open up the map.

Mr. Allmand: Yes.

Mr. Oland: This white area is all controlled by the National Harbours Board. The Canadian Pacific serve the west side and the Canadi-

[*Interprétation*]

a formulé une demande ou est-ce que le gouvernement provincial a offert de l'aide pour aménager le service de manutention au port?

M. Mooney: Monsieur le président, au cours de notre dernière réunion avec le Conseil des ports nationaux, soit le 23 août dernier, la province du Nouveau-Brunswick a fait preuve d'un intérêt dans l'avenir du port de Saint-Jean. Voici la situation telle qu'elle se présente maintenant.

Nous sommes d'avis, à Saint-Jean, que le gouvernement provincial est prêt à participer à tout aménagement ou amélioration qui pourraient être utiles. C'est ce que M. Oland a dit.

Le président: Monsieur Mahoney. Monsieur Allmand?

M. Allmand: Est-ce que la plupart des marchandises qui arrivent au port de Saint-Jean viennent par le Pacifique-Canadien du Maine ou par le National-Canadien du nord de la province?

M. Oland: Une grande partie par le Pacifique-Canadien, mais le National-Canadien en transporte dans une proportion de 45 p. 100 sur l'ensemble du trafic qui vient le long de la route canadienne. Le Pacifique-Canadien utilise le *Maine Central Railway*.

M. Allmand: Le Pacifique-Canadien passe par le Maine pour aller à Montréal.

M. Oland: C'est cela.

M. Allmand: Vu qu'il semble que ce soit une route beaucoup plus rapide, est-ce que ce serait utilisé plutôt pour les denrées périssables? De quelle façon le blé est-il acheminé à Saint-Jean? Par le Pacifique-Canadien?

M. Oland: Par les deux chemins de fer. Il y a un terminus du Conseil des ports nationaux du côté ouest du port et le National-Canadien a son propre terminus du côté est. Vous pouvez le voir sur la carte que vous avez devant vous.

M. Allmand: Oui, c'est ce que je regardais.

M. Oland: Le secteur blanc du côté ouest est desservi par le Pacifique-Canadien; si vous ouvrez la carte, vous le verrez.

M. Allmand: Oui. M. Oland. Ce qui est en blanc est contrôlé par le Conseil des ports nationaux. Le Pacifique-Canadien dessert la

[*Text*]

an National the east side, but Canadian National cars are unloaded on the west side of the harbour as well.

The Chairman: Mr. Skoberg.

Mr. Skoberg: Mr. Chairman, Mr. Oland, on page 6 in the third paragraph in the middle of the page you suggested the Commission has had this area surveyed by an engineering firm to determine the cost of filling this site. Would you have those figures available—the amount of money that has been spent in this survey—or would you care to divulge that?

Mr. Oland: Yes, I have that figure. It was $530; and I must say that the National Harbours Board paid half of the cost after we approached them.

Mr. Skoberg: On page 8, then, Mr. Oland, in the second paragraph you suggest that will make the procurement of low-cost petroleum products to industry, not only to New Brunswick but also in the Atlantic Provinces. Where do the petroleum products come from now? In what way would they be reduced?

Mr. Oland: It is presumed that if larger shipments of crude oil came in it would lower the cost of petroleum products.

Mr. Skoberg: From overseas?

Mr. Oland: Yes, larger vessels would bring it in at a cheaper rate.

Mr. Skoberg: I expect this would be passed on down the line?

Mr. Oland: This is anticipated, Mr. Chairman.

Mr. Skoberg: Thank you.

The Chairman: Are there any more questions? Mr. Mahoney.

Mr. Mahoney: Mr. Chairman, representations were made in favour of an international airport at Saint John. I do not feel I should discriminate by not asking the same questions I asked the previous two. Have you in fact done any studies, or do you know of any studies having been done to determine the requirement for an international airport in the sense of what an international airport is, with the provision of 24-hour, seven-day-a-week, customs, immigration and health services? Have you any information on that?

[*Interpretation*]

partie ouest et le National-Canadien la partie est, mais le National-Canadien décharge aussi du côté ouest.

Le président: Monsieur Skoberg.

M. Skoberg: Monsieur Oland, à la page 6, 3ème alinéa, vers le milieu de la page, dit que la Commission a fait faire un relevé par une société afin de déterminer le coût du remplissage de cet emplacement. Est-ce que vous pourriez nous dire quel montant a été dépensé?

M. Oland: Oui, j'ai ce chiffre, soit $530.00 mais je dois ajouter que le Conseil des ports nationaux en a payé la moitié lorsque nous leur avons demandé.

M. Skoberg: A la page 8, 2ième alinéa, monsieur Oland, vous dites que cela donnera accès au pétrole a bas prix, non pas simplement pour le Nouveau-Brunswick, mais aussi pour la région de l'Atlantique. D'où viennent les produits du pétrole maintenant? De quelle façon peut-on réduire le coût?

M. Oland: On pourrait conclure que si des expéditions plus grandes de pétrole brut étaient faites, on pourrait ainsi en diminuer le coût.

M. Skoberg: D'outre-mer?

M. Oland: Oui. Des navires plus grands pourraient l'acheminer à un taux moins élevé.

M. Skoberg: Je suppose que ce serait réparti partout.

M. Oland: On s'y attend, monsieur le président.

M. Skoberg: Merci.

Le président: Auriez-vous d'autres questions à poser, monsieur Mahoney?

M. Mahoney: Monsieur le président, on a fait trois demandes pour avoir un aéroport international à Saint-Jean. Je ne crois pas faire de distinction injuste en ne posant pas la même question que j'ai posée aux deux autres. Est-ce que vous avez fait des études ou est-ce que vous êtes au courant d'études qui auraient été faites afin de déterminer les exigences en vue d'y aménager un aéroport international suivant la définition même de l'aérogare internationale, soit un service de vingt-quatre heures de sept jours par semaine, des services de santé, des services douaniers, et autres. Avez-vous des renseignements, monsieur Oland?

[*Texte*]

Mr. Oland: We have not made a detailed study, Mr. Chairman. We know it depends on the amount of traffic and on the availability of suitable quantities of land and upon the weather. We do know that an international airport will be built. We just want to have it as close to Saint John as possible.

Mr. Mahoney: You do know one will be built?

Mr. Oland: We expect and hope one will be built.

Mr. Mahoney: Thank you, Mr. Chairman.

The Chairman: Mr. Bell.

Mr. Bell: Mr. Oland, this seems to be one of the strongest endorsements of a Saint John organization of the Chignecto Canal that I have seen. I realize we have always been in favour of it, but it seems to go even further and more strongly than before and I gather that this is because of the new possibilities that exist. You have referred to some of them. Have you any further thoughts as to what this survey might include or how we should go about it so as to avoid another stall or repetitious survey in that regard?

Mr. Oland: Mr. Chairman, if you look at the last paragraph on page 7, we describe how this might be done. We say that any such survey only needs to compile a list and interview those shipowners to determine the potential use of such a waterway. Then a further and more thorough feasibility study might be made if warranted.

On the next page we say that the Chignecto Canal would place Saint John and American ports 500 miles closer to the large Canadian markets by water.

Mr. Bell: I am not trying to put words in your mouth, but in other words you envisage a sort of immediate task force, possibly in conjunction with the provincial and other bodies, to get moving on it right away.

Mr. Oland: Yes, I do. Mr. Chairman. This could be done very quickly.

Mr. Rock: Is there any objection from the ports of Nova Scotia such as Halifax because they will be bypassed?

Mr. Oland: I cannot say, Mr. Chairman.

The Chairman: Mr. Horner, on a supplementary.

[*Interprétation*]

M. Oland: Nous n'avons pas fait d'étude détaillée, monsieur le président. Nous savons que cela dépend du trafic, du terrain et des conditions du temps; nous savons qu'une aérogare internationale sera aménagée, mais nous voulons simplement qu'elle soit le plus près possible de Saint-Jean.

M. Mahoney: Vous savez qu'un aéroport sera construit?

M. Oland: Nous l'espérons et nous nous y attendons.

M. Mahoney: Merci, monsieur le président.

Le président: Monsieur Bell.

M. Bell: Monsieur Oland, je voudrais simplement faire une observation et vous dire que cela semble être un appui des plus forts qu'une organisation de Saint-Jean puisse donner au canal de Chignecto. Je me rends compte que nous avons toujours été en faveur d'un tel canal, mais je pense qu'on le fait avec beaucoup plus de fermeté qu'autrefois probablement en raison des nouvelles possibilités. Vous en avez mentionné quelques-unes déjà. Avez-vous d'autres pensées à énoncer quant à ce qu'on pourrait inclure dans le relevé ou de la façon dont on pourrait procéder pour éviter de répéter le travail déjà fait ou causer des délais?

M. Oland: Au dernier alinéa de la page 16, où nous décrivons la façon de procéder, nous disons que tout relevé de ce genre n'a qu'à établir une liste et ensuite faire des entrevues avec les armateurs afin de déterminer l'utilisation possible d'une telle canalisation, et qu'ensuite une autre étude plus poussée pourrait être faite si elle était nécessaire.

A la page suivante, nous disons que le canal de Chignecto placerait Saint-Jean et les ports américains à 500 milles plus près des débouchés canadiens.

M. Bell: Je n'essaie pas de vous prêter des paroles, mais vous prévoyez une équipe de travail qui pourrait, de concert avec les organismes provinciaux et d'autres, s'y mettre immédiatement.

M. Oland: Oui. Cela pourrait être fait rapidement.

M. Rock: Est-ce qu'on s'oppose, dans les ports au sud, tel Halifax, parce qu'on n'arrêtera plus à ces ports?

M. Oland: Je ne saurais vous le dire.

Le président: Monsieur Horner, question complémentaire.

[*Text*]

Mr. Horner: My supplementary dealt primarily with the question touched on by Mr. Rock. To your knowledge are both provincial governments, the New Brunswick government and the Nova Scotia government, wholeheartedly behind and prepared to contribute to the building of the Chignecto Canal?

Mr. Oland: I cannot answer that either, Mr. Chairman.

The Chairman: Mr. Rose.

Mr. Rose: My question might be irrelevant, but I notice that there have been a great number of briefs in support of this particular canal and what interested me was the comparison of a possible toll charge through the canal to a ship travelling 500 extra miles.

Of course you would have no way of knowing the precise amount of the toll charges or whatever might be imposed, but I thought that travelling greater distances by water was relatively cheaper and that was one of the reasons that water transportation was used. It seems to me that if you add a toll charge there you might save some in kind, but have you any indication, or has there been any study to indicate that it would in fact be more economical to do it that way?

Mr. Oland: No. I do know that it costs about $2000 a day to run a ship and it is unlikely that the tolls would amount to that. They are based on a tonnage basis—this is the way the Panama Canal operates. But it would be a question of the time saved and the fuel saved and staid economics, Mr. Chairman.

Mr. Rose: Would a different type of vessel have to be built to use this particular canal?

Mr. Oland: No. There would have to be sufficient depth in the canal and it would have to be wide enough to take current vessels. Mr. Irving is here and perhaps he could answer that question. He is a shipowner.

Mr. Rose: I would be interested to know the tonnage. I think the largest ship, bulk carrier, now is about 250,000 tons. They are anticipating them up to 500,000 tons.

Mr. Oland: I do not think the canal could ever handle ships that draw 100 feet of water. Mr. Irving.

Mr. Irving: The most important thing about the building of the Chignecto Canal is that it would permit us to use the laker type

[*Interpretation*]

M. Horner: Je voudrais revenir en partie à la question posée par M. Rock. Est-ce que les gouvernements provinciaux de la Nouvelle-Écosse et du Nouveau-Brunswick sont-ils vraiment prêts à appuyer le projet et contribuer à l'aménagement du canal de Chignecto?

M. Oland: Je ne saurais répondre à cette question, monsieur le président.

Le président: Monsieur Rose.

M. Rose: Ma question n'est peut-être pas pertinente, mais je vois qu'un bon nombre de mémoires sont à l'appui du canal de ce qui m'intéresse, c'est de comparer le coût de péage pour les navires qui emprunteraient ce canal, et le coût de parcourir 500 milles de plus.

Vous ne pouvez pas dire au comité quel serait le péage qu'on pourrait prélever, mais j'ai pensé qu'il était moins cher de parcourir une plus grande distance en mer, et que c'était là l'avantage du transport par mer. On peut épargner un certain montant avec le péage, mais je me demande si une étude a été faite pour indiquer que ce serait plus rentable de procéder ainsi?

M. Oland: Non, mais je sais qu'il en coûte environ $2000 par jour pour exploiter un navire, et j'imagine que le péage n'atteindrait pas cette somme. Cela se fait suivant le tonnage. C'est la façon dont on procède au canal de Panama. Il s'agirait de voir le temps épargné, le pétrole, la bonne économie.

M. Rose: Est-ce qu'on prévoit un différent genre de navire pour utiliser ce canal?

M. Oland: Non, il faudrait que le canal soit assez profond et assez large pour que les navires actuels puissent l'emprunter. Si M. Irving est toujours ici, peut-être pourrait-il répondre. Il est armateur.

M. Rose: J'aimerais connaître le tonnage. Je pense que le plus grand transporteur en vrac est de 250,000 tonnes, mais on prévoit en construire jusq'à 500,000 tonnes.

M. Oland: Je ne crois pas que le canal puisse jamais avoir des navires d'un tirant d'eau de 100 pieds. M. Irving?

M. Irving: Ce qui importe le plus pour ce qui est de l'aménagement du canal, c'est qu'il nous permettrait d'utiliser le genre de navi-

[*Texte*]

of ship. There is just no comparison. A 33,000-ton ship whose dimensions will permit it to go through the Seaway will only carry about 17,000 tons.

Where you build a ship purposely for the Seaway, to navigate the Seaway, it will carry 27,000 tons. There is all the difference in the world and your cost of operating the laker is much less. That is where we were let down in the old days when they had these 258-foot ships, 43 feet 10 inches wide with a 14-foot draught. They could carry through the Lachine Canal, we will say, 2,400 to 2,700 tons, but there was no ocean-going ship which was required to go around Nova Scotia that could carry a payload through the canal.

Mr. Rose: Just for the record, Mr. Chairman, it does anticipate a different type of vessel. You use a laker type vessel—a different type of vessel. Thank you.

Mr. Oland: Mr. Chairman, the fire I referred to which destroyed piers 4, 5, 6 and 7 in Saint John took place 36 years ago and these docks have never been properly restored. They were repaired temporarily at that time. That is also in our supplementary brief. This 31-acre site would make an ideal new location for a container and heavy lift terminal at our Port of Saint John.

Mr. Perrault: Is anyone making money at this port at the present time?

Mr. Oland: No, they are not, Mr. Chairman.

The Chairman: I want to thank you gentlemen for the briefing. Thank you very much.

Our next meeting will be with the Government of the Province of New Brunswick. Mr. Higgins.

Hon. Robert J. Higgins (Minister of Economic Growth, Province of New Brunswick): Thank you, Mr. Chairman. May I introduce Mr. R. E. Tweedale, my Deputy Minister, and Mr. Craig S. Dickson, who is the Executive Manager of the Maritime Transportation Commission. I am Bob Higgins, Minister of Economic Growth of New Brunswick.

The Chairman: I imagine you have a resumé of your brief. As the brief was delivered about a year ago you may want to go ahead with the short version.

[*Interprétation*]

res utilisés dans les Grands Lacs. Il n'y a pas de comparaison possible. Un navire de 33,000 tonnes dont les dimensions pourraient lui permettent d'emprunter la Voie maritime ne peut transporter que 17,000 tonnes.

Si vous construisez un navire prévu pour la Voie maritime, il peut transporter 27,000 tonnes; cela fait toute la différence au monde et les coûts d'exploitation, alors, pour un tel navire, sont beaucoup moins élevé. C'est là qu'était le problème, autrefois, lorsqu'on avait ces navires de 258 pieds de long et de 43 pieds de large avec un tirant de 14 pieds. Ils pouvaient passer, par le canal Lachine portant de 2,400, à 2,500 tonnes, mais il n'y avait pas de navires océaniques qui devaient contourner la Nouvelle-Écosse qui auraient pu passer par le canal Lachine.

M. Rose: Simplement pour le compte rendu, monsieur le président, on prévoit un genre différent de navires. On utiliserait un genre de navires différent de ceux des Grands Lacs.

M. Oland: L'incendie qui a ravagé les quais 4, 5, 6 et 7 à Saint-Jean a eu lieu il y a trente-six ans, et on n'a jamais vraiment très bien restauré ces quais. On a fait que des réparations temporaires à ce moment-là. C'est aussi indiqué dans le mémoire supplémentaire. Cet emplacement serait idéal pour un terminus de containers et de marchandise lourde au port de Saint-Jean.

M. Perrault: Le port est-il profitable, en ce moment?

M. Oland: Non, monsieur le président.

Le président: Je désire vous remercier, messieurs, de votre présentation. Merci beaucoup.

Notre mémoire suivant nous vient du gouvernement de la province du Nouveau-Brunswick. Monsieur Higgins.

L'hon. R. J. Higgins (ministre, ministère de l'Expansion économique du Nouveau-Brunswick): Merci beaucoup, monsieur le président. Je vais vous présenter mes collègues, M. R. E. Tweedale, le sous-ministre; et M. Craig S. Dickson, directeur exécutif de la Commission des Transports maritimes. Je suis Bob Higgins, ministre de l'Expansion économique du Nouveau-Brunswick.

Le président: Vous avez un mémoire très court. J'imagine que la plupart des membres sont au courant du mémoire de la province, parce que ce mémoire nous fut présenté il y a environ un an. Si vous voulez faire un bref résumé.

[*Text*]

Mr. Higgins: I have a few remarks to make to the Committee. First of all I want to welcome you all here to the Province of New Brunswick. It certainly shows the urgency with which you are treating this problem.

A year ago the four Atlantic premiers met with the Hon. Paul Hellyer in Ottawa and presented some views to the federal government. Mr. Hellyer chaired the meeting and it included federal Cabinet ministers.

At that meeting and after we concluded our submission, Mr. Hellyer threw out a challenge to the four Atlantic provinces asking what our views from our point of view would be on a new national transportation act.

That was a little over a year ago and after that meeting the four Atlantic premiers decided that they would propose a joint and hopefully positive submission to Ottawa on the transportation policy, especially as it concerns the Atlantic provinces. It is the type of reaction that I think is forward thinking and it is an answer to the type of comment made this morning by Mr. Pat Nowlan.

As a result of this direction by the four Atlantic premiers, a task force composed of the Maritimes Transportation Commission was formed, which provided the technical input and each province had a full-time official representative on the task force and each province also had an interdepartmental committee—basically highway and economics—to meet continually with the provincial representatives.

This group reported to a ministerial task force composed of all the industry ministers of the four Atlantic provinces. I was the Chairman of that ministerial committee. We submitted our report to the four premiers at their recent Atlantic Premiers Conference in Ottawa and the premiers had a lengthy discussion. The report is now being finalized for the signatures of the four premiers. The premiers have been in touch with Mr. Hellyer, as you perhaps know from the press release this morning, with a view to acquiring a date to present this report.

New Brunswick's final position is contained in this report and, of course, the release of the contents of this report is up to

[*Interpretation*]

M. Higgins: J'aurais quelques observations à faire au comité. Tout d'abord, je désire vous souhaiter la bienvenue ici en la province du Nouveau-Brunswick. Cela nous montre l'urgence que vous donnez à ce problème.

Il y a un an, les quatre premiers ministres des provinces de l'Atlantique ont rencontré l'honorable Paul Hellyer à Ottawa, et lui ont fait part de leurs points de vue au gouvernement fédéral. M. Hellyer présidait la réunion. D'autres membres du Cabinet y participaient.

Au cours de cette réunion, après notre présentation, M. Hellyer a lancé le défi aux quatre provinces de l'Atlantique et a demandé quel était notre point de vue quant à une nouvelle loi nationale sur les transports.

Cela nous a été exposé il y a un peu plus d'un an, et, après cette réunion, les quatre premiers ministres des provinces de l'Atlantique ont décidé qu'ils présenteraient un mémoire solide, au nom des quatre provinces, à Ottawa, en matière de la politique des transports, surtout en ce qui concerne ces provinces. Voilà le genre de réactions qui, à mon avis, sont vraiment progressives et c'est là le genre de commentaires faits ce matin par M. Patrick Nowlan.

Comme résultat de cette politique des quatre premiers ministres de l'Atlantique, une équipe de travail, comprenant la commission des Transports des Maritimes, fut constituée pour assurer la participation technique et chacune des provinces y avait un représentant à plein temps, lequel faisait partie de l'équipe de travail. Chacune des provinces avait aussi un comité inter-ministériel, organisé essentiellement pour l'étude des routes et de l'aspect économique, afin de se tenir constamment en contact avec les représentants des provinces.

Ce groupe faisait rapport à un groupe d'étude comprenant tous les ministres de l'industrie des quatre provinces de l'Atlantique, et je présidais ce comité ministériel. Nous avons présenté notre rapport aux quatre premiers ministres au cours de la conférence des quatre premiers ministres de l''Atlantique, qui s'est tenue à Ottawa. Ils ont longuement débattu la question. On étudie maintenant le rapport pour le faire signer par les quatre premiers ministres provinciaux. Les premiers ministres ont communiqué avec M. Hellyer, comme vous le savez sans doute, à la suite du communiqué de *Presse* reçu ce matin, en vue de prévoir une date pour la présentation de ce rapport.

La décision définitive du Nouveau-Brunswick est établie dans ce rapport et il appartient aux quatre premiers de l'Atlantique

[*Texte*]

the four Atlantic premiers. As a ministerial committee we feel that we have more or less completed our job in submitting this to them and it is now their property, so to speak, and they have made arrangements to present this to the Hon. Mr. Hellyer.

I am sure the meeting will be held with Mr. Hellyer soon. In fact, it has been asked for within a two-week period and we are working towards this end. I am confident we can meet that time schedule and either at that time or before, with the permission of the four premiers, I would be glad to meet with you either at the end of your tour here or in Ottawa at any time together with my colleagues on the ministerial group to discuss our report with you. But, as I say, in the interim our report happened to be completed a week ago Sunday. It is now in the hands of the premiers and it will be going forward to the Hon. Paul Hellyer within a two-week period.

Mr. Allmand: Mr. Chairman, in view of the fact that the province of New Brunswick, along with the other provinces, has prepared what would seem to be an in-depth report on the Maritime transportation problems, and if they are not ready to release it now perhaps we could withhold our questions until the Maritime premiers release their report to the Minister of Transport. I would ask the Minister, who is before us, if he would consider asking the premiers if their report to Mr. Hellyer could not be distributed to the members of this Committee as soon as possible after they give it to the Minister so that we can read it. He said he would be willing to come to Ottawa with a group to discuss it with us. Would you give consideration to this?

Mr. Higgins: I will take it up with the four premiers.

The Chairman: Mr. Corbin?

Mr. Corbin: Mr. Higgins, I realize that road building is within provincial jurisdiction and I realize there is a lot of lobbying going on here today in favour of the main corridor route and I seem to be the devil's only advocate. Can you tell me, speaking on behalf of the Province of New Brunswick, if at this time the province can afford to build or improve the New Brunsiwck end of the proposed main corridor route linking the Maritimes and the Montreal area. Are you in a position to do this?

[*Interprétation*]

d'en faire connaître la teneur. Par la présentation de ce rapport aux premiers ministres, nous croyons avoir terminé notre travail, comme équipe ministérielle, et maintenant ils doivent en assumer la tâche, et ils ont pris les dispositions nécessaires pour le présenter à M. Hellyer.

La réunion avec M. Hellyer aura lieu prochainement, j'en suis sûr. De fait, on a même demandé que cela se fasse d'ici deux semaines. Nous y travaillons et j'ai confiance que nous pourrons le faire d'ici ce temps-là, ou avant, et alors avec l'autorisation des quatre premiers ministres je me ferai un plaisir de vous rencontrer, soit à la fin de votre tournée ici, ou encore à Ottawa, n'importe quand, avec mes collègues du groupe ministériel pour discuter notre rapport avec vous. Mais, entre-temps, notre rapport a été terminé dimanche dernier. Il est en ce moment entre les mains des premiers ministres, il sera remis à l'honorable Paul Hellyer, d'ici deux semaines.

M. Allmand: Monsieur le président, vu que la province du Nouveau-Brunswick et les autres provinces ont préparé un rapport, en profondeur, sur les problèmes des transports dans les Maritimes et qu'ils ne sont pas prêts à nous en faire part maintenant, peut-être, pourrions-nous alors attendre pour poser nos questions tant que les premiers ministres des Maritimes n'auront pas communiqué leur rapport au ministre des Transports et alors je demanderais au ministre, qui est ici présent s'il songe à s'enquérir auprès des premiers ministres si leur rapport, à M. Hellyer ne pourrait pas être distribué aux membres de ce comité le plus tôt possible, après la présentation au ministre, pour que nous puissions en faire lecture. Il dit qu'il est prêt à venir à Ottawa avec un groupe pour en discuter avec nous. Ne pourriez-vous pas y songer?

M. Higgins: J'en discuterai avec les quatre premiers ministres.

Le président: Monsieur Corbin.

M. Corbin: Monsieur Higgins, je me rends compte que la construction de routes relève de la compétence des provinces et je me rends compte aussi qu'il y a beaucoup de pressions qui se font ici en faveur de la route principale du corridor du Maine et peut-être suis-je le seul avocat du diable. Pourriez-vous me dire, au nom de la province du Nouveau-Brunswick, si la province en ce moment peut se permettre de construire ou d'améliorer le secteur du Nouveau-Brunswick pour cette route Corridor reliant les Maritimes au secteur de Montréal?

[*Text*]

Mr. Higgins: The three Maritime provinces met with the Governor of the State of Maine and discussed this problem. We are looking at the economic advantages of this corridor road right now. I can say that it is not the top priority road in the Province of New Brunswick at the present time. I believe it has already been announced by the Minister of Highways that the top priority is Route 11. I do not think I could comment any more than that, except to say that if the United States builds a corridor road right to the border of New Brunswick then I am sure we would accommodate them.

Mr. Nowlan: Mr. Chairman, my question is brief. I first wish to thank the Minister for his preliminary remarks about the state of the provincial premiers task force because a year has gone by and I was wondering if we were going to have any policy from the four premiers. I am glad there is a document before the four premiers and that hopefully this Committee may have a chance to discuss that with them.

However, separate and apart from what is in that task force report I would like to ask the Minister if there was pressure and/or recommendation from this Committee on the Chignecto Canal and if the provincial government would co-operate and/or assist financially in any up to date survey, or does that get close to the task force?

Mr. Higgins: I cannot disclose what is in task force report No. 1. I am going to sound like a politician here.

Mr. Nowlan: If you answer this question we will know...

Mr. Higgins: The Province of New Brunswick does not have the Chignecto Canal as its number one priority right at the present time.

Mr. Nowlan: My question really is if there was a recommendation and/for more briefs and pressure from the interested people and groups in New Brunswick, let alone Nova Scotia. I put Acadia at the last, perhaps. Would the provincial government co-operate and assist financially in an up to date survey on the feasibility of the Chignecto Canal?

Mr. Higgins: I think we are always susceptible to the sensitivities of democracy.

[*Interpretation*]

M. Higgins: Nous avons rencontré les représentants des trois provinces Maritimes ainsi que le gouverneur du Maine et avons discuté le problème. Nous considérons les avantages économiques que présente cette route corridor actuellement. Ce n'est pas une route tout à fait prioritaire pour la province du Nouveau-Brunswick en ce moment. Je crois que le ministre de Wood nous a dit que c'était plutôt la route 11 qui avait droit de priorité et je ne crois pas que je puisse ajouter d'autres commentaires, sauf que si les États-Unis construisent cette route corridor jusqu'à la frontière du Nouveau-Brunswick, alors je suis sûr que nous pourrions leur être utiles.

M. Nowlan: Monsieur le président, ma question sera brève. Je désire d'abord remercier le ministre pour ses premières déclarations quant à l'équipe de travail des premiers ministres provinciaux, car une année s'est passée déjà et je me demandais si les quatre premiers ministres nous établiraient une ligne de conduite. Il me fait plaisir de constater que les quatre premiers ministres sont en possession de ce document et que le Comité espère avoir l'occasion de l'étudier avec eux. Donc, en plus de ce qui se trouve dans le rapport de l'équipe de travail, je voudrais demander à M. Higgins si on a exercé une certaine pression et si on a fait des observations à l'égard du canal de Chignecto. Est-ce que le gouvernement provincial collaborerait ou aiderait financièrement à toute nouvelle étude? Est-ce quelque chose qui peut relever du domaine d'une équipe de travail?

M. Higgins: Je ne puis pas révéler ce que contient le rapport du groupe d'étude n° 1. Vous allez me qualifier de politicien...

M. Nowlan: Si vous nous donniez une réponse, on saurait à quoi s'en tenir.

M. Higgins: La province du Nouveau-Brunswick ne considère pas le canal de Chignecto comme une première priorité maintenant.

M. Nowlan: Vraiment j'aimerais plutôt demander s'il y a eu une recommandation, et ou plus de mémoires ou de pressions qui ont été exercés par les gens ou des groupes intéressés du Nouveau-Brunswick sans parler de la Nouvelle-Écosse. Peut-être que l'Acadie viendrait en dernier lieu. Est-ce que le gouvernement provincial collaborerait ou aiderait, sur le plan financier, à faire un nouveau relevé sur la possibilité d'aménager le canal Chignecto.

M. Higgins: Nous tenons compte des aspects sensibles de toute démocratie.

[*Texte*]

The Chairman: Mr. Rock.

Mr. Rock: Mr. Chairman, from the manner in which the Minister is answering it would seem that the report is more or less secret, so there is no use in my asking him about whether the Saint Johns harbour is in or the international airport, so therefore I will not ask. I will wait for when we receive the report.

Mr. Higgins: In fairness to the people who worked on the report I would not want to give the impression that this is the greatest thing ever written, but it is a point of view from the four Atlantic provinces. It is a joint report and it contains the agreement of the provinces, which is one of the first times we have been able to accomplish this. We will submit it and no doubt with the information that you are getting from a very grass roots level we will be able to come up with something worthwhile.

The Chairman: I think all the members are awaiting this report, Mr. Higgins. We are very pleased to have heard you, and I hope we will have another chance to hear you again in the near future. Thank you.

Mr. Higgins: I might mention that there is an invitation for you all to come to the Lord Beaverbrook Hotel from 5.30 to 7.

The Chairman: Thank you very much, Mr. Higgins.

Mr. Higgins: This not only applies to the members of the Committee but also to all those people who are making submissions in the hope that there will be an informal chitchat.

The Chairman: Our next group will be the Maritime Co-operative Services Limited.

Gentlemen, we have with us Mr. W. D. Dernier. This brief was submitted last year. It appears at page 803 in your book. We will first have a short summary and then you may ask questions.

Mr. W. D. Dernier (Maritime Co-operative Services Limited): Mr. Chairman, there is no change in the original brief. I have a summary here but in the interests of time I will not read all of it. I will read the five recommendations that we have made in the brief.

Number 1:

We recommend the updating of transportation policies toward the region to equalize the cost of movement of goods

[*Interprétation*]

Le président: Monsieur Rock.

M. Rock: Monsieur le président, vu la façon dont répond le ministre, je crois que le rapport est vraiment confidentiel et il est inutile de lui poser des questions quant au port de St-Jean et de l'aérogare internationale. Attendons la réception du rapport.

M. Higgins: En toute justice à l'égard du groupe qui a travaillé à la rédaction du rapport, je ne voudrais pas donner l'impression que c'est une œuvre excellente qui vient d'être accomplie mais c'est l'opinion des quatre provinces de l'Atlantique. C'est un rapport conjoint approuvé par les provinces et c'est la première fois nous avons pu réaliser un tel projet. Nous le présenterons et avec les renseignements que vous obtenez, maintenant, vous pourrez donc avoir quelque chose de vraiment valable et méritoire.

Le président: Je pense que tous les membres attendent la présentation du rapport. Monsieur le ministre, nous sommes très fiers de vous avoir accueilli et nous espérons que nous aurons l'occasion de vous rencontrer d'ici peu. Merci beaucoup.

M. Higgins: Mais je pourrais vous dire que nous vous invitons tous, ce soir de 5h. 30 à 7 heures à l'hôtel Lord Beaverbrook.

Le président: Merci beaucoup.

M. Higgins: Cela s'applique non pas simplement aux membres du comité mais aussi à tous ceux qui présentent des soumissions, dans l'espoir qu'on puisse avoir une rencontre amicale.

Le président: Maintenant nous entendrons la *Maritime Co-operative Services Limited.* Messieurs, nous avons ici M. W. D. Dernier. Le mémoire nous a été présenté l'année dernière, à la page 803, de votre compte rendu. Nous aurons un résumé du mémoire et ensuite vous pourrez poser des questions, ce sera très bref.

M. W. D. Dernier (Maritime Co-operative Services Limited): Monsieur le président, nous n'avons pas du tout modifié notre première présentation. J'ai ici un résumé, mais, pour épargner du temps, je ne lirai que les cinq recommandations exposées dans le mémoire.

Numéro 1:

Nous recommandons que l'on reconsidère la politique en matière de transport et que l'on compense le coût du

[*Text*]

from tariff protected industrialized Central Canada, and of movement into that market by what industry we can develop.

Number 2:

We recommend the continued use of federal funds to assist our provinces in the construction of improved highways, and for incentives for the establishment of secondary industry; as part of the answer to our transportation problem.

Number 3:

We recommend continued use of federal public expenditures for improved port facilities in the Atlantic area as part of the answer to our transportation problem.

Number 4 deals with railway policy:

We recommend: (a) That the M.F.R.A. be amended to place this area competitive with central Canada by covering transportation costs between Montreal and the Atlantic area on both inbound and outbound shipments.

(b) That a substantial downward revision be made in present non-carload rates in the region.

(c) That the optional L.C.L. rates be maintained.

(d) That the M.F.R.A. apply to other modes of transport.

Number 5 deals with transportation assistance on feed grains:

We recommend that vegetable protein feeds of Canadian origin moved to the Atlantic provinces be eligible for transportation assistance on the same basis as grain.

The Chairman: Mr. Pringle.

Mr. Pringle: My first question relates to the last paragraph on page 803 of your brief which reads:

We would submit, however, that to date, equalization grants, A.D.B. projects, A.R.D.A. projects, the Maritime Freight Rates Act, the Feed Freight Assistance Policy, and all other measures for the transfer of funds from the Federal Treasury to the benefit of the Atlantic Area

[*Interpretation*]

transport des marchandises en provenance et en direction des régions industrialisées du Canada central qui bénéficient de tarifs protectionnistes par l'établissement, dans nos régions, de toute industrie susceptible d'y prospérer.

Numéro 2:

Nous recommandons l'usage régulier des fonds fédéraux pour aider nos provinces à construire de meilleures grandes routes, et à encourager l'établissement d'industries secondaires. Ce serait une réponse partielle au problème de nos transports.

Numéro 3:

Nous recommandons l'usage régulier des fonds publics fédéraux pour améliorer les aménagements portuaires dans la région atlantique.

Le numéro 4 traite de la politique des chemins de fer:

Nous recommandons:

a) Que la loi sur les tarifs maritimes soit modifiée afin de placer cette région dans une situation concurrentielle par rapport au Canada central en réglementant dans les deux sens les coûts des transports entre Montréal et la région atlantique.

b) Que les taux de détail présentement appliqués dans la région soient revisés afin de les réduire de façon appréciable.

c) Que le caractère facultatif du choix de ces taux soit maintenu.

d) Que la loi sur les tarifs maritimes soit appliquée à d'autres modes de transport.

Le numéro 5 traite de l'aide en faveur du transport des produits pour l'alimentation du bétail:

Nous recommandons que les aliments à base de protéine végétale, d'origine canadienne, transportés dans les provinces atlantiques bénéficient de la même aide que celle qui est accordée au transport du grain.

Le président: Monsieur Pringle.

M. Pringle: Tout d'abord, je voudrais poser une première question se rattachant au dernier paragraphe de votre mémoire, page 803, qui se lit ainsi qu'il suit:

Nous prétendons toutefois que jusqu'ici les subventions compensatoires, les projets de l'Office d'expansion économique de la région atlantique et ceux de la Loi d'aménagement régional et de développement agricole, la Loi des tarifs

[*Texte*]

have not equalled the price we have paid for tariff protection and added transportation costs...

Have you any figures with regard to that statement? Is it because there is so little production in this area that you are unable to cope with the cost of the product that you are using in this area? Tariffs, of course, must apply to all of Canada and we are now looking at some protection for the agricultural industry and other industries right across Canada. Frankly, I am just a little surprised that all the money which has been transferred in the way of assistance to this area still does not add up to the difference in cost. Could you expand on that for us?

Mr. Dernier: I submit, sir, as we outlined in the brief, that this area not only has to pay the additional cost through tariff protection, which is more of a burden in the area because our natural source of manufactured goods would be the eastern seaboard of the United States and we not only have to pay the same burden as the rest of Canada but the additional transportation costs to bring it into the area. One of the reasons we have so little production in the area for shipment out is the additional transportation in moving our goods out and being competitive in the central Canadian market. Over the years we have seen many secondary industries start in this area and die because on transportation costs alone.

I have no figures but I would suggest that this is dealt with in the Fifth Annual Review of the Economic Council of Canada under their chapter entitled "The Challenge of Growth and Change", and they have, I suggest, substantiated this opinion. It is an opinion.

Mr. Pringle: May I ask just one more question. Do you consider, then, that the additional transportation cost is creating this problem to a greater extent than the tariff protection?

Mr. Dernier: I think it is a problem on top of the tariff protection. We have the extra cost for industrial goods and we have the extra transportation cost as well.

[*Interprétation*]

maritimes, la politique d'assistance aux chargements alimentaires et autres mesures pour le transfert des fonds du Trésor fédéral au bénéfice de la région atlantique n'ont pas compensé le prix que nous avons dû payer à cause des tarifs protectionnistes et de l'augmentation des coûts...

Est-ce que vous avez des données quant à cette déclaration? Est-ce dû à la faible production dans cette région ou au fait que vous n'êtes pas en mesure plutôt de faire face au coût des produits que vous utilisez dans cette région? Les tarifs, bien entendu, doivent s'appliquer pour l'ensemble du Canada et maintenant nous recherchons une protection pour l'industrie agricole et d'autres industries à travers tout le pays? Sincèrement je suis un peu étonné de voir que tout l'argent qui a été ainsi transféré sous forme d'aide, dans cette région, ne comble pas cet écart quant au coût. Pouvez-vous nous donner plus de détails à ce sujet?

M. Dernier: Je prétends, monsieur, comme nous l'avons dit dans le mémoire d'ailleurs, que ce secteur doit non seulement payer des frais supplémentaires pour un tarif protectionniste, car la source naturelle de nos produits fabriqués se trouve sur le littoral de l'Est des États-Unis et nous n'avons pas qu'à assumer le même fardeau que le reste du Canada, mais de plus nous devons assumer les frais additionnels de transport pour les importer dans la région. Une des raisons du peu de production, dans ce secteur, pour l'exportation, ce sont les frais supplémentaires du transport de leurs produits afin de pouvoir faire concurrence à la partie centrale du Canada. Au cours des années, nous avons vu plusieurs industries secondaires, qui ont débuté, dans ce domaine, et n'ont pas survécu seulement à cause des frais de transport.

Je n'ai pas de chiffres à vous donner, mais je puis vous dire qu'il en est question dans le cinquième exposé annuel du Conseil économique du Canada, sous le titre, *Défi posé par la croissance et le changement* et ils prouvent nettement cette opinion. C'est un fait.

M. Pringle: Puis-je poser une autre question? Croyez-vous donc que les frais additionnels de transport créent ce problème d'une façon plus aiguë que le tarif protectionniste?

M. Dernier: Je crois que c'est un problème qui dépasse celui du tarif protectionniste, nous avons le coût additionnel des produits industriels ainsi que celui du transport.

[*Text*]

Mr. Pringle: Would you mind repeating the name of the chapter from the Economic Council of Canada report which you referred to?

Mr. Dernier: It is the chapter entitled "The Challenge of Growth and Change".

Mr. Pringle: The Challenge of Growth and Change. Thank you.

Mr. Dernier: It is at the beginning of the second paragraph.

The Chairman: Are you through, Mr. Pringle?

Mr. Pringle: Yes, thank you, Mr. Chairman.

The Chairman: Mr. Rose.

Mr. Rose: I would like to ask the witness to expand his answer, Mr. Chairman. Are you really saying, sir, that the tariff protection benefits the manufacturing industries in central Canada from which you must purchase rather than protecting you in the Atlantic provinces. Is this really what you are saying?

Mr. Dernier: This is what we submit, yes.

Mr. Rose: You sound like a Westerner!

An hon. Member: We have a lot in common.

Mr. Dernier: If I may be permitted to say so, sir, there is a caricature being made of Canada with plans for the great Canadian cow. The westerners feed the cow and other parts of Canada obtain the milk from the cow, so you can understand what is left for the Maritimes!

Mr. Rose: Well, sir, we have heard a lot of "bull" around here today. I was going to say that one of the chief complaints you hear from time to time is that most Canadians, other than central Canadians, are forced to buy in a protected market and sell in an open one, and this is especially true of the primary industries. You would support this idea?

Mr. Dernier: Yes, because the majority of our exports are raw materials from the primary industries.

The Chairman: Mr. Perrault.

[*Interpretation*]

M. Pringle: Pourriez-vous répéter s'il vous plaît, le nom du chapitre, de l'exposé du Conseil économique du Canada, que vous avez mentionné déjà?

M. Dernier: Il s'agit du chapitre intitulé *Croissance et changement,* au début du deuxième paragraphe.

M. Pringle: Merci, monsieur le président.

M. Dernier: C'est au début du 2e paragraphe.

Le président: Avez-vous fini, monsieur Pringle?

M. Pringle: Oui, merci, monsieur le président.

Le président: Monsieur Rose.

M. Rose: Je voudrais demander au témoin, monsieur le président, d'expliquer sa réponse. Dites-nous, monsieur, qu'en réalité, la protection tarifaire bénéficie les industries manufacturières dans la partie centrale du Canada d'où il vous faut acheter plutôt que d'être une protection particulière pour les provinces de l'Atlantique? C'est cela que vous dites?

M. Dernier: C'est ce que nous prétendons, oui.

M. Rose: On dirait que vous venez de l'Ouest!

Une voix: Nous avons donc beaucoup de choses en commun.

M. Dernier: Si vous me permettez de le dire, monsieur, il y a une caricature du Canada au sujet de la belle vache à lait canadienne. Dans l'Ouest, on nourrit la vache et les autres parties du Canada obtiennent le lait de la vache et par conséquent, vous voyez ce qui reste pour les Maritimes!

M. Rose: Nous avons entendu beaucoup de choses drôles ici, aujourd'hui. J'allais dire qu'une des principales plaintes que nous recevons de temps à autre, c'est que la plupart des Canadiens autres que ceux qui viennent de la partie centrale du Canada, doivent acheter tout d'abord dans un marché fermé et ensuite vendre dans un marché ouvert. Et c'est surtout vrai à l'égard des industries primaires? Appuyez-vous ce principe?

M. Dernier: Oui, parce que la majorité de nos exportations sont des matières brutes qui viennent de l'industrie primaire.

Le président: Monsieur Perrault.

[*Texte*]

Mr. Perrault: Mr. Chairman, I am not unsympathetic to the line of argument advanced by our guest and witness on behalf of the Maritime Co-operative Services Limited. I wanted to question him about the impact of some of these requests. Are you requesting that the same rates be available to Maritime manufacturers who manufacture here and ship to central Canada as are available to those manufacturers who manufacture in Montreal and Toronto and ship to the Maritimes?

This is the kind of request that some of us make in western Canada because it costs more to manufacture in Vancouver and ship to Toronto than it does to manufacture in Toronto and ship to Vancouver. This has been the source of a great deal of unhappiness, as Mr. Rose suggested a few moments ago. Is this what you are asking or are you asking a preferential rate to make it less costly for a Maritime manufacture to manufacture here and sell in Toronto than vice versa?

Mr. Dernier: I do not think it would be reasonable to suggest that we should have a better rate, but we wish to have the injustices of our extra cost of transportation removed so that we do not have that impediment...

Mr. Perrault: You are asking for equality, then?

Mr. Dernier: Right, and I suggest that the MFRA, as it has been operating as a percentage reduction of the rate, is not performing the function that it was originally intended to perform. There must be some other approach.

Mr. Perrault: This is similar to some of the sentiments which exist in the West, of course. Let me ask this question. It is not directly on the subject of transport, but is there any extension of the automotive agreement type pact which would be beneficial to the Maritimes to help with some of your problems? In the West we are talking about a free trade area in wood products, for example, which would give us access to the west coast market of the United States. Do you think that economic policy should be working similarly for some industry in the Maritimes in relation to the Atlantic states?

[*Interprétation*]

M. Perrault: Monsieur le président, je comprends très bien le raisonnement de ce témoin et notre invité, au nom de Maritime Co-operative Services Limited. Je voulais lui poser quelques questions au sujet de la répercussion de certaines de ces demandes? Est-ce que vous demandez que les mêmes taux soient à la disposition des fabricants des Maritimes qui fabriquent ici et expédient dans la partie centrale du Canada qui sont disponibles aux fabricants qui fabriquent à Montréal et à Toronto et qui expédient ensuite aux Maritimes.

C'est le genre de demandes que nous nous faisons dans l'Ouest du Canada, car cela coûte plus cher de fabriquer à Vancouver et d'envoyer à Toronto que de fabriquer à Toronto et d'expédier à Vancouver. Ce qui cause beaucoup de chagrin comme M. Rose l'a suggéré tout à l'heure. Est-ce que c'est ce que vous demandez ou est-ce que vous demandez un tarif préférentiel afin que ce soit moins coûteux pour un fabricant des Maritimes de fabriquer ici et de vendre à Toronto que réciproquement.

M. Dernier: Je ne crois pas que ce soit raisonnable de suggérer que nous voulons un meilleur tarif, mais nous désirons que les injustices de nos frais supplémentaires de transport soient éliminées afin que nous n'ayons pas cet obstacle...

M. Perrault: Vous demandez donc l'égalité?

M. Dernier: C'est exact, et je suggère que la Loi sur les taux de transport des marchandises dans les provinces maritimes telle qu'elle existe, à l'heure actuelle, comme pourcentage de réduction de taux, ne réalise pas l'objectif qu'on avait au tout début. Il doit y avoir un autre moyen de régler la question.

M. Perrault: Cela ressemble à certains sentiments qui existent dans l'Ouest, évidemment. Permettez-moi de vous poser cette question-ci maintenant. Ce n'est pas tout à fait sur le sujet des transports, mais est-ce qu'il y a une extention de l'accord en matière de véhicules à moteur qui pourraient bénificier aux Maritimes afin de vous aider à régler certains problèmes? Dans l'Ouest, nous parlons d'une zone de libre-échange, par exemple, dans le domaine des produits du bois qui nous donnerait accès aux marchés et aux débouchés de l'Ouest des États-Unis. Croyez-vous que la politique économique devrait jouer dans le même sens pour certaines industries des Maritimes en ce qui concerne les États de l'Atlantique?

[*Text*]

Mr. Dernier: I cannot specifically think of any industry. I would think this area should be explored, but I am not prepared to...

Mr. Perrault: Mr. Chairman, just a final question. I wonder if there are any even approximate estimates of the cost involved in these proposals; for example, the proposal with respect to protected tariffs. Is there any estimate on what it would cost in terms of reduction in transport costs? Is there any estimate of the cost of increased or continued highway assistance from the federal government? In other words, has a price tag been put on this program by your organization?

Mr. Dernier: Not by our organization, but I would suggest that some of the studies that have been made, particularly by the Maritime Transportation Commission and the MFRA, would give you a good deal of that information.

Mr. Perrault: Thank you, Mr. Chairman.

The Chairman: Mr. Godin.

M. Godin: Merci, monsieur le président. Premièrement, le témoin pourrait-il nous dire s'il emploie, par exemple, les suppléments protéiques à base animale? Est-ce que ces produits sont subventionnés par le gouvernement fédéral?

Deuxièmement, pouvez-vous nous dire, en chiffres exacts, quelle est la différence entre 100 livres de blé, dont le transport de Port-Arthur à Fredericton est subventionné, et 100 livres de protéines végétales qui ne sont pas sujets aux octrois?

Mr. Dernier: You asked for the difference in rate per hundredweight between animal products and grain. May I ask from where?

M. Godin: En partant de la tête des Grands Lacs, de Port-Arthur à Fredericton pour 100 livres de blé, et de Port-Arthur à Fredericton pour 100 livres de protéines végétales?

Mr. Dernier: First of all, as I understand it the question was are animal products used for a protein supplement. Yes, we use a certain amount of animal products but the basic protein in livestock feed is vegetable protein, largely soybean meal, and there is now a continually increasing amount of rapeseed meal from western Canada, so that your cost is based on the cost of vegetable protein. As far as the rate differential between vegetable protein and grain is concerned, they carry

[*Interpretation*]

M. Dernier: Je ne vois d'une façon précise aucune industrie. J'oserais dire qu'on devrait explorer ce domaine, mais je ne pourrais vous...

M. Perrault: Une dernière question, monsieur le président. Je me demande s'il y a des évaluations approximatives des coûts quant à ces propositions; par exemple, la proposition visant les tarifs protectionnistes. Est-ce qu'on a une idée de ce que cela coûterait sous forme de réduction des frais de transport? Est-ce qu'on a un coût estimatif sur l'augmentation ou le maintien de l'assistance routière donnée par le gouvernement fédéral? En d'autres termes, est-ce que votre organisme a évalué le coût de ce programme?

M. Dernier: Mon organisme ne l'a pas fait non, mais je dirais que certaines études qui ont été faites, surtout par la Commission des transports des Maritimes et la Loi sur les taux de transport des marchandises dans les provinces maritimes vous donnerait ces renseignements.

M. Perrault: Merci, monsieur le président.

Le président: Monsieur Godin.

Mr. Godin: Thank you very much, Mr. Chairman. First, could the witness tell us whether he uses animal protein supplements, for instance, and whether these products are subsidized by the federal government.

Secondly, could you give us the exact figures with regard to the difference between 100 lbs. of wheat the transport of which from Port Arthur to Fredericton is subsidized, and 100 lbs. of vegetable proteins which are not subject to subsidies?

M. Dernier: Vous avez demandé la différence entre les taux par cent livres entre les produits animaux et le blé. Où s'il vous plaît?

Mr. Godin: Let us say from the head of the lakes, from Port Arthur to Fredericton, for 100 lbs. of wheat and from Port Arthur to Fredericton for 100 lbs. of vegetable proteins?

M. Dernier: Tout d'abord, si j'ai bien compris la question, il s'agissait de savoir les produits animaux qui sont employés pour un supplément en protéines. Oui, nous les employons, certainement, mais la protéine de base, pour la graine de provende est la protéine végétale, surtout la farine de soya et on emploie beaucoup plus de farine de graines de colza aussi de l'Ouest du Canada, par conséquent, le coût est fondé sur le coût de cette protéine végétale. En ce qui concerne

[*Texte*]

the same rate, but one is equalized to transportation assistance and the other is not.

M. Godin: Quelle est la différence, dans le transport, entre 100 livres de blé et 100 livres de protéines?

Mr. Dernier: The rate is the same. You want to know the amount that is not subsidized? Just a moment. The average rate in New Brunswick last year was $12.92 per ton. Nova Scotia was approximately $12.00 per ton.

Le président: Est-ce que cela répond à votre question, monsieur Godin?

M. Godin: Oui, merci.

The Chairman: Mr. Horner?

Mr. Horner: Mr. Chairman, I will forego any questions in view of the hour.

The Chairman: Mr. Pringle?

Mr. Pringle: May I ask just one supplementary question. I am interested in finding out, in view of the fact that the Maritimes are endeavouring to build up industry, what industry you would recommend for expansion in New Brunswick without benefit of tariff protection. Would you recommend at the same time that we should endeavour to alleviate tariffs on products which you could get from the United States and which, in my opinion, could immediately be competitive to the industrial products that you would be attempting to produce in the Maritimes? What product would you recommend?

Mr. Dernier: I think the point I was trying to make, sir, is that we not only have to pay the price of the extra cost of tariff protection—and I think in the brief we say that we have no quarrel with this per se—but in addition to that we have to pay the penalty of the additional transportation costs, and as such we feel that some extension of the MFRA is justifiable. However, we are not saying that we have any quarrel with the tariff protection per se.

Mr. Pringle: Then to you the transportation cost is really more the main problem than the additional cost as a result of the tariff.

The Chairman: Are there any further questions?

[*Interprétation*]

l'écart qui existe entre la protéine végétale et le blé, il comporte le même taux, mais il y en a un qui est compensé par une assistance au transport et l'autre ne l'est pas.

Mr. Godin: What is the difference in transportation costs between 100 lbs. of wheat and 100 lbs. of proteins?

M. Dernier: Le taux est le même. Vous voulez savoir quelle est la partie qui n'est pas subventionnée? Un moment. Au Nouveau-Brunswick, le taux moyen, l'an dernier, était de $12.92 la tonne. En Nouvelle-Écosse, c'était environ $12 la tonne.

The Chairman: Does this answer your question, Mr. Godin?

Mr. Godin: Yes, thank you.

Le président: Monsieur Horner?

M. Horner: Je vais m'abstenir de poser des questions vu l'heure tardive, monsieur le président.

Le président: Monsieur Pringle?

M. Pringle: Puis-je poser une question supplémentaire? Je voudrais savoir vu le fait que les provinces maritimes tentent d'accroître leurs industries ici, quelles sont les industries, à votre sens, qui pourraient être étendues ou développées au Nouveau-Brunswick, sans l'avantage d'un tarif protectionniste? Recommanderiez-vous en même temps que nous devrions tenter d'alléger le tarif sur les produits que vous pourriez obtenir des États-Unis et qui, à mon sens, seraient immédiatement concurrentiels aux produits industriels que vous essaieriez de produire ici dans les Maritimes? Quel produit recommanderiez-vous?

M. Dernier: Je crois que le point que j'essayais de soulever, monsieur, c'est que nous devons payer le prix, non seulement, des coûts additionnels du tarif protectionniste, mais je crois que, dans le mémoire, nous disons que nous ne nous opposons pas en principe, mais qu'en plus, nous devons payer les frais de transport supplémentaires, et, par conséquent, nous croyons qu'une extension de la Loi sur les frais de transport de marchandises pour les Maritimes serait justifiable. Toutefois, nous n'avons aucune objection, en principe, au tarif protectionniste.

M. Pringle: En d'autres termes, pour vous, les frais de transport supplémentaires sont pires que le tarif protectionniste?

Le président: Y a-t-il d'autres questions?

[*Text*]

Gentlemen, I want to thank you for presenting your brief.

I wonder if the Committee would agree to a 10 minute adjournment?

It is now 4.10 and we will meet again at 4.20.

The Chairman: Gentlemen, our next brief will be that of the T. Eaton Company Limited. On my immediate right are Mr. Sparks and Mr. Lockhart. We have had their brief for over a year and I presume most of the members are aware of it. These two gentlemen are now ready to answer your questions.

Mr. Thomas (Moncton): Mr. Chairman, I have two short questions for Mr. Sparks. Basically your problem is that as a distribution catalogue mail order centre you are shipping mainly small parcels—small shipments—and therefore everything has to go either by less than carload rail shipment, or by some other means of transportation?

Mr. W. R. Sparks (Traffic and Customs Manager, T. Eaton Company Limited): That is correct.

The Chairman: Mr. Thomas, you will find the brief of the T. Eaton Company on page 826 in your book.

Mr. Thomas (Moncton): Your most serious problem is created by the recent increase in l.c.l. rates, which has jacked up the costs of your shipping?

Mr. Sparks: That is correct.

Mr. Thomas (Moncton): Is there any alternative method of making shipments from your Moncton plant other than by rail?

Mr. Sparks: Not a satisfactory system, no sir.

Mr. Thomas (Moncton): You have not been able to ship, or to get the same service, through road transport?

Mr. Sparks: No, sir.

Mr. Thomas (Moncton): Thank you.

Mr. Horner: Mr. Sparks, although, as Mr. Thomas suggests, you ship your goods in less than cargo lots—small cargoes, part loads, and so on—your biggest trouble arises—and correct me if I am wrong—through the implementation of the density load factor. Is this correct?

Mr. Sparks: This is correct.

[*Interpretation*]

Messieurs, je veux vous remercier de la présentation de votre mémoire.

Je me demande si le comité serait d'accord que nous levions la séance pour dix minutes.

Il est 4 heures et dix, alors à 4 heures 20, nous revenons n'est-ce pas?

Le président: Messieurs, nous entendrons maintenant le mémoire présenté par la compagnie T. Eaton Limited. J'ai ici, à ma droite, M. Sparks et M. Lockhart, Nous avons leur mémoire depuis plus d'un an. Je suppose donc que les membres du Comité en connaissent le contenu. Nos témoins sont donc maintenant prêts à répondre à vos questions.

M. Thomas (Moncton): J'aurais deux brèves questions à poser à M. Sparks. Essentiellement, votre problème vient de ce que, en tant que centre de distribution par catalogue, vous faites l'expédition de petits colis surtout. Vous pouvez donc les expédier en chargement incomplet, ou recourir à d'autres modes de transport.

M. W. R. Sparks (Gérant du service de distribution et des douanes, T. Eaton Company Limited): C'est exact.

Le président: Vous trouverez, monsieur Thomas, le mémoire de la T. Eaton à la page 826 du compte rendu.

M. Thomas (Moncton): En ce moment, votre principal problème vous vient essentiellement de l'augmentation dans les taux qui viennent s'ajouter à vos frais d'expédition.

M. Sparks: C'est exact.

M. Thomas: Y a-t-il une méthode, pour vos expéditions de Moncton, autre que le recours aux chemins de fer?

M. Sparks: Non, pas de systèmes satisfaisants.

M. Thomas (Moncton): Vous n'avez pas été en mesure d'obtenir le même service par l'entremise d'une compagnie de transport routier?

M. Sparks: Non, monsieur.

M. Thomas (Moncton): Merci.

M. Horner: Comme M. Thomas le dit, quoique les marchandises que vous expédiez représentent moins d'un chargement, de petits chargements, et d'autres, votre plus grand problème vient, et rectifiez-moi si j'ai tort, de la mise en vigueur du facteur de densité de chargement. Est-ce correct?

M. Sparks: C'est bien cela.

[*Texte*]

Mr. Horner: Did the railways give you any reason for the—I think it is—10 pounds per cubic foot figure on which they now base their freight rate?

Mr. Sparks: Yes; I attended all the meetings of the committee that the railway set up to establish E.T.A.T. 100, and this is what they needed, in their estimation, to make their rates compensatory.

Mr. Horner: In their estimation?

Mr. Sparks: Yes, sir.

Mr. Horner: These same rates, as on per ton mile—and I do not want to go back to a previous brief—but in the previous brief there was a table which outlined the exact effects of these rates. I ask the Committee to look for a brief moment at page 806. There they outline some rates. For, say, 350 miles in Ontario, the rate per 100 was 49 cents; for 294 miles in the Maritimes the rate with the Maritime Freight Rates subsidy is still 71 cents.

How do they justify one rate as compensatory in one area and not necessarily compensatory in another, per mile of travel?

Mr. Sparks: I have never been able to understand the railway costing system. I would not like to answer that question.

An hon. Member: Join the club.

Mr. Horner: Take the matter of volume. Does your company have any suggestion about an agreed rate for the volume that you must do with the railway company?

Mr. Sparks: We have an agreed rate, yes, sir, for our catalogue houses.

Mr. Horner: For your catalogue houses you have an agreed charge for your shipping?

Mr. Sparks: Yes, sir; we have an exception to the general traffic.

Mr. Horner: And it still takes into consideration the 10 pounds per cubic foot?

Mr. Sparks: No, sir.

Mr. Horner: The agreed charge does not?

Mr. Sparks: No, sir.

Mr. Horner: Is the agreed charge of a ton a mile shipped quite a bit less than the...

[*Interprétation*]

M. Horner: Les compagnies de chemin de fer vous ont-elles dit pourquoi elles avaient eu recours à cette mesure de 10 livres le pied cube pour fixer les taux de transport?

M. Sparks: Oui. J'ai assisté à toutes les séances du comité constitué par les chemins de fer en vue d'établir ces tarifs, qui, disent-ils, sont nécessaires au bon fonctionnement de leur entreprise.

M. Horner: Il s'agit de leur propre opinion?

M. Sparks: Oui.

M. Horner: Quant à ces taux, même si je ne veux pas revenir à un autre mémoire, je signalerai que le mémoire précédent contient un tableau qui indique leurs effets précis. J'aimerais que le Comité jette un coup d'œil à la page 806. On y donne certains taux. Ainsi, en Ontario, le coût de transport sur une distance de 350 milles est de 49 cents les cent livres. Dans les Maritimes, pour 294 milles, le taux bien que subventionné est de 71 cents, en vertu de la Loi sur les taux de transport des marchandises dans les Maritimes.

Comment peut-on justifier qu'un taux soit compensatoire dans une région, et qu'il ne le soit pas nécessairement dans un autre, par mille parcouru?

M. Sparks: Je n'ai jamais été en mesure de comprendre ce système des chemins de fer. Je préfère donc ne pas répondre à votre question.

Une voix: Nous faisons partie du même club.

M. Horner: Question de volume, votre compagnie a-t-elle des suggestions pour le taux qu'elle devrait payer pour le volume de marchandises transportées par chemin de fer?

M. Sparks: Nous avons conclu une entente pour nos comptoirs de ventes par catalogue.

M. Horner: Vous avez convenu d'un tarif?

M. Sparks: Oui; nous avons une exception par rapport au trafic ordinaire.

M. Horner: Tient-on toujours compte de ces 10 livres par pied cube?

M. Sparks: Non.

M. Horner: Le tarif convenu ne tient pas compte de ça?

M. Sparks: Non.

M. Horner: Le tarif convenu pour une tonne le mille expédiée est-il beaucoup moins que le...?

[*Text*]

Mr. Sparks: Should I answer that question?

Mr. Horner: I think you should.

Mr. Sparks: It is a published tariff.

Mr. Horner: Yes; it is published here.

Mr. Sparks: It is a published tariff; and we do not pay on cube or piece.

Mr. Horner: But in the agreed charge you have to ship all your goods.

Mr. Sparks: No, sir.

Mr. Horner: You do not?

Mr. Sparks: No, sir.

Mr. Horner: What does the agreed charge apply to, then?

Mr. Sparks: We present our goods in 1,000 cubic foot lots for pickup.

Mr. Horner: Would a containerization system improve the shipment of your products?

Mr. Sparks: Very slightly; because of the inconsistency of the volume at certain locations you would never have enough volume to use a container.

Mr. Horner: Is it your belief that the railways do not have enough competition from the trucking industry within the Maritimes?

Mr. Sparks: Looking at rates, we feel that the increases in the Maritimes at the time E.T.A.T. 100 was published were quite substantial compared to, say, Western Canada.

Mr. Horner: You thought they were quite substantial.

Mr. Sparks: Yes; in view of the fact that they have much more truck competition in Western Canada than they have in the Maritimes.

Mr. Horner: From the list of rates you have in your brief I imagine your company has already protested to the Canadian Transport Commission about the rates on the density figure?

Mr. Sparks: Not to the Commission; we have dealt with the railways in Montreal.

[*Interpretation*]

M. Sparks: Est-ce que je devrais répondre à cette question?

M. Horner: Je crois que vous devriez y répondre.

M. Sparks: Le tarif est publié.

M. Horner: Oui, il est publié ici.

M. Sparks: Le tarif est publié. Nous ne payons pas d'après le nombre de pieds cubes ni le nombre de colis.

M. Horner: Suivant le tarif convenu, vous devez expédier tous vos colis?

M. Sparks: Non.

M. Horner: Vous ne le faites pas?

M. Sparks: Non.

M. Horner: Alors, à quoi ce taux s'applique-t-il?

M. Sparks: Nous présentons nos produits en lots de mille pieds cubes pour qu'ils soient recueillis.

M. Horner: Est-ce qu'un système de conteneurs pourrait améliorer l'expédition de vos produits?

M. Sparks: Très peu, parce que le volume varie à certains endroits et qu'il serait insuffisant pour qu'il soit avantageux de recourir à ce système.

M. Horner: Est-ce que vous croyez alors que les chemins de fer n'ont pas assez de concurrence de la part de l'industrie du camionnage dans les Maritimes?

M. Sparks: Si nous parlons des taux, nous croyons que lorsque les augmentations ont été rendues publiques elles étaient beaucoup plus substantielles dans les Maritimes que, par exemple, dans les provinces de l'Ouest.

M. Horner: Vraiment?

M. Sparks: Oui, du fait qu'il y a beaucoup plus de concurrence de la part de l'industrie du camionnage dans l'Ouest que dans les provinces des Maritimes.

M. Horner: D'après les taux qui apparaissent dans votre mémoire, je suppose que votre compagnie a déjà protesté au sujet de ces nouveaux tarifs auprès de la Commission des transports du Canada?

M. Sparks: Non, pas auprès de la Commission. Nous avons traité avec les chemins de fer à Montréal.

[*Texte*]

Mr. Horner: You have not protested them to the Canadian Transport Commission?

Mr. Sparks: No, sir.

The Chairman: Mr. Allmand?

Mr. Allmand: Sir, do you use your own trucks at all the Maritimes for delivery of parcels in small lots?

Mr. Sparks: Only in urban centres; not on highways, sir, no.

Mr. Allmand: You would consider this uneconomical?

Mr. Sparks: On all trucking business you need a two-way movement to be economical. What are we going to bring back when we get the trucks out at the end of the route?

Mr. Allmand: I ask because I know that in the city I come from all the Eaton deliveries are by truck. I suppose that is because it is economic in the cities.

Mr. Sparks: Yes.

Mr. Allmand: That is all; thank you.

The Chairman: Mr. Perrault?

Mr. Perrault: Mr. Chairman, I have a brief question. The company states,

> We feel that if the present levels of rates for the Atlantic Provinces are not reduced, it will result in an increase in the cost of living for the consumer and could retard the growth of our Company...

The preceding paragraph suggests that the Catalogue Sales Offices report that service has deteriorated. People still require commodities. Where are they buying their dinette suites and ranges and stoves if they are not buying them from you? They are buying somewhere.

Mr. Sparks: As the prices are going up their dollar is not going as far.

Mr. Allmand: You mean they are no longer buying beds and stoves here?

Mr. Sparks: Oh, yes.

Mr. Allmand: I just wondered what effect it was having on the over-all economy. Perhaps a native, home-based industry is benefiting from your difficulties in bringing materials in from Toronto?

[*Interprétation*]

M. Horner: Vous n'avez pas protesté auprès de la Commission des transports du Canada?

M. Sparks: Non.

Le président: Monsieur Allmand.

M. Allmand: Est-ce que vous utilisez vos propres camions dans les Maritimes pour l'expédition de colis en petits lots?

M. Lockhart: Simplement dans les centres urbains; nous ne les utilisons pas sur les grandes routes.

M. Allmand: Vous trouvez que ce n'est pas rentable?

M. Sparks: Pour toute opération de camionnage, il faut un déplacement de marchandises dans les deux sens pour que ce soit rentable. Que pouvons-nous ramener lorsque le camion est rendu à destination?

M. Allmand: J'ai posé la question parce que je sais que dans la ville d'où je viens, toutes les livraisons de Eaton se font par camion. J'imagine que c'est rentable en ville?

M. Sparks: Oui.

M. Allmand: Merci.

Le président: Monsieur Perrault.

M. Perrault: Voici, monsieur le président. La compagnie déclare:

> A notre avis, si on ne réduit pas les taux actuellement en vigueur dans les provinces de l'Atlantique, il y aura hausse du coût de la vie pour le consommateur, et cela retardera aussi l'essor de notre société...

Ce paragraphe laisse entendre que d'après vos bureaux de ventes par catalogues le service s'est amoindri. On a toujours besoin de marchandises. Où achète-t-on meubles et cuisinières, réfrigérateurs, si on ne les achète pas chez-vous?

M. Sparks: A mesure que les prix augmentent, le dollar va moins loin.

M. Allmand: Voulez-vous dire qu'on n'achète plus de lits ni de cuisinières ici?

M. Sparks: On en achète encore.

M. Allmand: Tout ce que je désirais savoir, c'était l'effet que cela avait sur l'ensemble de l'économie. Peut-être qu'une autre industrie locale bénéficie des difficultés que vous éprouvez à obtenir certains matériaux de Toronto?

[*Text*]

Mr. Sparks: It is possible.

Mr. Allmand: That is my question. Have you any statistics relative thereto?

Mr. Lockhart: Perhaps we could say that from 1966 to 1968 our charges for shipments to customers from Moncton, outgoing, were increased 21.8 per cent. The per pound cost to us of shipping to customers went up from 2.47 to 3.04. This is based on 1,810,000 pounds. That is express freight costs.

The express rate, incoming, from suppliers to our company in Moncton, increased by 76.7 per cent from 1966 to 1968.

In addition I think it would be well for this Committee to realize that this represents about half of our volume. The rest of our shipments are parcel post, and parcel post rates during the same period increased by 19.8 per cent.

Another thing that I think the Committee might be interested in is that on the catalogues that we ship out to our customers in the Atlantic Provinces our postage increased last year. Had we used the same method of distribution that we used in 1966, our cost would have increased by 74 per cent. We found that we were able to reduce this somewhat by finding other means of distributing our catalogues, mainly in the urban centres, through service organizations, and so on, and bringing the books in in bulk.

To get back to your question about what will happen, we have necessarily had to increase the catalogue price of our merchandise to our customers.

We have been able to absorb a certain amount of this increase in rates, but not substantially. The bulk of the increase has to be passed on to the customer. This, I think, is the intention of that particular paragraph in the brief—that the customers are going to pay more. They will probably be able to buy less and in the long run it will reflect, or could reflect, in loss of business to us.

The Chairman: Are there any further questions, gentlemen?

Mr. Trudel: Mr. Chairman, I wish to ask the witness if he has any idea what percentage of their business is done in the urban centres and what it is in the rural sector?

Mr. Lockhart: I can give you a rough guess. It is roughly 45 per cent to the urban centres and 55 per cent rural.

[*Interpretation*]

M. Sparks: C'est possible.

M. Allmand: Voici ma question. Possédez-vous des données à ce sujet?

M. Lockhart: On pourrait peut-être ajouter à cet égard que de 1966 à 1968, nos frais d'expédition de marchandises aux clients, à partir de Moncton, ont augmenté de 21.8 p. 100. Le coût d'expédition, par livre, est passé de 2.47 à 3.04. Ces chiffres sont basés sur un poids total de 1,810,000 livres. Ce sont les frais de transport par exprès.

Les frais de messagerie, pour la marchandise que nos fournisseurs nous ont fait parvenir à Moncton, ont augmenté de 76.7 p. 100 de 1966 à 1968.

Je pense qu'il serait bon que ce Comité se rende compte que cela représente environ la moitié de notre volume. Le reste de nos expéditions se fait par livraison postale. Et les tarifs pour colis postaux ont augmenté de 19.8 p. 100 pour la même période.

Une autre chose qui pourrait peut-être aussi intéresser le Comité, c'est que pour ces catalogues que nous expédions à nos clients dans la région de l'Atlantique, les frais postaux ont connu, l'année dernière, une augmentation. Si nous avions utilisé la même méthode de distribution qu'en 1966, le coût aurait été majoré de 74 p. 100. Nous avons réalisé qu'il était possible de réduire l'importance de cette augmentation en trouvant d'autres moyens de distribution de notre catalogue, surtout dans les centres urbains, par l'entremise de certains organismes et en faisant venir ces catalogues en vrac.

Pour revenir à votre question, ce qui s'est produit, c'est que nécessairement nous avons dû augmenter le coût que paie le client pour la marchandise.

Nous avons pu absorber une certaine partie de cette augmentation, mais pas de façon substantielle. C'est, en grande partie, le client qui paie. Ce que signifie ce paragraphe c'est que les clients devront encore payer davantage. Ils ne pourront sans doute pas acheter autant ce qui, à la longue, signifiera, ou pourrait signifier, une diminution du chiffre de nos affaires.

Le président: Auriez-vous d'autres questions, messieurs? Monsieur Trudel?

M. Trudel: Je désire, monsieur le président, demander au témoin s'il a une idée du partage des affaires que traite sa compagnie entre les centres urbains et ruraux.

M. Lockhart: Je pourrais vous donner une évaluation approximative. Ce serait environ 45 p. 100 dans les centres urbains et 55 p. 100 dans les centres ruraux.

[*Texte*]

Mr. Trudel: Is there any possibility of having a charge, if you were sending goods out of the urban centres, and still using the same price structure, rather than penalize those who reside in the urban centres for the increased transportation cost that you are talking about?

Mr. Lockhart: This would mean a two-price policy, which our company up until now has resisted. We insist on one price to everybody. It would probably mean an additional heavy expense in creating another book with different prices. Our prices are the same, by zones.

Mr. Trudel: Yes; this was what I was thinking about—having one price system, and those within a certain zone would have another charge tacked on to the price for transportation?

Mr. Lockhart: These things have been considered and will be again in the future, I am sure, but at the moment they have decided to operate as usual.

Mr. Trudel: Thank you, Mr. Chairman.

Mr. Sparks: Mr. Chairman, perhaps the Committee would be interested to know that in our business in the Atlantic Provinces 90 per cent of the goods we buy comes from outside the provinces; and, similarly, 90 per cent of what we sell comes in by CNR. We have no CP connection in Moncton. Very little road transport comes through to bring us our merchandise, so it is CN in and CN out, and anything over 25 pounds...

The Chairman: Mr. Horner?

Mr. Horner: Why does the Maritime Freight Rates Act not apply to less than cargo loads? Do you know?

Mr. Sparks: I am not sure of that, no; but I know one thing, and that is that the paper work would be tremendous.

Mr. Horner: If this Committee, after an exhaustive study of the problem, recommended that in setting the freight rates the formula of five pounds per cubic foot be accepted rather than 10 pounds, would you agree?

[*Interprétation*]

M. Trudel: Est-ce qu'il y a possibilité, tout en expédiant votre marchandise des centres urbains et en conservant la même structure de prix, d'imposer des frais pour ces expéditions plutôt que de pénaliser ceux qui habitent les centres urbains pour l'augmentation des frais dont vous parlez.

M. Lockhart: Il s'agirait d'instaurer un double prix, ce à quoi nous avons résisté jusqu'à maintenant. Nous tenons à avoir un seul prix pour tout le monde. Il faudrait sans doute effectuer des dépenses additionnelles d'importance pour imprimer un deuxième catalogue, avec des prix différents. Présentement nos prix sont les mêmes, ils sont fixés par zone.

M. Trudel: C'est ce à quoi je songeais, un système à prix unique et des frais différents suivant une zone donnée pour couvrir les frais de transport.

M. Lockhart: Ils y ont songé et ils y penseront encore, j'en suis sûr. Mais en ce moment, ils ont décidé de maintenir le système actuel.

M. Trudel: Merci beaucoup, monsieur le président.

M. Sparks: Je pense, monsieur le président, que ce Comité serait intéressé à savoir que, par rapport aux transactions que nous effectuons dans les Maritimes, 90 p. 100 des marchandises que nous achetons viennent de l'extérieur des provinces, et de même, 90 p. 100 de ce que nous vendons est livré par le National-Canadien. Il n'y a pas de services du Pacifique-Canadien à Moncton. Il y a très peu de transport routier pour nous apporter nos marchandises de sorte que pour la réception et l'expédition il faut recourir au National-Canadien, et tout ce qui excède vingt-cinq livres...

Le président: Monsieur Horner?

M. Horner: Pourquoi la *Loi sur les taux de transport des marchandises dans les provinces Maritimes* ne s'applique-t-elle pas pour les chargements incomplets? Le savez-vous?

M. Sparks: Je n'en suis pas sûr. Mais je sais que le travail de bureau serait énorme.

M. Horner: Si ce Comité, après avoir étudié le problème à fond, recommandait que l'établissement des taux se fasse d'après la formule de 5 livres au pied cube au lieu de 10 livres, seriez-vous d'accord?

[*Text*]

Mr. Sparks: We would be very happy to hear it.

The Chairman: Mr. Perrault?

Mr. Perrault: This is just a supplementary arising out of the increased cost of bringing goods in from the outside. Has this encouraged you to purchase products manufactured in Nova Scotia, New Brunswick and Prince Edward Island in recent years as a way to cut down on these costs? Do you buy heaters and stoves to a greater extent now, such as the Fawcett stove, from New Brunswick or the Maritimes?

An hon. Member: Do they make any?

Mr. Horner: Yes, they certainly do.

Mr. Lockhart: I cannot answer that. We do buy considerably from some of the eastern Maritime manufacturers, but in the case of ranges I cannot answer the question. Ours are made in Guelph and the buyer probably has reason to believe that he should buy there.

Mr. Sparks: You must remember there are many sources. We are buying on a national basis and we naturally supply all outlets from the same source.

Mr. Horner: I am merely trying to determine, again, whether or not this transportation situation provides certain indirect economic benefits to the Maritimes through your sources of purchase.

Mr. Lockhart: We buy coal and wood ranges from Sackville Foundries.

Mr. Trudel: Are there certain items in your purchasing pattern of which your entire Canadian requirements could be purchased in the Maritimes?

Mr. Sparks: About the only one I can think of offhand might be Mr. Stanfield's underwear.

Mr. Trudel: Thank you.

The Chairman: Gentlemen, there appear to be no further questions. Thank you very much for being here.

The next brief is that of the Maritime Provinces Board of Trade, represented by Mr. Isner. You will find the brief, A-79, on Page 823. We are going to have a short summary of the brief, so I will call on Mr. Isner.

[*Interpretation*]

M. Sparks: Nous en serions très heureux.

Le président: Monsieur Perrault?

M. Perrault: Cette question supplémentaire est reliée au problème de l'augmentation des coûts de transport de la marchandise qui vient de l'extérieur. Est-ce que cela vous a incité à acheter de plus en plus de produits fabriqués en Nouvelle-Écosse et au Nouveau-Brunswick et dans l'Île-du-Prince-Édouard, au cours des dernières années, afin de couper ces coûts? Est-ce que vous achetez plus de cuisinières et de chaufferettes, par exemple, au Nouveau-Brunswick ou dans les Maritimes?

Une voix: Est-ce qu'il s'y en fabrique?

M. Horner: Certainement.

M. Lockhart: Je ne puis répondre à votre question. Nous achetons beaucoup de produits de certains des fabricants de l'est des Maritimes, mais dans le cas des cuisinières, je ne saurais répondre à votre question. Les nôtres sont fabriquées à Guelph et notre acheteur a de bons motifs de croire, je suppose, qu'il doit acheter là.

M. Sparks: Il ne faut pas oublier qu'il y a de nombreuses sources d'approvisionnement. Nous achetons pour l'ensemble de nos magasins et nous les approvisionnons tous de la même source.

M. Horner: Je voulais simplement savoir si, ce problème du transport amène, indirectement, certains avantages économiques pour les Maritimes au moyen de vos sources d'achats.

M. Lockhart: Nous achetons nos cuisinières à bois et au charbon de *Sackville Foundries.*

M. Trudel: Est-ce qu'il y aurait certains produits que vous pourriez acheter dans les Maritimes pour l'ensemble de vos magasins?

M. Sparks: Je pense que le seul article auquel je puisse songer, ce sont les sous-vêtements de M. Stanfield.

M. Trudel: Merci.

Le président: Messieurs, nous n'avons plus de questions à vous poser; je désire vous remercier de votre présence ici. Maintenant, nous entendrons la soumission de la Chambre de commerce des provinces maritimes, représenté par M. Isner. Vous trouverez le mémoire A-79, à la page 823. Monsieur Isner nous le résumera brièvement.

[*Texte*]

Mr. B. W. Isner (President, Maritime Provinces Board of Trade): Mr. Chairman and gentlemen, the brief has been filed with you but I wish to say a few words on it.

Our concern in the Maritime Provinces Board of Trade is, of course, the economic disparity between this region and the rest of Canada. We feel that transportation is very much a key factor in this particular matter.

Prosperity and growth are brought about by a chain of events: the production from primary industry creates basic wealth; the basic dollar is thus created to bring about a demand for the products of secondary industry; this, in turn, creates more dollars and still more demand for the products of secondary industry, with, in turn, still more jobs and still more dollars. It is like a snowball rolling downhill. It gets bigger and bigger.

The problem of the Maritimes is not one of creating the first snowball. We do this very well. The basic dollars derived from our forests, fisheries, mines and agriculture produce a very substantial first snowball. The trouble is that it rolls over bare ground just as soon as it is created.

We do have dollars generated by our primary industry but instead of using these dollars to establish or expand secondary industry we are forced to send them out of the area for goods to satisfy our basic needs—goods which are manufactured in central Canada.

The reason we have no secondary industries is that our market is too small, and we never can have a bigger market without secondary industry. There we have the classic problem—the irresistible force and the immoveable object.

Its solution? The Maritime Provinces Board of Trade believes that economic access to the large central Canadian market is very much a part of its solution. We believe this would enable us to establish and maintain a secondary industry. Unless this is done the Maritimes could well remain forever in the economic ghetto. We suggest that we have a right to this as a tenet of Confederation, and that there is precedent for area-support through transportation already existing in Canada.

We feel that the way to attain this is through the recommendations that we have made which are, first, that the Government of Canada recognize the right of Maritime ship-

[*Interprétation*]

M. B. W. Isner (Président de la Chambre de commerce des provinces maritimes): Messieurs, notre mémoire vous a déjà été soumis mais je voudrais ajouter quelques observations.

Nous nous inquiétons, à la Chambre de commerce des provinces maritimes, de l'écart économique qui existe entre notre région et le reste du Canada. Nous sommes d'avis que le facteur transport est un facteur-clé à cet égard.

Nous sommes d'avis que la prospérité et la croissance sont entraînées par une chaîne d'événements: la production des industries primaires crée la richesse de base; le dollar est ainsi créé et exige la présence d'industries secondaires; ce qui engendre plus de dollars et d'emplois, et une demande plus grande pour les produits de l'industrie secondaire, et de là, d'autres dollars et d'autres emplois. La boule de neige devient de plus en plus grosse.

Notre problème ne vient pas de la fabrication de la première boule de neige. Les dollars que nous tirons de nos forêts, nos pêcheries, nos mines, notre agriculture constituent cette première boule de neige. Le problème vient de ce que cette boule dévale une pente sur laquelle il n'y a pas d'autre neige.

L'industrie primaire engendre des dollars, mais plutôt que de les utiliser pour établir des industries secondaires, nous devons les envoyer à l'extérieur de la région pour des articles qui répondent à nos principaux besoins, pour des denrées fabriquées dans le Canada central.

La raison pour laquelle nous n'avons pas d'industries secondaires, c'est que notre marché est trop petit, et que nous ne pouvons l'améliorer sans industries secondaires. C'est toujours le même problème: une force irrésistible et un objet qui ne peut être déplacé.

Quelle est la solution? La Chambre de commerce des provinces maritimes croit que l'accessibilité aux débouchés du centre du Canada est une partie intégrante de notre solution. Ainsi nous pourrons établir une industrie secondaire et la maintenir. A moins qu'on ne réalise cet objectif, les Maritimes pourraient toujours demeurer dans ces difficultés économiques. Nous croyons que nous y avons droit en tant que membre de la Confédération. Un précédent a été créé qui permet de subventionner une région au moyen du transport déjà en existence au Canada.

Nous sommes d'avis que la façon d'y parvenir réside dans ces recommandations que nous avons formulées, qui sont, premièrement, que le gouvernement du Canada recon-

[*Text*]

pers and consumers to economic access to the central Canadian market as a right of Confederation and as a matter of national public policy; and second, that the Parliament of Canada, after recognizing this, and as a temporary measure, immediately amend the Maritimes Freight Rates Act so that it is restored to the level of its effectiveness in 1927; that the subsidies necessary to do this be paid out of general revenue, and to all modes of transport; and, finally, that the government then await the report of the so-called Interprovincial Task Force about which you have heard today. This has been set up to study, and specifically establish, what economic access actually means in terms of tariffs, freight rates and so on, and the report of this Task Force should be the basis for the revised Maritime Freight Rates Act.

Thank you, Mr. Chairman.

The Chairman: Mr. Breau?

Mr. Breau: Mr. Isner, I have just one question. The feeling I get from reading your brief is that the whole action of government relative to industrial incentives could be in the sector of transportation. I am inclined to agree with you that it would help a great deal if the production of the Maritime Provinces could be sold at a competitive price in, say, Montreal or Toronto, but is it the attitude of the businessmen that the government should restrict their action to a transportation policy which would in some way create industrial incentives which would make the material cheaper to sell in Montreal? Do you think this is what the business community wants in the Maritimes?

Mr. Isner: No, Mr. Chairman, the Maritime Provinces Board of Trade is not seeking a better situation; it is just seeking a competitive situation.

As I said earlier, our market is too small to generate secondary industry on its own and we have to be able to get in on some—a portion of the production must be sold in the central Canadian market—but freight prevents us from doing this effectively, even with equal production costs.

Mr. Breau: Yes; but in some areas of the Maritimes at the moment there are industrial incentives such as ADA in which the government has a 33⅓ investment in the company. This could, in some instances, compensate for the more expensive transportation. Are you

[*Interpretation*]

naisse le droit des expéditeurs et des consommateurs des Maritimes à l'accessibilité économique aux marchés du Canada central comme un droit de par la Confédération et une politique nationale d'intérêt public; et deuxièmement que le Parlement du Canada après avoir reconnu ce droit, modifie la *Loi sur les taux de transport des marchandises dans les provinces Maritimes* pour en faire une mesure aussi efficace qu'en 1927; que la subvention soit payée à tous les modes de transport à même les recettes générales, et, enfin, que le gouvernement attende la présentation du rapport de la soi-disant équipe inter-provinciale spéciale, qui a été constituée pour étudier ce problème et établir de façon plus particulière, ce que signifie l'accessibilité économique dans les domaines des tarifs et des taux de transport et que le rapport de cette équipe spéciale soit à la base de la revision de la Loi.

Merci, monsieur le président.

Le président: Monsieur Breau.

M. Breau: Monsieur Isner, une question. A la lecture de votre soumission, j'ai l'impression que l'action du gouvernement dans le domaine de l'encouragement sur le plan industriel pourrait se faire dans le secteur du transport. Je serais porté à croire, comme vous, qu'il serait utile que les produits fabriqués dans les Maritimes puissent se vendre à un prix compétitif, par exemple, à Montréal ou à Toronto. Mais est-ce que les hommes d'affaires croient que le gouvernement devrait se limiter à établir une politique des transports qui serait, en quelque sorte, un encouragement du point de vue industriel et qui permettrait de vendre ces produits à meilleur marché à Montréal? Est-ce là l'idée de la collectivité industrielle dans les Maritimes?

M. Isner: Non, la Chambre de commerce n'essaie pas d'améliorer la situation. Nous voulons simplement une situation concurrentielle. Comme je l'ai dit plus tôt, le marché est trop petit pour engendrer lui-même des industries secondaires. Il faut donc qu'une partie de notre production soit vendue dans des débouchés plus grands, mais les coûts de transport nous en empêchent même si notre coût de production est le même qu'ailleurs.

M. Breau: Dans certains secteurs des Maritimes, il existe des programmes d'encouragement à l'industrie par lesquels le gouvernement investit un tiers des sommes nécessaires dans une entreprise. En certains cas, cela peut compenser pour le coût supérieur des

[*Texte*]

suggesting that the business community would rather have a transportation subsidy than industrial incentives?

Mr. Isner: No. What you say does not apply to the entire business community. I am referring to the business community to which this does not apply.

Mr. Breau: Pardon me; I do not understand.

Mr. Isner: These incentives do not apply to all the business community. It is the business community to whom these incentives you refer to do not apply that are seeking the transportation benefits.

Mr. Breau: Any producing or manufacturing qualifies for ADA except agriculture and perhaps peat moss. If you manufacture shoes or shirts in New Brunswick you qualify for ADA—anything you want to manufacture—although perhaps not in all areas.

Mr. Isner: You have asked me about a matter with which I am not familiar in complete detail.

Mr. Breau: Perhaps I can make it a little clearer. Do you think that the industrial incentives of the federal government, or the policy it has followed, are not so acceptable to the businessmen as would be a transportation subsidy?

Mr. Isner: Mr. Chairman, I think the answer is that the policies that have been followed have not been effective; that we need something in addition to these. Where no progress has been made relative to economic disparity the gap still exists, and this in spite of the efforts of the past 10 years. There has been no gain—no progress.

Mr. Nesbitt: I have just one question of Mr. Isner. What would be the view of the Maritime Provinces Board of Trade, or perhaps your own, on the idea of a free trade area between the Atlantic Provinces and the New England states in certain specialized commodities such as pulp, paper, lumber products and so on?

Mr. Isner: The Maritime Provinces Board of Trade does not have a view on that, as such, in its policy, but the Maritime Premiers were enthusiastic about this at the recent Constitutional Conference.

[*Interprétation*]

services de transport. Est-ce que vous affirmez que le monde des affaires préférerait une subvention pour les transports à des programmes d'encouragement industriel?

M. Isner: Non. Ce que vous dites ne s'applique pas à l'ensemble du monde des affaires. Et je parle de ce secteur du monde des affaires où cette situation ne s'applique pas.

M. Breau: Je m'excuse mais je ne comprends pas.

M. Isner: Ces programmes d'encouragement à l'industrie ne s'appliquent pas à l'ensemble du monde des affaires. Ce sont ces entreprises qui ne bénéficient pas de ces programmes d'encouragement qui désirent obtenir des subventions dans le domaine des transports.

M. Breau: Toute entreprise manufacturière peut jouir de ces programmes d'aide, sauf le monde de l'agriculture. Si vous fabriquez des chaussures ou des chemises, au Nouveau-Brunswick, vous pouvez en profiter. Ces programmes s'appliquent à tous les produits mais peut-être pas dans toutes les régions.

M. Isner: Vous me posez une question que je ne connais pas dans tous ses moindres détails.

M. Breau: Peut-être pourrai-je éclaircir un peu plus. Croyez-vous que les encouragements industriels établis et mis au point par le gouvernement fédéral, sont acceptés aussi facilement par l'homme d'affaires que le subside des transports?

M. Isner: Je pense que les politiques qui ont été suivies n'ont pas toujours été efficaces. Il faut quelque chose en plus. Il n'y a pas eu de progrès de fait, et l'écart sur le plan économique existe toujours malgré les efforts que vous déployez au cours des dix dernières années. Nous n'avons pas vraiment fait de gain, de progrès.

M. Nesbitt: J'ai une seule question à poser à M. Isner. Quel serait le point de vue de la Chambre de commerce des Maritimes et de vous-mêmes à l'égard d'une zone de libre échange entre les Maritimes et les États de la Nouvelle-Angleterre, pour certains produits, comme la pâte et le papier, les produits forestiers, et autres?

M. Isner: La Chambre de commerce des Maritimes n'a pas de point de vue comme tel pour ce qui est de cette politique qui a soulevé l'enthousiasme des premiers ministres des provinces de l'Atlantique lors de la dernière conférence constitutionnelle.

[*Text*]

Mr. Nesbitt: Do you have any personal views?

Mr. Isner: Actually, I have not studied them in depth, and I could not say. Mention was made a while ago about tariff protection. Not far from here is a community called St. Stephen, New Brunswick. Fifty yards from it, across the way, is the community of Calais, Maine. A Chevrolet automobile in St. Stephen costs $3,260; a Chevrolet automobile in Calais, 50 yards away, costs $2,670.

Mr. Nesbitt: Then there might some considerable interest in products such as that?

Mr. Isner: Oh, definitely; for example, it has been estimated that the Maritimes spend $200 to $300 million additional in car purchase alone in a year. If we could spend the income from our primary industry in the New England States that would automatically increase our standard of living by some 25 per cent.

Mr. Nesbitt: Thank you.

Mr. Chairman: Mr. Perrault?

Mr. Perrault: Mr. Chairman, that was the question I was going to ask.

The brief submitted by the Maritime Provinces Board of Trade is very succinct and to the point but I am rather amazed that they made this forthright statement that unless there is economic access to the central Canadian market all other attempts to stimulate the Maritime economy may well fail.

I came down here in the full belief that we would hear ardent submissions about the extension of free trade on an industry-by-industry basis or by lower tariffs but this submission suggests that the main hope is a lowering of tranportation costs.

I am very interested, however, in your views on freer trade.

Mr. Isner: Mr. Chairman, this matter of transportation costs seems almost to be an obsession with our membership. It seems to be the key to a great many things that happen down here.

Mr. Perrault: But would not the cost to the Canadian taxpayer be infinitely less if, instead of indirectly subsidizing transportation costs, you had access to your natural market along the east coast of the United States, at least to a greater extent? This does not mean absolute free trade, but freer trade in certain areas.

[*Interpretation*]

M. Nesbitt: Est-ce que vous avez une opinion personnelle?

M. Isner: Monsieur, je n'ai pas vraiment étudié la question. Je ne saurais le dire. On a fait une étude sur la protection tarifaire et près d'ici il y a le village de St. Stephen, au Nouveau-Brunswick et cinquante verges plus loin, outre frontière, il y a Calais, Maine. A St. Stephen, une chevrolet coûte $3,260 et à Calais, $2,670.

M. Nesbitt: Donc, il pourrait y avoir un intérêt considérable pour pareils produits.

M. Isner: Certainement. On a calculé, par exemple, que les Maritimes dépensent deux à trois cents millions de dollars de plus simplement pour l'achat de voitures, durant une année. Si on pouvait dépenser le revenu de nos industries dans les états de la Nouvelle-Angleterre, cela automatiquement augmenterait notre niveau de vie dans une proportion de 25 p. 100.

M. Nesbitt: Merci.

Le président: Monsieur Perrault?

M. Perrault: C'est là la question que je voulais poser.

Je pense que le mémoire présenté par la Chambre de commerce des Maritimes est très au point et très résumé. Mais je suis étonné de voir qu'ils fassent la déclaration suivante, qu'à moins d'une accessibilité aux marchés du Canada central, toutes autres tentatives de stimuler l'économie des Maritimes peuvent échouer.

Je suis venu ici dans l'espoir que nous entendrions des présentations passionnées quant au libre échange sur une base d'industrie ou de tarifs moins élevés, mais cette présentation propose que le principal espoir est une baisse des frais de transport.

Je suis vraiment intéressé de savoir ce que vous pensez sur un libre échange.

M. Isner: Monsieur le président, la question des coûts de transport semble être une obsession de la part de nos membres. Cela semble être la clé de bien des choses qui se produisent ici.

M. Perrault: Est-ce que le coût pour le contribuable canadien ne serait pas moins élevé, si, au lieu de subventionner indirectement les frais de transports, vous aviez accès à vos marchés naturels, le long du littoral est des États-Unis, ou du moins dans une plus grande mesure? Cela ne veut pas dire le libre échange absolu, mais des échanges plus libres dans certains secteurs.

[*Texte*]

Mr. Isner: I cannot speak for the Board on that but as an individual I would say so, yes.

Perhaps one of the reasons for the various members of our Board not having come up with this sort of thing is that they rather felt that this was an area much more difficult of correction than is the transportation situation. In other words, it seemed more logical. We already had a Maritime Freight Rates Act; that it could be made an effective instrument under present economic conditions—it is not now, and has not been for some time—and that this might be the better way.

I am sure the organization would embrace with enthusiasm the opportunity of being able to trade more freely with the New England States, which is our natural market.

Mr. Perrault: Mr. Chairman, time is getting on and I do not want to labour this but I am from the West and we know that even if we had absolute equality on the matter of freight rates with Eastern Canada, which we do not have at the present time, we would still labour under a competitive disadvantage because their market is far more populous and is close at hand. We still have a smaller market and we do not achieve the economy of scale in manufacture. One of the greatest hopes for the West Coast is the West Coast of the United States. It seems to me that there should be a considerable degree of effort to try to develop this concept. Perhaps we should be co-operating to a greater extent.

Mr. Isner: There can be no denying the validity of that argument.

Mr. Nowlan: My question is really supplemental to Mr. Perrault's because of the way his questioning developed. You have stated in the conclusion of the brief "and first in the history that the maritimer believes that access to the central Canadian market is every bit as much of a right as the right of Quebec for bilingual rights across the country."

Because certain groups in Quebec are looking elsewhere this is not the very real time for the Atlantic area to look elsewhere for trade and we would have an "Atlantic libre" instead of a "Quebec libre" as far as economic trade is concerned? Do you mean exactly what you say in the conclusion, that you believe it is every bit as much of a right of the Atlantic area man to have access to the Central Canadian market as it is for the

[*Interprétation*]

M. Isner: Je ne peux parler au nom de la Chambre, mais je peux vous dire «oui», à titre personnel. Une des raisons, peut-être, pour laquelle les différents membres de notre Chambre de commerce n'ont pas fait cette proposition, c'est qu'ils sont d'avis que c'était peut-être là une possibilité à laquelle il est plus difficile d'apporter une rectification qu'au problème du transport. Autrement dit, cela semble être plus logique. Nous avions déjà une Loi sur les taux de transport des marchandises dans les Maritimes; qu'elle ait pu être un instrument efficace suivant le contexte économique actuel, elle ne l'est plus maintenant, et ne l'a pas été depuis un certain temps, et que cela était peut-être la meilleure façon.

Je suis sûr que notre organisation saisirait volontiers l'occasion de pouvoir commercer plus librement avec les états de la Nouvelle-Angleterre, notre marché naturel.

M. Perrault: Monsieur le président, l'heure avance et je ne veux pas insister là-dessus, mais je viens de l'Ouest et nous savons, même si nous avions égalité pour ce qui est des tarifs-marchandises avec l'est du Canada, ce que nous n'avons pas en ce moment, que toujours nous devrions faire face à un désavantage sur le plan de la concurrence, parce que leurs débouchés ont une densité démographique beaucoup plus élevée et plus près. Notre marché est beaucoup moins grand et nous n'avons pas une production sur une aussi vaste échelle. Donc, pour l'Ouest, notre principal objectif, c'est le littoral ouest des États-Unis. Il me semble donc qu'on devrait essayer d'élaborer plus ce concept et, peut-être, on devrait s'entendre pour collaborer.

M. Isner: Oui, et c'est juste.

M. Nowlan: J'aurais une question complémentaire à celle posée par M. Perrault, du moins à la façon qu'il a posé ses questions. Vous avez dit, dans la conclusion de votre mémoire, que l'accès aux marchés au centre du Canada se trouve à être un droit aussi valable que les droits linguistiques pour le Québec.

Et je me demande alors si le Québec et d'autres groupes cherchent ailleurs. Est-ce que ce ne serait pas le bon moment pour les Maritimes de chercher ailleurs, en ce qui concerne leur commerce, et que nous ayons une Atlantique libre au lieu d'un Québec libre en ce qui concerne le commerce économique? Je voulais tout simplement demander, monsieur le président, est-ce que vous êtes sérieux, lorsque vous dites, dans votre

[*Text*]

main in Quebec to find access to bilingual institutions across the land?

Mr. Isner: Mr. Chairman, we think that it is implicit in Section 145 of the British North America Act that this is the case.

Mr. Trudel: I do not deny, Mr. Chairman, anything that has been advanced so far but I think that we are getting away from the problem. The problem seems to be that we have a lack secondary industry. Whether we are dealing north and south or east and west, I think we will have to correct that before we do anyghing else.

Mr. Isner: This is the basis of our brief.

The Chairman: Any more questions, gentlemen?

Mr. Rock: We have no information here as to the type of primary industry and secondary industry you have in the Atlantic provinces. When we were speaking to the witnesses from the T. Eaton Company Limited who are purchasing most of their products from, say, Ontario and Quebec, someone asked why they did not purchase their stoves and refrigerators here. All you have to do is put "Eatonia" on them or something and that is it. They said that they do sell stoves manufactured here but they are wood and coal stoves. This puts me in the position of trying to comprehend what has happened in these Atlantic provinces. Do they manufacture a lot of small goods here in the secondary industry that could be sold to this area, or do they not? I am not sure.

The Chairman: I think we are getting away from the subject of transport.

Mr. Rock: No, not necessarily. I am talking about transportation of raw materials for these secondary industries. Do they exist in this area?

Mr. Isner: Mr. Chairman, I can answer that. Generally, first of all, the stoves that are made here are every bit as high in quality and complete in line as those made elsewhere in Canada, but unfortunately we do not have a large secondary industry. You cannot buy the things you might want simply because the industry does not exist.

[*Interpretation*]

conclusion, que vous croyez que c'est d'autant le droit des Maritimes d'avoir un accès aux marchés du centre du Canada que pour le Québécois de trouver des institutions bilingues à travers le pays?

M. Isner: Nous croyons que cela est implicite dans l'article 145 de la Loi de l'Amérique du Nord britannique. Tel est le cas.

M. Trudel: Je ne nie pas, monsieur le président, ce qu'on a avancé jusque-là, mais je crois que nous nous éloignons du problème. Le problème semble être le manque d'industries secondaires. Que nous fassions des affaires du nord au sud ou de l'est à l'ouest, je crois qu'il faudrait corriger cette situation avant de faire autre chose.

M. Isner: Voilà la raison d'être de notre mémoire.

Le président: Y a-t-il d'autres questions à poser, messieurs?

M. Rock: Nous n'avons aucun renseignement ici quant aux genres d'industries primaires et d'industries secondaires que vous avez dans les provinces de l'Atlantique. Quand nous avons parlé aux témoins de la *T. Eaton Company Limited* qui achètent la plus grande partie de leurs produits, mettons, de l'Ontario et du Québec, quelqu'un leur a posé une question quant à savoir pourquoi ils n'achetaient pas leurs cuisinières et leurs frigidaires ici. Ils auraient tout simplement à mettre l'étiquette «Eatonia» et c'est tout. Ils nous ont répondu qu'ils vendaient des cuisinières fabriquées ici, mais qu'elles étaient à bois et à charbon. Ce qui me rend très difficile la tâche de comprendre ce qui se passe dans les provinces de l'Atlantique. Est-ce qu'ils fabriquent beaucoup de produits ici dans l'industrie secondaire, des petits produits qui pourraient être vendus dans la région même, ou est-ce qu'ils ne le font pas? Je ne suis pas du tout sûr.

Le président: Nous nous éloignons un peu du sujet des transports, je crois.

M. Rock: Non, pas nécessairement. Je parle du transport de matières brutes pour l'industrie secondaire. Est-ce que cela existe dans cette région?

M. Isner: Monsieur le président, je peux répondre à cette question. Tout d'abord, les cuisinières qui sont faites ici sont d'aussi bonne qualité que celles qui sont fabriquées ailleurs au Canada. Malheureusement, nous n'avons pas une industrie secondaire. Vous ne pouvez pas toujours acheter ce que vous voulez, tout simplement parce que l'industrie n'existe pas.

[*Texte*]

For example, while we have a very substantial fruit canning industry and the maritimers have been known to make beer down here, we did not have a can manufacturing plant until a couple of years ago. One of the can manufacturing plants that was here found it necessary, in order to have an economic, viable operation to sell a portion of its production in the Quebec market. It just was not possible even in that case to have enough here. So, we lack the secondary industry. Therefore, the advantages that might be derived in a backhand way from the increase in freight rates cannot be taken advantage of because we do not manufacture the things.

Mr. Rose: I would like to ask the witness, Mr. Chairman, if it is not true that the average industrial and commercial wages are a good deal lower here than they are in Central Canada. Is that true, sir?

Mr. Isner: This is correct.

Mr. Rose: How much lower?

Mr. Isner: This is difficult to answer but in a general way I would say it is about the same as the difference in the regional disparity—some 30 per cent.

Mr. Rose: Tell me, sir, is this not in itself to some extent an economic advantage in competing with Central Canada?

Mr. Isner: It would be if it were not for the cost of transportation.

Mr. Rose: You do not feel that one makes up for the other? Not that I would like to see it perpetuated; I think there must be other and better ways.

Mr. Isner: No, I think it is a little difficult to be specific in this instance, but in a general way this at the moment is no advantage to us. If we could get economic access to the Central Canadian market, let us say, ad absurdum, on a postage stamp basis, using the postage system of delivery as a case in point, where delivery costs are the same everywhere, then the wage rate of the maritimes would offer an economic advantage to production costs. However, this would soon be offset because if we had viable secondary industry it is obvious that wages would rise, and rise faster, perhaps, than they would elsewhere. So, we would reach a balanced situation.

Mr. Rose: Of course, too, sir, if you had higher wages and a higher employment level you would probably have a much larger internal market as well.

[*Interprétation*]

Par exemple, bien que nous ayons des conserveries de fruits très considérables et que dans les maritimes aussi on fabrique la bière, nous n'avions pas de fabrique de cannettes jusqu'à il y a deux ans. Une des fabriques de cannettes établie ici, afin d'avoir une exploitation viable, a trouvé nécessaire de vendre une partie de sa production au marché du Québec. Ce n'était tout simplement pas possible de le faire autrement. Par conséquent, il nous manque une industrie secondaire. Les avantages que nous pourrions peut-être retirer du taux de tarif-marchandises, mais ils ne nous sont pas accessibles parce que nous ne fabriquons pas ces marchandises.

M. Rose: Est-ce que je pourrais demander au témoin, monsieur le président, si c'est vrai que la moyenne de vos salaires industriels et commerciaux est beaucoup plus basse que dans le centre du Canada? N'est-ce pas vrai?

M. Isner: C'est exact.

M. Rose: A quel point?

M. Isner: C'est un peu difficile à dire, mais de façon générale je dirais que c'est à peu près la même chose que la disparité régionale environ 30 p. 100.

M. Rose: N'est-ce pas là, dans une certaine mesure, un avantage économique pour la concurrence avec le centre du Canada?

M. Isner: Ce le serait si ce n'était pas des frais de transport.

M. Rose: L'un ne compense pas pour l'autre? Non pas que je voudrais la voir se perpétuer, je crois qu'il doit y avoir d'autres et meilleurs moyens.

M. Isner: Non, je crois qu'il est un peu difficile d'être précis à cet égard mais, de façon générale, je pourrais dire que ce n'est pas un avantage pour nous à l'heure actuelle. Si nous pouvions avoir un accès économique aux marchés du centre du Canada, disons sur la base postale, par exemple, en nous servant des Postes pour la livraison, c'est un exemple, le coût est le même pour les livraisons partout. Alors, le taux des salaires dans les Maritimes offrirait un avantage économique dans les frais de production, mais cela serait compensé immédiatement car, si nous avions des industries secondaires viables, les salaires seraient élevés et nous en arriverions à un équilibre, n'est-ce pas?

M. Rose: Et, alors, si les salaires étaient plus élevés et le niveau d'emplois était plus élevé aussi, vous auriez aussi un débouché plus élevé?

[*Text*]

Mr. Isner: Exactly. Then the snowball would work. We would not run over the bare ground; we would keep on building our markets. We export our young people because there are no jobs for them here. The Maritime Provinces Board of Trade believes if we could get a secondary industry going, then we would provide more jobs and people would stay here and the market would grow, and grow, and grow, until it became self-sufficient. This may be highly oversimplified but...

Mr. Rose: I was going to suggest that that is perhaps true, that it was highly oversimplified, but I think you had to do that to make the point. There are some other things that need to be done as well, you would suggest?

Mr. Isner: Right.

Mr. Rose: And the whole of the problem does not rest upon freight rates, even though it may be a primary cause: would you agree with that?

Mr. Isner: I would agree with you but freight rates and transportation costs are very much a primary factor here.

Mr. Rose: Thank you.

The Chairman: We want to thank you, Mr. Isner, for presenting your brief.

Our next brief will be the Maritime Transportation Commission. On my right is Mr. Crosby; second is Mr. Dickson, then Mr. Armitage and Mr. Cormier. You will find the brief of the Maritime Transportation Commission on page 766 of the Minutes of Proceedings and Evidence, Issue No. 15 of the Standing Committee on Transport and Communications.

Mr. J. M. Crosby (Chairman, Maritime Transportation Commission): This is a brief submitted by the Maritime Transportation Commission which is an agency representing both the governments of the Atlantic Provinces and business and industry in the Atlantic Provinces. The brief, in essence, covers the problems, as we see it, of the whole area without being specific. There are certain policy recommendations in the brief. If you would bear with us we would like to present the summary, which may be fairly lengthy because our original brief was quite lengthy. We feel that the recommendations that we make will be informative to the Committee and useful. Possibly I could start to deliver the brief now and if you find it too cumber-

[*Interpretation*]

M. Isner: Oui. Cela ferait boule de neige. Nous ne serions pas toujours à sec; nous agrandirions nos marchés. Nous exportons nos jeunes, parce qu'il n'y a pas d'emploi ici. La Chambre de commerce des Maritimes croit que s'il y avait des industries secondaires ici, nous pourrions alors fournir plus d'emplois et les gens resteraient ici et le marché augmenterait et s'accroîtrait jusqu'à ce qu'il devienne indépendant. Mais c'est peut-être trop simplifier, mais...

M. Rose: J'allais justement dire que c'était peut-être un peu trop simplifier, mais je crois qu'il vous a fallu le faire pour faire la preuve. Et il y a d'autres choses qui doivent être faites aussi en même temps.

M. Isner: C'est exact.

M. Rose: Mais tout le problème ne réside pas justement dans les tarifs-marchandises, même si c'est là une des préoccupations principales: d'accord?

M. Isner: C'est exact, mais les taux de transport-marchandises et les frais de transport sont des éléments importants.

M. Rose: Merci.

Le président: Nous voulons vous remercier, monsieur Isner, de votre présentation.

Le prochain mémoire nous vient de la Commission des transports des Maritimes. A ma droite, M. Crosby; le deuxième, M. Dickson; ensuite M. Armitage et M. Cormier. Vous trouverez le mémoire de la Commission des transports des Maritimes à la page 766 des procès-verbaux et témoignages, fascicule 15, du Comité permanent des Transports et des Communications.

M. J. M. Crosby (président, Commission des transports des Maritimes): Il s'agit du mémoire présenté par la Commission des transports des Maritimes, une agence qui représente les gouvernements des provinces de l'Atlantique, ainsi que le commerce et l'industrie dans ces mêmes provinces. Par conséquent, le mémoire couvre les problèmes que nous entrevoyons pour la région entière, sans être trop précis. Il y a certaines recommandations, des politiques que nous formulons dans le mémoire. Si vous voulez avoir un peu de patience, nous le résumerons, mais ce sera peut-être assez long, étant donné que notre mémoire original était plutôt long. Nous croyons que les recommandations que nous formulons seront très utiles au Comité. Si je

[*Texte*]

some, you can stop me and we can get on with the questions.

The Chairman: Agreed?

Some hon. Members: Agreed.

Mr. Crosby: Throughout our brief we use the terms "national transportation policy" and "national or public policy". As you may recall, the MacPherson Commission on Transportation drew a clear distinction between national transportation policy and national or public policy using transportation to achieve certain objectives. For example, the Royal Commission said on page 3 of Volume II, and I quote:

> "Our position, however, is that a clear distinction has to be drawn between the objectives of a National Policy which uses transportation to achieve certain ends, and the objective of the National Transportation Policy—which we deem to be efficiency and economy in the transportation system.

While the MacPherson Report did not spell out clearly a definite national transportation policy, it did say that national transportation policy was concerned with the effectiveness of transport itself. As we understand the term,

> "the national transportation policy calls for the operation of a transportation system along straight businesslike lines largely under the control of the free operation of the inter-modal competitive forces."

Any policy or provision of the Act, then, that restricts the free operation of the system, requires the carriers to perform certain duties or responsibilities which otherwise would not be performed, is considered national or public policy. To illustrate, the new national transportation policy has freed the railways from most regulations yet the National Transportation Act requires the railways to carry export grain at a fixed level of rates. It also requires the maintenance of certain branch lines in Western Canada until at least 1975. These are national or public policies using transportation to achieve certain objectives.

The task of your Committee, as we see it, is to propose changes in existing national policies or propose new national policies affecting the Atlantic Provinces to recognize

[*Interprétation*]

commence le résumé à l'heure actuelle et si vous trouvez que c'est trop lourd, vous pourrez peut-être m'arrêter et nous passerons alors aux questions.

Le président: D'accord?

Des voix: D'accord.

M. Crosby: Partout dans notre mémoire, nous employons l'expression «politique nationale en matière de transport» et «politique nationale ou publique». Si vous vous souvenez bien, la Commission royale d'enquête McPherson sur les transports a fait une distinction entre la politique nationale en matière de transport et une politique nationale ou publique utilisant les transports pour atteindre certaines fins. Par exemple, la Commission royale d'enquête a dit à la page 5, du volume 2, et je cite:

> Notre position, toutefois, c'est qu'il faut établir une distinction très claire entre les objections d'une politique nationale, qui emploie les transports pour atteindre une fin précise, et l'objectif d'une politique nationale que nous croyons être efficace et économique dans un réseau de transport.

Bien que le rapport McPherson n'ait pas donné de façon très précise une politique nationale en matière de transport, elle a dit toutefois que:

> «la politique nationale en matière de transport exige un réseau de transport selon le commerce ou les affaires, contrôlées en majeure partie par les forces concurrentielles indépendantes».

Toute disposition de la Loi dans ce cas-là, qui limite cette opération et qui exige que les transporteurs fassent certaines choses qui ne seraient pas faites autrement, est considérée comme étant une politique publique ou nationale. Pour illustrer, la nouvelle politique nationale a libéré les chemins de fer de la plupart des règlements. Mais la Loi nationale sur les transports exige que les chemins de fer transportent le blé, le blé de l'exportation, à des taux fixes. Elle exige aussi le maintien des embranchements dans l'Ouest du Canada au moins jusqu'en 1975. Il s'agit là de politiques nationales ou publiques qui visent certains objectifs.

La tâche de votre Comité, telle que nous l'entrevoyons, c'est de proposer des changements dans la politique nationale existante ou de proposer des nouvelles politiques con-

[*Text*]

the peculiar historic, geographic and economic situation of the region.

On pages 766 and pages 767 of our brief we comment on your terms of reference. It was understood that your terms of reference today are to consider the transportation problems of the Atlantic Provinces, which could be interpreted as restricting the area of your inquiry but as much broader than the original terms, and we accept this.

On page 767 we comment the Economist Intelligence Unit study and I will not take time to repeat our comments verbally today.

On pages 767 and 768 we comment on the creation of the Atlantic Provinces Task Force on Transportation following the invitation of the Hon. Paul Hellyer to the Premiers of the Atlantic Provinces. The Hon. Mr. Higgins referred to this this morning. Mr. Dickson is on that Task Force as well. When the Task Force is completed I understand that it will be placed before the Minister of Transport by the Atlantic Premiers or their representatives.

On pages 768 and 771 of our brief we outline some of the background of the Maritime Freight Rates Act and its application in today's situation.

> "The Maritime Freight Rates Act...is a cornerstone of national policy respecting the transportation for Atlantic Canada. The intent and the objective of the Act and the obligation accepted by the Federal government is as sacred to the Atlantic Provinces as are the Crows Nest Pass rates to Western Canada,"

or as important to the region as the Seaway tolls and the tariff protection which was referred to earlier. I think the point in mentioning the tariff protection was only that if was something we were not able to take advantage of and, therefore, we felt that we were in turn entitled to benefits on our transportation, or to subsidy or protection on our transportation.

In our brief we said that the mechanics of the Act had been unable in the competitive situation of today to maintain the intent of the Act. The failure of the mechanics of the Act to maintain its intent does not imply that the intent of the Act is no longer valid. On the contrary, it is submitted that the primary objective of your Committee is to reiterate and reaffirm the objective of the Maritime Freight Rates Act, namely, to provide and maintain a statutory advantage in rates for

[*Interpretation*]

cernant les provinces atlantiques pour tenir compte de la situation et des divertés régionales, économiques, etc.

Aux pages 766 et 767 de notre mémoire, nous parlons justement de votre mandat. Nous avions compris que votre mandat aujourd'hui était d'étudier les problèmes de transport dans les provinces de l'Atlantique, ce que nous aurions pu interpréter comme limitant le domaine de votre enquête, et nous l'acceptons.

A la page 767, nous commentons justement sur l'étude faite par l'*Economist Intelligence Unit,* et je n'élaborerai pas plus aujourd'hui.

Aux pages 767 et 768, nous commentons sur le groupe spécial des provinces atlantiques chargé d'étudier la question des transports de M. Hellyer, et l'honorable M. Higgins en a parlé ce matin. M. Dickson fait partie de ce groupe d'étude également. Lorsque le groupe de travail aura terminé son travail, j'ai l'impression que le rapport sera présenté au ministre des provinces de l'Atlantique ou leurs représentants.

Aux pages 768 jusqu'à 771, nous donnons l'historique de la Loi sur les taux de transport des marchandises dans les provinces Maritimes, ainsi que son application dans la situation actuelle.

> «La Loi sur les taux de transport des marchandises dans les provinces Maritimes est la pierre angulaire d'une politique nationale à l'égard des transports pour le Canada atlantique. L'objectif de la Loi et l'obligation acceptée par le gouvernement fédéral sont aussi sacrés pour les provinces de l'Atlantique que le sont les taux du Nid-de-Corbeau pour l'Ouest du Canada,»

et tous aussi importants pour la région que ne le sont les péages de la Voie maritime et les tarifs protectionnistes pour l'industrie du Canada central. Nous n'avons pas pu profiter justement de cela, et nous avions droit à certains avantages pour les transports, ou des subventions ou une protection quelconque pour nos transports.

Dans notre mémoire, nous avons dit que la Loi s'est montrée incapable dans les situations concurrentielles d'aujourd'hui de maintenir l'intention de la Loi. Cela n'indique pas que l'objet de la Loi n'est plus valide. Au contraire, nous estimons que l'objectif principal de votre Comité c'est de réaffermir et de réitérer l'objectif de la Loi sur les taux de transport de marchandises dans les provinces Maritimes, soit de maintenir un tarif-marchandises dans un territoire choisi à l'égard

[*Texte*]

shippers in "select territory" relative to shippers elsewhere in Canada. The Economist Intelligence Unit Report stated it as follows:

> The objective of the Act was the fulfilment of the obligation, dating back to Confederation, "to afford to Maritime merchants, traders and manufacturers the larger market of the whole Canadian people instead of the restricted market of the Maritimes themselves." The means by which this objective was to be achieved was by the creation and maintenance of a statutory rate advantage to shippers in an area designated as "select territory" on certain movements defined as "preferred movements"...
>
> 31. It is the submission of this Commission that Parliament intended by the Maritime Freight Rates Act that the Atlantic Provinces' overall effective rate level and specific rates would not again be subject to greater increases than elsewhere in Canada.

I think this point was brought out earlier this morning in some of the briefs you heard.

> 32. Any revision to the Maritime Freight Rates Act must, at least, encompass the principle that the Atlantic Provinces will have a statutory rate advantage in relation to the rest of Canada. This statutory rate advantage is not merely the percentage reduction recommended by the Duncan Commission (in 1927). A second principle which any revision must encompass is the payment of transportation assistance to all carriers or to shippers to remove the discriminatory features of the present Act where the assistance is paid only on rail traffic. This would encourage increased competition thereby contributing to bringing about a lower rate level.

As you will see from our full brief and the few paragraphs I have read, the provisions MFRA have been unable to safeguard the position of the Atlantic Provinces which Parliament intended it should and that our position is that transportation assistance under the Act, or in any revision of the Act, should be available for goods shipped by carriers other than the railway.

On page 772 we express concern that a full implementation of the national transportation policy will have an adverse effect on the region unless appropriate revisions in the Maritime Freight Rates Act are made prior

[*Interprétation*]

d'autres expéditeurs du Canada. Le rapport de l'*Economist Intelligence Unit* disait ainsi que:

> L'objet de la Loi remontait jusqu'à la Confédération et était de donner aux Maritimes une plus grande part du marché du Canada, plutôt que de le restreindre aux Maritimes elles-mêmes. Tout d'abord, le moyen d'atteindre cet objectif, c'était en créant et en maintenant un avantage statutaire pour les expéditeurs de la région désignée comme «territoire choisi» pour certaines expéditions qualifiées de «mouvements privilégiés»...
>
> 31. La présente Commission croit que, par la Loi sur les tarifs marchandises des Maritimes, le Parlement voulait empêcher l'ensemble des taux effectifs et les taux particuliers des provinces de l'Atlantique d'augmenter encore davantage qu'ailleurs au Canada,

Et je crois que ce point a été révélé ce matin, dans certains mémoires que vous avez entendus.

> 32. Toute revison de la Loi sur les tarifs marchandises dans les Maritimes doit, au moins, reconnaître le principe d'un avantage statutaire pour les provinces de l'Atlantique par rapport au reste du Canada. L'avantage tarifaire statutaire n'est pas simplement la réduction procentuelle que recommande la Commission Duncan. (en 1927). La revision doit aussi comprendre un deuxième principe, soit celui de l'aide au transport versée à tous les transporteurs et expéditeurs, pour éliminer les aspects discriminatoires de la loi actuelle selon laquelle l'aide n'est donnée qu'au trafic ferroviaire. Ainsi la concurrence augmenterait, contribuant par conséquent à l'établissement d'un niveau inférieur des taux.

Comme vous le verrez, les quelques paragraphes que je viens de lire, les dispositions de la présente Loi n'ont su empêcher la situation des provinces de l'Atlantique et, par conséquent, l'assistance en vertu de la Loi ou de toute revision de la Loi devrait être mise à la disposition des expéditeurs et de tout autre moyen de transport, sauf les chemins de fer.

A la page 772, nous disons que, si on mettait en vigueur une politique nationale en matière de transport, cela aurait des effets contraires, à moins de faire les revisions appropriées dans la Loi sur les taux de trans-

[*Text*]

to the full implementation of a National Transportation Act.

In our brief we quote from EIU studies as follows:

> "Finally, when the national freight rates policy was declared in 1951, the Atlantic Provinces were exempted from the national policy. This was the equalisation of freight rates policy which was effected on class rates in 1955. As a result of equalisation, the position of the Atlantic Provinces vis-a-vis the rest of Canada with regard to class rates improved. By excluding the Atlantic Provinces from equalisation, the government effectively prevented the considerable rise in freight rates which would have resulted in the region.
>
> Thus it can be argued that the Atlantic Provinces have never been included in national transport policy and have always been accorded special treatment and concessions aimed at reducing the effect of their isolation from the major Canadian markets. There can be little doubt that, in the past, this has been true and that railway rates to and from the Atlantic Provinces have not reflected the distance of the long haul involved.
>
> Under the policy proposed in the National Transportation Bill it is quite possible that this situation will change. The Transport Policy embodied in the Bill lays stress upon the use of the forces of competition as the means for effecting the optimum allocation of transport resources. Under increasing competition, the price of transport services should increasingly reflect the cost of providing those services. Under these conditions, the cost of the long haul to and from the Atlantic Provinces should be reflected in the rate structure; *this is reversal of previous government policy which has been aimed at reducing the effect of distance in Atlantic rates.* If the rate structure gradually evolves so that it does reflect the cost of the long haul to central Canada the implications are clearly that the general level of rates in the Atlantic Provinces will rise, that the Maritime Freight Rates Act will become even more impotent in maintaining a rate advantage for the Maritime shipper, and that increased revenues under the present subsidy system will result in an increased subsidy to the railways."

[*Interpretation*]

port des marchandises dans les provinces maritimes avant la mise en vigueur d'une loi nationale en matière de transport.

Dans notre mémoire nous citons l'étude aussi de l'EIU tel qu'il suit:

> Enfin, quand la politique nationale relative aux tarifs-marchandises a été établie en 1951, les provinces de l'Atlantique ont été exclues de la politique nationale. Ce fut la péréquation de la politique des tarifs-marchandises appliquée aux taux des classes en 1955. Comme résultat de l'égalisation, la position des provinces ce l'Atlantique vis-à-vis le reste du Canada s'est améliorée à l'égard des taux des classes. En excluant les provinces de l'Atlantique de la péréquation, le gouvernement a effectivement empêché la hausse considérable des tarifs-marchandises qui aurait suivi dans la région.
>
> Ainsi, on peut soutenir que les provinces de l'Atlantique n'ont jamais fait partie de la politique nationale des transports et ont toujours joui d'un traitement spécial et de concessions visant à réduire l'effet de leur isolement des grands marchés canadiens. Il ne fait pas de doute que ce fut vrai dans le passé et que les tarifs ferroviaires n'ont jamais reflété la distance sur laquelle le transport s'effectue.
>
> En vertu de la politique que propose le bill des transports nationaux, la situation peut changer. La politique relative aux transports comprise dans le bill met l'accent sur le recours aux forces de la concurrence comme moyen de tirer le meilleur parti des ressources des transports. Sous une concurrence croissante, le prix des services de transport devrait de plus en plus refléter le coût d'exploitation de ces services. Sous ces conditions, le coût du long trajet à destination ou en provenance des Maritimes devrait refléter la structure tarifaire; c'est le renversement de la politique gouvernementale antérieure qui visait à réduire l'effet de la distance sur les tarifs des Maritimes. Si la structure tarifaire évolue progressivement jusqu'à refléter le coût du long parcours jusqu'au Canada central, les effets sont clairement que le niveau général des taux augmentera dans les provinces Maritimes, que la loi sur les taux de transport des marchandises dans les Maritimes deviendra encore plus impuissante à maintenir un avantage tarifaire pour l'expéditeur des Maritimes et que les revenus supérieurs en vertu du régime actuel de subventions produira

[*Texte*]

That was from Volume No. 5 of the Economist Intelligence Unit's report made in 1967.

We then go on to say this section confirms the concern of the Maritimes Transportation Commission over the reversal of Government policy and the implementation of national transportation policy in the Atlantic Provinces.

On pages 772 to 775 we highlight some of the rail transportation problems in Newfoundland. We express our concern that the Terms of Union between Newfoundland and Canada may be further abrogated when the National Transportation Act is implemented in that region unless appropriate machinery is established to protect Newfoundland's position under its terms of reference.

We draw your attention to the rate example on page 774 where the railways quote rates 28 per cent higher than on maritime mainland, because otherwise the rates would be non-compensatory to the railways. Yet the terms of union takes precedence over the railway act. The EIU expressed concern over this matter when it said, and I quote:

> "...under the Terms of Union and the Board of Transport Commissioners' decision in the Newfoundland Rates Case the railways must maintain the rates in Newfoundland at the same level as that in the Maritime Provinces. If this level is non-compensatory for Newfoundland there is a clear contradiction which must be resolved between the terms of Union and the proposed minimum rate regulations in the National Transportation Bill.
>
> If a compensatory rate level is to be introduced in Newfoundland it is clear that an appreciable increase in rates should be expected....To raise the level of rates in Newfoundland above that existing in the Maritimes would be contrary to the Terms of Union."

[*Interprétation*]

une subvention accrue aux chemins de fer.

Ce qu'on trouvait dans le Volume V du rapport de *l'Economist Intelligence Unit* de 1967.

Nous continuons en disant que cette partie confirme l'inquiétude de la Commission des transports des Maritimes quant au renversement de la politique gouvernementale et à la pleine application de la politique nationale des transports dans les provinces de l'Atlantique. Aux pages 772 à 775, nous soulignons certains des problèmes du transport ferroviaire de Terre-Neuve. Nous exprimons notre inquiétude au sujet du fait que les termes d'union entre Terre-Neuve et le Canada pourraient être abrogés lorsque la Loi nationale en matière de transport sera mise en vigueur dans la région, à moins qu'un mécanisme approprié soit établi pour protéger la situation de Terre-Neuve en vertu de ces mandats.

Nous attirons votre attention à l'exemple des taux à la page 774 où les chemins de fer fixent des taux 28 p. 100 plus élevés que sur la terre ferme des Maritimes, parce que autrement les taux seraient non compensatoires pour les chemins de fer. Cependant les Clauses de l'Union prennent préséance sur la Loi sur les chemins de fer. L'EIU a exprimé son inquiétude à ce sujet en disant:

> ...en vertu des Clauses de l'Union et de la décision rendue par la Commission des transports du Canada dans la cause du tarif de Terre-Neuve, les chemins de fer doivent maintenir les taux de Terre-Neuve au même niveau que ceux des Maritimes. Si ce niveau n'est pas compensatoire pour Terre-Neuve, il y a une nette contradiction qui doit être résolue entre les Clauses de l'Union et les règlements sur les taux minimums proposés par le bill national sur les transports.
>
> Si un niveau compensatoire des taux doit être établi à Terre-Neuve, il est clair qu'il faut s'attendre à une augmentation sensible des taux. Terre-Neuve est une des régions du Canada où les chemins de fer exercent encore un certain monopole, et il serait probablement assez facile d'y imposer une hausse générale des taux. Mais l'économie de l'île repose sur l'industrie primaire, dont le coût des transports occupe beaucoup plus d'importance que chez l'industrie secondaire de fabrication. D'où un réel danger que toute augmentation appréciable des taux de transport des marchandises à Terre-Neuve puisse avoir des effets déplorables sur l'économie naissante de la province. Quoi qu'il en soit, hausser le niveau des

[*Text*]

We then state that it is obvious from the foregoing that without the establishment of the necessary machinery to give effect to Term 32 in the rate structure applying from, to and within Newfoundland the intended benefits of the Terms of Union will be further abrogated.

On page 775 of the proceedings we reiterate our submission to the Hon. Paul Hellyer regarding non-carload rate matters. We sought in that submission, firstly:

> "1. that the reduction in intra-Maritime rates referred to in the Minister's announcement of November 9, 1967, be implemented at once".
>
> 2. that the railways be required to withold their application to cancel the existing less than carload freight rates, at least until a new regional transportation policy is developed and implemented;
>
> 3. that the so-called density rule be reduced from one cubic foot equalling ten pounds to one cubic foot equalling five pounds; and
>
> 4. that immediate steps be taken to extend the Maritime Freight Rates Act subsidies to other forms of transport."

The railways have maintained their less than carload freight rates but no action has been taken by the government or the railways on the other three points which we made at that time.

On pages 776 and 777 of the proceedings we discuss the effectiveness of transportation on economic development. We submit that transportation does have a substantial effect on the economic development of the entire region.

On page 775 we draw your attention to the probable effects of the lifting of the freight rates freeze on the area. This freeze, as you know, is provided for by Section 335 of the railway act and will expire on March 23, 1969, unless action is taken to extend it beyond that date. When it expires carload freight rates presently frozen will increase by amounts ranging from 8 to 17 per cent and probably more in most cases. The freeze was established by the government when the

[*Interpretation*]

taux à Terre-Neuve au-dessus de celui des Maritimes serait contraire aux conditions de l'union.

Nous déclarons ensuite qu'il est évident d'après ce qui précède que si on n'établit pas le mécanisme nécessaire pour donner suite à l'article 32 dans la structure des taux s'appliquant au transport des marchandises en provenance ou à destination de Terre-Neuve ou à l'intérieur de la province même, les avantages envisagés dans les conditions de l'union seront diminués davantage.

A la page 775, des procès-verbaux, nous répétons ce que nous avons dit à M. Hellyer au sujet des taux visant les chargements incomplets. Dans cet entretien, nous avons d'abord demandé:

> «1. que la réduction des taux à l'intérieur des Maritimes dont il est question dans votre annonce du 9 novembre soit mise en vigueur immédiatement;
>
> 2. que les chemins de fer soient forcés de retarder leur demande en vue d'annuler les taux actuels de transport des marchandises en chargements incomplets, du moins jusqu'à ce qu'une nouvelle politique régionale des transports ait été élaborée et mise en œuvre;
>
> 3. que la densité exigée soit réduite d'un pied cube égalant 10 livres à un pied cube égalant cinq livres; et
>
> 4. que des mesures soient prises immédiatement pour étendre à d'autres moyens de transport les subventions versées aux termes de la loi sur les taux de transport des marchandises dans les provinces Maritimes.»

Les chemins de fer ont maintenu leurs taux, mais aucune action n'a été prise par le gouvernement sur les trois autres points que nous avions soulevés à ce moment-là.

A la page 776 et à la page 777 des procès-verbaux, nous discutons l'efficacité des transports vis-à-vis le développement économique. Et, nous soutenons justement qu'ils ont de fortes répercussions sur l'économie de la région entière.

A la page 775, nous attirons votre attention sur les effets probables de la suspension du gel des taux de transport des marchandises. Ce gel, comme vous le savez, est prévu par l'article 335 de la Loi sur les chemins de fer et expirera le 23 mars 1969, à moins qu'on prenne des mesures pour l'étendre ou le prolonger au-delà de cette date.

Lorsqu'il expirera, les taux visant les chargements incomplets présentement gelés augmenteront de 8 à 17 p. 100 et probablement

[*Texte*]

National Transportation Act was passed in order to safeguard the position of the region while suitable policies to improve our situation were being developed and made effective.

Due to a number of circumstances, one of which, I suppose, was your Committee's inability to visit the region last year, that policy has not yet been developed and more importantly, cannot now be implemented before the freeze expires. The situation is that justification for the freeze in the first place is just as valid today as it was when the freeze was established. If the Government of Canada should allow the freeze to expire without having effected offsetting transportation benefits for regional industry, then I fear that it will be open to the same wave of public criticism that rolled towards Ottawa and the railways when the non-carload rates were introduced on September 5, 1967.

We strongly urge that the necessary steps be taken to ensure that the freeze is maintained until the regional transportation policies are effected. I understand that representations are being made to the Minister of Transport by the Atlantic Premiers to see that this is done.

Finally, we note, and maybe we are being presumptious in making this comment, that originally Canadian National had indicated its intention to submit its views to your Committee at a hearing to be held in Ottawa after you had concluded your Atlantic Provinces our. We regret that the views of both major railways and all other public carriers serving the region are not available at the Regional hearings. Certainly it would seem that their views and the comments of those who appear before you on the railways' position will be most helpful to you in your study of the region's transportation problems. We would respectfully suggest that all parties who have appeared before you should receive a copy of any views the railways may file with your Committee and a copy of the Minutes of Proceedings and Evidence of presentation of the railways' views. Each party should then be given an opportunity to file any supplemental submission it wishes to make in the light of the further evidence submitted by the railways.

Thank you for bearing with me.

[*Interprétation*]

plus que cela dans la plupart des cas. Le gel a été établi par le gouvernement lorsqu'on a adopté la Loi nationale sur les transports, afin de sauvegarder la position de la situation de la région pendant qu'on élaborait des solutions pour aider notre région.

A cause d'un certain nombre de circonstances, dont l'une était, je suppose, l'incapacité de votre Comité de visiter la région l'an dernier, la politique n'a pas encore été élaborée et ne pourra être mise en vigueur certainement avant la date limite. La situation est que la justification du gel tout d'abord est aussi justifiable qu'elle l'était quand le gel a été établi. Si le gouvernement du Canada permet au gel d'expirer sans avoir pris des mesures pour donner des avantages compensatoires à l'industrie régionale, je crains que des critiques publiques vers Ottawa et les chemins de fer seront les mêmes que lorsqu'on a établi les taux visant les chargements incomplets le 5 septembre 1967.

Nous exhortons donc que les mesures nécessaires soient faites pour assurer que le gel soit maintenu jusqu'à ce que les politiques régionales de transport soient mises en œuvre.

J'ai cru comprendre que les premiers ministres des provinces de l'Atlantique font des représentations au ministre des Transport pour s'assurer que cela se fasse.

Enfin, nous présumons peut-être en faisant le commentaire, mais nous avons noté que, au tout début, le National-Canadien avait indiqué son intention de soumettre son opinion à votre Comité à Ottawa quand vous auriez terminé votre tournée des provinces de l'Atlantique. Nous regrettons que les opinions des deux principaux chemins de fer desservant la région ne sont pas disponibles lors des audiences régionales. Évidemment, leurs opinions et les commentaires de ceux qui y figurent devant vous sur les chemins de fer vous seraient très utiles dans votre étude des problèmes de transport de la région. Nous suggérons donc que toutes les parties qui ont comparu devant vous reçoivent une copie de toutes les opinions émises par les chemins de fer, ainsi qu'une copie des Procès-verbaux et témoignages de la présentation des vues des chemins de fer. Chaque partie devrait alors avoir l'occasion de vous présenter un mémoire supplémentaire à la lumière de la présentation des chemins de fer.

Je vous remercie beaucoup.

[*Text*]

Mr. Nowlan: Really, on a point of order at the moment, Mr. Chairman. This is a most important brief and a very authoritative group of men at the head of the table and I wonder if we are going to be finished with them by 6 o'clock. We have been here three and a half hours. This is the fifth brief this afternoon, and perhaps it would be fair to everybody if we were to break now and come back tonight. Tonight is not all that heavy.

The Chairman: Tonight we have six briefs to hear.

Mr. Nowlan: Yes, but some of them are not that heavy. I am only throwing it open for discussion. It is 5.30 now.

The Chairman: Does the Committee agree that we sit until 6 o'clock?

Some hon. Members: Agreed.

The Chairman: We will resume at 8 o'clock tonight. We will sit until 6 o'clock and then resume at 8 o'clock.

Mr. Nowlan: All right, Mr. Chairman. I wonder, Mr. Chairman, if the witness—I do not know if he referred to it generally in his opening remarks—could advise the present state of this LCL review? As I understand it, the Maritime Transportation Commission was pretty closely involved in some of the protest over the LCL rate and that there is a review of that position; and, secondly, and as a part of that question, just what has to be done to enforce the freeze? Is it a legislative ction on behalf of Parliament, or is it an Order in Council by the Cabinet or a ministerial directive that is necessary to extend the freeze.

Mr. Crosby: Mr. Chairman, I think Mr. Dickson would probably be in a better position to answer Mr. Nowlan's questions.

Mr. Craig S. Dickson (Executive Manager, Maritime Transportation Commission): I will answer the easier part first then, Mr. Chairman. As I understand it, it could be any one of the three alternatives you have mentioned, Mr. Nowlan. It could be an act of Parliament, it could be an Order in Council or it could be a ministerial directive. We do not care which it is as long as it is done.

The first part of your question was the status of the LCL rate matter. I think our opening statement pretty well covered that.

[*Interpretation*]

M. Nowlan: Je voudrais faire un rappel au Règlement, monsieur le président. C'est un mémoire des plus importants, qui fait autorité de la part des spécialistes ici présents et alors je me demande si nous pourrons terminer d'ici 18 heures? Nous sommes ici depuis trois heures et demie. C'est le 5ième mémoire cet après-midi et il serait juste pour tous de lever la séance maintenant et revenir ce soir. Ce soir nous n'en avons pas tant.

Le président: Nous avons 6 mémoires à entendre ce soir.

M. Nowlan: Oui; mais certains d'entre eux ne sont pas aussi longs et aussi substantiels. J'aborde la discussion. Il est maintenant 17h. 30.

Le président: Est-ce que vous conviendriez de siéger jusqu'à 6 heures?

Des voix: D'accord.

Le président: Nous reprendrons à 20 heures ce soir. Travaillons jusqu'à 18 heures et on reviendra à 20 heures.

M. Nowlan: Bon, monsieur le président. Je me demande, monsieur le président, si le témoin, je ne sais pas s'il en a parlé dans l'ensemble de sa première déclaration, mais est-ce qu'il pourrait dire ce qu'il en est des protestations et d'une revision des taux visant les chargements incomplets? Si je comprends bien, la Commission des transports des maritimes y a participé assez étroitement pour certaines de ces protestations faites à l'égard des taux visant les chargements incomplets et, si on revise cette position; et, deuxièmement, qu'est-ce qui doit être fait pour mettre en vigueur le gel? Est-ce une disposition d'ordre législatif de la part du Parlement ou en vertu d'un décret en conseil par le Cabinet, ou encore une directive ministérielle, afin de prolonger le gel?

M. Crosby: Monsieur le président, je pense que M. Dickson serait mieux en mesure de répondre à la question posée par M. Nowlan.

M. Craig S. Dickson (directeur exécutif de la Commission des transports maritimes): Je vais commencer par la première partie qui est la plus facile, monsieur le président. Si je comprends bien, ce pourrait être une des trois alternatives dont vous parlez, monsieur Nowlan. Ce pourrait être une loi du Parlement, un décret en conseil ou une directive ministérielle. Peu nous importe, ce qui compte c'est que ce soit fait.

Pour la première partie de votre question, c'était le statut des taux visant les chargements incomplets. Je pense que dans notre

[*Texte*]

Mr. Nowlan: That was a year ago.

Mr. Dickson: It said, in the submission we had made on behalf of the Atlantic Provinces to the Transport Minister in December of 1967, of the four points made, three of them were to be referred to the railways or the Canadian Transport Commission.

No action has been taken, to my knowledge, on these things. Apparently the CTC are reviewing these but that report, I understand, is not public. I think some of the members have asked for it in the House, Mr. Chairman. We here, in the Atlantic Provinces, have certainly had no indication of that review yielded.

Mr. Nowlan: I wonder if, supplementary to that, I could ask a question as to the action necessary to extend the freeze. Do the authorities in Ottawa, either the CTC or the Minister, agree that it is one of those three procedures or is there any definitive ruling from Ottawa as to what is necessary to extend the freeze, or are you in a position to say?

Mr. Dickson: Mr. Chairman, I do not really know, sir, but it seems to me there was an exchange between some members of this Committee and Mr. Pickersgill when he appeared before you about how this could be done. I am not sure he gave you a clear answer as to which one of the alternatives would be adopted.

Mr. Nowlan: This is why, Mr. Chairman, I was so glad to hear the very definite three alternatives confirmed by Mr. Dickson. I am wondering if that had been blessed by other people who may have to do it.

Mr. Allmand: Mr. Dickson, I am surprised that you say it can be done by some means other than by legislation. I thought the freeze was in effect through Section 335 of the Railway Act, which was amended by the National Transportation Act in 1967. Subsection 4 says that certain provisions of the Maritime Freight Rates Act will be continued until two years after coming into force and then it expires automatically, which would mean that it would require legislation. How do you get the other two possible means of action in order to put these things back into effect and freeze them?

[*Interprétation*]

première déclaration, nous avons inclus cet aspect.

M. Nowlan: Il y a un an.

M. Dickson: Nous avons dit que la présentation que nous avions faite au nom des provinces de l'Atlantique au ministre des Transports au mois de décembre 1967 et les quatre points soulevés alors, dont trois devaient être déférés aux chemins de fer et à la Commission des transports du Canada.

Aucune disposition n'a encore été prise, à ma connaissance, à cet égard. Apparemment, la CTC a fait une étude, mais ce rapport n'est pas encore rendu public. Je pense que certains des membres l'ont demandé à la Chambre, monsieur le président. Nous, dans les provinces de l'Atlantique, n'avons pas eu d'indice des résultats.

M. Nowlan: Je me demande si je pourrais poser une autre question relative aux dispositions à prendre pour prolonger l'imobilisation des taux. Est-ce que les autorités à Ottawa, soit la CCT ou le ministre ont convenu que ce serait une de ces trois méthodes ou encore est-ce qu'il y a des règles définitives qui ont été établies par Ottawa relativement à ce qu'il faut faire pour prolonger le gel? Êtes-vous en mesure de le dire?

M. Dickson: Monsieur le président, je ne sais pas vraiment, mais il me semble qu'il y a eu un échange entre certains membres de ce comité et monsieur Pickersgill, lorsqu'il a témoigné devant votre comité, sur la façon dont on pourrait y parvenir. Je ne suis pas sûr qu'il vous ait fourni une réponse claire quant à la solution qui serait adoptée.

M. Nowlan: C'est la raison pour laquelle, monsieur le président, j'étais si heureux de voir les trois solutions confirmées par monsieur Dickson. Je me demande si cela avait été approuvé par d'autres personnes qui doivent peut-être le faire.

M. Allmand: Je suis étonné de voir, monsieur Dickson, que cela peut se faire par d'autres moyens que par voie d'une mesure législative. Je croyais que le gel était en vigueur, en vertu de l'article 335 de la Loi sur les chemins de fer, loi qui fut modifiée par la Loi nationale sur les transports de 1967. Le paragraphe 4 stipule que certaines dispositions de la Loi sur les taux de transport des marchandises dans les provinces maritimes ne resteront en vigueur pendant les deux années qui suivront leur entrée en vigueur et cesseront d'être en vigueur à la fin de cette période, ce qui implique qu'il faudrait une mesure législative. Comment pou-

[*Text*]

Mr. Dickson: I am not a lawyer, Mr. Allmand, so perhaps I am out of my jurisdiction here, but I am going on past experience. The Freight Rates Reduction Act, which was an Act of Parliament, I think actually expired in 1962 but the rate level did not change until 1966 or 1967. It was either maintained by an Order in Council or by ministerial directive. I think it was probably the latter, although I am not certain. So, presumably if it could be done there it could be done here.

Mr. Allmand: I see. I guess there must be several types of freeze. There is the freeze in Section 335 and there are also the other types.

The Chairman: Are there any further supplementary questions? Mr. Thomas?

Mr. Thomas (Moncton): Mr. Chairman, this is not a supplementary question but it may help to clear the point...

The Chairman: What is it, Mr. Thomas?

Mr. Thomas (Moncton): It is on...

The Chairman: Is it on a point of order?

Mr. Thomas (Moncton): It could clarify this.

The Chairman: All right.

Mr. Thomas (Moncton): The remark was made that someone had asked Mr. Pickersgill about this very matter. I was the person who asked him about this in the Transport and Communications Committee, and he definitely made the statement at that time that this could not be changed by Order in Council. That was his definite opinion. This was an Act of Parliament and it could only be changed by legislation. That was his opinion at that time.

Mr. Nowlan: I will not pursue it any further at this stage. I must say with all deference to Mr. Pickersgill that I do not think the thing is as black and white as his answer to you, and I just wondered if there had been anything further between the MTC and Ottawa. If not, should there not be some letter or recommendation or resolution—or however you do things in communication with Ottawa—to find out definitely what is necessary to extend the freeze which is going to expire on March 23, 1969.

[*Interpretation*]

vez-vous obtenir ces deux autres possibilités d'action de façon à remettre ces choses en vigueur et à les immobiliser?

M. Dickson: Je ne suis pas avocat, monsieur Allmand, cela ne relève pas de ma compétence, mais je me base sur mon expérience. La Loi sur la réduction des taux de transfert des marchandises qui était une loi adoptée par le Parlement a pris fin, je pense, en 1962. Le tarif n'a pas été modifié avant 1966 ou 1967. Il fut maintenu, soit par un décret du conseil ou par une directive ministérielle. Je pense que c'est plutôt cette dernière mais je n'en suis pas certain. On aurait pu, semble-t-il, le faire des deux manières.

M. Allmand: Je vois. J'imagine qu'il y a différents genres de gel des taux. Il y a le gel à l'article 335 et il y en a aussi d'autres sortes.

Le président: Y a-t-il d'autres questions? Monsieur Thomas?

M. Thomas (Moncton): Monsieur le président, ce n'est pas une question complémentaire, mais cela pourrait nous aider à préciser la question.

Le président: De quoi s'agit-il, monsieur Thomas?

M. Thomas (Moncton): Il s'agit de...

Le président: Est-ce une question d'ordre?

M. Thomas (Moncton): Elle pourrait aider à préciser la question.

Le président: Très bien.

M. Thomas (Moncton): Quelqu'un dit qu'on avait interrogé monsieur Pickersgill à ce sujet. Je lui ai posé moi-même la question au comité des transports et des communications et il a alors fait la déclaration que cela ne pouvait être modifié par un décret en conseil. C'était là son avis. Il s'agissait d'une loi du Parlement qui ne pouvait être modifiée que par une autre mesure législative. C'est l'avis qu'il avait alors formulé.

M. Nowlan: Je ne veux pas insister là-dessus. Je dois vous dire, malgré tout le respect que je porte à monsieur Pickersgill que je ne pense pas que la question soit aussi tranchée que celle qu'il vous a donnée, et je me demandais seulement s'il n'y a rien eu d'autre entre la CTM et Ottawa. Dans le cas de la négative, ne devrait-il pas y avoir une lettre ou une recommandation ou une résolution ou enfin quelle que soit la façon dont vous communiquez avec Ottawa afin de voir ce dont nous avons besoin pour prolonger

[*Texte*]

Mr. Dickson: I think we should have Mr. Pickersgill here.

Some hon. Members: No, no.

The Chairman: Are you finished, Mr. Nowlan?

Mr. Nowlan: I am not finished at all, Mr. Chairman. I am asking a question and I have several others to ask on other topics. This is a most important brief. I am saying to the witness, Mr. Chairman, that if there has not been anything of a definite nature with Ottawa, should there not be something definitive with Ottawa from the MTC so that we do not get the run around at any level in order to find out what—whether they are going to do it or not is one thing—procedure is necessary to extend the freeze that is going to expire on March 23, 1969.

Mr. Crosby: Mr. Chairman, in answer to Mr. Nolan's question, we understand that the Atlantic premiers have made representations to the Minister of Transport to have the freeze extended, and what action the Minister of Transport will take we do not know. I am not a lawyer either and I do not know whether it is done on a legal basis or whether it is done by agreement with the railways that they will extend it until the task force report is in and new policies have been created which would make an effective rate base.

The Chairman: Mr. Nowlan, would you permit Mr. Allmand to ask a supplementary?

Mr. Nowlan: Yes.

Mr. Allmand: When we were studying the National Transportation Act last year we sought legal advice and we had a lawyer assigned to the Committee. Perhaps, Mr. Chairman, after we hear the witnesses in the Maritimes that as a Committee in preparing our report we might have to seek legal advice again in order to know exactly what steps to suggest that might be effective.

Mr. Nowlan: That may be a good point to follow, Mr. Chairman. Continuing from the answer of Mr. Crosby, and I think the hon. Mr. Higgins mentioned this, is it expected that the report of the Atlantic premiers task force will be published prior to March 23, 1969?

[*Interprétation*]

l'immobilisation des taux qui prendra fin le 23 mars 1969.

M. Dickson: Alors, je crois que monsieur Pickersgill devrait venir ici.

Des voix: Non, non.

Le président: Monsieur Nowlan, avez-vous terminé?

M. Nowlan: Non, pas du tout, monsieur le président. Je pose une question et j'en ai un bon nombre à poser sur d'autres sujets. Voici un mémoire des plus importants. Je dis au témoin, monsieur le président, que s'il n'y a pas eu quoi que ce soit avec Ottawa. Le CTM ne devrait pas y donner des réponses définitives à Ottawa pour nous éviter de nous adresser à tous les niveaux, afin de découvrir, s'ils vont le faire ou non, quelle procédure sera nécessaire pour prolonger le gel des taux qui doit prendre fin le 23 mars 1969.

M. Crosby: Monsieur le président, en réponse à la question de monsieur Nowlan, les premiers ministres de l'Atlantique ont fait des instances auprès du ministre des Transports pour que ce gel des taux soit prolongé et nous ne savons pas quelles dispositions le ministre des Transports prendra. Je ne suis pas un juriste et je ne sais pas si, sur le plan juridique ou en vertu d'une entente avec les chemins de fer, ils prolongeront le gel des taux jusqu'à ce que le comité d'étude fasse rapport et que de nouvelles lignes de conduite soient mises au point qui établiraient le fondement du taux en vigueur.

Le président: Est-ce que vous permettez à monsieur Allmand de poser une autre question?

M. Nowlan: Oui.

M. Allmand: L'année dernière, nous étudiions la Loi nationale sur les transports et nous avons demandé l'avis d'un avocat. Un avocat a été affecté au service du comité. Après avoir entendu les témoins des provinces Maritimes, le comité aura peut-être besoin de demander à un juriste ce qu'il en est, afin de savoir exactement quelles démarches pourraient être efficaces.

M. Nowlan: Ce serait peut-être une bonne règle à suivre, monsieur le président, et je pense que l'honorable Higgins en a parlé lui-même. La publication du rapport du comité d'étude des premiers ministres de l'Atlantique est-elle prévue avant le 23 mars 1969?

[*Text*]

Mr. Crosby: No. That is why we recommend that the freeze be extended because we are afraid of the implications of...

Mr. Dickson: May I elaborate on that point, Mr. Chairman and Mr. Nowlan? I think the concern is that it will not be effective before March 23. You might have a policy going but it will not be effective. There will be no relief for the shipper in effect on March 23. This is the point. You can have a policy but it might take a year before it is effective. We hope not.

Mr. Nowlan: I appreciate that, Mr. Chairman, but I am just trying to find out the procedures. You say the Atlantic premiers have requested it. As a result of this transportation tour, and certainly from the weight of the evidence so far, the feeling seems to be to extend it. It certainly would not complicate things, would it—and I am asking this question of either of the witnesses—if this Committee decided after hearing all the deliberations to make as part of their recommendation the extension of the freeze? I am afraid there is a gray area here as to who is to take the initiative to extend the freeze, if it is decided to extend it. This is what is giving me some concern.

Mr. Crosby: We would wholeheartedly support that because it is requested in our brief.

Mr. Nowlan: But at the moment the MTC is relying on the joint statement of the premiers that I think was just made yesterday or the day before. Is that correct?

Mr. Crosby: Mr. Chairman, I might interject here. One of the fears that we have, as I mentioned in our brief, is the way the railways reacted on the LCL freight rate matter once they were given the go ahead to create rates, and we have the same fears with regard to them if this freeze is lifted before positive policies are, as Mr. Dickson said, created and put into effect. In the meantime we may get pretty rough treatment down here from a rate standpoint.

Mr. Nowlan: Mr. Chairman, I have other questions on other parts of the brief, not on LCL, so as long as I can come back I will

[*Interpretation*]

M. Crosby: Non. C'est la raison pour laquelle nous recommandons que le gel des taux soit prolongé, étant donné que nous craignons les implications qui . .

M. Dickson: Est-ce que je pourrais élaborer un peu plus là-dessus, monsieur le président et monsieur Nowlan? Je pense que ce qui nous préoccupe c'est que cela n'entre pas en vigueur avant le 31 mars. Vous avez peut-être une ligne de conduite mais elle ne sera pas efficace. Il n'y aura pas d'aide accordée à l'expéditeur à partir du 23 mars. Voilà l'important. Vous pouvez suivre une ligne de conduite mais cela peut prendre un an avant qu'elle soit en vigueur. Nous osons espérer le contraire.

M. Nowlan: Je m'en rends compte, monsieur le président, mais je ne cherche qu'à trouver les manières de procéder. Vous dites que les premiers ministres de l'Atlantique en ont fait la demande. A la suite de cette tournée relative aux transports, et du nombre de témoignages reçus, il semble qu'on veuille le prolonger. Cela ne rendrait pas les choses plus complexes, n'est-ce pas? Je pose la question à l'un ou l'autre des témoins, si le comité décidait, après avoir entendu toutes les délibérations, de recommander entre autres, le prolongement du gel des taux, je crains qu'il n'y ait une ombre, à savoir, qui doit prendre l'initiative pour prolonger l'immobilisation des taux si on décide de le faire. Voilà ce qui me préoccupe un peu.

M. Crosby: Nous vous appuyerions de tout cœur parce que c'est une demande que nous formulons dans notre mémoire.

M. Nowlan: Mais en ce moment, la CTM s'appuie sur la déclaration conjointe des premiers ministres, je crois, qui a été faite hier ou avant-hier. Est-ce juste?

M. Crosby: Si on veut bien me permettre, monsieur le président. Une des craintes qui nous anime, comme je l'ai souligné dans notre mémoire, vient de la façon dont les chemins de fer ont réagi à la question du tarif de transport de chargement partiel de wagon. Une fois, on leur a donné l'autorisation de modifier les taux et nous avons les mêmes craintes à leur égard si on enlève le gel des taux avant que des lignes de conduite réalistes soient adoptées et mises en vigueur, comme l'a dit monsieur Dickson. Entretemps, les difficultés seront peut-être très grandes, du point de vue du taux.

M. Nowlan: Monsieur le président, j'ai d'autres questions relatives à d'autres parties du mémoire, mais non pas au sujet du taux

[*Texte*]

now defer and let someone else take the floor.

Mr. Horner: Mr. Chairman, I would like to direct a question to either Mr. Dickson or Mr. Armitage. Just where in the Maritime Freight Rates Act do the railroads get the authority to increase the freight rates on less than carload lots? I have been reading and studying this and it does not mention anything about less than carload lots.

Mr. Dickson: Mr. Chairman, I will try to answer Mr. Horner, although I may have to be supplemented by Mr. Armitage because it is a good question that he has asked. The Maritime Freight Rates Act applies to LCL freight rates. It does not apply to express rates.

Mr. Horner: Why does it not apply to express rates?

Mr. Dickson: I think it says in one of the sections that it does not apply to express rates.

Mr. Armitage: That is one of the exclusions.

Mr. Dickson: Yes, one of the exclusions.

Mr. Horner: Referring now to the freeze, much has been said in your submission about maintaining the freeze on the Maritime Freight Rates Act. What about the freeze on the products now shipped in and on which the Freight Rates Reduction Act has an effect?

Mr. Dickson: Actually, Mr. Chairman, to answer Mr. Horner, the freeze that we are speaking of in Section 335 of the Railway Act—which was one of the amendments made during the passage of the National Transportation Act—froze the non-competitive carload rates within the maritimes, from the Maritimes and to the Maritimes. As I understand it, the only reason for the reference to the Maritime Freight Rates Act in that section is simply to define the territory to which the freeze applies.

It was not only freezing the rates that were reduced by the Maritime Freight Rates Act but it was also freezing the eastbound rates into the Maritimes, which were not reduced by the Maritime Freight Rates Act.

[*Interprétation*]

de transport de chargement incomplet mais si je peux y revenir, je laisserai la parole à quelqu'un d'autre.

M. Horner: Monsieur le président, je voudrais poser une question à monsieur Dickson ou à monsieur Armitage. Où, dans la Loi sur les taux de transport des marchandises dans les provinces maritimes, les chemins de fer ont-ils l'autorisation d'augmenter le taux-marchandises du transport de chargement incomplet. Je l'ai lu, je l'ai étudié et on ne mentionne rien au sujet d'un chargement de moins d'un wagon.

M. Dickson: Monsieur le président, je vais essayer de répondre à monsieur Horner et monsieur Armitage pourra venir compléter parce que c'est là une excellente question. La Loi sur les taux de transport des marchandises dans les provinces Maritimes s'applique au tarif de transport de chargement incomplet et non pas au tarif-messagerie.

M. Horner: Pourquoi ne s'applique-t-elle pas au tarif-messagerie?

M. Dickson: Je crois qu'on dit dans un des articles que cela ne s'applique pas au tarif-messagerie.

M. Armitage: C'est une des exclusions.

M. Dickson: Oui, une des exceptions.

M. Horner: Bon, pour ce qui est du gel des taux. Alors on parle beaucoup dans votre proposition relative au maintien du gel des taux dans la Loi sur les taux de transport des marchandises dans les provinces Maritimes, mais que dire du gel des taux sur les produits expédiés ici, et sur lesquels la Loi sur la réduction des taux de transport de marchandises s'applique.

M. Dickson: Si on veut bien me permettre de répondre à monsieur Horner, le gel des taux dont nous parlons à l'article 335 de la Loi sur les chemins de fer qui était une des modifications apportées au cours de l'adoption de la Loi nationale sur les transports immobilisait le taux du transport non concurrentiel à l'intérieur des Maritimes, en provenance et à destination des Maritimes. La seule raison pour laquelle on se reporte à la Loi sur les taux de transport des marchandises dans les provinces Maritimes, dans cet article, est simplement en vue de définir le territoire auquel le gel des taux s'applique.

On établissait un gel non pas simplement pour les taux réduits par la loi, sur les taux de transport des marchandises dans les provinces Maritimes, mais elle immobilisait aussi les taux des frontières de l'est à destination

[*Text*]

Mr. Horner: Is it not a fact that the pattern of the horizontal freight rate increases affect the Maritimes far more drastically than even the flat rate increase on a given product or commodity?

Mr. Dickson: I will try to answer that question, Mr. Chairman. The horizontal freight rate increase, because of our greater distances and therefore higher rates, applies more heavily and also because other areas were able to escape either in part or in full the increase that was being applied because of the pervasiveness of their competitive means of transport in those other areas.

Mr. Horner: If the Maritime Freight Rates Act was made to apply on all modes of transportation, including truck transportation, what effect would that have on express rates as we know them, or less than carload lot rates, and so forth? For example, we had evidence today from the T. Eaton Company Limited about the drastic increase in freight rates that has taken place since September 5, 1967. What effect on the increase in rates that Eatons gave in their brief, for example, would the extension of the Maritime Freight Rates Act have on modes of truck transportation?

Mr. Dickson: Mr. Chairman, it is hard to be definitive, but I think there is not doubt that if you extended the application of the Maritime Freight Rates Act so that it applied to traffic carried by modes other than the railway that it surely would have the effect upon the trucking industry of increasing competition for traffic.

It would also be helpful in generating the highway transport service that a company such as Eatons would need and it would perhaps encourage the railways to meet that competition, and it should have a general effect upon holding down or perhaps hopefully reducing rates.

Mr. Horner: Is it not a fact that in 1927 the intent of clause (d) of Section 5 of the Maritime Freight Rates Act was to deal mainly with passenger movement and the goods or commodities a passenger might be carrying

[*Interpretation*]

des Maritimes qui n'étaient pas réduits par cette loi.

M. Horner: Pour ce qui est de l'augmentation horizontale des taux de transport des marchandises, touche-t-elle les Maritimes beaucoup plus que l'augmentation des taux uniformes d'un produit ou service donné?

M. Dickson: Je vais essayer de répondre à cette question, monsieur le président. L'augmentation horizontale du tarif-marchandises vu les distances plus grandes et, par conséquent, les taux plus élevés, est plus lourde, aussi en raison du fait que d'autres régions ont été en mesure d'échapper soit totalement, soit en partie à l'augmentation qui s'appliquait à la suite de la tendance portée vers des moyens de transport concurrentiels dans ces autres régions.

M. Horner: Si la Loi sur les taux de transport des marchandises dans les provinces Maritimes s'appliquait à tous les moyens de transport dans les Maritimes, y compris le camion, quels en seraient alors les effets sur les tarif-messagerie, ou encore comme nous les connaissons, ou sur les taux de transport de chargement partiel de wagon et ainsi de suite. Ainsi, nous avons entendu des témoignages aujourd'hui de la *T. Eaton Company Limited* au sujet des augmentations incroyables des tarifs-marchandises, depuis le 5 septembre 1967. Quels effets sur l'augmentation des taux dont *Eaton* a traité dans son mémoire, par exemple, le prolongement de la Loi sur les taux de transport des marchandises dans les provinces Maritimes aurait sur les modes de camionnage?

M. Dickson: Monsieur le président, il est assez difficile d'être catégorique, mais sans aucun doute si vous prolonger l'application de la Loi sur les taux de transport des marchandises dans les provinces Maritimes de façon à ce qu'elle s'applique aux modes de transport autres que le transport ferroviaire, cela aurait sûrement pour effet d'augmenter la concurrence dans l'industrie du camionnage.

Cela servirait à engendrer un service de transport routier dont une compagnie comme Latan aurait besoin et peut-être à encourager les chemins de fer à faire face à cette concurrence et cela devrait avoir comme effet d'ensemble de maintenir et même peut-être de réduire les tarifs.

M. Horner: N'est-il pas vrai qu'en 1927 le paragraphe *d*) de l'article 5 de la Loi sur les taux de transport des marchandises dans les provinces des Maritimes traitait essentiellement du transport des passagers et des mar-

[*Texte*]

with him, rather than freight movement as we know it today. Let me pose the question in another way. If it was extended to cover truck transportation, would the term "express freight" not become—a shade of gray at least—very difficult to define?

Mr. Dickson: Yes, Mr. Chairman, this is true, and perhaps this is a comment I should have a little earlier in reply to your question, Mr. Horner, but it escaped me at the moment. The rates that are being complained of so much before you today, and will be during the next few days, and which are commonly called ETA-100 or non-carload rates, are they express rates or freight rates? I do not really know. The railways told us when they were putting these in—and Mr. Sparks mentioned being at these discussions and I was also at many of them—that there would be no more express service, no more LCL freight service; there is a new service called non-carload services which encompasses what used to be LCL freight and express.

I have taken their word and assumed that this is a new service. It is a non-carload service; it is neither express nor freight.

Mr. Horner: You state in your brief that the Maritime Freight Rates Act is as sacred as the Crows Nest Pass rates and as sacred as the St. Lawrence Seaway. Do you not believe that in a way, rightly or wrongly, this sacredness is starting to slide away because of the application of the gray area with regard to the express traffic?

Mr. Crosby: The express traffic is one indication of it, but it is an indication that the Maritime Freight Rates Act as presently constituted is outmoded because the original concept was that express would be carried on passenger trains. We cut out the passenger service and the express has disappeared. They do not call it express, they now call it LCL freight. So if the Maritime Freight Rates Act is amended I think one of the provisions should be that it would be applied to LCL freight, because express as such really no longer exists unless it is carrying freight on a passenger train.

[*Interprétation*]

chandises ou denrées qu'un passager pouvait transporter avec lui plutôt que du transport des marchandises qu'on connaît aujourd'hui. Permettez-moi de poser la question différemment. Si le prolongement s'appliquait au camionnage, est-ce que l'expression «tarif-messagerie» ne serait pas alors très difficile à définir?

M. Dickson: Oui, monsieur le président, c'est juste. C'est peut-être un commentaire que j'aurais dû faire plus tôt en réponse à la question que vous aviez posée monsieur Horner, mais cela m'est parti de l'esprit à ce moment-là. Le tarif dont on se plaint tellement aujourd'hui et dont on se plaindra au cours des prochains jours qu'on appelle communément ETA-100 ou tarif de transport de détail. Sont-ils des tarifs-marchandises ou des tarifs-messageries? Je n'en sais vraiment rien. Les compagnies de chemins de fer ont dit lorsqu'elles les avaient mis en vigueur et M. Sparks a mentionné qu'il avait assisté aux débats auxquel j'ai moi-même pris part très souvent. Il n'y aurait plus de service de messagerie, ni de service de transport de détail. C'est un nouveau service appelé service mais c'est autre chose qui comprend, qui remplace le transport de chargement incomplet et les messageries.

J'ai pris leur parole et, j'ai pris pour acquis que c'était un nouveau service. C'est un service de transport de détail, ce n'est pas un service-marchandise ni un service-messagerie.

M. Horner: Vous déclarez dans votre mémoire que la Loi sur les taux de transport des marchandises dans les provinces Maritimes est aussi sacré que le tarif du-Nid-de-Corbeau ou que la Voie maritime du Saint-Laurent. Ne croyez-vous pas d'une certaine façon, à tort ou à raison, que cet aspect sacro-saint semble se détériorer quelque peu à la suite de l'application de cette autre nuance concernant le trafic-messagerie?

M. Crosby: Le trafic-messagerie en est un exemple. Il indique que la Loi sur les taux de transport des marchandises dans les provinces Maritimes, telle qu'elle existe actuellement, est un peu démodée parce que le concept à l'origine voulait que le trasport-messagerie soit fait par les trains de passagers. Nous avons supprimé le service des passagers et le service-messagerie a disparu. Ils ne l'appellent plus maintenant transport-messagerie mais le transport de chargements incomplets. Si la loi est modifiée, je pense qu'une des dispositions de cette loi devrait stipuler qu'elle s'applique au transport de chargements incomplets, parce que le transport-messagerie en tant que tel n'existe plus à

[*Text*]

Mr. Horner: Would it be fair to say that the Maritime Freight Rates Act has not grown with the times?

Mr. Dickson: Oh, definitely.

Mr. Nowlan: If I understood what Mr. Dickson said correctly, and I think I did, if the railways could raise their express LCL rates at any time—as I gathered you said they could—why did they just do it in September of 1967 which, if I remember correctly, was before the National Transportation Act. Was it just a coincidence?

Mr. Dickson: Perhaps I can answer that, Mr. Chairman. Why they chose September 5, 1967, I do not know, but the amendments to the Railway Act that were found in the bill which became the National Transportation Act became effective on March 23, 1967, which was prior to September 5. That would have been Part IV of the National Transportation Act, the old Bill C-231, which became effective. As I recall it, the part that set up the Canadian Transport Commission did not become effective until September 19, or something like that.

Mr. Horner: So the National Transportation Act and LCL are related?

Mr. Dickson: Yes.

The Chairman: Are there any other questions, gentlemen?

Mr. Horner: What reply did you get from Mr. Hellyer to your letter of December 13, 1967, with regard to the four points you suggest on page 775?

Mr. Dickson: Mr. Chairman, the essence of it was that he would take the matter up with the railways; that it was not within his jurisdiction to deal with it.

Mr. Horner: And you had no reply from . .

Mr. Dickson: That is what he told us at that time. We presumed he took it up with the railways and was not able to get any action on it.

Mr. Horner: But you did not forward it on to the CTC?

[*Interpretation*]

moins qu'on fasse le transport par train de passengers.

M. Horner: Il serait juste de dire que la Loi ne s'est pas adaptée à notre époque.

M. Dickson: En effet.

M. Nowlan: Si j'ai bien compris ce que monsieur Dickson a dit de façon très juste, et je pense l'avoir très bien compris, si les chemins de fer pouvaient augmenter le tarif-messagerie de chargement incomplet en n'importe quel temps, comme vous avez dit qu'ils pouvaient, je pense, pourquoi ne l'a-t-on fait qu'en septembre 1967, geste qui, si je me rappelle bien, précédait la Loi nationale sur les transports. Ce n'était qu'une simple coïncidence?

M. Dickson: Monsieur le président, je pourrais peut-être y répondre. Je ne sais pas pourquoi on a choisi le 5 septembre 1967, mais les modifications apportées à la Loi sur les chemins de fer qu'on trouve dans le bill qui est devenu la Loi nationale sur les transports sont entrées en vigueur le 23 mars 1967, soit avant le 5 septembre. Cela aurait été la Partie IV de la Loi nationale sur les transports, l'ancien bill C-231 qui est entré en vigueur. Si je me rappelle, la partie qui a mis sur pied la Commission canadienne des transports n'est pas entrée en vigueur avant le 19 septembre ou à peu près.

M. Horner: La Loi nationale sur les transports et le transport de chargements partiels de wagon sont rattachés l'un à l'autre.

M. Dickson: Oui.

Le président: Y a-t-il d'autres questions, messieurs?

M. Horner: Quelle réponse avez-vous obtenu de monsieur Hellyer à la suite de votre lettre du 13 décembre 1967 au sujet des quatre points que vous présentez à la page 775?

M. Dickson: Monsieur le président, il a dit qu'il en saisirait les compagnies de chemins de fer et que la question ne relevait pas de sa compétence.

M. Horner: Et vous n'avez pas eu de réponse de . .

M. Dickson: C'est ce qu'il nous a dit alors. Nous avons cru qu'il en avait saisi les compagnies de chemins de fer et qu'il n'avait pu en obtenir quoi que ce soit.

M. Horner: Mais vous n'avez jamais soumis la question à la CCT.

[*Texte*]

Mr. Dickson: You asked a question earlier, Mr. Horner, if I may comment on this, Mr. Chaimran.

The Chairman: That is fine.

Mr. Dickson: About appealing these non-carload rates to the CTC. Following the passage of the National Transportation Act, I am not sure what you would hang your appeal on other than public interest.

Mr. Horner: Yes.

Mr. Dickson: Because if they are not below a compensatory level they are not in violation of the Act. If they are not above that ceiling that is set out in the Act, which is so far above a compensatory level that...

Mr. Horner: It is 150 per cent.

Mr. Dickson: ...it is of no use to anybody, I do not believe, then you really have no appeal to the CTC except on the grounds of public interest under Section 16.

Mr. Horner: Yes. All right. Follow Section 16 up on the public interest aspect of it. If it is in the public interest to maintain the Freight Rates Reduction Act—and I would hope it would be, rather than just in the case of a few isolated shippers—then surely it is in the public interest for you people particularly, you are the transportation experts in the Maritime Provinces, to carry this fight a little further and take it to CTC and prove, or attempt to prove, before them that these increased charges on non-carload lots is also detrimental to the public interest.

Mr. Dickson: All right, we have been negligent, Mr. Chairman.

The Chairman: Mr. Bell, a supplementary.

Mr. Bell: Did I understand you to say, Mr. Dickson, that you felt it was possible to circumvent the Maritime Freight Rates Act and raise the LCL express rates?

Mr. Dickson: I am sorry, I did not catch all the question, Mr. Chairman.

Mr. Bell: Did you not tell Mr. Horner a minute ago—and I am only asking this for clarification in order to help me understand it—that in your opinion the railways could

[*Interprétation*]

M. Dickson: Vous avez posé une question un peu plus tôt, monsieur Horner. Puis-je me permettre de faire un commentaire à ce sujet, monsieur le président?

Le président: Allez-y.

M. Dickson: Au sujet de la question d'en appeler de ces tarifs à la CCT: A la suite de l'adoption de la Loi nationale sur les transports, je crois que vous ne pouvez fonder votre appel que sur l'intérêt public.

M. Horner: Oui.

M. Dickson: S'ils ne sont pas au-dessous du niveau compensatoire, ils ne vont pas à l'encontre des dispositions de la Loi s'ils ne sont pas au-dessus de ce plafond prévu dans la loi qui est tellement plus au-dessus du niveau compensatoire que ...

M. Horner: C'est 150 p. 100.

M. Dickson: Cela ne sert à personne. Je ne crois pas, alors vous ne puissiez vraiment présenter une demande à la C.C.T. sauf pour des raisons d'intérêt public, en vertu de l'article 16.

M. Horner: Bon, d'accord. Présentons l'article 16 à la C.C.T. en appuyant sur l'intérêt public. S'il est dans l'intérêt public de maintenir la Loi sur la réduction des taux de transport des marchandises, je crois qu'il serait juste dans le cas de quelques expéditeurs isolés. Naturellement, c'est dans l'intérêt du public, pour vous tout particulièrement, qui êtes les spécialistes en matière de transport dans les provinces Maritimes de lutter un peu plus, d'en saisir la C.C.T., de prouver ou d'essayer de prouver à la Commission que l'augmentation du tarif de détail va aussi à l'encontre de l'intérêt du public.

M. Dickson: Bon, d'accord nous avons été négligents, monsieur le président.

Le président: Monsieur Bell, une autre question.

M. Bell: Si j'ai bien compris, monsieur Dickson, vous avez dit que vous étiez d'avis qu'il était possible de se soustraire à la Loi sur les taux du transport des marchandises dans les provinces Maritimes et d'augmenter le tarif-messagerie pour le transport de chargements incomplets.

M. Dickson: Je m'excuse, je n'ai pas compris toute la question, monsieur le président.

M. Bell: Est-ce que vous n'avez pas dit à monsieur Horner il y a un instant, je vous le demande simplement pour me permettre de mieux comprendre, ne lui avez-vous pas dit

[*Text*]

circumvent the Maritime Freight Rates Act protection and raise the express LCL rates?

Mr. Dickson: No, I hope I did not say it in just that way, Mr. Chairman.

Mr. Bell: How do they get around the Maritime Freight Rates Act and raise the LCL rates, which are protected?

Mr. Dickson: What I think Mr. Bell has interpreted from my comments to Mr. Horner is are the ETA-100 rates express rates or freight rates. No decision has been made by a regulatory body on whether they are express rates or freight rates. So, at the moment nobody quite knows whether they are under the Maritime Freight Rates Act or not.

Mr. Bell: Separate from that, may I ask if it was not a fact that when the railways raised these LCL rates they said it was because of the amalgamation of their express offices and services?

Mr. Dickson: Yes.

Mr. Bell: And it was really separate from anything having to do with the new Transport Act?

Mr. Dickson: I think it was connected, Mr. Chairman. I answered Mr. Nowlan to that effect because they were then under the National Transportation Act and they were free to take action. They were trying to reorganize their business and they tackled the whole railway business. They also tackled the LCL express problem first to try to—as they told us in the discussions they had—put this on a more paying basis.

Mr. Bell: I suggest it is a very strange coincidence, and it happened like that, and I make the charge here now that the railways took advantage of the new Act. They hit the Maritimes again with these extra rates, and we said this at the time the new Act was put in. You are not to blame for it, but we said exactly what was going to happen, and the railways took advantage of the mood of the new Act which was entirely separate from

[*Interpretation*]

qu'à votre avis, les compagnies de chemins de fer pourraient se dérober aux dispositions de la Loi sur les taux de transport des marchandises dans les provinces Maritimes et augmenter le tarif-messagerie pour le transport de chargement incomplet?

M. Dickson: Non, j'espère ne pas avoir dit cela de cette façon, monsieur le président.

M. Bell: Comment alors peuvent-ils contourner la Loi sur les taux de transport des marchandises dans les provinces Maritimes, et augmenter le tarif de transport de chargement incomplet, tarif qui est pourtant protégé.

M. Dickson: Je pense que M. Bell a compris, à partir des commentaires que j'ai donnés à M. Horner, que le taux ETA-100 est le tarif-messagerie ou le tarif-marchandises. Aucun organisme de réglementation n'a encore décidé s'il s'agissait du tarif-messagerie ou du tarif-marchandises. Personne ne sait au juste en ce moment si cela relève ou non de la Loi sur les taux de transport des marchandises dans les provinces Maritimes.

M. Bell: En plus, puis-je demander s'il n'est pas vrai que les compagnies de chemins de fer ont dit en augmentant les taux de chargements partiels de wagons, que c'était dû au fusionnement de leurs bureaux et de leurs services de messagerie?

M. Dickson: Oui.

M. Bell: Et que c'était vraiment distinct de tout ce qui se rapportait à la nouvelle Loi sur les transports.

M. Dickson: Je crois, monsieur le président, que c'était relié. J'ai répondu plus tôt à monsieur Nowlan parce qu'elles relevaient alors de la Loi nationale sur les transports et qu'elles étaient libres de prendre les dispositions voulues. Elles essayaient de réorganiser leurs affaires et elles se sont attaquées à l'ensemble de la question ferroviaire. Elles se sont aussi attaquées au premier problème des tarifs-messagerie de chargements partiels de wagons, afin d'essayer, comme on nous a dit, au cours des débats à cet égard, qu'on a essayé de le rendre plus rentable.

M. Bell: Je dis que c'est une coïncidence vraiment étrange et, cela s'est produit ainsi, et je déclare dans cette enceinte que les compagnies de chemins de fer ont profité de la nouvelle Loi. Une fois de plus, ils s'en prennent aux provinces Maritimes en établissant ces nouveaux tarifs et c'est ce que nous avons dit lorsque la loi a été adoptée. On ne vous en blâme pas, mais nous avons dit exactement ce qui se produirait, et les compagnies

[*Texte*]

their right to change these had they wanted to do so before.

The Chairman: Mr. Rose?

Mr. Rose: Mr. Chairman, I thought Mr. Bell's last remarks would stimulate a whole load of supplementary questions but I see that they have not. Perhaps it is because we are getting close to 6 o'clock.

Nevertheless, I would like to go back to something that Mr. Dickson said earlier, and I would like Mr. Dickson or the other witness to have an opportunity to amplify his remarks in this regard, I am referring to the fear expressed in the reading of the brief that perhaps while the people who have petitioned before us today have laid their cards on the table openly and publicly for everyone to see, there was the possibility of the railway companies having the opportunity to appear either before this committee or the CTC in camera, and that you might not be aware of their petitions and the points they made—or even have the material—soon enough to give you an opportunity to provide a reasonable rebuttal or change your thinking or perhaps make some amendments. Is that not so? Do I express reasonably well what you said?

Mr. Crosby: We thought that they were not appearing as carriers and that perhaps they had a privileged position.

Mr. Rose: Mr. Chairman, this seems to me to be an eminently fair request to make. I do not have sufficient experience with this type of committee to perhaps suggest how we might best allay the fears of the witness, but perhaps there is someone else around the table who could do this. In any event, I am really saying this to underline the point that I think it would be grossly unfair if all the petitioners that have presented briefs have to do so in public, while the railways come in in some sort of an in camera situation and enjoy the advantage of some privileged position. I would like to perhaps get some suggestions from others on how this might be accomplished. It possibly might be part of our report and that is why I want to make certain that a good portion of the minutes concern themselves with this point.

The Chairman: That will be part of our report, Mr. Rose. Mr. Horner.

[*Interprétation*]

de chemins de fer ont profité de la nouvelle loi qui était complètement différente de leur droit de changer les taux, même s'ils l'avaient voulu avant.

Le président: Monsieur Rose.

M. Rose: Monsieur le président, je croyais que la dernière observation de M. Bell déclencherait toute une série de questions, mais je remarque qu'il n'en est pas ainsi. Est-ce parce que nous approchons de 18 heures?

Je voudrais, toutefois, revenir à ce que M. Dickson a dit un peu plus tôt, et j'aimerais que M. Dickson ou un autre témoin ait l'occasion d'élaborer un peu plus les observations qu'il a faites au sujet de la crainte formulée dans la lecture du mémoire, que peut-être les personnes qui nous ont présenté des soumissions aujourd'hui ont mis cartes sur table ouvertement et en public pour que tout le monde soit mis au courant. Il y avait aussi cette possibilité que les sociétés ferroviaires, ayant eu l'occasion de comparaître soit devant ce Comité ou à la CCT à huis clos, et que vous ne soyez peut-être pas au courant de leurs pétitions et des observations qu'ils ont—ou même d'avoir la documentation assez rapidement pour vous donner l'occasion de réfuter, de modifier votre ligne de conduite ou peut-être d'apporter certaines modifications à la loi. N'est-ce pas? Est-ce que j'exprime bien ce que vous avez dit.

M. Crosby: Nous pensions qu'ils ne se présentaient pas en tant que transbordeurs et qu'ils avaient peut-être une situation privilégiée.

M. Rose: Monsieur le président, cela me semble être une demande tout à fait juste à formuler auprès de ce comité. Je ne jouis pas d'une expérience suffisante de ce genre de comité pour vous proposer une manière de dissiper les craintes du témoin ou peut-être quelqu'un d'entre vous pourrait le faire. En tous cas, je vous dis vraiment cela pour signaler le fait que je pense qu'il serait vraiment injuste que tous les pétitionnaires qui ont présenté des mémoires doivent le faire en public alors que les compagnies de chemins de fer jouissent du huis clos et aient l'avantage d'une situation quelque peu privilégiée. Je voudrais entendre les suggestions d'autres personnes sur la manière dont on peut agir. Il se pourrait que cela fasse partie de notre rapport et c'est pourquoi je voudrais m'assurer qu'une bonne partie du compte rendu ait trait à ce point.

Le président: Cela fera partie de notre rapport, monsieur Rose. Monsieur Horner.

[*Text*]

Mr. Horner: Mr. Dickson, in order to make trucking more competitive as a means of transport in the Maritimes, in addition to including trucking under the Maritime Freight Rates Act would there not have to be a substantial improvement in the highway system, especially within the Maritimes and between the Maritimes and the central provinces?

Mr. Dickson: Yes, Mr. Chairman. The extension of the subsidy to apply to traffic carried by trucks is only one of the factors that I hope might be used to stimulate competition. The matter of better roads is certainly another factor.

The third point that I would like to make is that the very best road between Sydney and Montreal is not going to create the same type of competition as there is between Toronto and Montreal because you do not have the same volume of traffic and you have a much longer distance. So, we need the extension of subsidies, we need better highways and we need policies to encourage the volume of freight available for the trucks. This will also help to increase the competition.

The Chairman: Gentlemen, this is the end of our . .

Mr. Nowlan: I do not want to bring these gentlemen back, but I have some further questions. Are they coming back after dinner?

The Chairman: Ask your questions now.

Mr. Nowlan: Then I will have to ask my questions now.

The Chairman: Mr. Nowlan.

Mr. Nowlan: One of the things Mr. Dickson said at the very end leads me to my first question. He spoke about the competitive factors being a little different. We all appreciate that, but has not the basic erosion of the Maritime Freight Rates Act occurred because of these horizontal rate increases, and if you are going to open it up to the trucking industry is the legislator not going to have to do something to protect against these flat horizontal increases right across the board and which are not put into effect in the other parts of Canada because of competition? What are your comments on that?

[*Interpretation*]

M. Horner: Monsieur Dickson, afin de rendre le camionnage plus concurrentiel comme moyen de transport dans les provinces Maritimes en plus d'inclure le camionnage dans la Loi sur les taux de transport des marchandises dans les provinces Maritimes, ne faudrait-il pas améliorer sensiblement le réseau routier, particulièrement dans les provinces Maritimes et entre les provinces Maritimes et les provinces centrales du Canada?

M. Dickson: Oui, monsieur le président, le prolongement des subventions au transport par camion est un seul des facteurs qui, je l'espère, seront utilisés pour encourager la concurrence. L'amélioration des routes est sans aucun doute un autre de ces facteurs. Et la troisième observation que je voudrais faire c'est que la meilleure route qui puisse exister entre Sydney et Montréal ne créera pas le même genre de concurrence que celle qui existe entre Toronto et Montréal, parce que vous n'avez pas le même volume de trafic et que la distance est beaucoup plus grande. Il faut donc plus de subventions, de meilleures routes et une politique conçue pour encourager un volume de marchandises pour le transport par camion. Cela aidera aussi à augmenter la compétition.

Le président: Messieurs, voici la fin de notre . . .

M. Nowlan: Je ne veux pas que ces témoins reviennent mais j'aurais d'autres questions à poser. Est-ce qu'ils reviennent ce soir?

Le président: Posez vos questions dès maintenant.

M. Nowlan: Donc, il me faut poser ces questions dès maintenant.

Le président: Monsieur Nowlan.

M. Nowlan: Une des dernières choses que monsieur Dickson ait dites m'amène à cette première question. Il a parlé de facteurs concurrentiels qui étaient légèrement différents. Nous sommes tous au courant de ces faits mais est-ce que l'érosion de la Loi sur les taux de transport des marchandises dans les provinces Maritimes ne s'est pas produite à cause de l'augmentation uniforme des tarifs et si vous en permettez l'accès au camionnage, est-ce que le législateur ne devra pas faire quelque chose pour mettre à l'abri de ces augmentations uniformes générales contre la commission et qui n'entrent pas en vigueur dans les autres régions du Canada, à cause de la concurrence. Quels commentaires auriez-vous à faire là-dessus?

[*Texte*]

Mr. Dickson: To answer Mr. Nowlan's question, Mr. Chairman, I think the benefits of the Maritime Freight Rates Act have been eroded because of the inflexibility of the present statute.

I am going to be careful here now. It has been a 20 per cent subsidy within the Maritimes. It has been a 20 or 30 per cent subsidy on the portion of the rate earned within the region on traffic westbound. And it has been a fixed amount of subsidy in that sense, a fixed percentage amount of subsidy. It has been inflexible and has not been able to take into consideration the percentages in the transportation climate, the competition, the degree to which competition is effective here, or not effective here, versus the degree to which it is effective elsewhere.

In any revised Maritime freight rates act, there has to be substantially more flexibility to enable the subsidy that may be paid under that act to do the most good and to try to maintain the relative position of the Atlantic Provinces.

Maybe you can measure the whole basket of rates and do it that way. Maybe you should look at each individual commodity and apply the amount of subsidy necessary for it. There are pros and cons for both ways, but there has to be a flexibility here that there has hot been in the existing Act.

Mr. Nowlan: From the experience you have had with the existing Act, and working with the task force, can you confirm my assumption that the provincial Premiers —and there has been unanimous agreement before, Mr. Higgins said—are going to suggest flexible guidelines for the future, for either rail or for trucks, if you are suggesting that trucks be opened up to this assistance?

Mr. Dickson: Yes, you could assume that, Mr. Nowlan.

Mr. Nowlan: I know that is going to be an interesting answer to try to find out, because I guess people have been groping for it for quite a while.

One of my next two questions is very short, and one could open up a whole host of problems. But I will just throw it out and Mr. Dickson or Mr. Crosby may have a quick answer.

Mr. Crosby mentioned it from his position as Chairman of the MTC and in his own capacity as a shipper in this area. Does he agree with the EIU that transport costs have

[*Interprétation*]

M. Dickson: Monsieur le président, pour répondre à la question de monsieur Nowlan, je pense que les avantages de la Loi sur les taux de transport des marchandises dans les provinces Maritimes ont été érodés à cause du manque de souplesse de la loi actuelle.

Je vais faire attention ici. Les Maritimes ont reçu une subvention de 20 p. 100. C'était une subvention de 20 p. 100 ou 30 p. 100 sur le tarif gagné dans cette région pour le trafic vers l'Ouest. La subvention équivalait à un montant fixe. C'était un montant inflexible et on n'a pu tenir compte dans ces pourcentages, du climat de transport, de la concurrence, du degré d'une concurrence efficace ou non à comparer au degré d'efficacité qui existe ailleurs. Dans toutes les révisions de la Loi sur les taux de transport des marchandises dans les provinces Maritimes, il fallait une plus grande souplesse afin de permettre que les subventions qui pourraient être payées au titre de cette loi réalisent vraiment tous les objectifs et maintiennent la situation des provinces de l'Atlantique.

Vous pourriez peut-être considérer la situation dans son ensemble et procéder en conséquence. Peut-être devriez-vous étudier chacune des denrées, et y appliquer le montant des subventions voulues? Il y a le pour et le contre de chacune des méthodes, mais il faut une certaine souplesse, qui n'existe pas dans la loi actuelle.

M. Nowlan: D'après l'expérience que vous avez de la loi actuelle et du travail d'équipe, m'approuveriez-vous si je disais que les premiers ministres provinciaux—et qui ont comme avant l'accord unanime, comme monsieur Higgins l'a dit—vont proposer des lignes de conduite plus souples à l'avenir, pour les chemins de fer ou le camionnage, si vous proposez que l'on permette aux camionneurs de recevoir une telle aide?

M. Dickson: Oui, vous pouvez en conclure ainsi, monsieur Nowlan.

M. Nowlan: Je sais que ce sera une réponse des plus intéressantes d'essayer d'y voir parce que j'imagine que les gens essaient de savoir ce qu'il en est depuis un bon moment.

Mais j'aurais deux questions dont l'une, très brève, qui pourraient donner lieu à tout un ensemble de problèmes, mais enfin, monsieur Dickson ou monsieur Crosby peut sans doute me fournir une réponse rapide.

Monsieur Crosby en a déjà parlé en tant que président de la Commission des transports des provinces Maritimes et à titre personnel, en tant qu'expéditeur dans cette

[*Text*]

been vastly over-rated, and that they are about 5 per cent of the cost involved? I am separating transport cost from the whole distribution cost.

Mr. Crosby: No, I do not.

Mr. Nowlan: Do you think that the EIU have understimated?

Mr. Crosby: Yes, they underestimated. It is a very important factor in my own business. Twenty per cent of our sales dollars pays for transportation costs.

Mr. Nowlan: You are one of the few companies in Saint John that ship across the nation, is that correct? And you would say that the 5 per cent is underestimated by the EIU?

Mr. Crosby: Very definitely.

Mr. Nowlan: The next question is a large general question, and I do not want to provoke this whole group into another item. But what I have never been able to understand, Mr. Dickson and Mr. Crosby, along with everyone else around this table, is why the St. Lawrence ports and the Atlantic ports basically have the same rate structure. In a few simple sentences, can you tell us why we do not have any geographic advantage, being stuck out here in the Atlantic?

Mr. Dickson: No, I cannot.

Mr. Nowlan: Is there an international combine? Who does it?

Mr. Dickson: It is set by the steamship lines in their ocean steamship conferences?

Mr. Nowlan: Is this something that the anti-trust people should look at?

Mr. Dickson: They have.

Mr. Nowlan: When was the last time anyone looked at this?

Mr. Dickson: There is a report by the Restrictive Trade Practices Commision. I think it was tabled sometime in 1967, but I am a little hazy on my dates here.

Mr. Nowlan: Has the MTC done any study on this problem or were they an observer, or

[*Interpretation*]

région. Est-ce qu'il s'accorde avec l'EIU pour dire que les frais de transport sont surévalués, ce qui représente 5 p. 100 du coût en cause. Je fais une distinction entre les frais de transport et les frais de toute la distribution.

M. Crosby: Non.

M. Nowlan: Alors croyez-vous que l'EIU a sous-estimé la situation?

M. Crosby: Oui. Ils ont sous-estimé la situation. C'est un facteur très important dans mon entreprise. 20 p. 100 de nos ventes servent à payer les frais de transport.

M. Nowlan: N'êtes-vous pas l'une des rares sociétés de Saint-Jean qui expédie à travers le pays? Vous dites qu'il y a une sous-évaluation de 5 p. 100 de la part de l'EIU.

M. Crosby: Sans aucun doute.

M. Nowlan: La question suivante est une question d'ordre général. Je ne veux pas provoquer tout ce groupe sur une autre question mais je n'ai jamais pu comprendre, monsieur Dickson et monsieur Crosby comme tous ceux qui sont ici présents, à savoir, pourquoi les ports du Saint-Laurent et les ports de l'Atlantique ont essentiellement la même tarification. En quelques phrases très simples, pourriez-vous nous dire pourquoi nous n'avons pas d'avantages géographiques du fait que nous sommes ici dans l'Atlantique?

M. Dickson: Non, je ne saurais le faire.

M. Nowlan: Est-ce qu'il n'y a pas une coalition sur le plan international? Qui la fait?

M. Dickson: Est-ce décidé par les compagnies de navigation maritime au cours de leurs conférences?

M. Nowlan: N'est-ce pas là une question que les gens qui s'opposent au Trust devraient étudier?

M. Dickson: Ils l'ont fait.

M. Nowlan: Alors quand a-t-on étudié la question pour la dernière fois?

M. Dickson: Il existe un rapport préparé par la Commission des pratiques restrictives du commerce. Je pense que ce rapport a été déposé au cours de l'année 1967. Mais les dates ne me sont pas trop précises pour l'instant.

M. Nowlan: Est-ce que la CTM a fait une étude de ce problème, ou en était-elle obser-

[*Texte*]

did they have a friend in court or wherever his hearing was held?

Mr. Dixon: Along with the Port of Halifax Commission, I appeared before that Restrictive Trade Practices Commission inquiry, and we brought this particular situation you mention to their attention. I must admit not having studied and followed up that Restrictive Trade Practices Commission report as fully as we perhaps should have. If we can get rid of some of the LCL problem and freight rate freezes and so on, perhaps we will have time to look at some of these other things.

Mr. Nowlan: One last question. Is it possible, perhaps not for this present tour, to get copies of the Restrictive Trade Practices Commission report on this question of St. Lawrence ports versus Atlantic ports, and why we charge the same rates?

Mr. Dixon: I have the report in the office. It is available from the Queen's Printer.

The Chairman: Gentlemen, this completes the hearing of the Maritime Transport Commission and I would like to thank them.

For the benefit of the Committee, you know we are still one brief behind, so we will adjourn until 8 o'clock.

EVENING SITTING

The Chairman: Gentlemen, I see a quorum.

Mr. McGrath: Mr. Chairman, I say this with great respect. We have been sitting since 9.30 this morning. We had a long exhaustive day, we heard quite a number of briefs, we had a considerable amount of examination and cross examination of people presenting briefs, we have a very long week ahead of us with many briefs to be heard both here, in Halifax and St. John's, and I submit to you that we should give serious consideration to taking into account the people who have to appear before us and the members of the Committee who have to hear briefs and examine the people who appear before us. I say to you with great respect that the mind can only stand as much as the posterior. We have been sitting a long day and I do feel that we should curtail our hearings considerably. Really, one can only

[*Interprétation*]

vatrice, ou avait-elle un ami au tribunal ou à l'endroit où l'audience a eu lieu?

M. Dickson: De concert avec la Commission du port de Halifax, j'ai témoigné à l'enquête de la Commission des pratiques restrictives du commerce, et j'ai signalé cette situation. Je dois reconnaître que je n'ai pas étudié et suivi le rapport de la Commission comme j'aurais dû peut-être le faire. Si nous pouvions nous débarrasser de quelques problèmes relatifs au transport de chargements incomplets et des immobilisations du tarif-marchandises et ainsi de suite, nous aurions peut-être plus de temps pour nous occuper de quelques autres questions.

M. Nowlan: Une dernière question. Serait-il possible même, peut-être pas maintenant au cours de ce premier tour, d'obtenir des copies du rapport de l'enquête de la Commission des pratiqqes restrictives du commerce pour établir la comparaison entre les ports de l'Atlantique et les ports du Saint-Laurent, et pour voir pour quelle raison nous avons le même tarif.

M. Dickson: J'ai le rapport au bureau. On peut se le procurer chez l'Imprimeur de la Reine.

Le président: Messieurs, ceci met fin à l'audience de la Commission des transports des provinces Maritimes. J'aimerais vous remercier. Pour la gouverne du comité, il y a toujours un mémoire en retard. Donc la séance est levée et nous reprendrons à 8 heures.

SÉANCE DU SOIR

Le président: Messieurs, je vois que nous avons quorum. Oui, monsieur McGrath?

M. McGrath: Monsieur le président, je dis ceci en tout respect, nous siégeons depuis neuf heures et demie ce matin. Nous avons eu une journée très longue, très fatigante. Nous avons entendu un nombre considérable de mémoires. Nous avons subi l'examen et le contre-interrogatoire des témoins qui nous ont présenté des mémoires. Nous avons beaucoup de mémoires qui nous attendent tant ici, qu'à Halifax, et à Saint-Jean, et je prétends donc que nous devrions peut-être augmenter, étudier sérieusement le cas des membres du Comité qui doivent interroger les personnes qui ont comparu devant nous, et je vous dis donc en tout respect que l'esprit et le postérieur ont leurs limites.

Nous avons eu une trop longue journée, et honnêtement, je crois que nous devrions peut-être raccourcir considérablement nos

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absorb so much. If we are to continue all through the week in this manner I feel, with great respect, that we will miss an awful lot of what is being said in the presentation of briefs and the evidence in connection with those briefs.

The Chairman: Thank you, Mr. McGrath. We will take your point of order into consideration.

Mr. Allmand: Mr. Chairman, while I sympathize with the point raised by Mr. McGrath, we have already organized this trip, we have arranged for witnesses to appear in the evening and I do not think we can disappoint any of them. I feel we have to go on.

I would prefer to have our lunch and supper hours free to relax rather than schedule too many events then.

Honestly, I do not see how we can change the schedule. I feel it is set and we have to go through with it as it is.

The Chairman: It would be very difficult to change the schedule because everyone who had a brief to present was notified ahead of time. We are going to ask these people to make a short summary of their brief. I think we should come to an understanding, Mr. McGrath, in that regard. In this way it will be possible to hear them.

Tonight we are going to hear the brief of the City of Moncton. This brief will be presented by His Worship, Mayor L. C. Jones. Mr. Jones has with him a few of the city councillors.

Mayor L. C. Jones (Mayor of the City of Moncton): Mr. Chairman, I have with me Deputy Mayor Jean-Paul Leblanc and our consultant, Mr. H. A. Fredericks, a mining consultant. Several members of our City Council are also present.

The Chairman: I believe Mr. Harvey, Mr. Cormier and Mr. Cyr are also present. We are pleased to have you with us.

Mr. Jones: Mr. Chairman, we prepared and submitted for your examination already a brief in February 1968. I believe you already have included this in the Minutes of your Proceedings and Evidence. But since that time we prepared a summary with additional tables. These are mostly tables that you have. We have revised and up-dated this brief with

[*Interpretation*]

audiences. Évidemment, on ne peut en endurer plus. Si nous devons continuer pendant toute la semaine au même train, j'ai l'impression, qu'en tout respect, nous allons manquer beaucoup de ce qu'on nous dit dans la présentation des mémoires, dans la présentation des témoignages qui se rapportent aux mémoires.

Le président: Merci, monsieur McGrath. Nous allons certainement prendre en considération le point que vous avez soulevé.

M. Allmand: Bien que je sois sympathique avec le point soulevé par M. McGrath, étant donné que nous avons déjà organisé le programme de notre voyage, nous nous sommes entendus pour que les témoins doivent comparaître pendant la veillée, et nous ne pouvons pas les décevoir. Il faut certainement continuer.

Personnellement, j'aurais préféré que nos déjeuners et nos heures de souper soient libres pour nous reposer un peu plutôt que d'avoir des réceptions. Honnêtement, je ne crois pas que nous puissions changer l'horaire. Il est déjà établi et il faut que nous continuions.

Le président: Personnellement, je trouve qu'il serait très difficile de changer notre horaire. Il y a beaucoup de personnes qui ont été prévenues d'avance. Ils sont venus ici, nous leur demandons de résumer leur mémoire, et alors, je crois que nous pourrions peut-être en arriver à une entente avec ces personnes qui ont présenté un mémoire, afin de les raccourcir le plus possible, et ainsi, nous pourrions tous les entendre. Ce soir, nous aurons le mémoire de la Ville de Moncton, mémoire qui sera présenté par son Honneur le maire M. L. C. Jones. Je crois que M. L. C. Jones est ici accompagné de certains conseillers municipaux.

M. L. C. Jones (maire de Moncton): J'ai demandé à notre conseiller, M. H. A. Fredericks de nous accompagner, j'ai aussi certains membres de notre Conseil, dont M. J. P. Leblanc.

Le président: Nous avons aussi M. Harvey et M. Cormier ainsi que M. Cyr. C'est un plaisir de vous avoir parmi nous.

M. Jones: Monsieur le président, nous avons préparé et soumis à votre examen un mémoire en février 1968. Je crois que vous l'avez inclus dans le compte rendu que vous avez déjà devant vous. Mais depuis ce temps, nous avons préparé un résumé avec d'autres tableaux de données statistiques. Nous l'avons revisé, mis à jour avec les renseigne-

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new information that we have had made available to us. If these could be circulated we could go through this very, very quickly and then if there are any questions I am certain that we will make every effort to answer them as succinctly and clearly as possible.

This presentation this evening will bear heavily on the content of our past brief, but with special emphasis on the major points which we consider pertinent after the passing of another year, and considering the impact of freight policies and costs during that period. It was necessary in preparing our presentation, to up-date the information supporting our previous brief.

In the course of these exercises, we have learned that the inequitable rates in effect last year have, in most cases, increased transportation costs for industries and retail establishments in the Moncton Area, and the dependence of the City on transportation has also increased.

We would be remiss in our public duties if we did not point out to you at this time that the time allowed between the completion of arrangements for your hearings and the deadline for submission of briefs was not sufficient to allow many of the industries in the Moncton area an opportunity to prepare their case. We were only able to prepare our revised information by a continuing staff effort which included evenings and weekends. It is evident to us that much more attention must be given to assessing the impact of present freight costs on the manufacturing and distribution industries in this area.

Incidentally, before proceeding with the additional part of my brief, I should comment that we have heard some of the other presentations today and our City Council has already gone on record as supporting for various reasons, some of which are economic, the Chignecto Canal. We believe this to be one of the most important things for our city and the Atlantic region generally, particularly the Province of New Brunswick.

Some reference was made during the presentations here today to a corridor road. We favour a corridor road but not the particular one mentioned by previous applicants.

1. The City of Moncton, which is commonly called "the transportation center of the Atlantic Region," derived $38.6 per cent of revenue from tax assessments from transportation, manufacturing, and distribution

[*Interprétation*]

ments qui nous étaient disponibles. Si on pouvait en faire la distribution, nous pourrions peut-être le faire assez rapidement. S'il y avait des questions, nous pourrions peut-être y répondre de façon très succincte.

Cette présentation de ce soir influe beaucoup sur le contenu de notre mémoire antérieur, mais surtout avec insistance sur les points les plus importants qui se sont développés depuis une année. Nous considérerons l'influence des taux de marchandise et les frais de transport au cours de cette période.

En préparant notre mémoire, il fallait tenir compte de la date de la préparation de notre ancien mémoire. Au cours de cet exercice, nous avons appris que les taux en vigueur l'an dernier, dans la plupart des cas ont augmenté les frais de transport pour les industries et les détaillants de la région de Moncton. Et la dépendance de la ville sur les transports a aussi augmenté.

Nous manquerions à notre devoir public si nous ne signalions pas à l'heure actuelle que le temps entre la fin des dispositions prises pour votre audience et la présentation du mémoire n'a pas été suffisant pour permettre à plusieurs industries de la région de Moncton de préparer leur cause. Nous n'étions capables de présenter la revision de nos renseignements que grâce à un effort de personnel continu qui comprenait les soirées et les fins de semaine. Il est manifeste aussi que beaucoup plus d'attention doit être donnée à l'évaluation de l'influence des frais actuels de transport des marchandises sur la fabrication et la distribution des industries de cette région. Avant de continuer le mémoire, je devrais peut-être dire que nous avons entendu certaines autres présentations aujourd'hui, et notre Conseil municipal s'est déjà prononcé en faveur, pour de nombreuses raisons économiques, du canal de Chignecto. Nous croyons que c'est l'une des choses les plus importantes pour notre ville et pour la région de l'Atlantique en général, et tout particulièrement pour la province du Nouveau-Brunswick.

On a fait une certaine allusion au cours des présentations de mémoires aujourd'hui, au corridor routier, mais non pas celui qui a été mentionné par ceux qui ont présenté des mémoires auparavant. La ville de Moncton, qu'on appelle communément le centre des transports de la région de l'Atlantique, tire 38.6 p. 100 des revenus de l'évaluation des taxes des industries du transport, de la

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industries in 1968. This compares with 37.8 per cent in the year 1967. (see Appendix I)

2. Of the total wages and salaries earned in the Moncton areas in 1967, 27.9 per cent were earned directly in transportation employment. This compares to 22.3 per cent in 1965.

In the two-year period, total earnings in transportation have increased by some $5.8 million. This is due to a combination of increases in rates of pay by the railway (approx. 72 per cent of the amount) and increased employment in other transportation activities.

3. Total freight and mail handled through the Moncton airport in 1967 amounted to 6.5 million pounds and 1.7 million pounds respectively. This represents an increase in total volume over 1965 of .4 million pounds. Rail freight carload tonnage for the period 1963 to 1967 for Moncton is shown in the chart which we included here:

MONCTON FREIGHT CARLOAD TONNAGE

	Originated	Terminated
1963	73,000	370,000
1964	67,000	380,000
1965	61,000	412,000
1966	62,000	404,000
1967	49,523	379,000

4. The City of Moncton, based on the most recent statistics available for 1967 and 1968 was more dependent on the transportation industries than ever before, and this level of dependence will continue.

TRANSPORTATION POLICIES AND COSTS IN PERSPECTIVE SUMMARY

5. The City of Moncton supports the principle of the Atlantic Provinces Task Force on Transportation which provides a basis for the first time in the Atlantic Region for a coordinated examination of the policies of regional transportation, a national transportation policy as it influences the region, and the transportation network of the region. However, we are at a disadvantage to comment further due to the lack of knowledge of action taken, conclusions reached, or recommendations to be made except as reported by Mr. Higgins today. We certainly have not been consulted in this regard as a municipality.

[*Interpretation*]

fabrication et de la distribution en 1968. Ceci se compare avec 37.8 p. 100 dans l'année 1967, ce qui serait expliqué à l'annexe 1. Du total des salaires gagnés dans la région de Moncton en 1967, 27.9 p. 100 ont été gagnés directement dans le domaine des transports. Ce qui se comparaît à 22.3 p. 100 en 1965.

Au cours de la période de 2 ans, le total des revenus dans les transports a donc augmenté de quelque 5.8 millions de dollars. Ce qui est dû principalement à un combiné des augmentations dans les taux de salaires payés par les chemins de fer, environ 72 p. 100 de la somme, ainsi qu'un emploi accru dans d'autres secteurs des transports.

Le total des marchandises et du courrier manutentionné grâce à l'aéroport de Moncton en 1967, se chiffrait par 6.7 millions de livres et de 1.7 million de livres respectivement. Ceci représentait à la fois une augmentation en volume sur 1965—.4 million de livres.

Le tonnage ferroviaire pour la période allant de 1963 à 1967 pour la ville de Moncton s'établit comme suit:

	Au départ	A l'arrivée
1963	73,000	370,000
1964	67,000	380,000
1965	61,000	412,000
1966	62,000	404,000
1967	49,523	379,000

La ville de Moncton, se fondant sur la statistique récente disponible pour 1967 et 1968 dépendait beaucoup plus sur les industries de transport qu'auparavant. Et ce niveau de dépendance se continuera.

Maintenant, un résumé en perspective de la politique des transports et les coûts. La ville de Moncton appuie le principe de l'équipe de travail sur les transports pour les provinces de l'Atlantique, qui prévoit, pour la première fois, dans la région, un examen coordonné des politiques en matière de transport régional, de la politique nationale en matière de transport, tel qu'elle influence la région, et le réseau de transport de la région. Toutefois, nous sommes désavantagés pour commenter plus à fond en raison du manque de renseignements, les mesures déjà prises, les conclusions auxquelles on est arrivé ou les recommandations qui ont été formulées. Et nous n'avons pas été consulté en temps que municipalité.

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6. It is clear that the development of competition has completely undermined the rate relationship which the Maritime Freight Rates Act was designed to maintain. The relationship between rates in the Atlantic Provinces and Central Canada has altered in favour of Central Canada.

Thus the Maritime Freight Rates Act has not fulfilled the twin objectives of (a) maintaining a statutory rate advantage in the Atlantic Provinces, and (b) affording to "Maritime merchants, traders and manufacturers the larger market of the whole Canadian people instead of the restricted market of the Maritimes...." Preamble to MFRA, April 14, 1927)

The MacPherson Commission recommended that (a) subsidies on west-bound shipments be extended to all modes of transportation, (b) the subsidy on movements wholly within select territory be abolished, and (c) the subsidy on movements within, to, and from, Newfoundland and select territory be retained.

The National Transportation Act originated directly from the recommendation of the MacPherson Commission. National Transportation Policy may be defined as "making the best use of all available modes of transportation at the lowest possible cost".

While the terms of National Transportation Act follow the MacPherson Commission on railway rate regulations, the protection to shippers in non-competitive areas is not as broad as recommended by the Commission. This protection is of little value as witnessed by the lack of applications to become a "captive shipper" after the legislation has been in effect for two years.

There is increasing evidence that the rate-setting flexibility allowed under the Act will abolish some of the traditional features which have been beneficial to shippers in this area. These features were aimed at reducing the distance and isolation of the Atlantic Provinces from the rest of Canada. The most important one of these features is the system of "arbitraries" on shipments into and out of the region east of Montreal.

11. The National Transportation Act, for the first time, provides a basis for transportation services to reflect, in rates charged, the

[*Interprétation*]

Il est clair que le développement de la concurrence a complètement miné le rapport des taux que la Loi sur les taux de transport des marchandises des Maritimes était destinée à maintenir. Le rapport entre les taux dans les provinces atlantiques et le centre du Canada a été modifié en faveur du centre du Canada.

Donc, la loi n'a pas rempli son double objectif, tout d'abord, maintenir un avantage statutaire des taux dans les provinces atlantiques, deuxièmement, de donner aux marchands des Maritimes, aux manufacturiers et aux commerçants un plus large marché dans l'ensemble du Canada au lieu de restreindre le marché aux Maritimes.

La Commission McPherson recommandait que: a) les subventions sur les expéditions vers l'Ouest soient étendues à tous les modes de transport; b) que la subvention sur les expéditions à l'intérieur du territoire sélectionné soit abolie; et c) que la subvention sur les expéditions à l'intérieur, vers ou de Terre-Neuve et le territoire sélectionné soit conservée. La loi nationale sur les taux de transport de marchandises dans les provinces Maritimes originait directement des recommandations de la Commission McPherson. La politique nationale en matière de transport peut être définie comme visant à employer au maximum tous les modes de transport disponibles au coût le plus réduit possible.

Bien que les termes de la Loi nationale sur les taux de transport de marchandises dans les provinces Maritimes suivent les recommandations de la Commission McPherson en ce qui concerne les règlements au sujet du tarif-marchandises, la protection donnée aux expéditeurs dans les aspects non concurrentiels n'est pas aussi vaste que le recommandait la Commission. Cette protection est de peu de valeur comme en fait foi le manque de demandes pour être un «expéditeur captif» après que la Loi ait été en vigueur depuis plus de deux ans.

Celle-ci voulait diminuer l'isolation des provinces de l'Atlantique du reste du Canada et l'aspect le plus important, c'est le système des expéditions «arbitraires» de et vers une région située à l'est de Montréal. Pour la première fois, la Loi nationale sur les transports reflète ce changement. Et évidemment, la situation économique des fabricants et des distributeurs des provinces de l'Atlantique est désavantagée en comparaison de leurs concurrents du centre du Canada, ce qui est contraire à l'intention au moment de la Confédération et au but de la Loi sur les taux de

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cost of these services. The economic position of the manufacturers and distributors in the Atlantic Provinces is at a disadvantage compared to this competitor in Central Canada. This is contrary to the intent at the time of Confederation and the purpose of the Maritime Freight Rates Act.

12. The two year rate freeze on non-competitive carload class and commodity rates under Section 335 of the Railway Act, which expires on March 23, 1969, will immediately bring about significant increases in these rates in the Atlantic Provinces, not only by adjustments because of the 6 to 12% increases effective elsewhere in Canada on May 4, 1967, the increases of 2 to 5% on class rates effective elsewhere in Canada on May 1, 1968 but other major cost adjustments applicable to the Atlantic Provinces as well. When this freeze expires, all the rates become compensatory under the definitions of the Act, and in the absence of special measures, will bring about major increases in this region.

13. All LCL Rates on goods originating outside the Atlantic Provinces were cancelled on January 1, 1969. These rates based on the previous service are still advantageous to certain manufacturing operations in the region including shoe manufacturers, boat and pleasure craft manufacturers, and luggage manufacturers.

14. Another major influence on rates in this region is the three year phasing out of the so-called bridge subsidy to begin March 23, 1968. Since rates will become compensatory, the application of this loss of revenue, which is $7 million in three years, would be recovered in rate increases. This subsidy was applied to reduce LCL and non-competitive carload rates between Eastern and Western Canada.

15. The influence of transportation policies and costs on the expansion of existing industry and the location of new industry both in Moncton and throughout the region is vital. Attention is directed to the information in our previous brief, especially paragraphs 82, 90, 91, 92, and 93.

16. It is important to emphasize here that the vital significance of a transportation policy to afford access to markets from the Atlantic Provinces as a necessary base to economic activity. In a ten year survey of 6,000 re-located companies between 1953 and

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transport des marchandises dans les provinces Maritimes.

Le gel de deux ans sur la catégorie d'une wagonnée et les taux des denrées en vertu de l'article 335 de la Loi sur les chemins de fer qui expire le 23 mars 1969, apporteraient immédiatement des augmentations considérables dans ces taux pour les provinces de l'Atlantique, non seulement par des ajustements en raison de 6 p. 100 à 12 p. 100 en vigueur dans les autres régions au Canada le 4 mai 1967, l'augmentation de 2 à 5 p. 100 sur les taux de classes à compter du 1er mai 1968 au Canada ailleurs, mais aussi bien sur les accommodements majeurs de coûts applicables aux provinces de l'Atlantique. Lorsque le gel expire, tous les taux doivent être compensatoires en vertu des définitions de la Loi et, en l'absence de mesures spéciales, amèneront des augmentations majeures dans cette région.

Tous les taux de moins d'une wagonnée sur les denrées dont l'origine provient de l'extérieur des provinces de l'Atlantique ont été annulés le 1er janvier 1969. Ces taux fondés sur le service antérieur étaient toujours avantageux pour certaines opérations des industriels de notre région, y compris les fabricants de chaussures, de navires de plaisance et de valises.

Une autre influence majeure sur les taux dans cette région a été l'expiration échelonnée sur trois ans de la subvention pour les ponts à compter du 23 mars 1968. Étant donné que ces taux deviendront compensatoires, l'application de ce manque de revenus, qui est de 7 millions en trois ans, doit être récupéré en augmentations de taux. Cette subvention est applicable pour réduire les taux de wagonnées non concurrentiels, et de moins d'une wagonnée entre l'est et l'ouest du Canada.

Il est important d'insister ici sur la signification vitale d'une politique de transport pour donner l'accès au marché des provinces de l'Atlantique comme étant une base nécessaire à l'activité économique. Dans une étude de dix ans de 6,000 compagnies qu'on a

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1963 in United States, access to markets by competitive transportation costs and availability of transportation facilities were given priority and placed ahead of such items as financial aid incentives, favourable tax structure, plant site, and an industrial centre of service by the majority of firms.

17. The progress made toward further port development and increased traffic volume since our last brief is recognized. The movement of additional volumes of cargo by rail containers will benefit Moncton, by increased use of present facilities.

18. In summary, present problems being faced by all manufacturers, distributors and retailers in the Moncton area and in the region, continue to cause severe restrictions on economic activity and on the profitability of these enterprises. A solution must be found within our National Transportation Policy.

EFFECTS OF NEW NON-CARLOAD RATES IN INDUSTRIES SHIPPING THROUGH MONCTON

19. In measuring the present impact of the new non-carload rates, consideration has been given to all factors including the optional class rates still available in the region with additional pick-up and delivery charges. However, these represent excessive costs to all the industries in our analysis.

20. The comparative importance of rail LCL services in the Atlantic Provinces is illustrated in Appendix III Revised. The per-capita use of rail LCL services as reported in the 1967 statistics show some major reductions from 1966 across Canada. The reasons are not immediately available because this trend appears to have started before the impact of the new LCL rates. The dependency on LCL services in the Atlantic Provinces is almost double the average for all Canada based on tons per capita. Thus, the impact of these new rates is far greater in this region.

21. The information set out in our previous brief relative to the impact of the new LCL rates still applies. For information we ask you to refer to Table I as revised hereto.

[*Interprétation*]

déménagées entre 1953 et 1963 aux États-Unis, l'accès au marché en raison des frais de transport concurrentiels et la disponibilité des transports ont reçu la priorité et ont été placés avant des stimulants en aide financière, des structures de taxes favorables, des emplacements d'usines.

Ce progrès vers un développement des ports et l'augmentation du trafic depuis notre dernier mémoire est aussi reconnu. Le transport supplémentaire par containers sera bénéfique pour la ville de Moncton.

Pour résumer, le problème actuel de tous les fabricants et distributeurs et détaillants de Moncton et de la région continue à causer de sévères limitations de l'activité économique et sur la rentabilité de ces entreprises. On doit donc trouver une solution à l'intérieur même de notre politique nationale de transport. Notre problème, c'est la création de nouveaux taux de moins d'une wagonnée pour les industries qui expédient en passant par Moncton.

En mesurant l'influence actuelle des nouveaux taux de moins d'une wagonnée ou des lots brisés, on doit étudier tous les facteurs, y compris le choix des catégories qui est toujours disponible dans la région en raison des frais supplémentaires de la livraison et de la cueillette. Toutefois, ceux-ci représentent des frais excessifs pour toutes les industries qui figurent dans notre analyse.

L'importance comparative des services de moins d'une wagonnée à l'annexe 3 revisée. Le per capita des services ferroviaires de moins d'une wagonnée tel que rapporté dans les statistiques de 1967 indique une réduction majeure par rapport à 1966 à travers le Canada. Les raisons ne sont pas immédiatement disponibles en raison du fait que ces tendances semblent avoir commencé avant que l'influence du nouveau taux de moins d'une wagonnée se fasse sentir. Par conséquent, l'influence du service de moins d'une wagonnée dans les provinces de l'Atlantique est presque le double de la moyenne pour tout le Canada en se fondant sur les tonnes par habitant. Ainsi, l'influence de ces nouveaux taux est beaucoup plus grande dans notre région.

Les renseignements donnés dans notre mémoire précédent relatifs à cette influence de ces nouveaux taux continuent à s'appliquer. Pour de plus amples renseignements, voir le tableau 1 revisé.

TABLE I

SUMMARY INFORMATION OF EFFECTS OF NEW NON-CARLOAD RATES ON INDUSTRIES SHIPPING FROM AND THROUGH MONCTON—REVISED

( ) Indicates Regional or National Shipping Cost Problems

No.	Type of Industry	No. of Employees	Market Area	Effect of Non-Carload Rates	Notes of Explanation
1.	Engine Rebuilders..... (Regional)	70	74% sales in N.B., N.S., and P.E.I., 26% in Nfld.	Freight costs to Newfoundland have averaged 7½% of selling price in past years operation, up from 5% the previous year.	Have been forced to absorb the increased cost of freight to Newfoundland in order to maintain sales volume. Cannot increase prices because we must meet competition from Montreal. Freight from Montreal by water is less than by our only means of reaching the market—by rail. We return motor cores by truck because it is cheaper. If freight costs were level with Montreal we could increase our sales volume and employment, and if freight costs were reduced within the Maritimes, we could increase our volume in this area.
2.	Metal Fabrication..... (Regional)	135	N.B., N.S., and P.E.I.	Increased freight on tanks is up on average of 78% to 148%	Tanks account for 50% of production. The increases shown in the original brief are still applicable. We note increased competition from Quebec manufacturers who can ship into the region by pool car at less than our interregional freight costs. This is not only applicable to Newfoundland but the Maritimes as well. Alternative truck services costs are the same as rail. We cannot expand our production under existing conditions.
3.	Distribution of Plumbing & Heating Equipment (National—Regional)	60		Costs remain the same	Conditions are unchanged, except improvement in truck services.
4.	Manufacturers of Luggage	80	Atl. Prov. 25%, Central Canada 75%	Costs increased again in December 1968	The Piggyback rate to Toronto increased again in December, bringing our costs to an average of .20 per unit. This has a direct effect on our ability to compete in that market. We must absorb our trucking costs to the freight shed in addition.
5.	Manufacturers of Electric Ranges	370		Same conditions still prevail	We emphasize our additional burden on raw materials, freight costs, which will increase again this year.
6. to 15.				Same conditions still prevail	
16.	Manufacturers of Wire Fence	36	N.B., N.S., and P.E.I.	Same conditions still prevail	Freight from Montreal to Newfoundland by water has reduced our sales in Newfoundland, we cannot compete.

TABLEAU I

RÉSUMÉ DES EFFETS QUE LES NOUVEAUX TARIFS DES WAGONNÉES INCOMPLÈTES ONT SUR LES INDUSTRIES DONT LA PRODUCTION EST EXPÉDIÉE À PARTIR DE OU PAR MONCTON—RÉVISÉ

La mention entre parenthèses indique s'il s'agit d'un problème de transport à l'échelle de la région ou de tout le pays

Nº	Genre d'entreprise	Nombre d'employés	Débouchés	Effet des tarifs des wagonnées incomplètes	Notes explicatives
1.	Remise à neuf des moteurs (Régional)	70	74 p. 100 des ventes se font au N.-B., en N.-É., et dans l'Î.-P.-É.; 26 p. 100 à Terre-Neuve.	Le tarif du transport des marchandises vers Terre-Neuve équivalait en moyenne à 7½ p. 100 du prix de vente au cours des dernières années, alors que l'année précédente, il représentait 5 p. 100	Nécessité d'absorber la hausse du tarif-marchandises vers Terre-Neuve afin de maintenir le volume des ventes. Impossibilité d'augmenter les prix en raison de la concurrence avec Montréal. Le transport par voie d'eau coûte moins de Montréal que par notre seul moyen d'atteindre le marché, soit le chemin de fer. Nous retournons les moteurs par camion parce que c'est plus économique. Si le tarif-marchandises équivalait à celui de Montréal, nous pourrions augmenter le volume des ventes et la main-d'œuvre, et si le tarif était réduit dans les provinces Maritimes, nous pourrions augmenter notre volume de ventes dans cette région.
2.	Produits en métal..... (Régional)	135	N.-B., N.-É., et Î.-P.-É.	La hausse des frais de transport des réservoirs varie en moyenne entre 78 et 148 p. 100.	Les réservoirs représentent 50 p. 100 de la production. Les augmentations qui figuraient dans le mémoire original s'appliquent toujours. Nous remarquons une concurrence accrue de la part des fabricants du Québec, qui peuvent expédier vers la région au moyen de wagons en commun, à un taux inférieur à notre tarif-marchandises interrégional. Cela ne s'applique pas uniquement à Terre-Neuve, mais aussi aux provinces Maritimes. Les frais de service par camion sont les mêmes que par chemin de fer. Nous ne pouvons pas améliorer notre production dans les conditions actuelles.
3.	Distribution de matériel de plomberie et de chauffage. (National-Régional)	40		Le coût reste inchangé	Les conditions sont les mêmes, à l'exception d'une amélioration des services par camion.
4.	Fabricant des mallettes	80	Provinces atlantiques 25 p. 100; centre du pays: 75 p. 100.	Le coût a encore augmenté en décembre 1968	Le tarif du transport par piggyback jusqu'à Toronto a encore augmenté en décembre, ce qui a porté nos frais à une moyenne de 20 cents l'unité. Cela se répercute directement sur notre pouvoir concurrentiel sur ce marché. Il nous faut absorber en outre nos frais de camionnage vers l'entrepôt à marchandises.
5.	Manufacturier de cuisinières électriques	370		Conditions inchangées	Nous attirons l'attention sur le fardeau supplémentaire que représente le transport des matières premières, dont le coût va encore augmenter cette année.
6. à 15.				Conditions inchangées	
16.	Fabricant de clôtures en treillis	36	N.-B., N.-É. et Î.-P.-É.	Conditions inchangées	Le coût de transport entre Montréal et Terre-Neuve par voie d'eau a fait baisser le volume de nos ventes à Terre-Neuve, de sorte que nous ne pouvons soutenir la concurrence.

No.	Type of Industry	No. of Employees	Market Area	Effect of Non-Carload Rates	Notes of Explanation
17. to 20.				Same conditions prevail	
21.	Home and Institutional Bedding	48	Atl. Prov.	Same cost conditions still prevail	The nature of our business required shipments by L.C.L. to a large extent. On some recent shipments in the Maritimes we have absorbed freight costs of $80.00 on $600.00 in sales. There is no alternative. These costs are far too high to continually absorb. Competition from outside the Maritimes have a freight cost advantage over us by pool car rates.
22. and 23.				Same conditions prevail	

TABLEAU I

RÉSUMÉ DES EFFETS QUE LES NOUVEAUX TARIFS DES WAGONNÉES INCOMPLÈTES ONT SUR LES INDUSTRIES DONT LA PRODUCTION EST EXPÉDIÉE À PARTIR DE OU PAR MONCTON—RÉVISÉ

La mention entre parenthèses indique s'il s'agit d'un problème de transport à l'échelle de la région ou de tout le pays

N°	Genre d'entreprise	Nombre d'employés	Débouchés	Effet des tarifs des wagonnées incomplètes	Notes explicatives
17. à 20.				Conditions inchangées	
21.	Literie pour le domicile ou les institutions	48	Provinces atlantiques	Conditions inchangées	Nos affaires nécessitent beaucoup d'expéditions par wagonnées incomplètes. Pour de récentes expéditions dans les provinces Maritimes, nous avons absorbé des frais de transport de marchandises de $80 pour $600 de ventes. Nous n'avons pas le choix. Ces tarifs sont beaucoup trop élevés pour que nous puissions continuellement les absorber. La concurrence que nous font les autres provinces est favorisée par le fait qu'elles peuvent bénéficier du tarif de transport par wagons en commun.
22. et 23.				Conditions inchangées	

COMPARISON OF THE CARLOAD RAIL RATES ON STEEL BARS FROM AMHERST, N.S., TO QUEBEC CITY WITH THE CORRESPONDING RATES FROM MONTREAL TO QUEBEC CITY

Date	Particulars	From Amherst, N.S.				From Montreal, Que.				Differentials Amherst Disadvantage = − Amherst Advantage = +			
		Rates Col. A	CLM	Rates Col. B	CLM	Rates Note 1 Col. C	CLM	Rates Note 2 Col. D	CLM	Col. A over Col. C	Col. A over Col. D	Col. B over Col. C	Col. B over Col. D
		$		$		$				$		$	
Jan. 1, 1953	9% Increase (CFA. Tariff No. 74–B)..	10.40	40,000	9.00	60,000	9.40	40,000	—	—	−1.00	—	+ .40	—
Nov. 16, 1953	7% Increase (CFA. Tariff No. 74–C)..	11.20	40,000	9.60	60,000	10.00	40,000	—	—	−1.20	—	+ .40	—
Oct. 11, 1954	Establishment Motor Truck Competitive Rate from Montreal.....	11.20	40,000	9.60	60,000	5.50	40,000	—	—	−5.70	—	−4.10	—
July 3, 1956	7% Interim Increase (CFA. Tariff 83).	12.00	40,000	10.20	60,000	5.80	40,000	—	—	−6.20	—	−4.40	—
Jan. 1, 1957	11% Increase in lieu of 7%.....	12.40	40,000	10.60	60,000	6.20	40,000	—	—	−6.20	—	−4.40	—
July 1, 1957	Additional MFRA Reduction from Amherst.....	12.20	40,000	9.60	60,000	6.20	40,000	—	—	−6.00	—	−3.40	—
July 9, 1957	Correction MFRA Reduction.....	11.20	40,000	9.60	60,000	6.20	40,000	—	—	−5.00	—	−3.40	—
Dec. 1, 1958	17% Increase (CFA. Tariff No. 84)....	13.20	40,000	11.20	60,000	7.20	40,000	—	—	−6.00	—	−4.00	—
Aug. 9, 1959	10% Increase Adjustment (CFA 84–A)	12.40	40,000	10.60	60,000	7.20	40,000	—	—	−5.20	—	−3.40	—
May 6, 1960	8% Increase Adjustment (CFA 84–A)..	12.00	40,000	10.40	60,000	7.20	40,000	—	—	4.80			—
Nov. 16, 1964	Reduction in Motor Competitive Rates from Montreal.....	12.00	40,000	10.40	60,000	5.20	60,000	—	—	−6.80	—	−5.20	
						4.80	80,000	—	—	−7.20	—	−5.60	—
						4.60	100,000	—	—	−7.40	—	−5.80	—
						4.50	120,000	—	—	−7.50	—	−5.90	—
						4.40	140,000	—	—	−7.60	—	−6.00	—
Oct. 10, 1966	10% Increase in Competitive Rates....	12.00	40,000	10.40	60,000	5.80	60,000	—	—	−6.20	—	−4.60	—
						5.20	80,000	—	—	−6.80	—	−5.20	—
						5.10	100,000	—	—	−6.90	—	−5.30	—
						4.90	120,000	—	—	−7.10	—	−5.50	—
						4.80	140,000	—	—	−7.20	—	−5.60	—

TABLEAU II

COMPARAISON ENTRE LES TAUX FERROVIAIRES DE CHARGEMENT COMPLET POUR LES BARRES D'ACIER, D'AMHERST (N.-É.) À QUÉBEC (P.Q.) ET LES TAUX CORRESPONDANTS, DE MONTRÉAL À QUÉBEC

Date	Détails	D'Amherst (N.-É.)				De Montréal (P.Q.)				Écarts Désavantage d'Amherst = − Avantage d'Amherst = +			
		Taux Col. A	Ch. M.	Taux Col. B	Ch. M.	Taux Note 1 Col. C	Ch. M.	Taux Note 2 Col. D	Ch. M.	Col. A sur Col. C	Col. A sur Col. D	Col. B sur Col. C	Col. B sur Col. D
		$		$		$				$			
1re janv. 1953	Augmentation de 9% (Tarif 74-B de la CFA)	10.40	40,000	9.00	60,000	9.40	40,000	—	—	1.00	—	+.40	—
16 nov. 1953	Augmentation de 7% (Tarif 74-C de la CFA)	11.20	40,000	9.60	60,000	10.00	40,000	—	—	1.20	—	+.40	—
11 oct. 1954	Établissement d'un taux concurrentiel pour transport par camion à partir de Montréal	11.20	40,000	9.60	60,000	5.50	40,000	—	—	−5.70	—	−4.10	—
3 juil. 1956	Augmentation provisoire de 7% (Tarif 83 de la CFA)	12.00	40,000	10.20	60,000	5.80	40,000	—	—	−6.20	—	−4.40	—
1er janv. 1957	Augmentation de 11% au lieu de 7%	12.40	40,000	10.60	60,000	6.20	40.000	—	—	−6.20	—	−4.40	—
1er juil. 1957	Réduction supplémentaire (MFRA) à partir d'Amherst	12.20	40,000	9.60	60,000	6.20	40,000	—	—	−6.00	—	−3.40	—
9 juil. 1957	Correction de la réduction (MFRA)	11.20	40,000	9.60	60,000	6.20	40,000	—	—	−5.00	—	−3.40	—
1er déc. 1958	Augmentation de 17% (Tarif 84 de la CFA)	13.20	40,000	11.20	60,000	7.20	40,000	—	—	−6.00	—	−4.00	—
9 août 1959	Ajustement de l'augmentation de 10% (Tarif 84-A de la CFA)	12.40	40,000	10.60	60,000	7.20	40,000	—	—	−5.20	—	−3.40	—
6 mai 1960	Ajustement de l'augmentation de 8% (Tarif 84-A de la CFA)	12.00	40,000	10.40	60,000	7.20	40,000	—	—	−4.80	—	−3.20	—
16 nov. 1964	Réduction des taux concurrentiels pour le transport par véhicule automobile à partir de Montréal	12.00	40,000	10.40	60,000	5.20	60,000	—	—	−6.80	—	−5.20	—
						4.80	80,000	—	—	−7.20	—	−5.60	—
						4.60	100,000	—	—	−7.40	—	−5.80	—
						4.50	120,000	—	—	−7.50	—	−5.90	—
						4.40	140,000	—	—	−7.60	—	−6.00	—
10 oct. 1966	Augmentation de 10% des taux concurrentiels	12.00	40,000	10.40	60,000	5.80	60,000	—	—	−6.20	—	−4.60	—
						5.20	80,000	—	—	−6.80	—	−5.20	—
						5.10	100,000	—	—	−6.90	—	−5.30	—
						4.90	120,000	—	—	−7.10	—	−5.50	—
						4.80	140,000	—	—	−7.20	—	−5.60	—

PAGE 1

COMPARISON OF THE CARLOAD RATES ON STEEL BARS FROM AMHERST, N.S., TO QUEBEC CITY WITH THE CORRESPONDING RATES FROM MONTREAL TO QUEBEC CITY

Date	Particulars	From Amherst, N.S. Rates Col. A	CLM	Rates Col. B	CLM	From Montreal, Que. Rates Note 1 Col. C	CLM	Rates Note 2 Col. D	CLM	Differentials Amherst Disgdvantage = – Amherst Advantage = – Col. A over Col. C	Col. A over Col. D	Col. B over Col. C	Col. B over Col. D
		$		$		$				$		$	
Sept. 5, 1967	Increase in Competitive Rates	12.00	40,000	10.40	60,000	6.20	60,000	—	—	−5.80	—	−4.20	—
						5.40	80,000	—	—	−6.60	—	−5.00	—
						5.20	100,000	—	—	−6.80	—	−5.20	—
						5.10	120,000	—	—	−6.90	—	−5.30	—
						5.00	140,000	—	—	+7.00	—	−5.40	
Feb. 12, 1968	Establishment of Incentive Commodity Rates from Amherst	9.60	100,000	9.20	120,000			—	—	−4.60	—	−4.20	—
				9.00	150,000			—	—			−4.00	—

NOTE 1: Rates apply from January 1 to December 31 of each year.
NOTE 2: Rates apply from April 15 to November 30 of each year.

Explanation of Reference Marks and Abbreviations:
MFRA: Maritime Freight Rates Act
CLM: Carload Minimum Weight

Tariff References
CN Rys. Tariff C.l. 36, C.R.C.E. 1246
CN Rys. Tariff C.l. 79, C.T.C.E. 2047
CN Rys. Tariff C.l. 79–1, C.T.C.E. 3909
CN Rys. Tariff C.l. 41, C.R.C.E. 1283
CN Rys. Tariff C.l. 70, C.T.C.E. 1870
CN Rys. Tariff C.M. 195, C.T.C.E. 2115

TABLEAU II

COMPARAISON ENTRE LES TAUX FERROVIAIRES DE CHARGEMENT COMPLET POUR LES BARRES D'ACIER, D'AMHERST (N.-É.) À QUÉBEC (P.Q.) ET LES TAUX CORRESPONDANTS, DE MONTRÉAL À QUÉBEC

Date	Détails	D'Amherst (N.-É.) Taux Col. A	Ch. M.	Taux Col. B	Ch. M.	De Montréal (P.Q.) Taux Note 1 Col. C	Ch. M.	Taux Note 2 Col. D	Ch. M.	Écarts Désavantage d'Amherst = − Avantage d'Amherst = + Col. A sur Col. C	Col. A sur Col. D	Col. B sur Col. C	Col. B sur Col. D
		$		$		$				$			
5 sept. 1967	Augmentation des taux concurrentiels	12.00	40,000	10.40	60,000	5.20	60,000	—	—	−5.80	—	−4.20	—
						5.40	80,000	—	—	−6.60	—	−5.00	—
						5.20	100,000	—	—	−6.80	—	−5.20	—
						5.10	120,000	—	—	−6.90	—	−5.30	—
						5.00	140,000	—	—	−7.00	—	−5.40	—
12 fév. 1968	Établissement des taux d'encouragement pour le transport des marchandises à partir d'Amherst.....	9.60	100,000	9.20	120,000			—	—	−4.60	—	−4.20	—
				9.00	150,000			—	—			−4.00	

NOTE 1: Ces taux sont applicables du 1er janvier au 31 décembre de chaque année.
NOTE 2: Ces taux sont applicables du 15 avril au 30 novembre de chaque année.

Explication des points de référence et des abréviations:
MFRA: Loi sur les taux de transport des marchandises dans les provinces Maritimes
Ch.M.: Poids minimum d'un chargement

Références tarifaires
Tarif C.l. 36 du National-Canadien, C.R.C.E. 1246
Tarif C.l. 79 du National-Canadien, C.T.C.E. 2047
Tarif C.l. 79-1 du National-Canadien, C.T.C.E. 3909
Tarif C.l. 41 du National-Canadien, C.R.C.E. 1283
Tarif C.l. 70 du National-Canadien, C.T.C.E. 1870
Tarif C.M. 195 du National-Canadien, C.T.C.E. 2115

TABLE II

COMPARISON OF THE CARLOAD RAIL RATES ON ELECTRIC STOVES FROM SACKVILLE, N.B. TO MONTREAL, QUE., WITH THE CORRESPONDING RATES FROM HAMILTON, ONT., TO MONTREAL, QUE.

Date	Particulars	Rates and Differentials in Cents Per 100 lbs.								
		Fr. Sackville, NB		From Hamilton, Ont.				Differentials		
				Rates				Col. A over Col. B	Col. A over Col. C	Col. A over Col. D
		Rates Col. A	CLM	Note 1 Col. B	Note 2 Col. C	Note 3 Col. D	CLM			
			(lbs)				(lbs)			
Dec. 14, 1953	Establishment Motor Truck Competitive Rate from Sackville	61	24,000	117	—	74	20,000	+56	—	+13
Jan. 17, 1955	Establishment Motor Truck Competitive Rate from Hamilton	61	24,000	47	—	—	24,000	−14	—	—
Feb. 8, 1955	Establishment Additional Motor Truck Competitive Rate from Hamilton	61	24,000	45	—	—	30,000	−16	—	—
Jul. 3, 1956	7% Interim Increase (CFA Tariff 83)	65	24,000	47 45	—	—	24,000 30,000	−18 −20	—	—
Jan. 1, 1957	11% Increase in Lieu of 7%	68	24,000	47 45	—	—	24,000 30,000	−21 −23	—	—
Jul. 1, 1957	Additional MFRA Reduction from Sackville	62	24,000	47 45	—	—	24,000 30,000	−15 −17	—	—
Dec. 1, 1958	17% Increase (CFA Tariff 84)	73	24,000	47 45	—	—	24,000 30,000	−26 −28	—	—
May 6, 1960	8% Increase Adjustment CRA 84A (resulting in Commodity rate becoming lower than Comp. Rate)	72	24,000	47 45	—	—	24,000 30,000	−25 −27	—	—
Jul. 29, 1963	Increase in Competitive Rate Hamilton-Montreal	72	24,000	51 47	— —	— —	24,000 30,000	−21 −25	—	—
Nov. 2, 1964	Increase in Competitive Rate Hamilton-Montreal	72	24,000	57 50	—	—	24,000 30,000	−15 −22	—	—
May 4, 1964	Competitive Rate Hamilton to Montreal transferred to rail agreed charge	72	24,000	57 50	—	—	24,000 30,000	−15 −22	—	—

TABLEAU II

COMPARAISON ENTRE LES TAUX FERROVIAIRES DE CHARGEMENT COMPLET POUR LES CUISINIÈRES ÉLECTRIQUES DE SACKVILLE (N.-B.) À MONTRÉAL (P.Q.), ET LES TAUX CORRESPONDANTS, D'HAMILTON (ONT.) À MONTRÉAL (P.Q.)

Taux et écarts en cents par 100 livres

Date	Détails	De Sackville (N.-B.)		D'Hamilton (Ont.)				Écarts		
		Taux Col. A	Ch.M.	Note 1 Col. B	Taux Note 2 Col. C	Note 3 Col. D	Ch.M.	Col. A sur Col. B	Col. A sur Col. C	Col. A sur Col. D
			(livres)				(livres)			
14 déc. 1953	Établissement d'un taux concurrentiel pour transport par camion à partir de Sackville	61	24,000	117	—	74	20,000	+56	—	+13
17 janv. 1955	Établissement d'un taux concurrentiel pour transport par camion à partir d'Hamilton	61	24,000	47	—	—	24,000	−14	—	—
8 fév. 1955	Établissement d'un taux concurrentiel supplémentaire pour transport par camion à partir d'Hamilton	61	24,000	45	—	—	30,000	−16	—	—
3 juil. 1956	Augmentation provisoire de 7% (Tarif 83 de la CFA)	65	24,000	47	—	—	24,000	−18	—	—
				45			30,000	−20		
1er janv. 1957	Augmentation de 11% au lieu de 7%	68	24,000	47	—	—	24,000	−21	—	—
				45			30,000	−23		
1er juil. 1957	Réduction supplémentaire (MFRA) pour le transport à partir de Sackville	62	24,000	47	—	—	24,000	−15	—	—
				45			30,000	−17		
1er déc. 1958	Augmentation de 17% (Tarif 84 de la CFA)	73	24,000	47	—	—	24,000	−26	—	—
				45			30,000	−28		
6 mai 1960	Augmentation d'ajustement de 8% (Tarif 84A de la CFA), les taux des données devenant inférieurs aux taux concurrentiels	72	24,000	47	—	—	24,000	−25	—	—
				45			30,000	−27		
29 juil. 1963	Augmentation des taux concurrentiels (Hamilton-Montréal)	72	24,000	51	—	—	24,000	−21	—	—
				47	—	—	30,000	−25		
2 nov. 1964	Augmentation des taux concurrentiels (Hamilton-Montréal)	72	24,000	57	—	—	24,000	−15		—
				50	—	—	30,000	−22		
4 mai 1964	Le taux concurrentiel d'Hamilton à Montréal transformé en frais convenus	72	24,000	57	—	—	24,000	−15	—	—
				50	—	—	30,000	−22		

TABLE II

COMPARISON OF THE CARLOAD RAIL RATES ON ELECTRIC STOVES FROM SACKVILLE, N.B. TO MONTREAL, QUE., WITH THE CORRESPONDING RATES FROM HAMILTON, ONT., TO MONTREAL, QUE.

Date	Particulars	Rates and Differentials in Cents Per 100 lbs.								
		Fr. Sackville, NB		From Hamilton, Ont.				Differentials		
				Rates				Col. A over Col. B	Col. A over Col. C	Col. A over Col. D
		Rates Col. A	CLM	Note 1 Col. B	Note 2 Col. C	Note 3 Col. D	CLM			
			(lbs)				(lbs)			
Jul. 19, 1966	Increase in Agreed Charge Rate	72	24,000	61½ 52½	—	—	24,000 30,000	−10½ −19½	—	—
Sep. 29, 1967	Increase in Agreed Charge Rate (10%)	72	24,000	68 58	—	—	24,000 30,000	−4 −14	—	—

NOTE 1—Rates apply from January 1 to December 31 of each year.
NOTE 2—Rates apply from April 15 to November 15 of each year.
NOTE 3—Rates apply from April 15 to November 30 of each year.

Explanation of Abbreviations:
MFRA: Maritime Freight Rates Act
CLM: Carload Minimum Weight

Tariff References:
CNRys. Tariff CM 39, C.R.C.E. 940
CNRys. Tariff CM 73, C.R.C.E. 1235
CNRys. Tariff CM 73-2, C.T.C.E. 3762
CNRys. Tariff CM 73-3, C.T.C.E. 3963
CNRys. Tariff CM 300-15, C.T.C.E. 4014
CNRys. Tariff O 24, C.R.C.E. 375
CNRys. Tariff C 39, C.R.C.E. 1539
CNRys. Tariff N 35, C.R.C.E. 1727
CNRys. Tariff CM 195, C.T.C.E. 2115
Canadian Freight Classification No. 19, C.T.C. 983
C.T.C. Agreed Charge No. 2069

TABLEAU II

COMPARAISON ENTRE LES TAUX FERROVIAIRES DE CHARGEMENT COMPLET POUR LES CUISINIÈRES ÉLECTRIQUES DE SACKVILLE (N.-B.) À MONTRÉAL (P.Q.), ET LES TAUX CORRESPONDANTS, D'HAMILTON (ONT.) À MONTRÉAL (P.Q.)

Taux et écarts en cents par 100 livres

Date	Détails	De Sackville (N.-B.)		D'Hamilton (Ont.)				Écarts		
		Taux Col. A	Ch.M.	Note 1 Col. B	Taux Note 2 Col. C	Note 3 Col. D	Ch.M.	Col. A sur Col. B	Col. A sur Col. C	Col. A sur Col. D
			(livres)				(livres)			
19 juil. 1966	Augmentation du taux des frais convenus.....	72	24,000	61½	—	—	24,000	−10½	—	—
				52½	—	—	30,000	−19½		
29 sept. 1957	Augmentation du taux des frais convenus (10%).....	72	24,000	68	—	—	24,000	−4	—	—
				58			30,000	−14		

NOTE 1—Ces taux sont applicables du 1er janvier au 31 décembre de chaque année.
NOTE 2—Ces taux sont applicables du 15 avril au 15 novembre de chaque année.
NOTE 3—Ces taux sont applicables du 15 avril au 30 novembre de chaque année.

Explications des abréviations:
MFRA: Loi sur les taux de transport des marchandises dans les provinces Maritimes
Ch.M.: Poids minimum d'un chargement

Références tarifaires:
Tarif CM 39 du National-Canadien, C.R.C.E. 940
Tarif CM 73 du National-Canadien, C.R.C.E. 1235
Tarif CM 73-2 du National-Canadien, C.T.C.E. 3762
Tarif CM 73-3 du National-Canadien, C.T.C.E. 3963
Tarif CM 300-15 du National-Canadien, C.T.C.E. 4014
Tarif O 24 du National-Canadien, C.R.C.E. 375
Tarif C 39 du National-Canadien, C.R.C.E. 1539
Tarif N 35 du National-Canadien, C.R.C.E. 1727
Tarif CM 195 du National-Canadien, C.T.C.E. 2115
Classification nº 19 de la Canadian Freight Asso., C.T.C. 983
C.T.C., Frais convenus nº 2069

TABLE II

COMPARISON OF THE CARLOAD RAIL RATES ON WALL PLASTER FROM HILLSBORO, N.B. TO TORONTO, ONT. WITH THE CORRESPONDING RATES FROM MONTREAL, QUE. TO TORONTO, ONT.

Rates and Differentials in Cents Per 100 lbs.

Date	Particulars	From Hillsboro, N.B. Rates Col. A	From Hillsboro, N.B. C.L.M.	From Montreal, Que. Rates Col. B	From Montreal, Que. C.L.M.	Hillsboro Disadvantage = — Differentials Col. A over Col. B
			(lbs)		(lbs)	
June 30, 1927	Prior to M.F.R.A.	33	50,000	19	50,000	−14
Jul. 1, 1927	M.F.R.A. Reduction	30	50,000	19	50,000	−11
Apr. 8, 1948	21% Increase (C.F.A. Tariff No. 71)	36	50,000	23	50,000	−13
Oct. 11, 1949	8% Interim Increase (C.F.A. Tariff No. 72)	39	50,000	25	50,000	−14
Mar. 23, 1950	16% Increase in Lieu of 8%	42	50,000	27	60,000	−15
June 16, 1950	20% Increase In Lieu of 16%	43	50,000	28	50,000	−15
Jul. 26, 1951	12% Interim Increase (C.F.A. Tariff No. 74)	48	50,000	31	50,000	−17
Feb. 11, 1952	17% Increase in Lieu of 12%	50	50,000	33	50,000	−17
Jan. 1, 1953	9% Increase (C.F.A. Tariff No. 74–B)	55	50,000	36	50,000	−19
Mar. 16, 1953	7% Increase (C.F.A. Tariff No. 74–C)	59	50,000	39	50.000	−20
Jul. 3, 1956	7% Interim Increase (C.F.A. Tariff No. 83)	63	50,000	42	50,000	−21
Jan. 1, 1957	11% Increase in Lieu of 7%	65	50,000	43	50,000	−22
Jul. 1, 1957	Additional M.F.R.A. Reduction from Hillsboro	62	50,000	43	50,000	−19
Dec. 1, 1958	17% Increase (C.F.A. Tariff No. 84)	73	50,000	50	50,000	−23
Aug. 1, 1959	10% Increase (C.F.A. Tariff No. 84–A)	68	50,000	47	50,000	−21
May 6, 1960	8% Increase (84–A) In Lieu of 10% Increase (84–A)	67	50,000	46	50,000	−21
Nov. 28, 1966	Addition of Rates for Higher Minima	67	50,000	46	50,000	−21
		63	80,000			
		61	100,000			
May 4, 1967	Increase (C.F.A. Tariff No. 85)	67	50,000	51	50,000	−16
		63	80,000			
		61	100,000			
May 1, 1968	Increase (C.F.A. Tariff No. 87)			54	50,000	−13

Explanation of Abbreviations:
M.F.R.A.: Maritime Freight Rates Act
C.L.M.: Carload Minimum Weight

Tariff References:
CNRys. Tariff C.D. 53, C.R.C.E. 1153
CNRys. Tariff C.D. 58, C.R.C.E. 1237
CNRys. Tariff C.D. 105, C.R.C.E. 1804
CNRys. Tariff C.D. 105–1, C.R.C.E. 2526
CNRys. Tariff C.D. 105–2, C.T.C.E. 3885
CNRys. Tariff C.D. 100, C.T.C.E. 1680
CNRys. Tariff C.D. 100–1, C.T.C.E. 4066

COMPARAISON ENTRE LES TAUX FERROVIAIRES DE CHARGEMENT COMPLET POUR LES PANNEAUX DE PLÂTRE DE HILLSBORO (N.-B.) À TORONTO (ONT.) ET LES TAUX CORRESPONDANTS DE MONTRÉAL (P.Q.) À TORONTO (ONT.)

Taux et écarts en cents par 100 livres

Date	Détails	De Hillsboro (N.-B.)		De Montréal (P.Q.)		Désavantages pour Hillsboro — Écarts
		Taux Col. A	Ch. M.	Taux Col. B	Ch. M.	Col. A sur Col. B
			(livres)		(livres)	
30 juin 1927	Avant la MFRA	33	50,000	19	50,000	−14
1er juil. 1927	Réduction (MFRA)	30	50,000	19	50,000	−11
8 avril 1948	Augmentation de 21% (tarif 71 de la CFA)	36	50,000	23	50,000	−13
11 oct. 1949	Augmentation provisoire de 8% (tarif 72 de la CFA)	39	50,000	25	50,000	−14
23 mars 1950	Augmentation de 6% au lieu de 8%	42	50,000	27	50,000	−15
16 juin 1950	Augmentation de 20% au lieu de 16%	43	50,000	28	50,000	−15
26 juil. 1951	Augmentation provisoire de 12% (tarif 74 de la CFA)	48	50,000	31	50,000	−17
11 fév. 1952	Augmentation de 17% au lieu de 12%	50	50,000	33	50,000	−17
1er janv. 1953	Augmentation de 9% (tarif 74–B de la CFA)	55	50,000	36	50,000	−19
16 mars 1953	Augmentation de 7% (tarif 74–C de la CFA)	59	50,000	39	50,000	−20
3 juil. 1956	Augmentation provisoire de 7% (tarif 83 de la CFA)	63	50,000	42	50,000	−21
1er janv. 1957	Augmentation de 11% au lieu de 7%	65	50,000	43	50,000	−22
1er juil. 1957	Réduction supplémentaire (MFRA) de Hillsboro	62	50,000	43	50,000	−19
1er déc. 1958	Augmentation de 17% (tarif 84 de la CFA)	73	50,000	50	50,000	−23
1er août 1959	Augmentation de 10% (tarif 84–A de la CFA)	68	50,000	47	50,000	−21
6 mai 1960	Augmentation de 8% (tarif 84–A, au lieu de 10% (84–A)	67	50,000	46	50,000	−21
28 nov. 1966	Nouveaux taux pour minimums plus élevés	67	50,000	46	50,000	−21
		63	80,000			
		61	100,000			
4 mai 1967	Augmentation (tarif 85 de la CFA)	67	50,000	51	50,000	−16
		63	80,000			
		61	100,000			
1er mai 1968	Augmentation (tarif 87 de la CFA)			54	50,000	−13

Explications des abréviations:
M.F.R.A.: Loi sur les taux de transport des marchandises dans les provinces Maritimes
Ch. M.: Poids minimum d'un chargement

Références tarifaires:
Tarif C.D. 53 du National-Canadien, C.R.C.E. 1153
Tarif C.D. 58 du National-Canadien, C.R.C.E. 1237
Tarif C.D. 105 du National-Canadien, C.R.C.E. 1804
Tarif C.D. 105–1 du National-Canadien, C.R.C.E. 2526
Tarif C.D. 105–2 du National-Canadien, C.T.C.E. 3885
Tarif C.D. 100 du National-Canadien, C.T.C.E. 1680
Tarif C.D. 100 du National-Canadien, C.T.C.E. 4066

[*Text*]

EFFECTS OF CARLOAD RATES ON INDUSTRIES LOCATED IN THE MONCTON AREA

22. Following the background of information contained in the brief of February 1968, Table II has been revised to reflect the changes in freight rates in carloads of three selected products.

23. These are examples of cases which contribute to locational disadvantage of the region for these manufacturing industries. The cost of freight limits expansion and diversification of the activities and employment opportunities.

SUMMARY OF EFFECTS OF NEW NON-CARLOAD RATES ON RETAILERS IN MONCTON

24. Based on the background of information contained in the brief of February, 1968, there is an even stronger case for suspension of the new LCL rates and rules of E.T.A. Tariff 100 until a more equitable formula for non-carload rates can be devised.

The costs attributed to household appliances, furniture, clothing, hardware, drugs, an food items must be passed on to the consumers in the area, and thus accounts for a considerably higher retail selling price on essential goods throughout the Atlantic Provinces, where the average per capita income is the lowest in Canada. The retail sales volume statistics continue to show a healthy retail sales market based on dollars, but we respectfully request Commissioners and members of the Committee to carefully consider the impact of these exorbitant, excessive, unconscionable and inequitable freight costs on the average wage-earners, which constitute the majority of our population. This area, the Atlantic region, is largely rural as compared to the concentrated areas of population and purchasing power in Central Canada.

RECOMMENDATIONS

25. The City of Moncton considers it important to repeat our previous statements contained in paragraphs 135 and 137 in the brief of February 1968, namely

> *"The Atlantic Provinces have never been included in a National Transportation Policy and have always been considered for special treatment and for*

[*Interpretation*]

EFFETS DES TARIFS DES WAGONNÉES COMPLÈTES SUR LES INDUSTRIES SITUÉES DANS LA RÉGION DE MONCTON

22. A la suite des renseignements fournis dans le mémoire de février 1968, le Tableau II a été révisé de manière à indiquer les changements des tarifs du transport par wagonnées complètes de trois produits sélectionnés.

23. Voilà des exemples de cas qui ont contribué à placer les industries de fabrication de la région dans une situation désavantageuse à cause même de l'endroit où elles sont établies. Le coût du transport des marchandises limite l'expansion et la diversification de l'activité et des possibilités d'emploi.

Un résumé des effets des nouveaux taux de moins d'une wagonnée sur les détaillants à Moncton, fondé sur les renseignements contenus dans le mémoire de février 1968, il y a là un cas encore plus sérieux pour suspendre les nouveaux taux de moins d'une wagonnée ainsi que le tarif E.T.A. 100 jusqu'à ce qu'on trouve une formule plus équitable pour les lots brisés.

Les coûts attribués aux appareils ménagers, aux meubles, vêtements, quincaillerie, drogues et denrées doivent être assumés par les consommateurs de la région et donc, représentent un prix de vente beaucoup plus élevé pour les denrées essentielles à travers les provinces de l'Atlantique, dans des régions où le revenu moyen per capita est le plus bas au Canada. Nous demandons aux membres du Comité d'étudier soigneusement l'influence de ces coûts de transport des marchandises qui pèsent sur le revenu moyen, qui constitue le niveau de salaire de la majorité de notre population. Cette région est largement rurale en comparaison des régions où la densité de la population et le pouvoir d'achat sont concentrés, comme au centre du Canada.

Dans les paragraphes 135 et 137 du mémoire de février 1968, vous trouverez ce qu'il y a de plus important dans nos recommandations, soit que les provinces de l'Atlantique n'ont jamais été incluses dans la politique nationale en matière de transport et ont toujours été considérées comme ayant un traitement spécial afin de réduire leur isole-

[*Texte*]

adjustments in efforts to reduce their isolation from central Canada by location and distance.

The National Transportation Act gives emphasis to the use of competition as the primary means for effecting the optimum allocation and use of transport resources. It is assumed that under such increased competition, the freight rates should reflect the costs of services. This being the case, the costs of the haul to and from the Atlantic Provinces should be reflected in the rate structure. *This is a complete reversal of the historic Federal Policy wherein measures were aimed at effectively reducing the distance"*

The evidence shows that the benefits of the Maritime Freight Rates Act were eroded as long ago as 1948, and the statutory advantage clause has never been effective.

Because of these facts and the other evidence contained in this brief and our brief of February 1968, the City of Moncton must point out the urgency of finding solutions to our transportation inequities as part of our National Policy. Transportation policy for the Atlantic Provinces wherein we are afforded the equivalent of the benefits outlined under Confederation are a necessary prerequisite to any further economic development in the Atlantic region.

26. We recommend that the Bulk Density Rule (Tariff E.T.A. 100) based on 10 lbs. per cubic foot and the new non-carload rates be cancelled until a planned transportation system is developed to meet the needs of the region's business enterprises. In studying conditions to form a basis for the planned transportation system much more work is required to examine the problems of industry in order that recommendations made provide a basis for expansion and diversification of our present business enterprises and a basis for location of other manufacturing and processing activity.

27. It is recommended that freight costs to the Atlantic Provinces shipper of shipments to Newfoundland be no higher than the water rate from Montreal to Newfoundland and that freight costs of shipments from Newfoundland to the other Atlantic Provinces be no higher than the costs of shipping by water from Newfoundland to Montreal.

28. It is recommended that immediate attention be given to the creation of a Special Task Force to conduct detailed analyses of

[*Interprétation*]

ment du centre du Canada en raison de la distance et de l'emplacement.

La Loi nationale sur les transports insiste sur l'usage de la concurrence comme étant le moyen principal d'atteindre une meilleure distribution et un meilleur emploi des ressources en matière de transport. Il est présumé qu'en vertu d'une concurrence accrue, les taux de marchandises devraient refléter les coûts de ces services. Si c'est le cas, les coûts à partir des provinces de l'Atlantique devraient se refléter dans la structure des tarifs, ce qui est complètement contraire à la politique fédérale historique qui voulait qu'on prenne des mesures pour effectivement réduire la distance.

Notre mémoire de 1968 l'indiquait. La ville de Moncton doit indiquer l'urgence de trouver des solutions pour les inégalités de frais de transport en raison de la politique nationale. La politique nationale en matière de transports pour les provinces Maritimes, où on nous accorde l'équivalent des avantages décrits pour la Confédération, sont nécessaires pour le développement économique futur de la région.

Nous recommandons que le règlement sur la densité des marchandises transportées en vrac fondé sur 10 livres par pied cube sur les nouveaux tarifs de moins d'une wagonnée soient annulés jusqu'à ce qu'on ait développé un réseau de transport planifié pour répondre aux besoins des régions où sont situées des entreprises commerciales. Afin d'étudier les conditions formant la base d'un réseau de transport planifié, il faudra accomplir d'autres travaux afin d'examiner le problème de l'industrie, pour que les recommandations puissent servir de base à l'expansion et à la diversification de nos entreprises actuelles, et de base à l'implantation d'autres activités de fabrication et de transformation. On recommande que les frais de transport des marchandises à partir des provinces de l'Atlantique ne soient pas plus élevés que le taux des Maritimes de Montréal à Terre-Neuve et que les frais de marchandises pour les expéditions de Terre-Neuve aux autres provinces de l'Atlantique ne soient pas plus élevés que les frais d'expédition par eau de Terre-Neuve à Montréal.

On recommande qu'une attention immédiate soit donnée à la création d'un groupe spécial de travail afin d'obtenir une analyse

[*Text*]

the present costs of freight to our regional manufacturers and distributors based on common terms of reference. The recent studies directed toward finding solutions to our transportation problems have not included adequate attention to these costs and this information is vital to the structure of any plan devised.

29. Since transportation requirements are variable by areas within the region, and different modes of transportation may more adequately and more economically serve the different areas of the region, it is recommended that a Transportation plan be developed around the most economical and best quality service to meet the requirements of each area, both for freight and passenger services.

30. It is recommended that consideration be given to providing special adjustment benefits to all modes of transportation within the region.

31. We recommend immediate attention to defining long term requirements for facilities at the Moncton Airport, considering present quantities of mail and freight, and considering the marked reduction in capacity to carry air cargo to Newfoundland when the Vanguard aircraft are replaced. The Moncton Airport now handles more mail and more air freight than the total volume handled at all other Maritime Airports. It is already used extensively as an alternate landing point to the Halifax International Airport because of more favourable prevalent weather conditions. For example, even the other day an Air France Boeing 707 landed in the Moncton Airport. Therefore, further runway extensions and terminal expansion should be undertaken immediately to bring the Moncton Airport up to international status or standards. We would like to be able, eventually, to handle jumbo jet aircraft by merely extending the existing facilities.

32. While we view the progress in development of Atlantic Ports as encouraging, it is still evident that a policy must be developed at the National level for the long term growth and stability of these facilities.

33. There is deep concern in the region because of the full year of delay in the hearing of the Parliamentary Committee on Transportation and Communications. During this time the application of new non-carload rates and density rules, and the immediate impact of the end of the rate "freeze" in March, 1969, combine to indicate the immediate necessity to take appropriate measures, to

[*Interpretation*]

détaillée des coûts actuels des marchandises à l'égard de nos fabricants et distributeurs régionaux, fondée sur un mandat commun. Les récentes études destinées à trouver des solutions aux problèmes de transport n'ont pas porté suffisamment attention à ces frais, et ces renseignements sont vitaux pour la structure d'un plan.

On recommande donc qu'un programme de transport soit développé afin de refléter la qualité la meilleure et la plus économique pour répondre aux besoins de chaque région en ce qui a trait aux marchandises et aux voyageurs. On recommande qu'un étude soit menée afin de prévoir des ajustement spéciaux à tous les modes de transport à l'extérieur de la région.

Nous recommandons une attention immédiate pour définir les besoins à long terme pour l'aéroport de Moncton, compte tenu des quantités actuelles de courrier et de messageries, et compte tenu aussi de la réduction marquée dans la capacité de transporter les cargaisons jusqu'à Terre-Neuve quand les appareils Vanguard seront remplacés. L'aéroport de Moncton est l'endroit où la manutention du courrier et de cargaisons aériennes est la plus élevée que le volume total manutentionné à tous les autres aéroports des Maritimes. On l'emploie en outre comme une piste d'atterrissage de rechange pour l'aéroport international d'Halifax en raison des conditions atmosphériques plus favorables. Donc on devrait agrandir les pistes d'envol ainsi que les bâtiments immédiatement afin que l'aéroport de Moncton soit conforme aux normes internationales.

Bien que nous considérions le progrès du développement des provinces Maritimes comme étant encourageant, il est toujours manifeste qu'une politique doit être développée à long terme pour la stabilité et la croissance de ces dispositifs. Nous nous préoccupons beaucoup dans la région, en raison du retard d'une année dans les audiences du Comité parlementaire, des transports et des communications. En même temps, la demande pour les nouveaux tarifs de moins d'une wagonnée et les règlements de densité et de capacité ainsi que l'influence immédiate à la fin du gel en mars 1969 se combinent

[*Texte*]

avoid a disastrous economic situation for this region.

34. We trust that the information and recommendations presented here in these briefs will be studied carefully and will contribute to a clear appreciation of the inequities prevalent in the Atlantic Provinces. Immediate solutions must be found within the framework of the National Policy which will remove the limitations on regional development caused by these excessive transportation costs in the Atlantic Region in an attempt to assist reducing regional disparity.

Thank you very much, Mr. Chairman.

The Chairman: Thank you very much, Mr. Mayor. Your brief was well presented.

Mr. Mahoney, have you any questions?

Mr. Mahoney: First Mr. Chairman, I should compliment the Mayor not only on the very fine brief presented here but on the one that was presented a year ago.

Mr. Jones: Mr. Mahoney, I would like to place on record that our Consultant, Mr. Fredericks, along with several members of our council and businessmen of our city assisted in the preparation of our brief. It was a teamwork effort.

Mr. Mahoney: At the conclusion of paragraph 5 when you were discussing the work of the Atlantic Provinces Task Force, you indicated that you as a city had not been consulted by that task force and had no opportunities to make representations to it? Is that correct?

Mr. Jones: Not at this time.

Mr. Mahoney: I guess you are not the right person to ask but I would have to record a question for someone to answer. I would like to know what processes that task force used to arrive at the recommendation that apparently has already been presented to the premiers.

Mr. Jones: Mr. Mahoney, I am not a member of it.

Mr. Mahoney: As I said, you are obviously not the one to answer the question. I am just recording it in the hope of an answer by someone later on.

You referred to runway extensions and so on in paragraph 31. We heard earlier today the possibility of an international airport

[*Interprétation*]

justement pour indiquer la nécessité immédiate de prendre les mesures appropriées pour éviter une situation désastreuse.

Nous croyons que les renseignements et les recommandations seront étudiés soigneusement et contribueront à une meilleure appréciation des inégalités qui prévalent dans les provinces de l'Atlantique. Des solutions immédiates doivent être trouvées à l'intérieur même du cadre d'une politique nationale qui éliminerait les limitations du développement régional causées par les frais de transport excessifs dans la région de l'Atlantique pour aider à réduire les disparités régionales. Je vous remercie beaucoup, monsieur le président.

Le président: Je vous remercie, monsieur le maire, ce fut très bien présenté. Monsieur Mahoney, vous aviez des questions?

M. Mahoney: Oui. Tout d'abord, je dois féliciter le maire sur l'excellence de son présent mémoire, mais aussi pour la soumission que nous avons reçue il y a un an.

M. Jones: Monsieur Mahoney, je voudrais consigner au compte rendu que notre conseiller, M. Fredericks, de concert avec bon nombre des membres de notre conseil et d'hommes d'affaires de notre ville, nous a aidé dans la préparation de notre soumission. Ce fut un travail d'équipe.

M. Mahoney: C'est peut-être quelque chose qui ne fut pas tout à fait mentionné dans votre mémoire, mais à la fin de l'alinéa 5, surtout lorsque vous parlez du travail de l'équipe spéciale des provinces de l'Atlantique, vous avez dit que votre ville n'avait pas été consultée ou n'avait pas eu l'occasion d'y faire des représentations.

M. Jones: C'est juste, pas cette fois-ci.

M. Mahoney: Alors, j'imagine que vous n'êtes pas la personne à qui je dois poser la question, mais je dois poser une question pour que quelqu'un y réponde éventuellement: quel procédé utilise cette équipe spéciale pour en arriver à des recommandations qui, apparemment, ont déjà été présentées aux premiers ministres?

M. Jones: Je n'en fais pas partie.

M. Mahoney: Donc vous n'êtes pas celui qui est en mesure de répondre à la question. Mais je veux simplement poser la question pour que quelqu'un y réponde plus tard.

Vous avez parlé de la possibilité d'avoir un aéroport international dans la région du sud-ouest du Nouveau-Brunswick. Êtes-vous d'a-

[*Text*]

being located in south west New Brunswick. Do you feel that if an international airport is indicated in the Province of New Brunswick, a location in the vicinity, for example, of Sussex would perhaps satisfy the needs of the province better than one located further west?

Mr. Jones: I have not made any survey of the Sussex location but I do know there is a location. Of course, naturally, I am a bit prejudiced and I might as well face it. But we do have an airport which is serving trading area of approximately 270,000 people within a 50-mile radius of the city of Moncton. I think this is a factor that any person locating an airport would take into consideration. There is not just the western part of New Brunswick that has to be considered, there is the north-eastern part of Nova Scotia, the northeasten part of New Brunswick and the Province of Prince Edward Island. We think that we are in a very central location and that possibly there is not the need for new facilities or a new location. The present facilities, with some slight extensions, will do the job. The fact that some of the international aircraft are using our facilities indicates that it must be a suitable location.

An hon. Member: Is it free of fog most of the time?

Mr. Jones: I have never been over there when there is fog.

An hon. Member: Where?

Mr. Jones: Moncton.

The Chairman: Are you through, Mr. Mahoney?

Mr. Mahoney: Are you speaking, sir, of Moncton itself or of the Sussex area?

Mr. Jones: I am speaking of Moncton.

Mr. Mahoney: Suppose such a thing were located in the Sussex area what, roughly, would you say the driving time between Moncton and Sussex would be?

Mr. Jones: The same time as it is from Sussex to Moncton, about 40 minutes. I am told it is one hour and something. I am told that I drive too fast.

An hon. Member: How many miles is it?

An hon. Member: Forty-five miles.

Mr. Mahoney: I have no more questions.

The Chairman: Order please. Mr. Skoberg.

[*Interpretation*]

vis que si un aéroport international est prévu dans la province du Nouveau-Brunswick, disons dans la région de Sussex, par exemple, il pourrait éventuellement répondre aux besoins de la province mieux qu'un aéroport plus à l'ouest?

M. Jones: Je n'ai pas fait d'étude quant à l'emplacement de Sussex, mais je sais, enfin, j'ai mes préjugés, bien entendu—aussi bien être réaliste—mais nous avons un aéroport qui dessert une région commerciale peut-être de 270,000 personnes dans un rayon de 50 milles de Moncton. Toute personne qui devrait décider du lieu où il faudrait établir un aéroport devrait en tenir compte. Il ne s'agit pas simplement de tenir compte de la région sud-ouest du Nouveau-Brunswick. Il y a la Nouvelle-Écosse, le nord-est du Nouveau-Brunswick et l'Île du Prince-Édouard. Et nous sommes d'avis que notre emplacement est plutôt central. Peut-être, qu'il n'y aurait pas nécessité d'avoir de nouveaux aménagements, de nouveaux services, un nouvel emplacement. Les services actuels agrandis pourraient répondre aux exigences, et de fait, certains des transporteurs internationaux viennent déjà chez nous, donc cela devrait être adéquat.

Une voix: L'aéroport de Moncton est-il exempt de brouillard la plupart du temps?

M. Jones: Je n'y suis jamais allé par temps de brume.

Une voix: Où ça?

M. Jones: A Moncton.

Le président: Vous avez terminé, monsieur Mahoney?

M. Mahoney: Est-ce que vous parlez de Moncton ou de la région de Sussex?

M. Jones: Je parle de Moncton.

M. Mahoney: Combien de temps faudrait-il pour aller de Moncton à Sussex en automobile?

M. Jones: Le même temps qu'il faut pour aller de Sussex à Moncton, soit 40 minutes. On m'a dit une heure. Je dois conduire trop vite.

Une voix: Combien y a-t-il de milles?

Une voix: Quarante-cinq milles.

M. Mahoney: Je n'ai plus de question.

Le président: A l'ordre.

[*Texte*]

Mr. Skoberg: Your Worship, I note that throughout the brief Monction is consistently referred to.

Mr. Jones: In most cases when we say Moncton we mean the Moncton area.

Mr. Skoberg: How large a region are you referring to being included with Moncton?

Mr. Jones: The Counties of Albert...

Mr. Skoberg: I mean a radius of how far?

Mr. Jones: Two hundred square miles, I am told—about 200 miles.

Mr. Skoberg: You said that you were not in favour of the Corridor Road that they are referring to. Is there any thought of getting together on this location?

Mr. Jones: There is a corridor road which stays within our country which comes down through Edmundston, Plaster Rock, Newcastle and Moncton. Naturally, I think that this is the better route, and it saves distance and time. It covers not just one portion; it goes through the centre of the province and covers the northeast part of the province as well as the centre area. Incidentally, this road is already in and just needs a bit of widening.

Mr. Skoberg: You refer to the fact of competition between central Canada and the Maritimes and say that this situation has to be rectified. Would you advocate a free trade policy as one of the methods of rectifying this situation?

Mr. Jones: I think it could be considered and should be considered. It could do a great deal towards rectifying the situation.

Mr. Skoberg: Do you think those who you are speaking in the brief for would advocate this free trade?

Mr. Jones: When you represent a council you can only say the things that have been approved by the committee. All I can say is that personally I think it is a good idea and should be considered.

Mr. Skoberg: I also notice, Your Worship, that you refer to a task force. In your opinion, who should make up this task force? We all have seen situations where task forces have been set up without proper representation. Have you any opinions...

[*Interprétation*]

M. Skoberg: Son Honneur le maire pourrait-il nous dire, je vois que dans le mémoire on parle toujours de Moncton, s'agit-il de la région de Moncton?

M. Jones: Nous disons «Moncton», mais dans la plupart des cas, nous parlons de la région de Moncton.

M. Skoberg: La région de Moncton dont vous parlez est-elle très grande?

M. Jones: Nous avons le comté d'Albert ...

M. Skoberg: Je veux dire quel rayon, combien de milles?

M. Jones: 200 milles carrés.

M. Skoberg: Une autre question, votre Honneur. Vous dites que vous n'êtes pas en faveur de la route-corridor dont on a parlé. Croyez-vous qu'on puisse faire l'unanimité sur cet emplacement?

M. Jones: Mais il y a une route-corridor dans notre pays qui passe par Edmundston, Plaster Rock, Newcastle, et Moncton. Évidemment, je trouve que c'est la meilleure route et cela épargne distance et temps. Est-ce que je pourrais ajouter à cela que cette route est déjà aménagée. On n'a qu'à l'élargir. Merci.

M. Skoberg: Vous parlez de la concurrence entre le Canada central et les Maritimes et qu'il faut rectifier la situation comme telle. Est-ce que vous proposeriez une politique de libre-échange comme étant une des méthodes pour rétablir la situation?

M. Jones: Oui, on pourrait en tenir compte et on devrait en tenir compte. Cela pourrait vraiment aider à rectifier la situation.

M. Skoberg: Donc, au nom de ceux dont vous parlez, est-ce que vous proposez ce libre-échange?

M. Jones: Nous représentons un conseil municipal. Vous ne pouvez dire que ce qui a été approuvé par le Conseil. Mais en ce qui me concerne, je pense qu'il faudrait l'étudier car c'est une bonne idée.

M. Skoberg: Vous parlez aussi d'une équipe spéciale. A votre avis, qui devrait constituer cette équipe de travail? Nous avons tous connu des situations où nous avons vu des équipes spéciales constituées sans être vraiment représentatives. Qu'est-ce que vous en pensez?

[*Text*]

Mr. Jones: I do not know if task force is quite the right word. I will ask Mr. Fredericks to answer that one for you.

Mr. H. A. Fredericks (Consultant, City of Moncton): Mr. Chairman, I would answer the question in reference to our recommendations. Representations made to us by the industries, which number about 24, which we examined as part of our analysis to support this brief, indicate a strong feeling that they have not had proper opportunity to present the data which supports their case with regard to the costs involved in both the non-carload and existing carload rates. Our recommendation is that before a decision is made a task force, representative of business people in the Atlantic region who are involved in the manufacturing and shipping of produce, should have an opportunity, based on common terms of reference, to present factual data on a commodity basis and on an industry basis.

Mr. Skoberg: Your Worship, in the event that an international airport was agreed upon, would Moncton agree with one that would serve the three areas that we have been speaking about today?

Mr. Jones: I was not present when the other ones were mentioned.

Mr. Skoberg: Moncton, Saint John and Fredericton. Once again I presume that you are not in a position to answer.

Mr. Jones: Not in a position, Naturally, I believe that the greatest density of population in the Province is in the southeastern area of New Brunswick and it is the natural place for an airport.

Mr. Skoberg: Would you give me your personal opinion in regard to the question I just asked, without being committed...

Mr. Jones: Yes I would. I would think that Moncton would be the best area, and the present location. This comes not from speaking to persons in my own city but speaking with persons who have some knowledge of the requirements of airports—the topology, the nature of the soil, its resiliency and so on —and those who have technical know-how in this seem to indicate that the location presently in Moncton is a darn good one. It was pretty good during the war. It served thousands and thousands of Commonwealth Air

[*Interpretation*]

M. Jones: Je ne crois pas que ce soit tout à fait juste de parler d'une équipe spéciale. Mais je demanderais à M. Fredericks d'y répondre.

M. H. A. Fredericks (expert-conseil, Ville de Moncton): Monsieur le président, je répondrais à la question en me rapportant aux représentations qui nous ont été faites par les industries, au nombre de 24 et que nous avons étudiées dans notre analyse, à l'appui de ce mémoire. Ces représentations nous indiquent qu'ils sont d'avis qu'ils n'ont pas eu l'occasion de présenter les données qui appuient leurs soumissions, pour ce qui est du coût des frais de transport pour des expéditions de lots brisés. Mais avant qu'une décision ne soit prise, une équipe de travail représentant le monde des affaires de la région atlantique qui participe au transport, à la fabrication de denrées, devrait, suivant son mandat, présenter les données selon les industries et les produits fabriqués.

M. Skoberg: Merci beaucoup. Une dernière question, Votre Honneur, si jamais un aéroport international faisait l'objet d'une entente, est-ce que Moncton accepterait un aéroport qui desservirait les trois régions dont nous avons parlé aujourd'hui?

M. Jones: Je n'étais pas là lorsque les autres témoins parlaient de la question.

M. Skoberg: De Saint-John et de Fredericton.

M. Jones: Une fois de plus, je ne suis pas vraiment en mesure de vous le dire. Je pense que là où il y a la plus grande densité de population, ce serait dans le sud-est du Nouveau-Brunswick. Il serait donc naturel que l'on choisisse cette région pour un aéroport.

M. Skoberg: Quel est votre avis personnel, pour ce qui est de cette question?

M. Jones: Oui, je pense que Moncton serait la meilleure région et l'emplacement actuel est adéquat. Je parle non seulement du fait que je me sois entretenu de la question avec des gens de ma ville, mais aussi de l'opinion de personnes qui connaissent vraiment les exigences en matière d'aéroport, vis-à-vis de la topographie et la nature du sol, son élasticité, et je pense que les connaissances techniques semblent indiquer que l'emplacement de l'aérogare de Moncton en ce moment est excellent. C'était le cas durant la guerre:

[*Texte*]

Training Plan people during the war, and I think that it is still a pretty good location.

Mr. Skoberg: Your Worship, I can appreciate the submission that you are making but I come from Moose Jaw, Saskatchewan and we had the same argument that you had regarding the location of an airport. But the fact remains that we have to face reality and I am just wondering whether or not your personal opinion would not be that we must co-operate in this area if such were the case and a decision had to be made.

Mr. Jones: Mr. Chairman, I would like to carry this argument along quite a ways...

Mr. Skoberg: No argument, I am just asking an opinion.

Mr. Jones: My argument for it is that it is not just the City of Moncton area it serves, not just the central part of New Brunswick but the entire Province of New Brunswick and Northeastern Nova Scotia and Prince Edward Island.

Mr. Skoberg: At Moncton.

Mr. Jones: And Eastern New Brunswick as well. This is the majority of the area. This is the central region of the Maritime Provinces. We sometimes refer to it in advertisements as Atlantic Central, and we think that this is a pretty good area. You have a lot of small urban areas—Amherst, Sackville, Bouctouche, all the areas around which you have heard mentioned today.

Mr. Skoberg: To complete the discussion on my part, from what area do you think that an airport such as you are speaking about should draw business—what radius around Moncton as such? Are you suggesting that 200 miles is a logical...

Mr. Jones: In going to some airports I think I have to travel that far to get there. But I think that the Moncton area certainly covers a good population area—and the population density in this area is greater than any area in the Atlantic Provinces.

Mr. Skoberg: Again, I am referring to mileage, not density.

Mr. Jones: You have to include mileage when you are referring to density.

An hon. Member: Mileage is the only question.

[*Interprétation*]

il a desservi des milliers et des milliers de pilotes du Commonwealth qui ont suivi là leur formation pendant la guerre.

M. Skoberg: J'apprécie beaucoup l'observation que vous faites, mais je viens d'une région, à Moose Jaw en Saskatchewan, où nous avons eu exactement les mêmes arguments quant à l'emplacement d'un aéroport. Mais pour faire face à la réalité, je me demande si votre avis personnel n'indiquerait pas qu'il nous faut collaborer activement dans cette région, si l'on doit prendre une décision.

M. Jones: Monsieur le président, je voudrais poursuivre cet argument.

M. Skoberg: Ce n'est pas un argument, je vous ai simplement demandé votre opinion.

M. Jones: Voici, je vous présente mon point de vue. Il n'y a pas simplement le Nouveau-Brunswick et la région de Moncton qui est desservie. Notre aéroport se trouve à desservir toute la province du Nouveau-Brunswick, le nord-est de la Nouvelle-Écosse et l'Île du Prince-Édouard.

M. Skoberg: A Moncton.

M. Jones: Mais aussi l'est du Nouveau-Brunswick: voilà l'ensemble de la région ouverte. C'est là le centre même des provinces Maritimes. Parfois, nous en parlons dans notre réclame: le centre des Maritimes. Nous croyons que c'est une excellente région. Nous desservons un bon nombre de petits centres urbains comme Amherst, Sackville, Bouctouche, tous ces petits centres dont vous avez entendu parler aujourd'hui.

M. Skoberg: Pour reprendre cette ligne de pensée et pour terminer mes questions, monsieur le président. Quelle région devrait être comprise à votre avis, si l'on construisait un aéorport à Moncton? 200 milles? Est-ce là une évaluation logique?

M. Jones: Lorsque je descends dans certains aéroports, je pense au nombre de milles que je dois parcourir pour m'y rendre. Mais je pense que la région de Moncton est sûrement une excellente région quant à la population, et où la densité démographique est la plus grande que dans n'importe quelle autre région des provinces de l'Atlantique.

M. Skoberg: Une fois de plus, je parle de milles et non pas de densité.

M. Jones: Il faut inclure le nombre de milles aussi bien que la densité.

Une voix: Le millage est la seule question.

[*Text*]

The Chairman: Mr. Horner.

Mr. Horner: Your Worship, it has been suggested in the past that the Maritime Freight Rates Act in applying only to railroads has in some way held back the development of the trucking industry within the Maritimes. Coming from the railroad centre of Moncton, would you suggest that there is any foundation at all for that?

Mr. Jones: Mr. Horner, I want to correct you. I come from the railway centre but we are the transportation centre of the Maritimes.

Mr. Horner: Oh, excuse me.

Mr. Jones: We have a lot of trucking firms as well as rail based in our city, and the railway company has gone into the trucking business in certain areas. I suppose what is fair for Peter is fair for Paul, and if the Committee saw fit or legislation was enacted to take cognizance of this, then I certainly would not disfavour it. I represent people from both railways and trucking.

Mr. Horner: I understand that. In the last waybill analysis that I studied—and I am going to go back a few years—in 1964 5.5 per cent of the freight handled within the Maritime Provinces moved under what the railroads classed as "class and non-competitive rates" I suggested that this seemed to me to be a rather high percentage of freight moving by rail on those two rate classes and I was told that because the Maritime Freight Rates Act only applied to rail shipment that in a sense it has held back the development of the private trucking industry or the trucking industry generally within the Maritimes. That is why I asked that question. Do you think that today, in fact, in the last five years, more freight has started to move by truck rather than rail, a greater percentage perhaps than in other parts of Canada.

Mr. Jones: I have no statistics but I believe there is a trend that way. I think there are various reasons for it and do not think I can say what reasons.

Mr. Horner: Yes, there is a trend that way all across Canada but the point I am trying to make is, for example, whether there has been a trend towards greater and greater

[*Interpretation*]

Le président: M. Horner.

M. Horner: Votre Honneur, par le passé, on a laissé entendre que la *Loi sur les taux de transport des marchandises dans les provinces Maritimes* ne s'applique que dans le cas des chemins de fer, et que, dans certains cas, elle a retardé le développement de l'industrie du camionnage dans les Maritimes. Vous venez du centre ferroviaire de Moncton, pourriez-vous nous dire si cette opinion est fondée?

M. Jones: Monsieur Horner, je viens d'un centre ferroviaire, mais nous sommes aussi le centre de transport des Maritimes.

M. Horner: Excusez-moi.

M. Jones: Nous avons bon nombre de sociétés de camionnage dans notre ville aussi bien que des services ferroviaires. Et les sociétés ferroviaires font du camionnage dans certains secteurs. J'imagine que ce qui est juste pour Pierre l'est aussi pour Paul. Et si le Comité a jugé bon de mettre en vigueur certaines législations et si le Comité veut en tenir compte, alors, je ne m'y opposerais donc pas. Je représente une région dont l'industrie principale est le transport par chemin de fer et par camion.

M. Horner: Je comprends très bien. Mais d'après la dernière analyse que j'ai étudiée et qui remonte à 1964, 55 p. 100 du transport de marchandises dans les provinces Maritimes étaient expédiés sous la catégorie considérée par les chemins de fer comme les tarifs de classes et non concurrentiels. Cela me semble un pourcentage fort élevé de marchandises expédiées par chemin de fer pour ces deux catégories de tarifs. Et on m'a répondu alors que la *Loi sur les taux de transport des marchandises dans les provinces Maritimes* ne s'appliquait qu'au transport ferroviaire; cela a retardé en quelque sorte le développement des sociétés privées de camionnage dans les maritimes. C'est la raison pour laquelle j'ai posé la question. Croyez-vous qu'il y a de plus en plus de marchandises qui sont expédiées par camion que par chemin de fer depuis cinq ans, peut-être plus que dans le reste du pays?

M. Jones: Je n'ai pas les données à ma portée, mais je pense que la tendance est de ce côté. Il y a différentes raisons, mais je ne les connais pas.

M. Horner: Il y a une tendance marquée de ce côté, tout à travers le Canada, mais, ce à quoi je veux en venir c'est ceci: est-ce qu'il y a une tendance à la concurrence accrue

[*Texte*]

competition between the trucking industry and the railways in the Maritimes.

Mr. Jones: I could not answer that question.

Mr. Breau: Mr. Chairman, first of all I must ask His Worship, Mayor Jones, to explain to me where he gets—I disagree with him—these 200,000 and some people?

Mr. Jones: Within a 50-mile radius of Moncton? These are statistics which were published by the *Financial Times* in one of their publications about three months ago, based on the Dominion Bureau of Statistics' figures.

I think if you can just imagine an area within a 50-mile radius from Moncton beginning just beyond the Nova Scotia border it would take in the northeastern part of Cumberland County and all of Westmorland County. You will remember that in the last election Westmorland County itself included over 100,000 people.

Mr. Breau: Anyway you take in Prince Edward Island and northeastern Nova Scotia?

Mr. Jones: No, Prince Edward Island is outside of 50 miles. You will have to get that causeway in first.

Mr. Breau: The delegation, I think, from the City of St. John told us this morning that they had the greatest population density.

Mr. Jones: We question that because the statistics are there. Let us face it, if you take an area surrounding any port city, part of the circle will be just water; people do not live in the water.

Mr. Breau: Perhaps you consultant should answer this. The last paragraph of your brief reads:

> Immediate solutions must be found within the framework of the National Policy which will remove the limitations on regional development cause by these excessive transportation costs in the Atlantic Region.

Do you mean that perhaps the federal government should look for industrial incentives in a transportation policy and more or less get away from direct grants for establishment of industries, for example, ADA grants. Do you think this should be designed to help

[*Interprétation*]

entre l'industrie des rouliers et celle des chemins de fer dans les maritimes?

M. Jones: Je ne saurais répondre à votre question.

M. Breau: Monsieur le président, tout d'abord, je dois demander à Son Honneur le maire Jones de nous expliquer où il obtient—non pas que je ne suis pas d'accord avec lui—mais, où obtient-il quelque 200,000 personnes?

M. Jones: Dans un rayon de 50 milles de Moncton? C'est là le chiffre publié dans le *Financial Times,* dans une de ses publications il y a environ trois mois, fondé sur les données du Bureau fédéral de la statistique.

Je pense que si vous pouvez simplement imaginer un rayon de 50 milles autour de Moncton, allant outre-frontière de la Nouvelle-Écosse, le comté Cumberland et le comté Westmoreland y seraient inclus. Vous vous rappellerez qu'à la dernière élection le comté Westmoreland comprenait au moins 100,000 personnes.

M. Breau: Donc, vous incluez l'Île du Prince-Édouard et le nord-est de la Nouvelle-Écosse?

M. Jones: Non, pas l'Île du Prince-Édouard. L'Île du Prince-Édouard se trouve à l'extérieur de ce rayon de 50 milles. Il faudrait d'abord construire la chaussée.

M. Breau: Donc, ce matin, la délégation de la ville de Saint-Jean nous a dit qu'ils avaient la population la plus dense.

M. Jones: Nous mettons cela en doute. Les chiffres sont là pour le prouver. Soyons réalistes; si vous prenez une région qui encercle toute ville portuaire une partie du cercle se trouve à être de l'eau et les gens n'habitent pas dans l'eau.

M. Breau: Dans votre dernier alinéa, vous dites que «des solutions immédiates doivent être trouvées dans les cadres de la politique nationale, qui feraient disparaître les limitations imposées au développement régional, entraînées par le coût excessif du transport dans la région de l'Atlantique».

Est-ce que vous entendez par là que le gouvernement fédéral devrait essayer de trouver des moyens d'encourager l'industrie dans sa politique des transports et renoncer, ni plus ni moins, à subventionner directement l'établissement d'industries, par exem-

[*Text*]

the industry more with its transportation costs?

Mr. Jones: What we mean essentially is that first, we have to get back to the status quo; then they have to establish a national policy, not just a national transportation policy but a national policy. Whether it means subsidization, or new routes down here, or Corridor roads, or Chignecto canals, or free trade, or what have you, these things have to be done in order to assist development. Whether incentives or things of this other nature are continued would be determined as the situation improves.

Mr. Breau: Are you suggesting or recommending that industrial incentives which exist now should be changed towards a transportation policy?

Mr. Jones: We did not study that matter.

Mr. Breau: I wonder if these existing subsidies such as ADA are not primarily capital subsidies, in order to get an industry going. However, in order for the industry to be competitive afterwards we have to have this favourable freight rate.

Mr. Fredericks: Mr. Chairman, I would like to comment just briefly on Mr. Breau's question. The transportation policy which provides, hopefully, equal cost to ship to central Canada is one matter and the regional economic development policy is another. They go hand in hand and in our view the transportation policy must come first. Then we can think in terms of developing an incentive program for industry on an industry-by-industry basis using criteria which can be developed.

The Chairman: Are you finished, Mr. Breau?

Mr. Trudel: Mr. Chairman, I want to address a question to His Worship. You mentioned, I believe, if my memory serves me correctly, that in 1948 the MFRA was already antiquated or outdated. Yet, today in most of the briefs we have heard people say that they would like the freeze to remain. Would you like to make a statement on what you would feel would bring it up to date?

[*Interpretation*]

ple les subventions de l'ADA. Croyez-vous que cela devrait plutôt aider les industries quant aux frais de transport?

M. Jones: Tout d'abord, ce que nous voulons dire essentiellement, c'est qu'il nous faut conserver le statu quo. Il faut de plus qu'on établisse une politique nationale non pas simplement en matière de transport, mais une politique nationale générale. Cela apporterait des subventions, de nouvelles routes, une route-corridor, un canal Chignecto, ou le libre échange, tout ce que vous voudrez. Ces choses doivent être faites pour aider le développement. Que ce soit des encouragements ou des éléments d'autre type cela sera déterminé au fur et à mesure que la situation s'améliore.

M. Breau: Recommandez-vous alors qu'on remplace l'encouragement à l'industrie par une politique des transports.

M. Jones: Nous n'avons pas étudié la question.

M. Breau: Est-ce que ces subventions, telle que l'ADA, ne sont pas essentiellement des subventions en immobilisation pour lancer une industrie. Par contre pour qu'une industrie soit concurrentielle par la suite, il nous faut avoir un tarif-marchandise favorable.

M. Frederick: Monsieur le président, j'aimerais faire quelques brefs commentaires sur cette question. La politique en matière des transports prévoit, j'espère, des coûts égaux pour l'expédition vers le Canada central est une question, et la politique de développement économique régionale en est une autre. Elles vont de pair, à notre avis, mais, tout d'abord, il faut voir à la politique des transports et, ensuite, mettre au point un programme d'encouragement à l'industrie, à chaque industrie individuelle, suivant des critères qui peuvent être mis au point par la suite.

Le président: Avez-vous terminé, monsieur Breau?

M. Trudel: Monsieur le président, je voudrais poser une question à Son Honneur le maire. Vous avez parlé, je crois, si je me souviens bien, du fait qu'en 1948 la *Loi sur les taux de transport des marchandises dans les provinces maritimes* était déjà désuette. Pourtant aujourd'hui, dans la plupart des mémoires, nous avons entendu dire qu'on aimerait bien maintenir le gel prévu par cette Loi. Aimeriez-vous faire une déclaration sur ce qu'on pourrait faire pour la mettre à jour?

[*Texte*]

Mayor Jones: I do not understand your uestion.

Mr. Trudel: Most of the people who have resented briefs today want the freeze to emain as is, but I believe in your statement ou mentioned that the freeze was outdated 0 years ago.

Mayor Jones: Yes.

Mr. Trudel: If we remain at the present tatus, if I read your presentation correctly, ve certainly would have to make several djustments to bring it to today's require- ients. Is that the interpretation we should et from your presentation?

Mr. Fredericks: Yes, Mr. Chairman, I think ve are expressing concern about the fact iat the rate freeze, which has been in effect or two years and will expire March 23rd, gain will provide a basis for increased rates n those areas to which it applies. We are lso expressing concern about the facts—we uote an authority in our previous brief to vhich you may refer—which indicate that he benefits of the Maritime Freight Rates ct per se had eroded as of 1948. There were o continuing benefits after hat. So we are eally talking about two factors. One, the rate reeze as an immediate impact on certain ates; second, the Maritime Freight Rates Act evision, which we recommend, would have n over-all effect on the equal opportunity to hip into central Canada at competitive reight costs.

Mr. Trudel: Thank you, Mr. Chairman.

The Chairman: Are there any more uestions?

Mr. Perrault: I just wanted to ask one or wo brief questions, Mr. Chairman. There are nany statistics in this submission and it has een very well prepared. A question arises ut of the recommendations on page 10 vhich read:

> It is recommended that freight costs to the Atlantic Provinces shipper of shipments to Newfoundland be no higher than the water rate from Montreal to Newfoundland...

It is paragraph 27 on page 10. I wonder vhether any estimate has been prepared of he costs involved here; in other words, in rder to provide that competitive rate by rail r by other means of transportation. You

[*Interprétation*]

M. Jones: Je ne comprends pas tout à fait votre question.

M. Trudel: Dans la plupart des déclarations que nous avons entendues aujourd'hui, on veut maintenir le gel, mais je crois que dans votre déclaration, vous dites que cela était déjà désuette il y a 20 ans.

M. Jones: Oui.

M. Trudel: Si nous laissons les choses comme elles sont, à votre avis, si j'ai bien interprété votre présentation, sûrement alors, il nous faudrait apporter beaucoup d'ajustements pour l'adapter aux exigences actuelles. Est-ce là l'interprétation que nous devons avoir de votre déclaration?

M. Fredericks: Oui. Monsieur le président, nous sommes vraiment inquiets du fait que le gel des tarifs, qui est en vigueur depuis 2 ans et qui prendra fin le 31 mars 1969, est le fondement d'une augmentation des tarifs dans les régions où il s'applique. De même, nous sommes inquiets du fait—et nous avons cité un spécialiste dans cet autre mémoire dont vous avez parlé—que cela indiquait les avantages de la *Loi sur les taux de transport des marchandises dans les provinces maritimes* avaient commencé à disparaître à partir de 1948, et que les avantages n'avaient pas continué après cela. Nous parlons vraiment de deux facteurs qui sont, tout d'abord, que le gel a un effet immédiat sur certains tarifs et que la *Loi sur les taux de transport des marchandises dans les provinces maritimes*, dont nous recommandons la revision, aurait un effet d'ensemble sur la possibilité d'expédier à des prix concurrentiels vers le centre du Canada.

M. Trudel: Merci beaucoup, monsieur le président.

Le président: Auriez-vous d'autres questions à poser?

M. Perrault: Une ou deux questions très brèves, monsieur le président. Nous avons beaucoup de statistiques dans cette déclaration, qui est très bien préparée. Une question au sujet des recommandations, à la page 10:

> Recommande que le coût au transporteur des provinces maritimes des expéditions vers Terre-Neuve ne soit pas supérieur au coût du transport par eau de Montréal à Terre-Neuve.

C'est l'alinéa 27, à la page 10. A-t-on prévu une évaluation du coût en cause ici. En d'autres termes, établir le tarif concurrentiel, par rails ou par d'autres modes de transport? Vous avez bon nombre d'autres chiffres, mais

[*Text*]

have many other statistics worked out here, but what would it actually be estimated in dollars? Do you have an approximate figure? I think ultimately we come down to what it is going to cost.

Mr. Fredericks: Mr. Chairman I must say that we were not able in the time available, nor were we fully qualified ourselves to reach any conclusion in this regard. This is a matter which would require some study in depth, to use the terminology which was used here earlier this afternoon. I will say, however, in direct answer to your question, that there are a number of industries indicated in tables in our brief that find themselves in an extremely difficult position at the moment because they are unable to absorb the additional costs of shipping to Newfoundland, which they feel is a necessary part of their market. Indeed, in order to sustain their present volume and their present establishment and to maintain their present employment, it is a necessary part of their market. There are a number of these in our brief and there are a number of others known to us. This is the basis on which we make the statement that this be given consideration.

Mr. Perrault: My second auxiliary question, Mr. Chairman, is this. The brief suggests on page 4 that the Maritimes are experiencing real competitive problems, yet the statistics with respect to Moncton represent a pretty bustling prosperous community.

Page 2 reads:

> In the two year period, total earnings in Transportation have increased by some $5.8 million.

All of the statistics look very favourable for Moncton. Are you suggesting the difficulty really lies outside Moncton, or are some industries in Moncton having problems?

Mayor Jones: We do not pay the freight cost; the consumer pays it. When these go into force, then we are going to feel the brunt, sir.

Mr. Perrault: But the transportation industry is a major factor in the community. Obviously a great many goods are being brought into the community.

Mayor Jones: This is why we are concerned.

Mr. Perrault: There is a vigorous amount of trade under way, but you are concerned about the future?

Mayor Jones: That is right. "No tickee, no shirtee" and the price goes up; right?

[*Interpretation*]

comment les traduire en dollars? Est-ce que vous avez une idée de ce qu'il en serait? Enfin, nous en viendrons au coût.

M. Fredericks: Monsieur le président, dans le court délai à notre disposition, et avec nos propres qualifications, nous pouvons pas en arriver à une conclusion en cette matière. Il s'agit là d'une question qui exigera une étude en profondeur, suivant les termes employés cet après-midi. En réponse à une question que vous m'avez posée, je dirais qu'il y a un certain nombre d'industries indiquées dans les différents tableaux de notre mémoire qui se trouvent dans une situation vraiment délicate en ce moment, parce qu'elles ne sont pas en mesure de subir les frais additionnels d'expédition vers Terre-Neuve, expéditions à leur avis essentielles pour leurs débouchés. Elles le sont vraiment car elles aident à maintenir l'emploi, le volume et le développement à leur niveau actuel. Il y a un certain nombre de ces entreprises dans notre mémoire et nous en connaissons d'autres. Ceci est la base de la déclaration que nous faisons, soit qu'on tienne compte de ce fait.

M. Perrault: Autre question. A la page 4 on dit que les provinces maritimes éprouvent certains problèmes, mais les chiffres, pour ce qui est de Moncton, semblent indiquer que c'est une communauté vraiment prospère.

A la page 2, vous dites que dans une période de deux ans, l'ensemble des gains avait augmenté de 5.8 millions de dollars. Les chiffres indiquent une situation vraiment favorable à Moncton. Dites-vous que la difficulté vient de l'extérieur de Moncton ou y a-t-il certaines industries de Moncton qui éprouvent des difficultés?

M. Jones: C'est le consommateur qui paie les frais de transport, ce n'est pas nous. Mais, lorsque cela sera mis en vigueur, nous en subirons les conséquences.

M. Perrault: L'industrie du transport est importante, dans votre communauté. Évidemment, la communauté reçoit beaucoup de marchandises.

M. Jones: C'est pourquoi nous sommes inquiets.

M. Perrault: Il y a beaucoup de commerce, en ce moment, mais êtes-vous inquiet au sujet de l'avenir?

M. Jones: Oui, sûrement.

[*Texte*]

Mr. Frederick: There are two points which I want to bring out here on behalf of the Moncton delegation.

First, as we said in our brief, if you look at the sales statistics in Moncton in dollars you will note that they are very healthy; indeed, they are. However, I would ask you to remember to look at our further representation about the noncarload rates and the effect on retailers. This is amplified in our previous brief, which gives concrete examples of the increase in cost of freight by noncarload rates on essential consumer goods, all the way from household goods to drugs. This has a net effect on the people who are earning a much lower per capita income. They are paying a much higher price per unit of commodity, if you will, in this kind of economy, while the sales dollars are continually going up. This is the relationship which, I think, must be borne in mind. It is very important.

The Chairman: This completes the questioning on this brief. I want to thank you, Mayor Jones and also your City Councillors.

Mr. Nowlan: I have a couple of questions. I was going to hold back but the brief is so good that it deserves many more questions really. First, do I understand His Worship to say that as far as the provincial premiers' task force is concerned he or his council have not been consulted at all?

Mayor Jones: No sir, we have not.

Mr. Nowlan: Therefore the flexible response to the Maritime Freight Rates Act which was suggested here earlier in the day is a response that has been gained by experience and which has been prepared in a vacuum. Is that correct?

The Chairman: Would you repeat your question please, Mr. Nowlan.

Mr. Nowlan: It was suggested here earlier today by the Maritime Transportation Commission and others that the recommendations to the provincial premiers were going to present a flexible response to the inflexible Maritime Freight Rates Act structure. My only question is: was that flexible response prepared from the experience of the Maritime Transportation Commission and the history of the Maritimes Freight Rates Act and was it also prepared in a vacuum as far as people within the Maritime provinces are concerned, as far as His Worship is concerned.

[*Interprétation*]

M. Fredericks: Il y a deux points que je désire soulever. D'abord, comme nous l'avons dit dans notre mémoire, si vous consultez les données en dollars pour la ville de Moncton vous verrez que tout va bien. Je vous demanderais toutefois de ne pas oublier de consulter l'autre section du mémoire qui traite des taux pour le transport de détail. Voilà un exemple concret des augmentations du coût du transport par transport de détail des denrées essentielles de consommation à partir des drogues jusqu'aux produits domestiques. Cela affecte les personnes qui ont un revenu par habitant moins élevé; ils paient un prix plus élevé par unité de produits de consommation, avec une telle économie, alors que le dollar de vente augmente toujours. C'est là le rapport dont il faut tenir compte et qui est très important.

Le président: Ceci met fin aux questions portant sur ce mémoire. Je désire remercier Son Honneur, le maire Jones, et les membres du Conseil municipal.

M. Nowlan: J'ai quelques questions à poser. Je voulais m'en abstenir, mais, enfin, votre mémoire est si bien fait qu'il mérite bon nombre d'autres questions, sûrement. Premièrement, si j'ai bien compris, Son Honneur veut dire qu'en ce qui concerne l'équipe spéciale des premiers ministres provinciaux, lui et son Conseil n'ont pas du tout été consultés?

M. Jones: Non, pas du tout.

M. Nowlan: Donc, la réaction devant la *Loi sur les taux de transport des marchandises dans les provinces maritimes* est une réaction qui vient de l'expérience et a été préparée dans un vacuum; c'est juste?

Le président: Pourriez-vous répéter votre question?

M. Nowlan: Plus tôt, aujourd'hui, la Commission des transports des provinces maritimes et d'autres ont laissé entendre que les recommandations formulées aux premiers ministres provinciaux voulaient présenter une réaction très souple devant la structure inflexible du tarif des marchandises dans les maritimes. Voici ma question: ces réactions de souplesse furent-elles préparées à la suite de l'expérience de la Commission des transports et de l'expérience acquise avec la Loi ou préparées dans un vacuum pour ce qui est des habitants des provinces de l'Atlantique et en ce qui concerne Son Honneur?

[*Text*]

Mayor Jones: I cannot answer that because, as I say, I have no knowledge of the proceedings of the Atlantic provinces' task force on transportation. I am sorry I cannot answer your question.

Mr. Nowlan: No, I appreciate that. It may have been a question with a little hooker in it.

Mr. Allmand: May I ask a supplementary? Did you try to approach the task force? You knew the task force had been set up. Did you try to reach their secretary?

Mayor Jones: I did not know they had a secretary.

Mr. Allmand: You did not try to reach anybody on the task force to present your point of view?

Mayor Jones: I think it is a case where the debtor should seek the creditors; we are the people who pay the bills.

Mr. Allmand: I know, but it seems to me it should be a two-way street. Perhaps they are negligent for not contacting you, but I think if you are interested in your area that you might have tried to contact them.

Mayor Jones: We certainly are interested in our area. We must have been or we would not have prepared a volume or volumes of this nature. I would not want any implication that the Mayor of the City of Moncton and his Council were not interested in the area or the citizens of Moncton; we sure are.

Mr. Allmand: However, sir, you have come to this Committee and complained that the Maritime task force...

Mayor Jones: Just a moment, Mr. Chairman, I am here as a witness and I do not think allegations of that nature should be made.

The Chairman: The witness only said he was not consulted, that is all.

Mr. Allmand: I took it to be a sort of complaint. Perhaps it is justified, but I wonder why you did not approach them yourself.

Mr. Nowlan: Mr. Chairman, I have only one more question to His Worship. I compliment him on his brief today and the brief that Moncton presented a year ago that was never heard. My second question does not arise out of any comment about the task force and the lack of communication, although I think this is the fundamental prob-

[*Interpretation*]

M. Jones: Je ne puis répondre, parce que je ne connais rien au sujet des méthodes de travail de l'équipe spéciale des provinces de l'Atlantique. Je regrette de ne pouvoir répondre à votre question.

M. Nowlan: Je sais bien que c'était un peu attrape-nigaud.

M. Allmand: Avez-vous essayé de communiquer avec l'équipe spéciale? Vous saviez que l'équipe spéciale avait été constituée; est-ce que vous avez essayé de communiquer avec leur secrétaire?

M. Jones: Je ne savais même pas qu'elle avait un secrétaire.

M. Allmand: Vous n'avez pas du tout essayé de communiquer avec l'équipe pour faire valoir votre point de vue?

M. Jones: Je pense qu'il s'agit du débiteur qui cherche le créancier et nous, nous payons les comptes.

M. Allmand: Oui, mais ce devrait être une communication dans les deux sens. Peut-être y a-t-il eu négligence du fait qu'ils n'ont pas communiqué avec vous, mais si, par contre vous vous intéressez à votre région, vous auriez dû communiquer avec eux.

M. Jones: Nous aurions dû le faire, autrement, on n'aurait pas préparé ce document. Nous ne voudrions pas laisser entendre que le maire et son Conseil municipal ne s'intéressent pas du tout à leur région ou à leurs citoyens; nous nous y intéressons.

M. Allmand: Mais vous vous présentez ici et vous vous plaignez du fait que l'équipe spéciale des Maritimes...

M. Jones: Un instant, s'il vous plaît. Monsieur le président, je suis ici en tant que témoin et je ne veux pas que de telles accusations soient portées.

Le président: Le témoin a dit qu'il n'avait pas été consulté, c'est tout.

M. Allmand: J'ai conclu que c'était peut-être une plainte. Pourquoi n'avez-vous pas communiqué avec eux vous-même?

M. Nowlan: Je n'ai qu'une autre question à poser à Son Honneur. Je félicite Son Honneur pour le mémoire qu'il nous a présenté aujourd'hui et le mémoire d'il y a un an, que nous n'avons jamais entendu. Voici ma deuxième question, qui ne découle pas d'un commentaire fait au sujet de l'équipe spéciale et du manque de communication; il s'agit bien,

[*Texte*]

lem, frankly, within the Atlantic area, that we do not communicate enough between ourselves. Be that as it may, I want to ask His Worship a question related to a question that was asked by somebody else—I think it was Mr. Horner—about Moncton being the railway centre, or the transportation centre. Sitting where you do, sir, near the boundary of two great provinces of the four...

Mayor Jones: I think you are correct about that.

Mr. Nowlan: Yes, I agree with that. As a Mayor, being involved in transportation and just by the very fact of your brief, do you think there could be a positive benefit economically in the Atlantic area if the four Atlantic provinces could get uniform regulations as far as the trucking industry is concerned, let alone the railway.

Mayor Jones: I will go farther than that, Mr. Nowlan, I think it is darn near time we had a union.

Mr. Nowlan: That completes my questioning, Mr. Chairman, the Mayor and I are on the same side.

The Chairman: Our next brief will be from the Grand Manan Board of Trade. These gentlemen tell me they have a brief which will take just four or five minutes to present, so I think we will hear the brief read.

Mr. Lawrence Cook (Chairman, Transportation Committee, Grand Manan Board of Trade): Mr. Chairman and members of the Committee and those who have recently presented briefs, I want to commend you on your efforts with respect to your various localities. I act as Chairman of the Transportation Committee of the Grand Manan Board of Trade. Mr Guptill is an associated member. We come to you apologetically. I have been out of the country for about a month; our President of the Grand Manan Board of Trade is incapacitated at the moment and our secretary recently suffered a heart seizure, so we are somewhat disorganized.

We do have a few copies of the brief here which need to be updated. Despite our irregularities we do have a need. We might leave with the Committee a few copies of a brief dated February 1968 which we have here. As I said before these briefs need to be updated. As a summary of this brief, I am going to have Mr. Guptill read a synoptic

[*Interprétation*]

toutefois, d'un problème fondamental qui se présente dans la région de l'Atlantique: nous ne communiquons pas suffisamment les uns avec les autres. Quoi qu'il en soit, je voudrais poser une question à Son Honneur à la suite d'une question posée par quelqu'un d'autre, M. Horner je pense, ou quelqu'un d'autre, au sujet de Moncton comme centre ferroviaire, centre des transports. Là où vous êtes, près des frontières de deux grandes provinces...

M. Jones: Vous avez tout à fait raison.

M. Nowlan: Je suis tout à fait d'accord. En tant que maire et intéressé aux problèmes du transport et selon votre mémoire, croyez-vous qu'il pourrait y avoir un avantage réel sur le plan économique pour la région de l'Atlantique si les quatre provinces de l'Atlantique pouvaient établir une loi uniforme du moins en ce qui concerne l'industrie du camionnage, mise à part l'industrie ferroviaire?

M. Jones: Il est grand temps que nous nous réunissions à ce sujet.

M. Nowlan: Nous sommes tout à fait du même avis. Donc, pas besoin de poursuivre ces questions.

Le président: Le mémoire suivant sera celui du *Grand Manan Board of Trade.* Monsieur vient de me dire que son mémoire compte environ 4 à 5 minutes. Alors, je crois que nous allons entendre ce mémoire.

M. Lawrence Cook (président de la Commission des transports de la «Grand Manan Board of Trade»): Merci, monsieur le président. Messieurs les membres du Comité et ceux qui ont présenté des mémoires, je voudrais vous féliciter de tout ce que vous avez fait en ce qui concerne les communautés diverses des Maritimes. J'agis à titre de président du Comité des transports du *Grand Manan Board of Trade;* M. Guptill est membre associé. Nous vous présentons des excuses. Moi-même, j'ai été à l'étranger depuis un mois. Le président du *Grand Manan Board of Trade* à l'heure actuelle est malade, et notre secrétaire a subi une crise cardiaque récemment; nous sommes donc un peu désorganisés.

Nous avons toutefois quelques exemplaires du mémoire, qui devrait être mis à jour. Malgré tout, nous avons vraiment un grand besoin. Nous pourrions peut-être vous donner copie d'un mémoire qui remonte au mois de février 1968 et qui aurait besoin d'être mis à jour, comme je l'ai dit. Pour résumer le mémoire, M. Guptill lira un rapport synopti-

[*Text*]

report covering much of the information contained in our brief and an updated revision which should be contained in our brief to cover today's requirements

Mr. Sam Guptill (Member, Grand Manan Board of Trade): Gentlemen, we have presented a brief, with which you have no doubt familiarized yourself, giving you a small concept of the economy, industry and transportation as they pertain to Grand Manan Island. Economics and industry relate themselves to transportation and any improvement in transportation has a direct bearing on all facets of life on Grand Manan. May we indicate that life on Grand Manan is not as one who has never visited our fair island might expect. May we take this opportunity to invite each of you to visit Grand Manan when occasion and time permit.

What currently concerns us is that transportation might be improved by a greater utilization of the present ferry system, majoring on services which we do not now have. You are possibly aware that this service is underwritten by the federal government to the extent of $200,000, and the provincial government by $100,000, for a total of $300,000 yearly, plus all revenues received for passenger car and truck fares.

At this point we should mention that when the provincial government was requested to do something in the way of having the fares reduced, Coastal Transport Ltd., asked for an additional sum of $50,000 per annum to cover the half-fare reductions for Island residents. This would seem to indicate that the revenue from Island residents still is in the neighbourhood of $50,000, plus the full fare received from non-residents for a grand total of about $400,000. Also, from October 15 to April 15, annually we have accommodation for only 3 per cent of our car population, excluding trucks and visiting cars.

It is our contention that a ferry and terminals representing a capital outlay of some $3½ million should be utilized more than 30 hours per week between the above indicated dates, excepting Christmas and the New Year

[*Interpretation*]

que contenant bien des renseignements qui sont déjà dans notre mémoire et, en plus, une version revisée qui devrait se trouver dans notre mémoire, pour répondre aux besoins d'aujourd'hui, comme je l'ai dit.

M. Sam Guptill (membre associé de la Grand Manan Board of Trade): Messieurs, nous avons présenté un mémoire, que vous connaissez très probablement, vous donnant une petite idée de l'économie de l'industrie et des transports à l'île de Grand Manan. L'économie et l'industrie se rapportent aux transports et toute amélioration qui pourrait être apportée dans le domaine des transports a des répercussions directes sur tous les aspects de la vie dans l'île de Grand Manan.

Pouvons-nous dire que la vie sur l'île de Grand Manan n'est pas du tout de ce que l'on pourrait s'attendre si l'on y est jamais venu. Je profite de l'occasion pour inviter chacun de vous à venir nous visiter sur l'île de Grand Manan, lorsque l'occasion se présentera.

Ce qui nous intéresse à l'heure actuelle, c'est qu'on pourrait améliorer les transports en utilisant beaucoup mieux le système de transbordeurs actuel; il faudrait concentrer sur des services que nous n'avons pas à l'heure actuelle. Vous savez probablement que le service est subventionné par le gouvernement fédéral, jusqu'à concurrence de $200,000, et par le gouvernement provincial jusqu'à concurrence de $100,000, pour un total de $300,000 par année, en plus de tous les revenus pour le service des automobiles et des camions.

Lorsqu'on a demandé au gouvernement provincial de réduire les taux, la *Coastal Transport Limited* a demandé une somme additionnelle de $50,000 par année pour couvrir la réduction de moitié des taux pour les résidents de l'île. Ceci indiquerait que le revenu de la part des résidents de l'île se chiffre encore à $50,000, en plus du taux reçu des non-résidents, ce qui fait un total global d'environ $400,000. Du 15 octobre jusqu'au 15 avril chaque année, nous pouvons servir seulement 3 p. 100 de notre population d'autos, à part les camions et les automobiles en tourisme.

Nous prétendons donc qu'un traversier et un terminus, soit des installations représentant un investissement de $3.5 millions devrait être utilisé plus que 30 heures par semaine, entre les dates ci-indiquées, sauf à Noël et au Jour de l'An, alors que deux

[*Texte*]

when two-trips-daily schedules precede and succeed these holidays.

We further recommend that the transportation and trucking committee of the Grand Manan Board of Trade act as liaison between ferry operators and the federal and provincial governments. I might say that the following recommendation is an updating of the brief we presented originally. We recommend the change in schedule to a minimum of three rounds trips daily from June 15 to September 15, and two round trips daily for the balance of the year.

Gentlemen, that sums up in very brief detail what we have to say about transportation, but we do further recommend that a government survey be made of our airstrip at North Head on the practicability of enlarging the strip to meet the Department of Transport requirement for a licensed airfield.

We thank you very much for listening to this brief which we presented in as little detail as possible in order to use up as little time as possible while still giving a clear view in detail of what we have in mind here tonight.

The Chairman: Gentlemen, I am sorry I did not introduce our two witnesses here tonight. On my immediate right here is Mr. Lawrence Cook, Chairman of the Transportation Committee, and his associate Mr. Guptill. Are there any questions?

Mr. Nowlan: I have a question, Mr. Chairman. I want to compliment the members of the Grand Manan Board of Trade in preparing their brief. In my constituency there is an area quite like Grand Manan. In fact, frankly, the Grand Manan people could stay in Grand Manan as far as I am concerned because they come over to fish some of the fishing areas off Brier Island and Long Island and we wish their draggers would stay in New Brunswick. However, that is getting too parochial and provincial so therefore I will not press that. They are good fishermen and there is also a Mr. Guptill who is with the Acadia University in my home town. Perhaps he is a relative of the Mr. Guptill here at the table.

The Chairman: Mr. Nowlan, I think you are getting away from transport.

Mr. Nowlan: I am. Mr. Chairman, transport is communication and a communion of souls and spirits. The only question I really would like to ask directly relating to their brief concerns proposal number two in the

[*Interprétation*]

voyages par jour sont la règle, avant et après ces fêtes.

Nous recommandons de plus que le Comité du transport et du camionnage du *Board of Trade* de Grand Manan agisse comme agent de liaison entre les transbordeurs et les gouvernements fédéral et provinciaux. La recommandation suivante est faite pour mettre à jour le mémoire d'origine. Nous recommandons un changement d'horaire pour donner un minimum de trois voyages aller-retour, par jour, du 15 juin au 15 septembre et deux voyages aller-retour, par jour, pour le reste de l'année.

Messieurs, cela résume en très peu de détails ce que nous avons à dire au sujet des transports. Mais nous recommandons, en plus, qu'un relevé du gouvernement soit fait de la piste de North Head, sur la possibilité d'élargir la piste d'envol pour qu'elle soit conforme aux exigences du ministère des Transports pour un aéroport enregistré.

Nous vous remercions beaucoup d'avoir écouté notre mémoire. Nous avons présenté le moins de détails possibles pour prendre le moins de temps possible, mais encore pour donner une très bonne idée de ce que nous avions en vue, ce soir.

Le président: Messieurs, je m'excuse, je n'ai pas présenté nos deux témoins ici ce soir. A ma droite immédiatement, M. Lawrence Cook, président du Comité des transports et M. Guptill, son assistant. Y a-t-il des questions maintenant?

M. Nowlan: Oui, j'ai une question, monsieur le président. Je voudrais féliciter les membres du *Board of Trade* du Grand Manan pour leur mémoire. Dans ma circonscription, il y a une région qui ressemble beaucoup à Grand Manan. En fait, les résidents de Grand Manan pourraient demeurer chez eux, car ils viennent pêcher dans nos régions le long de l'île Briar, et nous voudrions donc que leurs chalutiers demeurent au Nouveau-Brunswick, mais c'est un problème régional. Alors, je n'insiste pas. Ce sont de bons pêcheurs. Il y a aussi un monsieur Guptill à l'université *Acadia* tout près de chez nous. Ce doit être un parent de M. Guptill qui est avec nous.

Le président: Vous vous éloignez du sujet, monsieur Nowlan.

M. Nowlan: Les transports, c'est la communication, la communion entre esprits. La seule question que je voudrais donc poser directement en ce qui a trait au mémoire, est relative à la proposition numéro 2 du

[*Text*]

brief prepared a year ago where you mentioned the tourist season and the problem of getting to the Island or off the Island because of the back-up of cars. You suggest that no car be turned away after one bout and this would revive the old reservation system. I would like to ask one of the two gentlemen just in a quick resumé if there was a reservation system in the past? If so, what happened to it and why cannot it be reinstated from your point of view?

Mr. Cook: The most recent ferry which we are deeply proud of since its inception to the Island has never had a reservation system. Previous to that the old ferry system did. It is our contention as a Board that for a more regulated proposition we should have the reservation system, but the operators who have been approached have declined such a move.

Mr. Nowlan: Are these private operators from the provincial department of highways or are they CNR boats?

Mr. Cook: No, it is a private corporation, Coastal Transport Ltd.

Mr. Nowlan: With whom do they make their agreement?

Mr. Cook: I think they contract with the Department of Transport.

Mr. Nowlan: On the old system there was a reservation system in the tourist season?

Mr. Cook: That is right. What would you do with Air Canada; what would you do with the Bluenose; what would you do with any transportation system if it did not have some regulation?

Mr. Nowlan: What answer have you had from the private operator of the boat? In Briar Island and Long Island again there is a private ferry system, which can contract under the Provincial Department of Highways, so I am somewhat familiar with your problem. I am trying to find out who is ultimately responsible for it.

Mr. Cook: The operators.

Mr. Nowlan: There has been a change in operators, is that correct?

Mr. Cook: This is a newly incorporated company, this Coastal Transport Limited. The previous one was another Saint John interest who operated a ferry service.

The Chairman: Any other questions, gentlemen? Mr. Skoberg.

[*Interpretation*]

mémoire présenté il y a un an, lorsque vous avez mentionné la saison du tourisme et le problème du transport de voitures vers l'île et au retour, vu les longues attentes pour la traversée.

Vous avez proposé qu'on ne détourne aucun véhicule-moteur après un voyage; je voudrais donc demander à l'un des deux messieurs, tout d'abord, s'il y a déjà eu un système de réservations, et pourquoi ne pourrait-on pas le rétablir, à votre point de vue?

M. Cook: Le transbordeur le plus récent, dont nous sommes très fiers, n'a jamais eu le système de réservations depuis qu'il a commencé son exploitation dans l'île. L'ancien transbordeur en avait un. Nous prétendons donc, à titre de *Board of Trade* qu'un système de réservations serait nécessaire, mais les opérateurs n'ont pas accepté cela.

M. Nowlan: Est-ce qu'il s'agit d'exploitants du ministère provincial de la Voirie ou de transbordeurs du National-Canadien?

M. Cook: Non, il s'agit d'entrepreneurs indépendants, la *Coastal Transport Ltd.*

M. Nowlan: Qui ont un accord avec qui?

M. Cook: Avec le ministère des Transports, je pense.

M. Nowlan: Y avait-il un système de réservations autrefois durant la saison du tourisme?

M. Cook: Oui, c'est vrai, qu'est-ce que vous feriez d'Air Canada, du Bluenose, de tout moyen de transport, s'il n'y avait pas un moyen de le réglementer?

M. Nowlan: Et, quelle réponse avez-vous reçue de l'entrepreneur privé? A Briar Island et Long Island il y a un transbordeur privé qui détient un contrat du ministère provincial de la Voirie, de sorte que je connais assez bien votre problème. J'essaie de déterminer qui est responsable en fin de compte?

M. Cook: Les entrepreneurs.

M. Nowlan: Est-ce qu'il n'y a pas eu un changement d'exploitants?

M. Cook: C'est une société qui vient d'être constituée, la *Coastal Transport Limited.* C'était une autre société de Saint-Jean qui assurait le service de transbordeur avant.

Le président: Y a-t-il d'autres questions? Monsieur Skoberg.

[*Texte*]

Mr. Skoberg: Mr. Chairman and sir, is the representation you have made for the upgrading of your facilities that you are concerned about in your brief made to Ottawa or to New Brunswick?

Mr. Cook: The participation is two to one. Ottawa is contributing in round figures now $200,000 to subsidize our service and the provincial Treasury we estimate $100,000. I think it is actually about $88,000 a year.

Mr. Skoberg: The question is, do you make representation to New Brunswick here, to the capital here, or do you make it to Ottawa in regard to upgrading...

Mr. Cook: We make it to Ottawa in conjunction with Fredericton.

Mr. Skoberg: You do it in conjunction with...

Mr. Cook: That is right.

Mr. Skoberg: And these representations have been made?

Mr. Cook: Right.

Mr. Skoberg: Do you know when?

Mr. Guptill: I might add that the contract with Coastal Transport is made direct with what was the Maritime Commission in Ottawa. It is now with Water Transport Commission.

Mr. Skoberg: And when was that made? Can you give me an idea?

Mr. Cook: I think the contract dates back to 1965, sir.

Mr. Skoberg: I mean the representation for the upgrading of the facilities.

Mr. Cook: We were assembled here in Fredericton in the month of November last year.

Mr. Skoberg: And it was made then.

Mr. Cook: Right.

Mr. Nowlan: To the Transport Minister?

Mr. Cook: No, not to the Minister himself, but his representative, Captain Balfry.

Mr. Nowlan: Who is that, sir?

Mr. Cook: Captain Balfry of the Canadian Maritime Commission.

[*Interprétation*]

M. Skoberg: Monsieur le président, et monsieur, est-ce que les représentations que vous avez faites pour améliorer les installations dont vous vous souciez dans votre mémoire, sont adressées à Ottawa ou au Nouveau-Brunswick?

M. Cook: La participation d'Ottawa est deux fois plus élevée; Ottawa contribue d'environ $200,000 à notre service alors que le Trésor provincial contribue, selon nos calculs, environ $100,000. Je crois qu'il s'agit en fait de $88,000 par année.

M. Skoberg: Je vous demandais si vous avez fait des représentations au Nouveau-Brunswick, dans la capitale, ou à Ottawa en vue d'améliorer le service...

M. Cook: A Ottawa, de concert avec Fredericton.

M. Skoberg: Vous l'avez fait de concert avec...

M. Cook: Oui.

M. Skoberg: Et vous avez fait ces représentations?

M. Cook: Oui.

M. Skoberg: Savez-vous quand?

M. Guptill: Je pourrais peut-être ajouter que le contrat avec la *Coastal Transport* a été passé directement avec ce qui était autrefois la Commission Maritime à Ottawa et qu'on appelle maintenant le Comité des transports par eau.

M. Skoberg: Et quand l'avez-vous fait? Avez-vous une idée?

M. Cook: Je crois que le contrat remonte à 1965.

M. Skoberg: Je veux parler des représentations pour l'amélioration des installations.

M. Cook: On s'est réunis à Fredericton au mois de novembre l'an dernier.

M. Skoberg: Vous avez fait les représentations à ce moment-là?

M. Cook: Oui.

M. Nowlan: Au ministre des Transports?

M. Cook: Non, à son représentant, le capitaine Balfry.

M. Nowlan: Qui est-ce?

M. Cook: Le capitaine Balfry de la Commission maritime canadienne.

[*Text*]

Mr. Nowlan: What reply did you get?

Mr. Cook: Well, he did not have the capacity, sir, to ... all he could do was recommend. He could not commit the Government.

Mr. Nowlan: Have you had any reply?

Mr. Cook: Not to my knowledge.

Mr. Guptill: I am afraid that he was not in a capacity that he could make any recommendations. He came down here purely to get the facts and figures of why we needed this extra transportation. We do not know what his recommendation was.

Mr. Nowlan: So you have had no official reply.

Mr. Guptill: That is right.

The Chairman: Any other questions, gentlemen? I want to thank you two gentlemen for your briefs. Just a minute, please, I think Mr. Cook has a little reply.

Mr. Cook: Gentlemen, with respect to the previous recommendations which have been made to these submissions, it is a matter purely of economics as it relates to the various localities. The transportation to an island is the lifeline in the existence of the island. You gentlemen might say, well, these people should have their heads examined to live on an island. But we are incorporated there and we are doing our best to improve our transportation links with the island.

Going back some few years in the preparatory stage of the drafting of a ferry service to Grand Manan, to the best knowledge and ability of the Transportation Committee of the Grand Manan Board of Trade, we came up with a ferry approximating 216 feet in length, with a car capacity of 30 vehicles. Somewhere along the line there was a compromise made, so that we eventually wind up with a ferry 174 feet in length, carrying 20 vehicles.

Now, we have proven ourselves to be more on the right side than those who ultimately designed the ferry, because figures relate and I think The Department of Transport has this on file, and I think it is commonplace knowledge, that there is a growth factor of some eight per cent annually with respect to all transportation. In 1965 it was necessary to provide transportation for 20 vehicles. We are now in 1969, and four times eight is 32.

[*Interpretation*]

M. Nowlan: Et qu'est-ce qu'il a répondu?

M. Cook: Il n'avait aucune autorité pour ...il pouvait tout simplement faire des recommandations. Il ne pouvait pas engager le gouvernement.

M. Nowlan: Avez-vous reçu une réponse?

M. Cook: Pas à ma connaissance.

M. Guptill: Je crains qu'il n'était même pas en mesure de formuler des recommandations. Il est venu simplement pour obtenir des renseignements et voir pourquoi nous avions besoin de ces moyens additionnels de transport. Nous ne connaissons pas sa recommandation.

M. Nowlan: Vous n'avez donc pas reçu de réponse officielle?

M. Guptill: C'est exact.

Le président: Avez-vous d'autres questions, messieurs? Je veux vous remercier, messieurs, de la présentation de votre mémoire. Un instant, je crois que M. Cook aurait peut-être une réponse à vous donner.

M. Cook: Messieurs, en ce qui a trait aux recommandations qui ont été formulées à la suite de ces représentations, c'est une question purement d'économie pour ce qui est des diverses localités. Pour une île le transport est vraiment vital à la survie même de l'île. Vous pourriez peut-être dire «Ces gens qui vivent dans une île devraient se faire examiner la tête». Mais notre société y est constituée et nous faisons de notre mieux pour améliorer les moyens de transport avec l'île.

Pour remonter quelques années, lorsqu'on a d'abord songé au service de transbordeur jusqu'à Grand Manan, au meilleur des connaissances et de la compétence du Comité des transports et de la Chambre de Commerce de Grand Manan, nous avons pu trouver un transbordeur d'environ 263 pieds de long et d'une capacité de 30 voitures automobiles. Mais il y a eu un compromis à un moment donné de sorte que nous avons fini par avoir un transbordeur de 174 pieds pouvant transporter 20 véhicules.

L'expérience a prouvé que nous avions plus raison que ceux qui ont de fait tiré les plans du transbordeur, car les chiffres, et je crois que le ministère des Transports l'a dans ses dossiers et c'est d'ailleurs connu, le taux annuel de croissance de tous les moyens de transport est de 8 p. 100. En 1965, il était nécessaire de prévoir du transport pour 20 véhicules. Mais nous sommes maintenant en 1969, et 4 fois 8 c'est 32. Vous avez donc une

[*Texte*]

So you have a 32 per cent growth factor there which we do not have the facilities to supply.

So there is only one alternative at the moment. While it has been suggested by the Chairman of the previous Canadian Maritime Commission, Mr. Alex Watson, that if one ferry of our present denomination was not satisfactory, the most practical thing would be to put on a second ferry. But let me suggest to you, gentlemen, that our Board of Trade goes back to 1946 in its efforts before we finalized the construction and completion of the present ferry. So we have approximated about 19 to 20 years in our efforts to get what we have today. And we are not complaining, gentlemen, with respect to the operators of the present ferry.

It is a regrettable thing that Grand Manan was not consulted when the original contract was drawn up. After all, the ferry primarily serves the Island of Grand Manan, but the contract was drawn without our knowledge of its conditions, so we are not happy from that point of view.

So I say you have a growth factor over the last four years of a 32 per cent increase, and figures confirm this. I think all transportation reflects this 8 per cent annual growth. We still have a 20-car ferry which definitely is not adequate.

It is a matter of dollars and cents. We are bound down by a contract subject to renewal every five years, and this contract dates back to 1965 which is subject to renewal in 1970. It is a matter of finance, because the operators are not going to increase the service unless they are recompensed for it. So I say it is a matter of finance, and we beg your indulgence and your future assistance, because if we could utilize this ferry to its capacity we would have a very favourable situation.

As I said before, we have a unique situation. We live on an island, there is no alternate transportation. In other words, supposing that the access roads to the City of Fredericton were controlled at various points to permit three per cent of the cars in this city to exit the city, and after that you would be refused the right to leave.

In other words, that is what we are doing. When the ferry departs at 8:00 o'clock in the morning, that is it, with whatever she can take. And with a car population in excess of 800 vehicles, just using a capacity of 20 cars you have only 2½ per cent of our car population that can move in any one day. That is

[*Interprétation*]

augmentation de 32 p. 100 pour laquelle il n'y a pas d'installations de prévues.

Il n'y a qu'une seule alternative à l'heure actuelle. Bien que le président de l'ancienne commission maritime canadienne, M. Alex Watson, ait suggéré que si un seul transbordeur comme notre transbordeur actuel n'était pas suffisant, la meilleure chose à faire serait d'en mettre un deuxième en service. Mais permettez-moi de vous dire, messieurs, que les efforts de notre Chambre de Commerce remontent à 1946 avant d'aboutir au transbordeur actuel. Il nous a donc fallu 19 ou 20 ans d'efforts pour aboutir à ce résultat. Et nous ne nous plaignons pas, messieurs, des exploitants du transbordeur actuel.

C'est tout de même regrettable que les gens de Grand Manan n'ont pas été consultés avant de rédiger le contrat initial, parce qu'en fin de compte, c'est surtout l'Île de Grand Manan qui est desservie. Mais le contrat a été rédigé sans qu'on nous mette au courant des conditions du contrat et nous n'en sommes pas du tout heureux.

Je disais donc que nous avons un taux de croissance de 32 p. 100 pour les quatres dernières années et les chiffres le confirment. Je crois que tous les moyens de transport reflètent ce taux de croissance annuelle de 8 p. 100. Et nous avons toujours un transbordeur de 20 véhicules, ce qui est nettement insuffisant.

C'est une question de finances. Nous sommes liés par un contrat renouvelable à tous les cinq ans. Comme ce contrat remonte à 1965 il serait renouvelable en 1970. C'est une question de finances, car les exploitants n'augmenteront certainement pas le service à moins de recevoir une compensation. Nous disons donc que c'est une question de finances. Nous demandons donc votre indulgence et votre aide à l'avenir, car si nous pouvions utiliser le transbordeur à pleine capacité, nous aurions une situation très favorable.

Comme je l'ai dit auparavant, notre situation est unique. Nous vivons dans une île et il n'y a aucun autre moyen de transport. Autrement dit, supposons que les routes d'accès de la ville de Fredericton étaient contrôlées à divers endroits de façon à ne permettre que 3 p. 100 des véhicules qui s'y trouvent à sortir de la ville et qu'on vous refuserait ensuite la permission de sortir.

En d'autres termes, c'est ce que nous faisons. Quand le transbordeur part le matin à huit heures, chargé à pleine capacité, c'en est fait. Étant donné que le nombre de véhicules à moteur est de plus de 800, si la capacité est de 20 automobiles, seulement 2.5 p. 100 des voitures peuvent quitter l'île dans une jour-

[*Text*]

on a one-day trip service. You subtract from that, gentlemen, the commercial vehicles which originate in Saint John, St. Stephen and elsewhere, Boston and what have you, which take space on the ferry, and you reduce our ability to move from Grand Manan to approximately not over two per cent in any one day.

So we feel we are desperately incapacitated, and as I said before, we beg your indulgence. It is a matter of a few extra dollars. We have no personal axe to grind; we are here on behalf of the community. We have a wonderful ferry; we have a wonderful island, known as the Bermuda of the Maritimes. You come down there and you do not see any snow, as you people have here. I think, gentlemen, that pretty much covers my remarks.

The Chairman: Thank you. Our next brief will be from the Fredericton Junior Chamber of Commerce. Mr. Jack Lamey, will you go ahead and make your presentation? Page 727.

Mr. Lamey: Mr. Chairman, gentlemen, I think that probably our brief will be appreciated by one of the members here this evening, anyway, because it is extremely brief. It was brief in the beginning, but then we cut it down again when we realized that we had to have a brief resumé of our brief, so we do have an extremely brief one.

First of all, we of the Frederiction Junior Chamber of Commerce are very interested in the reinstatement of a passenger service to the Fredericton area. We note that we are the only capital city in Canada without a passenger train service. We feel that because of the ever-growing area and increasing population of this city, and the existence of two universities and a teachers' college, plus the Army base at Oromocto, which is one of the largest in Canada, we warrant such a service. The approximate population in the immediate and surrounding twelve miles of the city is estimated at 60,000 persons. This we feel should give an excellent list of prospective passengers.

The Maritime Freight Rates Act in itself is good for our area, but the less than carload service has proved a detriment to local producers. We feel that if the 20 per cent subsidy of tariff was extended to other modes of transportation of goods, it would once again serve a useful purpose and stimulate our trade with the rest of Canada. We understand that there have been recent changes in the last couple of days in carload service, but we have not had a chance to study them. However, any change for the better would be

[*Interpretation*]

née. Le transbordeur ne fait qu'un voyage par jour. Déduisez de cela, messieurs, les véhicules utilitaires qui partent de Saint-Jean, St. Stephen, Boston ou ailleurs et qui prennent beaucoup de place sur le transbordeur, et vous réduisez donc la possibilité que nous avons de partir de Grand Manan à 2 p. 100 au maximum dans une journée. Nous nous trouvons donc nettement désavantagés et nous vous demandons encore une fois d'être indulgents. C'est une question de quelques dollars de plus. Nous n'avons aucun motif personnel; nous sommes ici au nom de la collectivité. Nous avons un très bon transbordeur et une belle île qui est connue du nom des Bermudes des Maritimes. Il n'y a pas de neige comme vous voyez ici. Je crois, messieurs, que c'est tout ce que j'avais à vous dire.

Le président: Merci. Le prochain mémoire est celui de la Jeune Chambre de Commerce de Fredericton. Êtes-vous prêts? Page 727.

M. Lamey: Monsieur le président et messieurs, je crois que notre mémoire sera bien accueilli par un des députés ici ce soir étant donné qu'il est très bref. Il était déjà bref, mais nous l'avons résumé davantage, et c'est, en fait, un résumé de notre résumé.

Tout d'abord, la Chambre de Commerce junior de Fredericton, est très intéressée au rétablissement des services-voyageurs vers la région de Fredericton. Nous constatons que nous sommes la seule capitale canadienne sans service-voyageur par train. Nous croyons que l'expansion de la région et la population croissante, l'existence de deux universités et une école normale, en plus de la base militaire à Oromocto, qui est l'une des plus grande au Canada, justifient une telle demande. La population dans un rayon de 12 milles de la ville est d'environ 60,000 personnes, ce qui permet d'attendre un bon nombre de voyageurs.

La Loi sur les taux de transport des marchandises dans les provinces maritimes est, en soi, un avantage pour la région mais le tarif pour les chargements incomplets est désavantageux pour les producteurs locaux. Si les autres moyens de transport de marchandise bénéficiaient de cette subvention de 20 p. 100 du tarif elle serait de nouveau utile et encouragerait notre commerce avec le reste du Canada. Il semble qu'il y a eu des changements depuis quelques jours pour le service de chargements incomplets, mais nous n'a-

[*Texte*]

very much appreciated and applauded by the Fredericton Jaycees.

So as local Jaycees we urge you to consider requesting the reinstatement of passenger service for our city and amend the Freight Rates Act for the Martimes to include the reduction of tariff on other transportation services, which would afford our area the advantage the rest of Canada enjoys. Respectfully submitted, Jack Lamey, Fredericton Jaycees.

The Chairman: Thank you. Mr. Mahoney?

Mr. Mahoney: Mr. Lamey, just for the record, I think the citizens of Charlottetown and Victoria, British Columbia, would be moderately surprised to hear you say that you are the only capital city without passenger train service. However, other than that, congratulations on the brief.

The Chairman: Mr. Skoberg.

Mr. Skoberg: When was the passenger train service taken off, sir?

Mr. Lamey: I would say it was six or seven years ago now.

Mr. Skoberg: Was vigorous opposition put up by the community here regarding its termination?

Mr. Lamey: I was not present in Fredericton at the time, but from what I can understand there were quite a few people saying that it should not be taken out, although the passenger service at that time was not making money, apparently.

Mr. Skoberg: What would you advocate for reinstituting a passenger service at this time? What type of service would you think would serve Fredericton, and to what point?

Mr. Lamey: I can see that a passenger service in Northern New Brunswick going through Fredericton and also on to Quebec and into the States would help, because of the universities here, and also leading to Quebec to link with Montreal and Western Canada where the families of many people in Base Gagetown live and who visit the Base. Also there are students at U.N.B., St. Thomas, and Teachers' College who happen to make their way home every weekend.

Mr. Skoberg: Would you consider the day-liner type of service sufficient?

[*Interprétation*]

vons pas eu le temps de les étudier. Mais, toute amélioration serait bien vue de la part de la Jeune Chambre de Fredericton. A titre de la Jeune Chambre locale, nous vous exhortons à étudier la possibilité de rétablir le service-passager à Fredericton de modifier la Loi sur les taux de transport des marchandises dans les provinces maritimes de façon à étendre la réduction du tarif aux autres services de transport, ce qui donnerait à notre région les avantages dont jouit le reste du Canada. Respectueusement soumis, Jack Lamey, président de la Jeune Chambre de Fredericton.

Le président: Merci. Monsieur Mahoney?

M. Mahoney: Monsieur Lamey, pour le compte rendu, je crois que les citoyens de Charlottetown et de Victoria en Colombie-Britannique seraient très surpris de vous entendre dire que votre capitale est la seule au pays sans service-voyageurs par train. A part cela, toutefois, je vous dois des félicitations pour votre mémoire.

Le président: Monsieur Skoberg.

M. Skoberg: Quand le service des voyageurs a-t-il été éliminé?

M. Lamey: Il y a environ 6 ou 7 ans, je crois.

M. Skoberg: Est-ce qu'il y a eu des protestations vigoureuses de la part de la population?

M. Lamey: Je n'étais pas à Fredericton à ce moment là, mais d'après ce que j'ai pu comprendre, beaucoup de gens s'y sont opposés, bien que le service-voyageur à ce moment-là n'était apparemment pas rentable.

M. Skoberg: Qu'est-ce que vous proposez pour rétablir le service-voyageur à l'heure actuelle? Quel genre de service devrait désservir Frédericton et vers quels endroits?

M. Lamey: Je vois très bien un service-voyageur vers le nord du Nouveau-Brunswick qui passerait par Fredericton et se rendrait ensuite à Québec et vers les États-Unis, ce qui aiderait en raison des universités qu'on y trouve, et aussi vers Québec pour rejoindre Montréal et l'Ouest Canadien où vivent les familles de beaucoup de gens à la base militaire de Gagetown qui viennent en visite. Il y a aussi les étudiants de l'Université du Nouveau-Brunswick, du Collège St. Thomas et de l'école normale qui se rendent chez eux en fin de semaine.

M. Skoberg: Est-ce qu'un service d'autorail suffirait?

[*Text*]

Mr. Lamey: No, I do not think so. I think you have to consider the evening runs along with day runs.

The Chairman: Mr. McGrath.

Mr. McGrath: Why does the witness feel that the City of Fredericton requires the reinstatement of passenger train service?

Mr. Lamey: Well, I think I have already answered that question by mentioning the large number of new people we have in our city from the colleges and Base Gagetown, which is not far away. I think these people are interested in travel. We see many students hitch-hiking on the week-ends. Also I think we have stimulated our area as far as tourism goes too. I think it will bring more tourists into the city, and this is basically what we are interested in as Fredericton Jaycees. We promote tourism in the community.

Mr. McGrath: If it is any consolation to the witness, Mr. Chairman, I want him to know that the unique distinction he feels Fredericton now enjoys in not having a passenger service will be shared by the Province of Newfoundland if the CNR has its way.

Mr. Lamey: Oh, never.

The Chairman: Mr. Nowlan.

Mr. Nowlan: My question has been already asked.

The Chairman: Mr. Nesbitt.

Mr. Nesbitt: A purely technical question. How far away from Fredericton is the nearest rail connection between Saint John and Montreal?

Mr. Lamey: About 40 miles, 40 to 45 miles.

Mr. Nesbitt: Is there any connection between this rail line and the City of Fredericton at the present time, by bus or some other means of communication?

Mr. Lamey: I did not get the question.

Mr. Nesbitt: Is there any means of communication between the City of Fredericton...?

Mr. Lamey: Oh yes, there is a connection by the local bus service. It goes through Fredericton Junction and McGivney and meets there the train service going to Montreal.

Mr. Nesbitt: And it meets the trains going through regularly.

[*Interpretation*]

M. Lamey: Non, je ne le crois pas, je crois qu'il faut un service du soir de même qu'un service du jour.

Le président: Monsieur McGrath.

M. McGrath: Pourquoi le témoin croit-il que la ville de Fredericton exige qu'on rétablisse le service-voyageurs.

M. Lamey: Je crois avoir déjà répondu à cette question lorsque j'ai mentionné le nombre de nouveaux arrivés dans notre ville qui viennent des collèges et des universités et de la base militaire de Gagetown, qui n'est pas trop éloignée. Tous ces gens désirent voyager. Il y a beaucoup d'étudiants qui font de l'auto-stop en fin de semaine, mais en plus de cela, on encouragerait ainsi le tourisme dans notre région. Je crois que beaucoup plus de touristes viendraient dans notre ville, et, au fond, c'est ce qui nous intéresse, la Jeune Chambre de Fredericton. Nous encourageons le tourisme dans notre ville.

M. McGrath: Si cela peut consoler le témoin, monsieur le président, la distinction unique dont jouit Fredericton en n'ayant pas de service-voyageur, sera partagée par Terre-Neuve, si le National Canadien obtient gain de cause.

M. Lamey: Non, jamais.

Le président: Monsieur Nowlan.

M. Nowlan: On a déjà posé la question que je voulais poser.

Le président: Monsieur Nesbitt.

M. Nesbitt: Une question de détail tout simplement. A quelle distance de Fredericton est le point le plus rapproché sur la ligne ferroviaire entre Saint-Jean et Montréal?

M. Lamey: Environ 40 ou 45 milles.

M. Nesbitt: Est-ce qu'il y a un moyen de transport entre cette ligne ferroviaire et la ville de Fredericton à l'heure actuelle, par autobus ou un autre moyen de transport.

M. Lamey: Je m'excuse, je n'ai pas compris votre question.

M. Nesbitt: Y a t-il un moyen de transport entre Fredericton...

M. Lamey: Oh! oui, par le service d'autobus local. Il passe par Fredericton Junction et McGivney où il rencontre le train vers Montréal.

M. Nesbitt: Et il rencontre régulièrement le train qui passe.

[*Texte*]

Mr. Lamey: Yes.

The Chairman: Mr. Corbin.

Mr. Corbin: How is the bus service in and out of Fredericton?

Mr. Lamey: How is it?

Mr. Corbin: Yes. How good is it? Or how bad is it?

Mr. Lamey: There have been many complaints about the buses. They are not the most modern in the world, and many people who are travelling by train—as a matter of fact one of my company's head men is coming down tomorrow, and I have to go clear to Fredericton Junction to pick him up because he refuses to travel on the bus anymore. The buses are not that good. And they do not have a Sunday day travel. There were many people travelling on Sunday on the trains.

The Chairman: Mr. Perrault.

Mr. Perrault: In its original submission the Junior Chamber of Commerce stated March 1968, and I quote, "Government has gambled in the past with our tax monies and we ask you to once again gamble for the benefit of the people of Fredericton." In other words, in relation to the institution of this passenger service, I think the Government, or people in Government, are interested in perhaps gambling, but they like to know what the odds are. Do you have any more exact statistics about the passenger potential for the Fredericton area if this passenger service is instituted. It seems to me it would strengthen your case if these statistics were made available to the Committee at some point, either while we are here or later in Ottawa.

Mr. Lamey: I agree very much and at the time the brief was made up we did have figures. The figures are not available now because I think they are out of date again, because of the increase in population of the city.

Mr. Perrault: I think it would be useful if these were sent along to the Chairman.

Mr. Lamey: I agree.

Mr. Perrault: That is all I have to ask, Mr. Chairman.

The Chairman: Mr. Allmand.

Mr. Allmand: Does the railway own the bus line?

Mr. Lamey: The bus line is not owned by the CNR.

[*Interprétation*]

M. Lamey: Oui.

Le président: Monsieur Corbin.

M. Corbin: Comment est le service d'autobus aller-retour de Fredericton?

M. Lamey: Comment il est?

M. Corbin: Oui, est-il bon ou mauvais?

M. Lamey: Il y a eu beaucoup de plaintes au sujet des autobus. Ils ne sont pas les plus modernes qui soient et plusieurs personnes qui voyagent en train...en fait, il y a un des dirigeants de ma société qui vient demain, et il faut que j'aille le chercher à Fredericton Junction puisqu'il refuse absolument de prendre l'autobus. Les autobus ne sont vraiment pas très bons et ils ne fonctionnent pas le dimanche. Il y a beaucoup de gens qui voyagent par train le dimanche.

Le président: Monsieur Perrault.

M. Perrault: Dans la présentation initiale, la Jeune Chambre de Commerce a dit en mars 1968, et je cite: «Par le passé, le gouvernement a misé avec l'argent des contribuables, nous vous demandons donc de le faire encore une fois pour les gens de Fredericton». Autrmeent dit, en ce qui a trait à ce service-voyageur, je crois que le gouvernement, ou les fonctionnaires, sont peut-être intéressés à miser, mais ils voudraient savoir quelles sont les chances. Avez-vous des données statistiques plus détaillées et sûres quant au nombre de passagers que Fredericton peut assurer si on rétablit le service-voyageur. Il me semble que votre cause serait d'autant plus forte si vous communiquez ces statistiques au Comité à un moment donné, soit ici, soit plus tard à Ottawa.

M. Lamey: J'en conviens. Nous avions des chiffres, au moment de la rédaction de notre mémoire, mais nous ne les avons pas à l'heure actuelle parce qu'ils ne sont évidemment plus à jour en raison de l'augmentation de la population de notre ville.

M. Perrault: Je crois que ce serait utile si vous les communiquiez au président.

M. Lamey: D'accord.

M. Perrault: C'est tout ce que j'avais à vous demander. Merci.

Le président: Monsieur Allmand.

M. Allmand: Est-ce que c'est le chemin de fer qui est propriétaire du service d'autobus?

M. Lamey: Non. Le service d'autobus n'appartient pas au National-Canadien.

[*Text*]

Mr. Allmand: Who does own it?

Mr. Lamey: I believe it is a local concern.

Mr. Chairman: Mr. Trudel.

Mr. Trudel: Mr. Chairman. Do these buses meet all the train services that you are getting at Fredericton Junction?

Mr. Lamey: They do not meet the Sunday service.

Mr. Trudel: Thank you.

Mr. Lamey: So anybody who did not know and was coming in on Sunday would have a real pleasant surprise to find themselves in the wilderness, without any mode of transportation.

Mr. Corbin: How good is the air service in and out of Fredericton? Are you satisfied with that?

Mr. Lamey: I do not think we are completely satisfied at the moment. However, I have heard that we are getting DC-9's in the spring, so I think this will greatly improve the air service.

Mr. Chairman: Mr. Lamey, it was very pleasant to have you with us.

The next brief will be presented by His Worship, Mayor W. T. Walker. The brief is from the City of Fredericton.

Mayor W. T. Walker (City of Fredericton): Mr. Chairman, a year ago when we had our brief prepared, everyone's crew was quite busy and we arranged through Councillor Seheult, who is the second man on my right, to arrange with a member of the Department of Economics at the University of New Brunswick to prepare our brief. He is Mr. John Brander. Since Mr. Brander prepared this brief, I would ask him, with your permission Mr. Chairman, to read it.

Mr. J. Brander (Professor, University of New Brunswick): Mr. Chairman, the hour is late and I shall summarize it still further. The brief is concerned with four problems really, three of which are in the summary, one of which is not: the provisions of the Maritime Freight Rates Act; the quality of passenger service available at present; the problem created by the proposed consolidation of the railways with their express and less than carload service; and finally the matter of the freeze on certain freight rates in the Atlantic Provinces.

[*Interpretation*]

M. Allmand: Qui en est le propriétaire?

M. Lamey: Je crois qu'il s'agit d'une entreprise locale.

Le président: Monsieur Trudel.

M. Trudel: Monsieur le président, est-ce que ces autobus vont à la rencontre de tous les trains qui passent à Fredericton Junction?

M. Lamey: Sauf le dimanche.

M. Trudel: Merci.

M. Lamey: Alors, quiconque ne le saurait pas et qui arrive le dimanche, serait agréablement surpris de se retrouver dans le bois sans moyens de transport.

M. Corbin: Est-ce que le service aérien est bon. En êtes-vous satisfait?

M. Lamey: Je ne crois pas que nous soyons tout à fait satisfaits à l'heure actuelle, mais j'ai entendu dire qu'on aura des DC-9 au printemps, ce qui améliorera la situation sans doute.

Le président: Nous avons été très heureux de vous avoir parmi nous, monsieur Lamey.

Le mémoire suivant est celui de Son Honneur M. le Maire W. T. Walker. Le mémoire vient de la ville de Fredericton.

Le maire W. T. Walker (Ville de Fredericton): Monsieur le président, il y a un an, lorsque nous avons préparé notre mémoire tout le monde était très occupé et nous avons demandé à mon collègue ici à ma droite, le conseiller Seheult, de demander à M. John Brander du département de l'économie de l'Université du Nouveau-Brunswick de préparer notre mémoire. Vu que M. Brander a préparé le mémoire, je lui demanderai donc, avec votre autorisation, monsieur le président, d'en donner lecture.

M. J. Brander (Professeur, Université du Nouveau-Brunswick): Monsieur le président, il se fait tard et je vais le résumer encore davantage. Le mémoire traite de quatre problèmes essentiellement, dont trois sont mentionnés dans le résumé. Les dispositions de la Loi sur les taux de transport des marchandises dans les provinces Maritimes, la qualité du service-voyageurs actuel et le problème créé par la consolidation envisagée du service ferroviaire rapide et le service de chargements incomplets, et enfin la question du gel de certains tarifs marchandises dans les provinces de l'Atlantique.

[*Texte*]

On the first problem, the brief recommends that the provisions of the Martime Freight Rates Act be extended immediately to cover all modes of transport; that the Act be extended to cover exports to the United States; that the Act be extended to cover west-to-east movements. On the second, the matter of passenger service, the brief in summary states that the capital city has been discriminated against in the providing of service to our city by both railway companies, and urges that consideration be given by the Committee to put the fast-growing City of Fredericton back on the modern transportation map.

In dealing with the third problem, the LCL traffic, the brief suggests that the density rule of ten pounds per cubic foot imposes a penalty rate on those shipping light and bulky commodities and recommends a lighter density rule of five pounds per cubic foot.

Finally, the rate freeze on non-competitive carload rates should be extended until such time as Parliament has had on opportunity to implement a new and effective transportation policy for the Atlantic Region. As you are no doubt aware, the National Transportation Act of 1967, imposed a two-year freeze on rates here, the idea being to give Parliament sufficient time to implement a regional policy. The freeze expires on the 23rd of March and as yet such a policy has not been implemented. For this reason we ask for its extension.

The Chairman: Mr. Trudel.

Mr. Trudel: One question, Mr. Chairman, regarding Article 3, that the provisions of the Maritime Freight Rates Act be extended to cover the west-to-east call. Would this not aggravate the situation that we now find by bringing in manufactured articles into the region, actually harming your own manufacturing industry here?

Mr. Walker: This is a possibility. I have not examined in any depth the net benefit or cost to the region. Extending the subsidy to east-bound would, hopefully, reduce the cost of various articles to the consumer. And there is the penalty, I realize, of making it more difficult for existing industry.

Mr. Trudel: I am not disclaiming your point regarding raw material for your manu-

[*Interprétation*]

Dans le premier de ces problèmes, nous recommandons que les dispositions de la Loi sur le transport des marchandises dans les provinces Maritimes soient immédiatement étendues à tous les modes de transport; que la Loi soit étendue aussi aux exportations vers les États-Unis; que la Loi soit étendue au transport Ouest-Est.

Quant au deuxième point, le service-voyageurs, le mémoire stipule en résumé que le service assuré par les deux sociétés ferroviaires constitue une discrimination à l'égard de la capitale, et exhorte le Comité à songer immédiatement à remettre la ville de Fredericton sur la carte des modes de transport modernes.

Pour ce qui est du troisième problème, soit celui des chargements incomplets, le mémoire propose que la norme de densité qui est de 10 livres par pied cube constitue un désavantage pour ceux qui expédient des marchandises légères et volumineuses, et demande qu'elle soit réduite à 5 livres par pied cube.

Enfin, que le gel sur les taux non-concurrentiels soit prolongé jusqu'à ce que le Parlement ait eu l'occasion de mettre en vigueur une nouvelle politique efficace des transports pour la région de l'Atlantique. Comme vous le savez sans doute, la Loi nationale sur les transports de 1967 imposait un gel de deux ans sur les tarifs, soit pour donner au Parlement le temps d'appliquer une politique régionale. Le gel prend fin le 23 mars et on n'a pas encore mis au point une telle politique. C'est pourquoi nous demandons ce prolongement.

Le président: Monsieur Trudel.

Mr. Trudel: Une question, monsieur le président, pour ce qui est de l'article 3, soit que les dispositions de la Loi sur le transport des marchandises dans les provinces Maritimes soient étendues au transport de l'Ouest à l'Est. Est-ce qu'on ne se trouverait pas à aggraver la situation actuelle en acheminant des produits manufacturés dans cette région, en nuisant effectivement à nos propres industries de fabrication?

M. Walker: C'est une possibilité. Je n'ai pas vraiment étudié la question pour ce qui est des avantages ou du coût net à la région. En étudiant les subventions au transport vers l'Est, nous espérons diminuer le coût de différents articles pour le consommateur. La peine qu'il nous fait payer du fait c'est qu'on rend la situation plus difficile pour les industries déjà installées.

M. Trudel: Je ne rejette pas votre argument vis-à-vis des matières premières pour

[*Text*]

facturing concerns, but I was just trying to underline that there is a possibility that manufactured items might come in and actually hurt your industry.

Mr. Walker: Yes, I recognize this.

The Chairman: Mr. Nesbitt.

Mr. Nesbitt: In the brief you have just presented you have referred to the fact that Fredericton is a very fast-growing city. Could you give us an indication as to the rate of increase of growth, let us say, in the last ten years?

Mr. Louis Seheult (Councillor): The growth in the last ten years is from about 15,000 to 22,000 that is in the immediate vicinity of Fredericton.

Mr. Nesbitt: Have requests been made by the Corporation of the City of Fredericton to either the Canadian Transport Commission or to the Canadian National Railways to renew passenger service and, if so, on how many occasions and when?

Mr. Seheult: On many occasions. I appeared before and presented briefs before the Board of Transport Commissioners in 1961 and in 1959. On one occasion it was the removal of the railway passenger service from Fredericton to Fredericton Junction, and in the other case it was the removal of the train service from Fredericton to Newcastle.

Mr. Nesbitt: Has there been an application to the new Canadian Transport Commission?

Mr. Seheult: Not to my knowledge.

Mr. Nesbitt: Your Worship, I have every sympathy with the view you take on this because Canadian National Railways, I think, is pretty callous in its activities towards many cities, my own included. But I think one just has to keep on making applications to the Canadian Transport Commission.

Mr. Seheult: Mr. Chairman, I might answer the question that the member of the Junior Chamber of Commerce was not able to answer. At the time that we opposed the removal of the train from Fredericton Junction, we did a very deep study on their losses. They were claiming a loss of something like $50,000 but with the City Solicitor we were able to condense it down to about $5,000. We felt that if they did a little promotion like private business does they could have a profitable operation. But what was

[*Interpretation*]

vos industries, mais j'essayais simplement de vous signaler qu'on introduirait peut-être des produits fabriqués qui pourraient nuire à vos industries.

M. Walker: Oui, je le reconnais.

Le président: Monsieur Nesbitt.

M. Nesbitt: Dans le mémoire on parle du fait, que Fredericton est une ville qui croît rapidement. Est-ce que vous pourriez nous indiquer le taux de croissance pour les dix dernières années?

M. Louis Seheult (Conseiller municipal, Ville de Fredericton): Depuis dix ans nous sommes passés de 15,000 à 22,800, soit dans la région immédiate de Fredericton.

M. Nesbitt: Est-ce que la corporation de la ville de Fredericton a demandé à la Commission canadienne des transports ou encore au National Canadien de rétablir son service-voyageurs, et, dans ce cas, quand et à combien de reprises l'avez-vous fait?

M. Seheult: Plus d'une fois. J'ai comparu devant la Commission canadienne des transports à qui j'ai présenté des mémoires en 1961 et en 1959. Dans un cas, il s'agissait du retrait du service-voyageurs entre Fredericton et Fredericton Junction, et la deuxième fois pour le retrait du service-voyageurs entre Fredericton et Newcastle.

M. Nesbitt: Est-ce que vous avez présenté une demande à la nouvelle Commission canadienne des transports.

M. Seheult: Pas à ma connaissance.

M. Nesbitt: Je sympathise vraiment avec votre point de vue à cet égard parce que le National Canadien agit, à mon avis, de façon assez fruste à l'égard de bon nombre de villes, dont la mienne. Mais je crois qu'il faut continuer de présenter demande sur demande à la Commission canadienne des Transports.

M. Seheult: Je pourrais peut-être répondre à la question à laquelle le représentant de la Jeune Chambre de Commerce n'a pu répondre. Au moment où on s'est objecté au retrait du service-voyageurs de Fredericton Junction, nous avons fait une étude sérieuse des pertes. Ils prétendaient avoir des pertes de l'ordre de $50,000, mais avec l'aide de notre avocat nous avons pu les réduire à $5,000. Il nous a semblé qu'avec un peu de publicité, ils auraient sans doute pu le rendre rentable. Mais ce qui est pire, ils prétendaient qu'il

[*Texte*]

worse, they said they required an average of 16 pasengers on a sleeper at night, leaving Fredericton.

Through doing research on their figures, we discovered that they had an average of 12 from here and that did not include those passengers who were embarking at Harvey and Fredericton Junction. So we thought that they were getting the required number.

Mr. Nesbitt: I have one brief further question as a result of the remarks of the mayor. When you made these representations to the former Board of Transport Commissioners concerning discontinuance of passenger service, was it pointed out in the brief that the Canadian National Railways had a duty to provide service perhaps to certain areas of Canada which are not as heavily populated as some others?

Mr. Walker: It has been pointed out from time to time, sir, and we have not been able to get anywhere with them. As a matter of fact, it is strange that at the time we appeared before the Board of Transport Commissioners there were 15 representatives representing the CPR railroad and not one of them used their own railroad coming in.

I pointed that out to them too.

The Chairman: Are there any other questions on this?

Mr. Allmand: Mr. Mayor, to clear up some misunderstanding, when you had the passenger service here was it CPR or CNR?

Mr. Walker: We had both.

Mr. Allmand: I presume the CPR service went down to Fredericton Junction and connected with the line from Saint John to Montreal?

Mr. Walker: Right.

Mr. Allmand: And where did the CNR service run to? Did it run into Moncton?

Mr. Walker: The CNR ran to Newcastle and from there to Moncton in the north.

Mr. Allmand: Which service did you try and maintain? If you could not maintain both which one would you try to maintain?

Mr. Walker: We tried to maintain the CPR because we felt at that time it was a more direct route and more convenient for people to use. But we jointly opposed the removal of

[*Interprétation*]

leur fallait 16 voyageurs en moyenne dans les voitures-lits qui quittent Fredericton.

Lorsque nous avons fait des recherches, nous avons constaté qu'ils avaient une moyenne de 12 passagers qui partaient d'ici, sans compter les passagers qui prenaient le train à Harvey et à Fredericton-Junction. Nous croyions donc qu'ils avaient le nombre requis pour que ce soit rentable.

M. Nesbitt: Une autre question très brève sur les observations que son honneur le maire vient de faire. Lorsque vous avez formulé ces instances auprès de la Commission des transports du temps au sujet de la cessation du service des voyageurs, est-ce qu'on a signalé alors dans le mémoire que le National-Canadien se devait d'assurer un service dans certaines régions du Canada où la densité démographique n'était pas aussi grande qu'ailleurs.

M. Walker: Oui, on l'a fait de temps à autre et nous n'avons pas été en mesure d'accomplir quoi que ce soit. Question de fait, il est assez surprenant qu'au moment où nous nous sommes présentés devant la Commission des Transports, il y avait 15 représentants du Pacifique Canadien et aucun d'entre eux n'avait utilisé ce chemin de fer pour se rendre. Je leur ai fait remarquer.

Le président: Alors, avez-vous d'autres questions, messieurs?

M. Allmand: Monsieur le président, monsieur le maire, afin de faire disparaître toute incompréhension lorsque vous aviez un service-voyageurs ici, est-ce que c'était le CNR ou le CPR?

M. Walker: Nous avions les deux.

M. Allmand: Je vois. J'imagine que le service du CPR allait à Fredericton-Junction et se rattachait à la ligne Saint-Jean-Montréal?

M. Walker: C'est exact.

M. Allmand: Où se rendait le service passager du CN? Allait-il à Moncton?

M. Walker: Le CN allait à Newcastle et de là à Moncton au Nord.

M. Allmand: Je vois. Quel service avez-vous essayé de maintenir, si vous ne pouviez maintenir les deux?

M. Walker: Nous avons essayé de garder le CP parce qu'à ce moment-là nous croyions que le parcours était plus direct et plus commode pour les usagers. Mais nous nous som-

[*Text*]

the other trains to various communities between here and Campbellton.

Mr. Allmand: Which service went first, the CPR or the CNR?

Mr. Walker: The CPR.

Mr. Allmand: The CPR went first, then you had the CNR for a certain period of time?

Mr. Walker: I am sorry—the Canadian National Railways went first.

Mr. Allmand: The Canadian National Railways went first?

Mr. Walker: Yes. The way it was phased out, if I might say, Mr. Chairman, was by a depreciation of the service. From a first class train it went down to a rail line, then it went down to an old steam car and the people would not ride on it. This is the way it was phased out.

Mr. Allmand: This is the CNR train?

Mr. Walker: The CPR.

Mr. Allmand: The CPR?

Mr. Walker: Yes, sir.

Mr. Skoberg: Your Worship, I can certainly appreciate the problem of transportation in so far as passengers are concerned because I have seen the downgrading of the very same train that you have seen.

What is the city's position here in regard to an international airport that would serve the three main centres—Moncton, Fredericton and Saint John?

Mr. Walker: I am in favour of one but I think any one of the three existing ones would be probably more suitable. When I saw on TV last week all the provincial Premiers down on their knees begging money for the various provinces, I wondered where the money is coming from to provide another international airport.

Mr. Skoberg: But you are in agreement that if one was established you would be quite satisfied to have it serve the three areas?

Mr. Walker: I beg your pardon?

Mr. Skoberg: You would agree though that one airport to serve the three areas would be sufficient?

[*Interpretation*]

mes conjointement opposés au retrait des autres trains dans le cas des diverses collectivités établies entre ici et Campbellton.

M. Allmand: Quel service a été instauré le premier, le CNR ou le CPR?

M. Walker: Le CPR.

M. Allmand: Le CPR a été instauré le premier, ensuite le CNR pour un certain temps.

M. Walker: Non, le CNR a disparu le premier.

M. Allmand: Le CNR est disparu le premier?

M. Walker: La façon dont il est disparu, M. le président, c'est à la suite de la dépréciation du service.

Le train de première classe est devenu un train ordinaire. Ensuite nous avons eu une vieille locomotive et les gens refusaient d'emprunter ce service. C'est comme ça qu'il est disparu.

M. Allmand: Vous parlez du train du CN?

M. Walker: Le CP.

M. Allmand: C'est le CP qui a fait cela?

M. Walker: Oui.

M. Skoberg: Monsieur le président, votre honneur, je suis très conscient du problème des transports en ce qui a trait au service de voyageurs parce que j'ai vu cette situation se détériorer tout comme vous. Mais que pensent les gens ici d'une aérogare internationale desservant les trois principaux centres, Moncton, Fredericton et Saint John?

M. Walker: Je serais en faveur, mais je crois que n'importe lequel des trois aéroports existants conviendrait mieux. Lorsque je songe à ce que j'ai vu à la télévision la semaine dernière tous les premiers ministres provinciaux quêtant de l'argent à genoux pour leurs provinces respectives, je me demande d'où vient l'argent qui permettrait d'aménager une autre aérogare internationale.

M. Skoberg: Mais vous êtes d'accord pour dire que si on en construisait une, vous seriez tout à fait satisfait qu'elle desserve les trois régions?

M. Walker: Je vous demande pardon?

M. Skoberg: Vous conviendriez toutefois qu'il serait suffisant d'avoir une seule aérogare pour desservir les trois régions.

[*Texte*]

Mr. Walker: I certainly do—I do not. An international airport, yes.

The Chairman: Order, please. Mr. Nowlan?

Mr. Nowlan: From the summary of the brief that we were given tonight, do I understand, Your Worship, that in view of your recommendation number 2, extending Maritime Freight Rates for exports to the United States, you generally would be in favour of an Atlantic free trade area?

Mr. Walker: I will ask Mr. Brander to answer that since he prepared the brief on freight rates.

Mr. Brander: Yes.

The Chairman: Any other questions, gentlemen. I want to thank you, Mr. Mayor. You have been very kind.

Mr. Walker: Thank you.

The Chairman: The next brief is from the Enterprise Foundry Company Limited. I will call upon Mr. Fisher. The brief is on page 815.

Mr. Maurice P. Fisher (Vice-President Purchasing, Enterprise Foundry Company Limited): Mr. Chairman and gentlemen, I have a summary here of our brief. I realize the hour is getting late. I have been on the go myself since 6 o'clock this morning, have been sitting here most of the day, and being probably considerably more elderly than anyone else in the room perhaps you will give a little consideration to old age.

I feel that the situation which I will go into in connection with our company, which represents also other industries, is somewhat different than other briefs which have been presented to you today.

In our brief we have pointed out that our company is a private family-owned one which has been making cooking and heating equipment since 1872. It is the only private one left manufacturing similar lines in Canada out of a great many some years ago.

We employ 350 to 375 people, which means about 1,400 souls depending directly on the business for their living. This is a large percentage of the population of the town and surrounding communities. The market we cater to is Canada and to do this it is necessary to have 10 distributing warehouses from St. John's, Newfoundland to Vancouver.

[*Interprétation*]

M. Walker: Certainement non, non, pas du tout. Une aérogare internationale, oui.

Le président: A l'ordre s.v.p. M. Nowlan?

M. Nowlan: D'après le résumé du mémoire qu'on nous a distribué ce soir, si je comprends bien, votre honneur, j'ai lu la recommandation numéro 2 pour avoir inclus les exportations vers les États-Unis pour le tarif du transport des marchandises, est-ce que vous êtes en faveur d'une zone de libre échange de l'Atlantique.

M. Walker: Je demanderais, à M. Brander de répondre, vu qu'il a rédigé le mémoire sur le tarif du Transport des marchandises.

M. Brander: Oui.

Le président: Voyez-vous d'autres questions, messieurs? Je désire vous remercier, monsieur le maire, de votre gentillesse.

M. Walker: Merci.

Le président: Le mémoire suivant sera celui de *Enterprise Foundry Company Limited.* Je cède donc la parole à M. Maurice P. Fisher. La soumission est à la page 815.

M. Maurice P. Fisher (Vice-président des Achats): Monsieur le président, messieurs, j'ai le résumé de mon mémoire et ici, je me rends compte que le temps file, il se fait tard, je suis debout depuis 6 heures ce matin. Je suis resté ici presque toute la journée et je suis un peu plus âgé que la plupart d'entre vous ici présent. Donc, tenez compte de mon grand âge, je vous en prie.

Je suis d'avis que la situation dont je vais vous parler et qui se rapporte à notre société, laquelle représente aussi d'autres industries, est quelque peu différente de celle qu'on rencontre dans les autres mémoires qui ont été présentés aujourd'hui.

Dans notre mémoire, nous vous signalons que notre compagnie est une société familiale privée qui fait des appareils de cuisson et de chauffage depuis 1872. C'est la seule société privée qui fait une telle fabrication au Canada à partir d'un très grand nombre qui existait il y a quelques années.

Nous avons de 350 à 375 employés, ce qui représente environ 1,400 personnes qui dépendent directement de notre entreprise pour leur subsistance. Il s'agit d'une importante proportion de la population de la ville et des environs. Notre marché englobe tout le Canada. Pour ce faire, donc il nous faut 10 centres de distribution de Saint-Jean, Terre-

[*Text*]

Most of our business is west of the Atlantic provinces, and it is there where we must look for growth for the continuance of our company.

Increased volume is essential to keep pace with wage and material increases. Transportation is a vital factor in our business. Practically all our raw materials have to be brought in by rail from Ontario, the United States and the Montreal district. This involves a very great expense. Comparing this with our competitors, who are largely situated in the Toronto area, our added costs over the Toronto area competitor means an added expense to us of over $100,000 a year on Tariff number 100 and the present carload rates. Details of this are given in our brief.

On the other hand, we have to compete price-wise and model-wise with these central Canada competitors, which are mostly United States subsidiaries. There are no compensating advantages in our location. We have to pay to get our goods into the Quebec and Ontario markets, absorbing the freights and maintaining costly warehouses to give the necessary service and delivery to customers in those areas.

Tariff 100, effective September 5, 1967, means that the cost of moving our product to our customers is tremendously increased and it has also greatly increased the cost of our incoming raw materials and supplies. This all adds up to greater sales resistance, with a possible loss of business and so of increasing our costs as to make us non-competitive.

The average increase brought about by Tariff 100 in LCL rates from Sackville to 24 destinations throughout the Atlantic provinces for a normal shipment is 123 per cent for the same service as before. That is, this new Tariff 100 would increase our cost of delivery to our dealers at an average of 123 per cent. The average for similar shipments to points in Eastern Quebec is about 76 per cent. In respect of incoming supplies, local freights increased about 70 per cent.

This new Tariff calls for complicated and expensive methods in billing out shipments due to what appear to be many unnecessary detailed measurements, weights and computations.

[*Interpretation*]

Neuve, à Vancouver. La plupart de nos affaires se font à l'ouest des provinces de l'Atlantique et c'est là où nous devons nous tourner pour la croissance pour la survie de notre compagnie.

L'augmentation du volume est essentielle pour aller de pair avec les augmentations des salaires et des matériaux. Le transport est un élément vital de notre entreprise, à peu près toutes nos matières premières doivent être acheminées par rails de l'Ontario, les États-Unis et le district de Montréal. Cela entraîne des dépenses élevées, et, si on compare notre situation à celle de nos concurrents qui se trouvent entre partie dans la région de Toronto, nous rencontrons des frais supplémentaires de plus de $100,000 par année en vertu du tarif 100 et des tarifs actuels par wagon. Je vous donne tous ces détails dans notre mémoire.

D'autre part, il nous faut concurrencer pour ce qui est des prix et des modèles avec ces concurrents du Canada central qui pour la plupart sont des filiales de sociétés américaines. Il n'y a pas d'avantages de compensation pour ce qui est de notre emplacement. Il nous faut payer pour expédier notre marchandise sur les marchés de Québec et de l'Ontario, absorber les frais de transport et maintenir des entrepôts très coûteux pour assurer le service et les livraisons voulus aux clients de ces régions.

Le tarif 100 mis en vigueur le 5 septembre 1967 signifie que le coût de transport vers nos clients est augmenté considérablement. Il a vraiment augmenté le coût de l'approvisionnement en matières premières et en matériaux. Cela produit une plus grande résistance sur le marché des ventes, augmente nos risques de perte. L'augmentation de notre coût nous rend non-concurrentiels.

L'augmentation moyenne entraînée par le tarif 100 avec les taux visait les chargements incomplets, de Sackville à vingt-quatre points dans les provinces de l'Atlantique pour un expédition normal est de 123 p. 100, pour le même service, comparativement à autrefois. Ce nouveau tarif 100 augmenterait nos coûts de livraison à nos détaillants dans ces proportions de 123 p. 100. La moyenne pour des expéditions analogues dans l'est du Québec, est d'environ 76 p. 100. Les marchandises d'approvisionnement, le transport régional par rail, ont augmenté d'environ 70 p. 100

Le nouveau tarif entraîne des méthodes compliquées et coûteuses pour préparer l'expédition, à cause de ce qui semble être des mesures et des calculs de pesanteur détaillés et inutiles.

[*Texte*]

We have found these costs so high on both incoming materials and outgoing shipments that we are having these shipments made under the Class and Commodity Rates which are still in effect. Even these rates were increased on May 4, 1967 by amounts ranging from 6 per cent to 12 per cent. Also, the pickup and delivery services were cancelled.

In spite of these added costs, it is less expensive for us to use the Class and Commodity Rates than the new Tariff 100. The delivery of our shipments to our customers is most discouraging as there are great delays in many cases.

There is one vital point not mentioned in our brief that we wish to refer to, namely the freeze on non-comparative carload rates and the possibility of these rates being materially increased unless the freeze schedules to expire on March 23 is continued. If this change occurs it will add greatly to a lot of our present incoming carloads of material and to outgoing carloads of finished goods to all points in the Atlantic provinces, Quebec and Ontario.

We are already suffering greatly from all these costs, as shown in detail in our brief. It would be disastrous to our company and others to increase the cost of raw materials and supplies and to increase the cost of shipments to branch warehouses.

Our industry is an extremely competitive one price-wise. In our brief we have referred to DBS figures which show, in respect of our single largest product, electric ranges, that the wholesale selling price index has between 1956 and November, 1968 been reduced 16.6 per cent. To put it another way, the net wholesale selling index price on electric ranges is today 16.6 per cent less than it was in 1956. This is almost the greatest reduction, with one or two exceptions as are shown in the DBS Catalogue No. 62-002, and none of our products, or furnaces, show a price reduction in the same period of time of 9.6 per cent.

These percentages have increased during the last 12 months. On the other hand, our raw materials, many of which are listed in this catalogue, show very substantial price increases. An example of this is cold rolled steel sheets, which increased 17.1 per cent. This is our largest single commodity.

Throughout the years many stove plants in the Maritime provinces have had to close up

[*Interprétation*]

Nous trouvons que ces coûts sont tellement élevés pas pour l'approvisionnement en denrées et l'expédition vers l'extérieur que nous faisons ces expéditions en vertu de la catégorie et des taux préférentiels qui sont toujours en vigueur, ces taux ont augmenté le 4 mai 1967 dans des proportions de 6 à 12 p. 100. Aussi, le service de livraison a été annulé. En plus de ces coûts additionnels, il est moins coûteux pour nous d'avoir recours aux taux de catégories de denrées plutôt qu'au nouveau tarif 100. L'expédition de nos livraisons vers nos clients entraîne bien souvent des retards très grands.

Il y a un point essentiel qui n'est pas mentionné dans notre mémoire dont nous voudrions vous parler, soit le gel sur les taux non-concurrentiels des lots privés du fait que ça pourrait être augmenté substantiellement à moins que le gel qui doit prendre fin le 23 mars ne soit maintenu. Si cette modification se produit, cela ajoutera à l'arrivée des lots privés de matériel et à l'expédition de produits finis vers tous les points des provinces de l'Atlantique, du Québec et de l'Ontario.

Nous souffrons beaucoup déjà de tous ces coûts qui se présentent maintenant tel que présentés en détail dans notre soumission. De telles augmentations seraient désastreuses pour notre société et d'autres donc en augmentant le coût des matières premières et des approvisionnements et aussi des expéditions vers nos entrepôts.

Notre industrie est une industrie vraiment concurrentielle quant aux prix. Dans notre soumission, nous nous sommes reportés aux chiffres du Bureau fédéral de la statistique qui démontrent que dans le cas de notre principal produit, soit la cuisinière électrique, l'indice de prix de vente en gros de 1956 au mois de novembre 1966 a connu une diminution de 16.6 p. 100. Autrement dit, le prix de vente en gros suivant l'indice des prix est de 16.6 p. 100 de moins qu'il ne l'était en 1956. C'est à peu près la plus grande diminution sauf dans une exception ou deux, tel qu'on peut le voir dans le catalogue du Bureau fédéral de la statistique, au n° 6202. Aucun de nos produits ou fournaises n'a connu de réduction de prix dans cette même période de temps de l'ordre de 9.6 p. 100.

Ces pourcentages ont augmenté au cours des douze derniers mois mais d'autre part, nos matières premières dont beaucoup sont établies dans ce catalogue, nous font part d'augmentations marquées. Les feuilles d'acier roulées à froid ont connu une augmentation de 17.1 p. 100. C'est l'article que nous produisons le plus. Au cours des années, un bon nombre d'usines ont dû fermer leurs

[*Text*]

and go out of business. The last one was a plant in Moncton three years ago. There were, some years ago, 14 companies making stoves and oil furnaces in the Atlantic prov-

The CNR will always have to maintain operation of its lines through the Maritime provinces. Should they not then do everything they can to stimulate increased traffic in this region? The greater their volume the more helpful it is to their whole operation. A large part of the railway business in the Maritimes is captive business. We have practically no other transportation available. The railways have the long haul in and the long haul out on almost all our tonnage, as well as the local Atlantic provinces haul. We have no other practical means of transportation. Our competitors do have various alternatives.

The sources of this whole difficult situation seems to be, in our opinion, that the National Policy and the National Transportation Policy are operating in opposite directions instead of the National Transportation Policy working in with the National Policy.

Our understanding is that one point in the National Policy is:

> to afford Maritime Merchants, Traders and Manufacturers the larger markets of the whole Canadian people instead of the restricted market of the Maritimes themselves.

In our opinion, the National Transportation Policy should be made up of area policies so that each geographical area gets a square deal. This, we believe, is not the case now. The economy of the Atlantic provinces badly needs secondary industry which provides that great stabilizing influence, the weekly pay envelope which maintains communities in prosperity. Transportation help is needed to relieve the excessive comparative burden which Maritime industries are now struggling under. The question may be asked, "Where will the railway get the money to offset special rates given" as asked for in our brief.

There are four asked for and the ones we would refer to here to cut it down would be the continuance of the Maritime Freight Rates Act, with some revisions to bring it up to date, such as being applicable to movements from the West to the East. The continuance of LCL freight; and the fact that we

[*Interpretation*]

portes, la dernière à Moncton, il y a trois ans. Il y a quelques années, nous avions quatorze sociétés fabricant des cuisinières électriques et des chaudières à l'huile dans les provinces de l'Atlantique et maintenant il n'en reste plus que deux.

Le National Canadien devrait toujours maintenir ses lignes dans les provinces maritimes. Ne devrait-il pas alors faire tout en son possible pour augmenter la circulation dans cette région? Plus le volume est considérable mieux s'en trouve toute l'exploitation. Une bonne partie des entreprises utilisant les chemins de fer aux Maritimes sont des entreprises «captives». Nous n'avons pratiquement pas d'autres moyens de transport. Les chemins de fer font les longs parcours d'approvisionnement et d'expédition de presque tout, ainsi que les parcours régionaux des Maritimes. Nous n'avons pas d'autres moyens de transport pratiques. Nos concurrents disposent de diverses solutions de rechange. La cause de toute cette situation difficile semble émaner, à notre avis, du fait que la politique nationale et la politique nationale en matière des transports, vont en direction opposée plutôt que d'avoir une politique des transports qui travaille de concert avec une politique nationale.

Si nous comprenons bien, il y a un point de la politique nationale qui veut, je cite «fournir aux marchands, aux commerçants et aux fabricants des Maritimes d'avoir ainsi de plus grands marchés formés par l'ensemble de la population canadienne plutôt que d'être restreints au marché des provinces Maritimes elles-mêmes».

A notre avis, la politique nationale des transports devrait comprendre des politiques régionales pour que chaque région géographique soit traitée avec justice. Nous croyons que ce n'est pas ce qui existe maintenant. L'économie des provinces de l'Atlantique a besoin vraiment d'industries secondaires qui sont un grand facteur de stabilisation et qui maintiennent la collectivité dans la prospérité. Nous avons besoin de l'aide des Transports pour soulager les Maritimes du fardeau excessif qui écrase ses industries que nous connaissons ici. On peut se demander alors «où peut-on obtenir l'argent pour les chemins de fer pour se rembourser des tarifs spéciaux accordés?» comme nous le demandons.

Il y a quatre réductions qui sont demandées ici, ainsi que celles dont on parle ici; réduire leur nombre voudrait dire la continuation de la Loi sur les taux de transport des marchandises dans les provinces Maritimes, avec quelques modifications pour la mettre au jour, comme le fait qu'elle s'appli-

[*Texte*]

should be in a position to compete rate-wise in territories west of the Maritimes with the manufacturers situated in Montreal. This is a national problem and whatever financial assistance that is necessary, if any, to the railway to enable Maritime industry to be competitive should be paid from the federal treasury.

I know when you bring up the question of the federal treasury there is a great wringing of hands, but I think these are facts which we must face. In our opinion, such payments would do more good for Canada's economy and prosperity than some of the other and much greater amounts that are expended each year in a vast multitude of ways. Such funds should not be looked on as an expense but as an investment on which the treasury would receive returns through income tax from more prosperous people. We need greater prosperity here in these Atlantic provinces and if we are given the opportunity for a greater amount of business there are going to be greater incomes which will benefit the federal treasury, which takes about half anyway. I am speaking of business; it takes practically half.

In our brief we have pointed out the much larger percentage increase in profit per capita made in Ontario compared with New Brunswick. The gross product per capita in Ontario over New Brunswick is 75.1 per cent; the gross profit per capita in Ontario over New Brunswick is 135 per cent. These figures speak volumes in themselves and show that Maritime people are forced to get along under much more difficult conditions than their fellow provinces. Is this the just society? Is the present regional disparity to continue and to be made more severe?

Mr. Pickersgill, referring to the Transportation Act, *Hansard*, August 29, 1966 page 7745, stated:

> Provisions were made for a method by which a maximum rate could be determined if the shipper was in a captive position, that is, if the railways enjoyed a monopoly with regard to the carriage of his goods.

We are in a captive position. He also stated:

> Where the railways are in a position of exercising a monopoly, a shipper will

[*Interprétation*]

querait aux expéditions de l'ouest à l'est; le maintien du tarif visant les wagons non complètement remplis, et le fait que nous devrions être en mesure de concurrencer au point de vue tarif, dans les territoires à l'ouest des Maritimes, avec les fabricants qui se trouvent dans la région de Montréal. Il s'agit là d'un problème sur le plan national et quelle que soit la nécessité d'obtenir une aide financière s'il y a lieu pour les sociétés ferroviaires afin de permettre aux industries des Maritimes d'être concurrentielles, cela devrait provenir du trésor fédéral.

Je sais que lorsqu'on parle du trésor fédéral, il y a beaucoup de mains qui se tordent, mais je crois que ce sont des faits qu'il faut regarder en face. A notre avis, ces paiements feraient plus de bien à l'économie du Canada et à sa prospérité que certains montants beaucoup plus importants qui sont dépensés chaque année d'une multitude de façons. De tels fonds ne devraient pas être considérés comme une dépense mais plutôt comme un investissement qui rapporterait un certain montant au Trésor, à cause de l'impôt que verseraient les personnes les plus aisées. Il nous faut davantage de prospérité dans les provinces de l'Atlantique; si nous avions la possibilité de développer notre économie, les revenus seraient plus importants, ce qui serait à l'avantage du trésor fédéral, qui en prend la moitié. Il s'adjuge près de la moitié de l'impôt sur le revenu des sociétés.

Dans notre mémoire, nous avons montré que le pourcentage des profits par tête est plus élevé en Ontario qu'au Nouveau-Brunswick. Le produit brut par habitant du Nouveau-Brunswick représente 75 p. 100 de celui de l'Ontario. Le bénéfice brut pour l'Ontario, comparativement au Nouveau-Brunswick, est de 135 p. 100. Ces chiffres sont éloquents; ils nous montrent que dans les Maritimes, les gens doivent se plier à des conditions de vie beaucoup plus difficiles que celles des autres provinces. Est-ce là la société juste? Les disparités régionales doivent-elles se perpétuer et s'aggraver?

Monsieur Pickersgill, parlant de la Loi sur les transports, (*Hansard*, 29 août 1966, p. 7745), déclarait que

> des dispositions avaient été prises pour déterminer un taux maximum de transport advenant le cas où l'expéditeur soit contraint, c'est-à-dire si les chemins de fer avaient le monopole du transport de ses denrées.

Quant à nous, nous sommes contraints. Monsieur Pickersgill a également déclaré que:

> si les chemins de fer étaient en mesure d'exercer un monopole, les expéditeurs

[*Text*]

have the right to have controlled maximum rates.

Another quotation of Mr. Pickersgill's—you all are probably familiar with them—is as follows:

> We require transportation assistance for the movement of inbound materials and outbound finished products to enable us to compete in the larger and faster developing markets. To do this there must be a complete understanding and knowledge of Maritime problems and we feel they can be corrected by bold, farseeing steps.

An hon. Member: A quotation for every stipulation.

Mr. Fisher: Right. We are quoting Mr. Pickersgill.

Gentlemen, in our business—and this applies to some other industries—about 95 per cent of our raw materials and supplies are apt to come in from Ontario, mid-West United States and some Montreal districts. They are manufactured here and shipped out, and the largest part of them go West of the Maritime provinces again. All our competitors are in the densely populated centres of Ontario and Quebec, right next door to their supplies and to their big markets.

Almost 80 per cent of the gas and electric range business is controlled by American subsidiaries.

Thank you.

The Chairman: Mr. Rose?

Mr. Rose: Mr. Fisher, I enjoyed your very comprehensive and interesting brief, as I used to enjoy toasting my shins in your ovens in years gone by.

I think that yours is the kind of industry that we need to encourage in our country, since we see great inroads of American competition and branch planned economy developing all over Canada. In view of all the limitations imposed on you by freight rates, wholesale prices going down and retail costs going up on matters of raw materials, the most obvious question to me, sir, is how do you do it?

Mr. Fisher: It is a great deal of hard work. One has to cut everything to the bone as far as any frills and things of that kind go. We are blessed with a very fine lot of men working with us. Families go back for three and four generations.

[*Interpretation*]

auraient droit à des taux maxima contrôlés.

M. Pickersgill a fait une autre observation que vous connaissez sans doute, lorsqu'il a dit

> qu'il nous faut accorder une aide au transport des matières premières importées et des produits finis destinés à l'exportation si nous voulions soutenir la concurrence sur des marchés en rapide expansion. Pour ce faire il nous faut connaître et bien comprendre les problèmes des Maritimes, qui pourront être réglés par des mesures audacieuses et avisées.

Une voix: Une citation sous toute réserve.

M. Fisher: C'est exact; c'est de M. Pickersgill qu'il s'agit.

Messieurs, dans notre industrie—et cela s'applique à d'autres également—environ 95 p. 100 de nos matières premières et de nos approvisionnements viennent de l'Ontario, du centre-ouest des États-Unis et de certains secteurs de Montréal; ils sont transformés ici et expédiés, en grande partie à l'ouest des Maritimes. Tous nos concurrents se trouvent dans les régions à forte densité de population de l'Ontario et du Québec, tout près des centres d'approvisionnement et des grands débouchés.

Près de 80 p. 100 de l'industrie des appareils fonctionnant au gaz et à l'électricité est contrôlée par des filiales américaines. Merci.

Le président: Monsieur Rose?

M. Rose: M. Fisher, j'ai beaucoup apprécié votre exposé, très complet et intéressant, car j'ai eu l'occasion de me réchauffer les pieds dans le four de vos cuisinières il y a longtemps déjà. Je pense qu'il s'agit là d'une industrie qu'il nous faut encourager dans notre pays, car la concurrence américaine est forte et leurs filiales s'installent partout au Canada. Étant donné toutes les restrictions qui vous sont imposées par le tarif marchandises, la baisse des prix de gros et la hausse des prix de détail des matières premières, la question qui me vient immédiatement à l'esprit est la suivante: comment arrivez-vous à survivre?

M. Fisher: Il nous faut travailler dur. Il nous faut nous en tenir au strict nécessaire et éviter le superflu. Nous avons heureusement de très bons employés qui collaborent avec nous. Certaines familles travaillent chez nous depuis trois ou quatre générations.

[*Texte*]

Mr. Rose: Would you say, sir, that your men are in effect subsidizing your business?

Mr. Fisher: No, not at all.

Mr. Rose: They are paid well, are they?

Mr. Fisher: They are paid well. We have exchanged information for many years with seven or eight companies in Ontario through a central agency—each company was a number—and the results showed that some of our men were the top earners per man per hour in Canada, some were second and some were third.

Mr. Rose: You seem, in contrast to some of the others, from implied or factual information that we have here today, to have solved some of the problems of productivity which seems to be plaguing many industries not only in the Maritimes but in Canada generally.

Mr. Fisher: We have laid great stress on productivity. My son, who is in charge of the plant, and I are through the plant all the time, we know the individuals, we are watching, checking up and encouraging people on an individual basis, and it has brought results.

Mr. Rose: It is my understanding, sir, that while productivity can certainly benefit by a loyal and diligent crew it is often more the responsibility of the kind of machinery and techniques which are kept up to date.

Mr. Fisher: That is quite true. We are continually striving for new techniques and new methods to eliminate the amount of labour so a man can turn out more goods in a given time.

Mr. Rose: Do you turn out a limited number of models, sir, like Volkswagen? Is that one way you solve it?

Mr. Fisher: No, we have a tremendous variety of models, probably the largest variety of models of any plant in Canada in our line of business.

Mr. Rose: Sir, you touched on this but I do not think you gave it to me in great detail. You seem to be able to buy from central Canada, but you said that the bulk of your sales are outside the Atlantic provinces?

Mr. Fisher: Right.

Mr. Rose: What is the percentage in going outside and beyond?

Mr. Fisher: More than half goes outside the Atlantic provinces.

[*Interprétation*]

M. Rose: Diriez-vous que vos employés subventionnent votre entreprise?

M. Fisher: Pas du tout.

M. Rose: Ils sont bien payés.

M. Fisher: Oui. Nous échangeons des renseignements depuis bon nombre d'années avec 7 ou 8 sociétés de l'Ontario par l'intermédiaire d'une agence centrale. Chaque société était représentée par un numéro, et le résultat nous montre que certains de nos employés ont le meilleur salaire horaire par tête au Canada. Certains viennent au deuxième rang, d'autres au troisième rang.

M. Rose: Contrairement à d'autres d'après les renseignements que nous avons ici vous semblez avoir résolu certains des problèmes de productivité qui se posent à bon nombre d'industries, non seulement dans les Maritimes, mais dans l'ensemble du Canada.

M. Fisher: Nous insistons beaucoup sur la productivité. Mon fils, qui est responsable de l'usine, et moi-même, sommes toujours à l'usine; nous connaissons les employés, nous surveillons, vérifions, encourageons les employés personnellement, et cela a donné d'excellents résultats.

M. Rose: Il me semble que même si la productivité a tout à gagner d'un travail consciencieux, elle dépend bien souvent davantage des techniques et de l'équipement modernes.

M. Fisher: C'est juste. Nous essayons toujours d'avoir de nouvelles méthodes, de nouvelles techniques pour réduire la quantité de travail et permettre aux employés de produire plus en moins de temps.

M. Rose: Ne faites-vous que quelques modèles—comme Volkswagen—pour vous faciliter la tâche?

M. Fisher: Non. Nous avons un très grand nombre de modèles différents, probablement la gamme la plus variée qui soit au Canada dans cette industrie-là.

M. Rose: Vous avez tout à l'heure abordé un sujet sans entrer dans les détails. Vous avez dit que vous achetiez du centre du Canada, mais que le gros de vos ventes s'effectue hors des provinces de l'Atlantique.

M. Fisher: Parfaitement.

M. Rose: Quel pourcentage va vers l'extérieur et à l'étranger?

M. Fisher: Plus de la moitié va vers l'extérieur des provinces de l'Atlantique. La plus

[*Text*]

The greatest proportion of our sales go out beyond the Atlantic provinces in Quebec, Ontario and the West.

M. Godin: Merci, monsieur le président, je n'ai que quelques questions. M. Fisher a parlé de voies ferrées; lui serait-il possible de se servir de la voie maritime, soit pour la réception des matières premières ou soit pour l'expédition des produits finis. Je parle par exemple des produits expédiés à Québec, à Montréal, et même à la tête des Grand Lacs.

Mr. Fisher: We have investigated looking into the use of the Seaway and found it not at all practical because of all the handling involved and the delay. Today the merchant wants prompt delivery and for that reason we have to maintain 10 warehouses from coast to coast, with sales staff working out of each one so that he has prompt delivery.

Years ago merchants used to have a warehouse and would have stoves in stock. Now they keep them on their floor and when they sell one they pick up the telephone and want another and you have to get out there quick if you are going to maintain your display on their floors.

M. Godin: J'ai une autre question, qui relève peut-être du secret professionnel. Avez-vous une bonne partie du marché des provinces de l'Est où si la compétition est forte de ce côté-là?

Mr. Fisher: Yes, we get a very good share of the Atlantic provinces. I think I can quite conservatively say we get the biggest share of the Atlantic provinces. We work it intensely and it is our whole market. But we have to go well beyond that. I think we have about one million people here compared to 20 million people in the rest of Canada. Our competitors are people who have made refrigerators, washers and so on. They make up these combination cars send them in here and distribute their products from central points such as Fredericton, Saint John, Moncton, Halifax and so on. We have lots of competition down here.

The Chairman: Mr. Horner?

Mr. Horner: Mr. Fisher, you outlined quite extensively the increase in freight rates, on LCL shipments particularly, and you fear a drastic increase in rates if the MFR is discontinued. Some years ago the CNR particularly broke down their management into five basic regions. Did you notice any differ-

[*Interpretation*]

grande partie de nos ventes va à l'extérieur des provinces de l'Atlantique, au Québec, en Ontario et dans l'Ouest.

Mr. Godin: Thank you, Mr. Chairman. I only have a few short questions to ask. Mr. Fisher spoke a little while ago of railways. Would it be possible for him to use the Seaway either to receive raw materials or to ship finished products. I mean products, for instance, going to Quebec or Montreal and even the head of the lakes?

M. Fisher: Nous avons envisagé d'emprunter la voie maritime et nous avons constaté que ce n'était pas du tout pratique, à cause de la manutention et des retards qui s'ensuivent. Aujourd'hui, les marchands veulent une livraison rapide, et pour cela nous avons dix entrepôts d'un océan à l'autre et un personnel de vente dans chacun d'eux afin d'assurer une livraison rapide.

Il y a plusieurs années, les détaillants avaient un entrepôt où ils entassaient leurs cuisinières. Aujourd'hui, ils les exposent dans la salle de vente et quand ils en vendent une, ils décrochent leur téléphone et en commandent une autre; il faut la leur livrer rapidement si l'on veut garder leur inventaire en ordre.

M. Godin: I have another question that may be subject to professional secrecy. Do you have a good share of the markets in the eastern provinces, or is there stiff competition in that area?

M. Fisher: Oui, nous avons une bonne part du marché des provinces de l'Atlantique. Je pourrais même dire sans exagérer que nous avons la plus grande partie du marché des provinces de l'Atlantique; nous le suivons de près et nous considérons que c'est notre affaire. Mais il nous faut aller bien au-delà de ce marché. Nous avons, je crois, un million de clients ici comparativement à vingt millions dans le reste du Canada. Nos concurrents fabriquent des réfrigérateurs, des lessiveuses, etc. Ils emplissent des wagons de leurs produits, les envoient ici et distribuent leur marchandise à partir de Centres de distribution, comme Fredericton, Saint-Jean, Moncton, Halifax, etc. La concurrence est très forte dans notre région.

Le président: Monsieur Horner.

M. Horner: Monsieur Fisher, vous avez commenté en détail les effets de l'augmentation du tarif marchandises, pour les chargements partiels en particulier, et vous craignez une augmentation excessive si on abolit la Loi sur les taux de transport des marchandises dans les provinces Maritimes. Il y a de ça

[*Texte*]

ence in the setting of rates? In other words, did this breaking down of the management of the CNR in any way facilitate the Maritimes in having a rate set quicker, better, or more in line with other modes of transportation in the Maritimes?

Mr. Fisher: Everything is handled from Montreal. Very little of that is delegated to the regional officers. They are in a rather embarrassing position. They do what they can for us but they have to report to headquarters.

Mr. Horner: I might say, Mr. Fisher, that you and I talked about this during the supper hour. I wanted that question on the record because the CNR will be before us and I wanted them to explain the differences of opinion that exist.

Now to go a little further, have you at any time discussed with the railroads the feasibility of container shipments of your products by rail to your warehouses?

Mr. Fisher: We ship to our warehouses in straight carloads.

Mr. Horner: Straight carloads. Have you ever shipped or attempted to ship any into the State of Maine or the United States?

Mr. Fisher: Yes, we have. Several years ago we made quite a strong survey down as far as Boston and we worked on it for some time. The great difficulty is the American duty going in. You do not know what it is going to be. And when they take delivery of goods and pay a certain amount, they may come back after six months and double that amount. It is a very upset situation.

Mr. Horner: Have you at any time appeared before the Tariff Board? We have just had an agreement on the Kennedy Round tariff negotiations, ratified by Parliament. Did you or your industry present that particular problem to the authorities in Ottawa prior to the Kennedy Round, or since, or at any time in the past?

Mr. Fisher: Not direct but these questions, have been taken up with the Canadian Manufacturers Association.

[*Interprétation*]

quelques années, le National-Canadien a décentralisé son administration en cinq régions principales. Avez-vous remarqué une différence dans l'établissement des taux? En d'autres termes, est-ce que cette mesure de la direction a permis aux Maritimes d'obtenir des ajustements plus rapides et plus convenables, plus conformes aux conditions créées par les autres moyens de transport dans les Maritimes.

M. Fisher: Tout est dirigé de Montréal. Il y a très peu de délégation de pouvoir aux bureaux régionaux. Les fonctionnaires de ces bureaux sont plutôt embarrassés, ils font ce qu'ils peuvent pour nous évidemment, mais il faut qu'ils fassent rapport au bureau principal de la société.

M. Horner: Je pourrais peut-être ajouter, monsieur Fisher, que nous avons discuté de cette question à l'heure du souper. Je voulais que cette question figure dans le compte rendu car le National-Canadien sera aussi appelé à témoigner et j'aimerais qu'ils nous exposent leur point de vue.

Maintenant, est-ce que vous avez discuté avec les sociétés ferroviaires de la possibilité d'expédier vos produits par conteneurs jusqu'à vos entrepôts?

M. Fisher: Nos expéditions aux entrepôts se font par chargements complets.

M. Horner: Avez-vous déjà tenté d'en expédier dans l'État du Maine, aux États-Unis?

M. Fisher: Oui, il y a plusieurs années, nous avons fait une étude plutôt détaillée jusqu'à Boston même. Nous y avons travaillé pendant un certain temps. La grande difficulté ce sont les douanes ou le tarif américain. Vous ne pouvez pas savoir ce qu'il en sera. Lorsqu'on prend livraison des marchandises et que l'on paye un certain montant, on peut revenir six mois plus tard et l'on s'aperçoit que les tarifs ont doublé. C'est une situation plutôt instable.

M. Horner: Avez-vous déjà comparu devant la Commission du tarif? Nous venons tout juste de signer une entente sur les négociations du *Kennedy Round*, qui a été approuvée par le Parlement. Est-ce que votre industrie ou vous-même avez fait part de ce problème particulier aux autorités à Ottawa, avant, ou depuis les négociations du *Kennedy Round*, ou à n'importe quel moment dans le passé?

M. Fisher: Non pas directement, mais ces questions ont fait l'objet de consultations avec l'Association canadienne des manufacturiers.

[*Text*]

Mr. Horner: And to any satisfaction? Apparently none.

Mr. Fisher: None.

Mr. Horner: I notice a location particularly at Sackville. You suggest in your brief too that transportation assistance should be stepped up and provided for raw materials and out-going products both ways. Have you at any time considered that it might be wiser for the Canadian Government, rather than to pay assistance on the transportation, to invest in the development of the Chignecto Canal? Are you an exponent of that canal in any way?

Mr. Fisher: No, I cannot see where it would help us at all.

Mr. Horner: It would not help you, particularly in light of your location, I suppose.

Mr. Fisher: It would be just very close to us, but it would be frozen up most of the year or at least for a large part of the year.

Mr. Horner: Do you use the boat? Looking at the particular location of Sackville, do you use the water transportation?

Mr. Fisher: No, we tried water transportation at Vancouver and it is very expensive in extra additional crating and packaging and wrapping to prevent the moisture, and it is also a tremendous delay.

Mr. Horner: The delay does not appear apparent to me because of the warehousing of your products, in any case, but have you considered the feasibility of the containerization of shipments to Vancouver via the Panama Canal?

Mr. Fisher: No, we have not considered the containerization in that way because it would still be several weeks probably before it would get there. By rail it does it in seven days.

Mr. Horner: What about the water route by the St. Lawrence Seaway and up, which we are told is 500 miles cheaper? We were told earlier that particularly from the point of Saint John the water route would be more competitive with rail transportation through New Brunswick.

Mr. Fisher: We have investigated bringing steel down from Hamilton—that is where most of our steel comes from—and the cost of bringing it by ship. There are very, very rarely any shipments that come. They might come into Saint John but they are few and

[*Interpretation*]

M. Horner: Avec une certaine satisfaction? Aucune, apparemment.

M. Fisher: Aucune.

M. Horner: Je remarque un emplacement, surtout à Sackville. Dans votre mémoire vous proposez aussi que l'aide en matière de transport devrait être augmentée pour ce qui est des matières premières et des produits finis dans les deux sens. Avez-vous déjà songé que plutôt que de subventionner les transports, il serait peut-être préférable pour le gouvernement d'investir au creusement du canal de Chignecto? Est-ce que vous appuyez cette thèse?

M. Fisher: Non, je ne vois pas du tout comment cela pourrait nous aider.

M. Horner: Cela ne vous aiderait pas, en raison de l'emplacement, je suppose.

M. Fisher: Nous serions tout près du canal, mais il serait gelé une grande partie de l'année.

M. Horner: Vous servez-vous des bateaux? Étant donné la situation de Sackville, vous servez-vous du transport par eau?

M. Fisher: Non, nous l'avons essayé à Vancouver, et nous avons constaté qu'il était très coûteux étant donné l'emballage supplémentaire nécessaire pour empêcher l'humidité et le retard considérable que cela provoque.

M. Horner: Le retard ne m'apparaît pas, à première vue, en raison du fait que vous entreposez vos produits de toute façon, mais avez-vous étudié la possibilité d'employer les «*containers*» pour vos expéditions jusqu'à Vancouver via le canal de Panama?

M. Fisher: Non, nous n'avons pas étudié cette possibilité, celle des «*containers*», parce que ça prendrait probablement plusieurs semaines avant que les expéditions ne parviennent à leur destination. Par chemins de fer, ils arrivent en une semaine.

M. Horner: Que pensez-vous du transport fluvial via la voie maritime du Saint-Laurent, ce qui fait, paraît-il, 500 milles de moins. On nous a dit auparavant qu'à partir de Saint-Jean, tout particulièrement, que le transport par eau serait plus compétitif avec le transport ferroviaire à travers le Nouveau-Brunswick.

M. Fisher: Nous avons étudié la possibilité de transporter de l'acier de Hamilton, car c'est généralement de là que provient notre acier; nous avons étudié également le coût du transport de l'acier par bateau. Rares sont les expéditions qui proviennent de là. Il y en a

[*Texte*]

far between. We have to have shipments coming almost weekly.

Mr. Horner: And therefore, because of the infrequency of service, you have to use the rail.

Mr. Fisher: Infrequency of service and the extra handling—time in taking it out of the ship, putting it down, loading it on trucks and bringing it to Halifax, Saint John or Sackville. It would be just as costly and would do more damage.

Mr. Horner: Have you considered Mr. Irving's plan for spending $1 million in the Sackville area with the building of the Chignecto Canal?

An hon. Member: One hundred million.

Mr. Horner: One hundred million, excuse me.

Mr. Fisher: I would like to have $100 million spent in that district.

Mr. Horner: Would this then benefit you by stepping up the frequency of the boat service and perhaps shortening the haul of the iron?

Mr. Fisher: I do not think it would, as far as we are concerned—for our product.

The Chairman: Mr. Perrault.

Mr. Perrault: Mr. Chairman, I would like to ask Mr. Fisher a question. He stated—and I made some notes here—that at least part of the answer to some of his problems and the problems of the Maritimes lies with the federal treasury. He emphasized that point.

I think he presented an excellent paper here tonight. But does not the point arrive in the history of any company when you have to examine your own merchandising and marketing techniques? If you are faced with a difficult competitive situation in Central Canada, should you not begin to consider the establishment of branch plants in Western Canada and branch plants in other parts of the country the way some other companies do when faced with similar marketing problems? Is it realistic to assume that changes in freight rates alone are going to solve the problem for you? Here you are sitting in the Atlantic Provinces saying you want to compete successfully all across the broad Dominion of Canada, right out to Vancouver where you maintain a warehouse.

But should you not be investigating your own marketing and merchandising tech-

[*Interprétation*]

qui arrivent à Saint-Jean mais elles sont rares et très espacées. Il nous en faut presque chaque semaine.

M. Horner: Et, par conséquent, en raison du manque de service, il vous faut utiliser le chemin de fer.

M. Fisher: Le manque de service ainsi que la manutention supplémentaire. Le déchargement des navires, ensuite le chargement des camions et le transport jusqu'à Sackville, ce qui coûterait autant et causerait plus de dommages aux marchandises.

M. Horner: Avez-vous songé que M. Irving compte dépenser un million de dollars dans la région de Sackville pour le creusement du canal de Chignecto?

Une voix: 100 million de dollars.

M. Horner: Je m'excuse, 100 millions de dollars.

M. Fisher: Ce serait très beau de dépenser cent millions de dollars dans notre région.

M. Horner: Cela vous conviendrait-il si l'on augmentait la fréquence du service, mais en réduisant peut-être le parcours?

M. Fisher: Je doute que cela nous convienne pour ce qui est de notre produit.

Le président: Monsieur Perrault.

M. Perrault: Monsieur le président, j'aimerais poser une question à M. Fisher: D'après les notes que j'ai prises, il a affirmé que c'est le Conseil du Trésor qui détient la réponse à quelques-uns de ses problèmes, ainsi que ceux des Maritimes. Il en était sûr.

Je crois qu'il a présenté un excellent document ici ce soir, mais est-ce qu'on n'en arrive pas dans l'histoire d'une société au point où il faut examiner les nouvelles techniques de commercialisation et de mise en marché. Si vous faites face à une sérieuse concurrence dans le centre du Canada, est-ce que l'on ne devrait pas commencer par songer à établir des filiales dans l'Ouest du Canada et dans d'autres parties du pays, tout comme d'autres sociétés le font quand ils font face aux problèmes de commercialisation semblable. Est-il vraiment réaliste de présumer que les changements du tarif marchandise seul, régleraient le problème pour vous? Vous voilà ici, dans les provinces de l'Atlantique, essayant de soutenir avec succès une concurrence sur tout le territoire, et jusqu'à Vancouver où vous détenez un entrepôt.

Est-ce que vous ne devriez pas faire enquête sur vos propres techniques de com-

[*Text*]

niques to examine whether or not the time has arrived, in view of the great population growth of Western Canada, that there should perhaps be a branch of enterprise out in the West? We would be glad to have you out there. But the total solution does not lie, surely, with the federal treasury pumping more money into helping people compete from coast to coast. There are many companies in British Columbia, for example, whose marketing area stops at Winnipeg and they know they cannot compete beyond there unless they put up a plant in Winnipeg.

Mr. Fisher: Then you say if we established a branch plant . . .

Mr. Perrault: I am just saying, have you undertaken any feasibility studies to . . .

Mr. Fisher: Yes, we have done very complete feasibility studies and we have put great emphasis on our marketing. It was done very thoroughly and completely. We have a very large business in the West. We have been warehousing in Vancouver for over 50 years.

Mr. Perrault: But do you think the point will arrive when you are going to have a plant out there—an associate plant with enterprise of the Atlantic Provinces?

Mr. Fisher: I cannot see it for a good many years to come. Because if we are able to get relief on the transportation of our raw materials on the basis of Montreal and going out there again, we can do better, I think, than having a plant in Vancouver.

Mr. Perrault: It seems to me if your sources of raw materials are brought in from other parts of Canada the point arrives, in view of the transportation difficulties, when you have to at least allow for these possibilities of having other plants established.

Mr. Fisher: We have considered it but the way we worked it out, it would not be feasible; it would not be practical. Then you see, if you were speaking of moving our plant. . .

Mr. Perrault: I am not suggesting that because I think there is great potential in the Maritimes, but as a Westerner, I would find it difficult to support a proposition which would provide limitless subsidies for companies in British Columbia to compete right out to Newfoundland because the economics simply do not make it possible because we

[*Interpretation*]

mercialisation et de vente, pour savoir si le moment ne serait pas propice, étant donné l'augmentation démographique dans les régions de l'Ouest, d'y établir une succursale de votre entreprise? Nous serions très heureux de vous accueillir là-bas? Mais la solution totale ne réside certainement pas dans le Trésor fédéral d'aider, à coups de dollars, les gens à se faire la concurrence d'un littoral à l'autre? Il existe plusieurs sociétés en Colombie-Britannique, par exemple, dont le marché s'arrête à Winnipeg, et ils savent qu'ils ne peuvent soutenir la concurrence plus loin, à moins d'établir une usine à Winnipeg.

M. Fisher: Par conséquent, vous dites que si nous établissons une usine. . .

M. Perrault: Non, je demande simplement si vous avez entrepris des études pour connaître les possibilités. . .

M. Fisher: Nous en avons fait des études et nous avons beaucoup insisté sur le côté commercialisation de nos produits. Nous l'avons fait de façon détaillée et de façon complète. Nous avons une très grande entreprise dans l'Ouest, et nous faisons affaire à Vancouver depuis plus de 50 ans.

M. Perrault: Mais auriez-vous, à un moment donné, une filiale là-bas ou une usine associée?

M. Fisher: Je ne vois pas la possibilité d'ici plusieurs années, mais si nous sommes capables d'obtenir une certaine aide pour le transport de nos matières premières à partir de Montréal, par exemple, et encore une fois, nous pourrions peut être mieux réussir dans ce sens-là que si nous avions une usine à Vancouver.

M. Perrault: Si vos matières premières proviennent d'autres régions du Canada il arrive un point où, à cause des difficultés de transport, il vous faut au moins songer à la possibilité d'établir d'autres usines?

M. Fisher: Nous y avons songé, mais ce ne serait pas pratique d'après nous. Si vous parlez de déplacer notre usine. . .

M. Perreault: Ce n'était pas ce que je proposais, car je crois qu'il y a de grandes possibilités dans les Maritimes, mais à titre de personne qui vient de l'Ouest, je trouverais très difficile d'appuyer une proposition qui consentirait des subventions illimitées à des sociétés en Colombie-Britannique pour qu'elles fassent de la concurrence jusqu'à Terre-

[*Texte*]

are closer to Soviet Russia than we are to St. John's.

Mr. Mahoney: Yes, that is what Confederation is all about.

The Chairman: Order, please, Mr. Mahoney.

Mr. Mahoney: Mr. Chairman, my questions have been covered.

The Chairman: Mr. Pringle.

Mr. Pringle: I just have a short supplementary. This matter was closely questioned by Mr. Horner but we have heard a great deal today about the possibility of a free trading area in the Maritimes so that you would concentrate more on trading north and south instead of east and west. Since you are in the manufacturing industry, I would be very interested to know your reaction with regard to this possibility relating to, say, the appliance business or the stove business here in the Maritimes.

Mr. Fisher: If we were able to ship our goods into the Eastern States or the New England States free of duty, we could pick up a lot of business. We have been down through there and have made quite extensive studies and the people in that area are well disposed towards Canadian goods.

Mr. Pringle: You feel that you could compete pricewise?

Mr. Fisher: The manufacturers of cooking and heating equipment in the United States can manufacture more cheaply than we can for many reasons. Their steel, which is a big item, and components, cost them less than they cost us in Canada, even those that are manufactured in Canada. The duty comes in. Then again, in the United States with their tremendous market they are able to specialize. One company will make perhaps three gas ranges in a tremendous volume. Another will make three or four electric ranges in a tremendous volume. We in Canada have to take care of all the peculiarities of the populace from coast to coast. We have to have a variety of models in all these lines in all fuels—electric, gas, oil, coal and wood, in cooking and also in heating and space heaters.

[*Interprétation*]

Neuve. Car la situation économique ne le rend pas possible du tout car nous sommes beaucoup plus près de la Russie soviétique que nous le sommes de Saint-Jean.

M. Mahoney: Oui, voilà ce que c'est que la Confédération.

Le président: A l'ordre s'il vous plaît, monsieur Mahoney.

M. Mahoney: Monsieur le président, mes questions ont été complètement couvertes.

Le président: Monsieur Pringle.

M. Pringle: J'aurais une brève question complémentaire. Les questions de M. Horner ont pratiquement couvert tout le sujet, mais nous avons beaucoup entendu parler aujourd'hui de la possibilité d'une zone de libre échange dans les Maritimes, de sorte que vous pourriez concentrer beaucoup plus d'efforts sur le marché nord-sud plutôt que est-ouest. Étant donné que vous êtes dans l'industrie manufacturière je serais très intéressé de connaître votre réaction en ce qui concerne cette possibilité en ce qui concerne par exemple l'industrie des appareils électriques ménagers ici dans les Maritimes.

M. Fisher: Si nous étions capables d'expédier nos produits vers les États de l'est ou vers les États de la Nouvelle-Angleterre, libres de douanes et de tarifs, nous pourrions certainement nous faire une bonne clientèle. Nous nous y sommes rendus, nous avons fait des études détaillées à ce sujet et les gens de cette région sont très bien disposés envers les produits canadiens.

M. Pringle: Estimez-vous que vos prix sont compétitifs?

M. Fisher: Les fabricants d'articles de cuisine et de chauffage aux États-Unis peuvent fabriquer à un prix inférieur au nôtre pour plusieurs raisons. Leur acier qui est un article très important ainsi que les pièces leur coûtent moins que chez nous, même celles qui sont fabriquées ici au Canada. Il y a encore des tarifs douaniers. D'autre part, aux États-Unis grâce à leur marché considérable les fabricants ont la possibilité de se spécialiser. Une compagnie fabriquera en série peut-être trois sortes de cuisinières. Une autre usine fabriquera trois ou quatre différentes sortes de cuisinières électriques en série. Tandis qu'ici au Canada, il nous faut tenir compte des particularités inhérentes à la population d'un bout à l'autre. Il nous faut offrir une variété de modèles dans chacune de ces lignes, cuisinières électriques, au gaz, au pétrole, au charbon, au bois, de même que pour le chauffage ainsi que les chaufferettes.

[*Text*]

Mr. Pringle: Then taking all those points into consideration there must be some secret here. Is it unit labour cost that makes it possible for you to compete? Just how can you possibly compete with all the advantages that the American manufacturer has, unless it is labour unit cost? If it is labour unit cost then would there not be a danger if you had a free trading area that very shortly you might find parity and wages getting hold of you?

Mr. Fisher: We might be swamped out with the Americans coming in here.

Mr. Pringle: You might be swamped out. Then apparently it must be in your unit labour cost that you make your saving. Is that correct?

Mr. Fisher: No, not in our unit labour costs. Our men's earnings are as high as any. We have checked with others and our men's earnings are well up with any in Canada.

The Chairman: Mr. Nesbitt.

Mr. Nesbitt: I have a very brief question, Mr. Chairman. I think a great many of us have been very impressed by the presentation of Mr. Fisher, and it is my understanding that Mr. Fisher has had a great deal of long experience in the subject of freight rates and I, for one, would like to hear some additional comments and suggestions by Mr. Fisher in relation to this subject. Now it is getting very late, Mr. Chairman, and I would not want to burden Mr. Fisher or other members of the Committee at the present time, but I was wondering if perhaps Mr. Fisher would agree to prepare a further submission on the subject of freight rates in the Atlantic Provinces with some additional comments, sent in the form of a letter to you, Mr. Chairman, of which other members of the Committee could receive copies.

Mr. Fisher: Rates are shown here in this submission which is in the book you have. It says a 123 per cent increase would come into effect if we went from the present tariff rates to Tariff 100. On the next page it shows the similar situation in Quebec. And in Statement "C" it refers to incoming raw materials and what these differences are. It is set out there in the rates that were in effect a year ago and those rates are still in effect on that. I would be glad to endeavour to get any further information that you could suggest

[*Interpretation*]

M. Pringle: Considérant tout cela, il doit y avoir un secret ici. S'agit-il du coût unitaire de la main-d'œuvre qui vous permet de soutenir la concurrence? Comment pouvez-vous maintenir la concurrence contre le fabricant américain avec tous les avantages qu'il détient autrement que par le coût unitaire de la main-d'œuvre? Donc, si c'est le coût unitaire de la main-d'œuvre qui vous avantage, ne serait-il pas dangereux pour vous, si vous aviez une zone de libre échange, que vous soyez soudainement surpris par la parité des salaires?

M. Fisher: Nous pourrions peut-être nous trouver forcés de céder le marché aux américains.

M. Pringle: Vous seriez peut-être balayés. Donc, il est évident que ce sont les coûts unitaires de la main-d'œuvre qui vous permettent d'économiser.

M. Fisher: Non, parce que notre main-d'œuvre nous coûte autant que n'importe qui. Nous avons vérifié cela avec d'autres et nous avons constaté que les revenus de nos salariés sont aussi élevés que n'importe où ailleurs.

Le président: Monsieur Nesbitt.

M. Nesbitt: Une question très brève, monsieur le président, je crois que plusieurs parmi nous sont très impressionnés de la présentation de M. Fisher, et je crois comprendre que, M. Fisher, a une très grande expérience au sujet du tarif marchandise. Personnellement j'aimerais qu'il commente encore plus et qu'il nous formule des suggestions à cet égard. Il se fait tard, monsieur le président, et je ne voudrais pas en imposer à monsieur Fisher, ni aux autres membres du comité, mais je me demande si, M. Fisher, serait disposé à nous préparer un autre document sur les tarifs marchandises dans les Maritimes, avec des commentaires, et vous envoyer le tout sous forme de lettre, dont les copies seraient distribuées aux autres membres.

M. Fisher: Les taux sont indiqués dans la liste qui se trouve dans le compte rendu que vous avez en main. Ce compte rendu indique qu'une augmentation de 123 p. 100 entrerait en vigueur si nous passions du tarif actuel au tarif 100. A la page suivante il montre une situation analogue au Québec. Et dans l'état C il porte sur les matières premières importées et sur ce que ces différences représentent. C'est indiqué par les taux qui étaient en vigueur il y a un an, et les mêmes taux valent aujourd'hui à ce sujet. Je serais, toute-

[*Texte*]

after we have battled this rate thing with Boards—first the Board of Transport Commissioners before which we appeared in 1920, and we have been at it ever since with them, but it has not been too encouraging.

Mr. Nesbitt: It is for that reason, Mr. Chairman, that I suggested Mr. Fisher might perhaps like to make an additional submission to the Committee by way of writing within the next week or two or some time and I would hope that perhaps he might.

The Chairman: Mr. Portelance.

Mr. Portelance: Mr. Fisher, according to this memo from Sackville to Truro you used to pay $2.90 for 440 pounds, and with the new rule you would pay $6.68 for two ranges.

Mr. Fisher: That is right, for two ranges.

Mr. Portelance: What would be the average selling price of one range—$100, $200?

Mr. Fisher: By the average selling price do you mean the consumer's price?

Mr. Portelance: From the store to the consumer.

Mr. Fisher: The average selling price would be in the vicinity of $200.

Mr. Portelance: Two hundred dollars. So this means there would be an increase of $3.34 on that $200 in the selling price and if they take their mark-up it would be an extra $5 to the consumer. So as far as the 123 per cent increase is concerned, it might be a 123 per cent increase on the shipping costs but it is not that same percentage over the counter.

Mr. Fisher: Oh, no.

That is the increase in the shipping cost.

Mr. Portelance: Thank you.

The Chairman: Mr. Nowlan, the last question.

Mr. Nowlan: Thank you. Mr. Chairman, I do not know whether my questions or my voice are going to hold out longer because I have three or four. But the first question to Mr. Fisher, Mr. Chairman, because he ships and competes nationally, is: what relation is the transport cost to his cost? I again go back to the economic intelligence unit report sug-

[*Interprétation*]

fois, heureux d'essayer de vous procurer tout renseignement dont vous aurez besoin, après que nous aurons réglé la question des taux avec les commissions, tout d'abord, la commission canadienne des transports devant laquelle nous avons comparu en 1920, et nous ne cessons de le faire depuis lors, mais les résultats n'ont pas été encourageants.

M. Nesbitt: C'est pour cette raison, monsieur le président, que j'ai suggéré si M. Fisher, voudrait peut-être nous envoyer un document supplémentaire en vous écrivant, d'ici une semaine ou deux, par exemple, et j'espère qu'il le fera.

Le président: Monsieur Portelance.

M. Portelance: M. Fisher, selon les mémoires que vous nous avez donnés, de Sackville à Truro, vous payiez, autrefois, $2.90 pour 440 livres et selon les nouvelles règles vous payeriez $6.68 pour deux cuisinières.

M. Fisher: Oui, c'est pour deux cuisinières.

M. Portelance: Quel serait le prix de vente moyen d'une cuisinière? $100.—$200.?

M. Fisher: Le prix de vente moyen au consommateur vous voulez dire? A partir du détaillant?

M. Portelance: A partir du détaillant.

M. Fisher: Le prix de vente moyen serait dans les $200.

M. Portelance: Dans les $200. Par conséquent, il y aurait une augmentation de $3.34 sur les $200. dans le prix de vente. S'ils prennent leur profit sur les $3.35, cela voudrait dire $5. Mais pour ce qui est des 123 p. 100 d'augmentation cela veut dire peut-être 123 p. 100 sur les frais de transport, mais ce n'est pas nécessairement le même pourcentage pour le consommateur.

M. Fisher: Oh non. C'est l'augmentation sur les frais d'expédition.

M. Portelance: Merci.

Le président: Monsieur Nowlan une dernière question.

M. Nowlan: Merci, monsieur le président. Je ne sais pas si ce sont mes questions ou ma voix qui vont réussir à l'emporter, j'aurais trois ou quatre questions à poser. Mais une question que je voudrais poser, à M. Fisher, étant donné qu'il expédie et fait affaire sur le plan national: quel est le rapport des frais de transport à ces frais à lui, à son coût à lui?

[*Text*]

gesting that 5 per cent was cost of transportation and transportation has been vastly overrated in the Atlantic area. I just wonder what your experience has been, sir. This I presume applies to both incoming and outgoing materials.

Mr. Fisher: I do not quite follow you there.

Mr. Nowlan: I can understand that because you may not be able to hear me too correctly. The survey commission by the Atlantic Development Board suggested that about 5 per cent of the cost of a product was really involved in the transport, separate and apart from distribution costs—the warehouses that you keep open in Vancouver and so on. I just wonder what your experience has been.

Mr. Fisher: I cannot say just what that would be. I can give you some figures. Take steel, for instance which costs about $185 a ton and our steel costs us $16.80 more than our competitors' in Ontario.

Mr. Nowlan: I was going to come to steel, sir. Why is it that you have to get steel from Hamilton and that you cannot get it from Sydney?

Mr. Fisher: Sydney does not make steel sheets.

Mr. Nowlan: That is right.

Mr. Fisher: They are only made in Hamilton and Sault Ste. Marie.

Mr. Nowlan: Has this always been the case in your history?

Mr. Fisher: It has always been the case.

Mr. Nowlan: All right. Now the third question, then, Mr. Chairman. You have been silent on the question of the trucking industry. Is that because you do not use trucks?

Mr. Fisher: We do not use trucks—we use them a little bit but very little. Their rates are just about as high as the Tariff No. 100 now and also they are not too anxious to carry our goods because they can get heavier per-cubic-foot pick-up and usually they load in Moncton and they go through. Time after time we have called up Moncton. Scores of times we have had certain shipments here to go to Truro or Halifax and we have asked them to pick them up. We have waited perhaps two, three or four days and they never came to pick them up.

[*Interpretation*]

Je reviens encore au rapport *Economic Intelligent Unit* suggérant que les frais de transport équivalait à 5 p. 100 et qu'on avait exagéré les frais de transport dans la région de l'Atlantique. Je me demandais quelle était votre expérience dans ce domaine, Monsieur. Je présume que cela s'applique aux matières importées ainsi qu'aux produits exportés.

M. Fisher: Je n'ai pas tout à fait saisi.

M. Nowlan: Je le comprends car vous ne me comprenez peut-être pas. Vous ne m'entendez peut-être pas. L'étude faite par l'Office d'expansion des régions de l'Atlantique a suggéré qu'environ 5 p. 100 du coût d'un produit était vraiment constitué par les frais de transport à part les frais de répartitions représentés par les entrepôts à Vancouver, par exemple. Je me demandais quelle était votre expérience à ce sujet?

M. Fisher: Je ne saurais dire ce que cela représenterait, je pourrais peut-être vous donner des chiffres. Tenez, par exemple, l'acier qui coûte environ $185. la tonne. Notre acier, nous coûte $16.80 de plus que nos concurrents dans l'Ontario.

M. Nowlan: J'en arrivais justement à l'acier. Pourquoi faut-il que vous obteniez votre acier de Hamilton et non pas Sydney?

M. Fisher: Ils ne produisent pas les feuilles à Sydney.

M. Nowlan: C'est juste.

M. Fisher: Elles sont fabriquées seulement à Hamilton et à Sault-Sainte-Marie.

M. Nowlan: Cela a-t-il toujours été ainsi?

M. Fisher: Toujours.

M. Nowlan: Alors ma troisième question, monsieur le président. Vous avez passé sous silence la question de l'industrie du camionnage. Est-ce parce que vous n'employez pas les camions?

M. Fisher: Nous n'employons pas de camions, non. Nous les utilisons, mais très peu. Leurs taux sont environ les mêmes presque aussi élevés que le tarif cent, à l'heure actuelle et d'autre part, ils ne sont pas tellement disposés à transporter nos produits parce qu'ils peuvent obtenir des livraisons beaucoup plus lourdes par pied cube. D'habitude ils chargent les camions à Moncton, et partent directement. Nous avons téléphoné à Moncton, plusieurs fois, pour dire que nous avions certaines livraisons à destination de Truro ou Halifax. Ils nous on dit qu'ils vien-

[*Texte*]

Mr. Nowlan: Well, then, as far as extending the MFRA to the trucking industry, you are neither plus nor minus—you are neuter. Is that correct?

Mr. Fisher: We have been giving all our business to the railways.

Mr. Nowlan: My last question, basically, Mr. Chairman, before my voice gives out, has to do with the submission made by Mr. Fisher a year ago in which he stated that he did not have time to come up with too many remedies in view of the lack of time for research, and I come over to his first recommendation. This is the first recommendation on page 818 of our brief:

> ...must be sufficient to place a maritime Manufacturer on a roughly equal basis, rate-wise, with the Manufacturer situated in Montreal.

Mr. Chairman, I sympathize with and congratulate a man who has been able to persevere through all the ups and downs of the Atlantic enterprise. Along the line of Mr. Nesbitt's question, I, as a layman politician, would like to know if you have any practical recommendations as to how you could equate a Maritime manufacturer with a manufacturer in Montreal in enacting legislation.

Mr. Fisher: We took Montreal without asking too much. We have to compete mainly with the people in Ontario so we say Montreal. Let us equalize with Montreal. Let us come half way. Give us half a chance. We do not ask for the whole thing. We say give us half a chance, equalize us with Montreal and let us go at it from there.

There is one manufacturer in Montreal who is closing up on May 30 of this year.

The Chairman: Mr. Breau, the last question.

Mr. Breau: Mr. Fisher, would you comment on Mr. Perrault's question about having a branch plant? Is it not a fact that in that type of industry, the appliance industry, it is not recommended that plants be duplicated? The Maytag Company in washers and dryers has always been centralized in one place.

[*Interprétation*]

draient les chercher mais après avoir attendu trois ou quatre jours, ils ne sont jamais venus.

M. Nowlan: Si nous appliquions la Loi sur les taux de transport des marchandises dans les provinces maritimes, sur l'industrie du camionnage, vous n'êtes ni en faveur ni contre, vous êtes neutre. N'est-ce pas?

M. Fisher: Nous avons toujours livré nos marchandises par chemins de fer.

M. Nowlan: Ma dernière question au fond, monsieur le président, avant de perdre la voix, a trait à la présentation de M. Fisher, il y a un an, où il déclarait justement qu'il n'avait pas le temps d'en arriver à un remède vu le manque de temps pour les recherches. J'en viens donc à sa première recommandation et c'est la première recommandation qu'il formulait et que l'on trouvera à la page 818 de notre compte rendu:

> ...devrait être suffisante pour que le fabricant des maritimes n'ait pas à assumer des taux plus élevés que son homologue de Montréal.

Et alors, monsieur le président, j'approuve et je félicite quelqu'un qui a su persévérer à travers toutes les vicissitudes d'une entreprise dans l'Atlantique. Dans les mêmes lignes que M. Nesbitt, et à titre de simple homme politique, je voudrais savoir comment vous vous proposez d'insérer cela dans une mesure législative afin que la situation soit la même pour le fabricant dans les Maritimes qu'à Montréal?

M. Fisher: Nous avons pris Montréal sans trop poser de questions. Il nous faut faire la concurrence surtout avec les gens de l'Ontario. Alors nous disons Montréal. Faisons l'égalité avec Montréal, donnez-nous la permission d'y aller, d'aller à mi-chemin, nous ne demandons pas tout, mais donnez-nous une petite chance tout de même, égalisons les chances avec Montréal et ensuite nous nous arrangerons. Il y a un fabricant à Montréal qui doit fermer ses portes le 30 mai de cette année.

Le président: Monsieur Breau, une dernière question.

M. Breau: Monsieur Fisher, est-ce que vous pourriez commenter sur cette question d'avoir une usine filiale. N'est-ce pas un fait que dans ce genre d'industrie, c'est-à-dire l'industrie des appareils ménagers, la duplication des usines n'est pas indiquée? Comment expliquez-vous que la société «Maytag» qui fabrique des lessiveuses et des sécheuses s'est toujours centralisée?

[*Text*]

Mr. Fisher: There are no branch plants in the stove and furnace industry in Canada. There is only one plant. Some American financial corporations own two or three plants but they all work independently.

The Chairman: This is the end of our period of questions. We want to thank you, Mr. Fisher.

Our next witnesses are the Enamel Heating Products Limited.

They are not here. Next we have the Opposition Members of the Legislative Assembly of New Brunswick. Mr. McCain.

Mr. Nowlan: Before you begin, I want to congratulate you. This is the seventeenth brief we have had here today and I think you have been pretty good.

The Chairman: Thank you. Mr. McCain is going to make a few observations and read a few notes on his brief and members may ask questions afterwards.

Mr. Fred McCain (Member of the New Brunswick Legislative Assembly): Mr. Chairman, Committee members, I think that as politicians perhaps we may now know tonight how the crowd in the hustings feel as the last speaker arrives at the big political rally because we certainly have been exposed to about that many remarks so far today.

Out of consideration for this, I will try to be brief in accordance with your patience, which I hope may still remain.

The breadth of discussion today seems to indicate a very sincere interest on the part of your Committee to do a job and we hope you will make a productive impression on government to develop a continuing policy designed to fill the need at hand. Directly or indirectly, the taxpayer has supplied subsidy for transportation since the first land grant to a railroad was made in Canada, whether it was New Brunswick, Alberta or British Columbia.

Since the first trucking highway was constructed, since the first airport was provided by the Department of Transport, since the first CN deficit as a national carrier, since the St. Lawrence Seaway and on and on ad infinitum, subsidy direct or indirect has been provided for transportation of individuals, animate and inanimate bodies, for the service of Canada. But all of these were done in good faith, in the firm belief that each was in the best national interest, and I, for one,

[*Interpretation*]

M. Fisher: Il n'y a pas d'usines filiales dans l'industrie manufacturière de cuisinières au Canada. Il y a juste une usine mère. Toutefois il existe certaines sociétés américaines qui sont propriétaires de deux ou trois usines, mais ces usines fonctionnent indépendamment les unes des autres.

Le président: Voilà la fin de notre période des questions. Nous voulons vous remercier, monsieur Fisher de votre présentation. Le prochain témoin nous vient de la *Enamel and Heating Products Limited.* On me dit qu'ils ne sont pas ici. Les autres témoins sont *Les members de l'Opposition de l'Assemblée législative du Nouveau-Brunswick.* M. McCain.

M. Nowlan: Je voudrais vous féliciter, car c'est le 7e mémoire que nous avons eu et je trouve que vous avez été très bien.

Le président: Merci. Monsieur McCain, vous fera quelques commentaires et vous lira quelques notes au sujet de son mémoire, puis les membres pourront poser des questions.

M. McCain (Membre de l'Assemblée législative du Nouveau-Brunswick): Monsieur le président, membres du comité, je crois, qu'à titre d'hommes politiques, nous pourrions peut-être savoir, nous saurons peut-être ce soir, comment la foule se sent quant arrive le dernier orateur de la réunion, car nous avons été vraiment exposés à toute une gamme d'observations de ce genre aujourd'hui. A la lumière de ceci, j'essaierai d'être bref, espérant que vous serez encore un peu patient avec moi. La discussion, aujourd'hui, semble indiquer un intérêt très sincère de la part de votre comité pour accomplir une tâche, et nous espérons que vous ferez une impression productive sur le gouvernement pour essayer de développer une politique qui répondra aux besoins que nous ressentons. Directement ou indirectement, le contribuable a versé des subventions au transport depuis que pour la première fois, on a accordé un terrain aux chemins de fer que ce soit n'importe où au Canada.

Depuis que la première route pour le camionnage a été construite, depuis que le premier aéroport a été fourni par le ministère des Transports, depuis le premier déficit du CN à titre de transporteur national, depuis la construction de la voie maritime du *Saint-Laurent etc. «ad infinitum»*, des subventions directes ou indirectes ont été consenties pour le transport des particuliers, des organismes animés ou inanimés, pour servir le Canada.

[*Texte*]

respect the judgment which brought each to pass. Today then we must not lose sight of the fact that we are considering a very small part of the national transportation problem—national transportation and government expenditure as a whole. But like each other part, it is vital to both the Atlantic and the national economy.

It has been pointed out today that free trade with the Eastern Seaboard of the United States would solve much of the problem—for agriculture, lumber, pulp and paper. For instance, Mr. Irving pointed out today they would be subject to 18 per cent duty on fine papers if they were to manufacture them in their plant. For fishing, it probably would, but when? When are the people of the United States apt to open that most lucrative market to products from Canada which would be competitive?

I wondered when the gentleman from British Columbia brought this subject up earlier today whether he had ever talked with Mr. Gilmore of the B.C. Coast Vegetable Marketing Board. I am sure that if he were here, his approach to free trade would be very definitely negative.

However, I do not share that feeling but the member from British Columbia perhaps might want to talk to Mr. Gilmore. I think it is important to note that the Atlantic area has had two very prosperous periods since it was settled as an organized society. The first occurred when we had free trade with the British market, and the second occurred when we had reciprocity with the United States. These were the two periods of real and proper prosperity for the Atlantic area and the only two. When our trade began to move east and west instead of north and south or out to sea—in other words when we became part of an area of Canada, we began to get into a bit of trouble, as far as our standards of living were concerned.

By all means let us work eternally towards broader trade patterns. But in the meantime let us solve the real transportation problem as it exists within our boundaries. There are many irritating questions which arise from the discussion as pointed out so ably by Mr. Irving earlier today, and in other industries similar question arise.

For instance, why is it cheaper to ship a product from Quebec City to St. John's,

[*Interprétation*]

Mais on a tout fait, de bonne foi, croyant que chaque chose était faite dans l'intérêt national et personnellement j'ai beaucoup de respect pour les jugements ou pour la décision prise. Aujourd'hui, donc, nous ne devons pas perdre de vue le fait que nous étudions une parcelle seulement du problème national en matière de transport, transport national et dépenses du gouvernement dans leur ensemble. Mais comme chacune des parties elles sont vitales pour l'économie de l'Atlantique tout comme pour l'économie nationale.

On a signalé, aujourd'hui, que le libre échange avec la côte Est des États-Unis réglerait le problème, pour l'agriculture, le bois, la pâte de papier. Par exemple, M. Irwin, a dit aujourd'hui qu'il était sujet à des tarifs de 18 p. 100 pour le papier fin s'ils le fabriquaient dans leurs usines. C'est vrai, peut-être, mais quand? Quand les Américains pourront-ils ouvrir ce marché payant aux produits compétitifs du Canada.

Je me suis demandé, lorsque le député de la Colombie-Britannique a soulevé la question plus tôt aujourd'hui, s'il avait déjà parlé à M. Gilmore de la *B.C. Coast Vegetable Marketing Board*. Je suis sûr que s'il était ici, son attitude en ce qui concerne l'échange libre serait certainement négative.

Cependant je ne partage pas ce sentiment mais les membres de la Colombie-Britannique voudraient peut-être parler à M. Gilmore. Je trouve qu'il est important de noter que la région de l'Atlantique a eu deux périodes très prospères depuis qu'elle s'est transformée en société organisée. La première c'est lorsque nous avons eu un libre échange avec le marché anglais et la deuxième lorsque nous avons eu l'accord de réciprocité avec les États-Unis. Voilà les seules deux périodes de prospérité réelle pour la région de l'Atlantique. Lorsque notre commerce a commencé à se faire dans le sens Est-Ouest au lieu de nord-sud, ou vers l'étranger, c'est-à-dire lorsque nous sommes devenus partie intégrante du Canada, nous avons commencé à éprouver des difficultés en ce qui concerne notre niveau de vie.

De grâce, travaillons sans relâche, en vue d'atteindre l'élargissement du commerce. Mais, essayons entre-temps, de régler le vrai problème tel qu'il existe à l'intérieur de nos frontières. Il y a plusieurs questions irritantes et fâcheuses qui se dégagent de la discussion qui a été si bien présentée par M. Irving aujourd'hui; d'autres industries se posent également les mêmes questions.

Par exemple, pourquoi coûte-t-il moins cher d'expédier un produit de la ville de

[*Text*]

Newfoundland, via rail than it is to ship the same product from Hartland, New Brunswick, to St. John's, Newfoundland, via rail? Let me point out there is no subsidy for the rail movement from Quebec City to St. John's, Newfoundland, but there is subsidy from Hartland to St. John's, Newfoundland. Yet the ratepayer pays more from Hartland.

Now, Mr. Chairman, the answer from the railroads might be that this is a water competitive rate from Quebec to Newfoundland; and if it be, I say to you that a subsidized railroad, it seems to me, is extremely ill-advised to give such a rate as to prejudice the position of another customer in another area of the same nation which pays its deficit.

Is there any reason, for instance, why we should not consider Maritime transportation problems when B.C. apples move freely to the Atlantic area, but New Brunswick stoves will have great difficulty in moving to British Columbia if present transportation policies and railroad policies become fact.

Another question which I think your Committee should consider, and I do not have the answer is: Why is the intercolonial railroad still the base on which rates are set for the Atlantic area? It is historic fact that the intercolonial railroad was built around the north shore of New Brunswick as a defensive necessity. It was the first railroad to serve that area. It became obsolete as a defensive weapon in 1814, but the rate structure in the Atlantic area is still influenced by this railroad. Why should it be, Mr. Chairman, that a product destined for Edmundston in New Brunswick from Hartland, New Brunswick, a distance of approximately 100 miles—and I notice that you have a New Brunswick map there; if you would like to follow me on this journey you would be interested, sir—why should it be that this product will be taken from Hartland to Woodstock CP, by CN to Fredericton, to McGivney to Newcastle to Campbellton to Cyr Junction to Edmundston, some 400 miles to travel 100 miles? This is the cheapest rate available. Why should this be?

These are questions and inequities that we feel that your Committee might have some influence in solving. To date our efforts to resolve these problems have not been produc-

[*Interpretation*]

Québec à St-Jean de Terre-Neuve par chemins de fer que ça nous coûte pour expédier le même produit de Hartland, Nouveau-Brunswick jusqu'à St-Jean Terre-Neuve par chemin de fer également. Permettez-moi de faire remarquer qu'il n'y a pas de subside pour le transport par rail de Québec à St-Jean Terre-Neuve, mais il y a des subsides de Hartland à Saint-Jean Terre-Neuve. Et malgré cela, le client paie plus à partir de Hartland.

Monsieur le président, la réponse des chemins de fer serait peut-être que c'est un taux plus concurrentiel de la voie d'eau de Québec à Terre-Neuve et s'il en est ainsi, je vous dirais qu'un service ferroviaire subventionné me semble mal avisé pour donner un tel taux au détriment d'un autre client d'une autre région de cette même nation, qui, lui, doit payer son déficit.

Est-ce qu'il y a motif, par exemple, pour qu'on ne considère pas les problèmes de transport des Maritimes lorsque les pommes de la Colombie-Britannique viennent librement dans notre région alors que les cuisinières du Nouveau-Brunswick éprouveront beaucoup de difficultés à être acheminées vers la Colombie-Britannique si cette politique devient la réalité.

Une autre question qui devrait être étudiée par votre comité et dont je ne possède pas la réponse est: pourquoi le chemin de fer intercolonial sert-il toujours de base pour le calcul des tarifs dans la région Atlantique? C'est un fait historique, que le Chemin de fer intercolonial fut construit sur le littoral nord du Nouveau-Brunswick comme une nécessité défensive. Ce fut le premier chemin de fer construit. En 1814 il était périmé en tant qu'arme de défense mais la structure des tarifs dans la région de l'Atlantique est toujours influencée par ce chemin de fer. Pourquoi, monsieur le président, un produit destiné à Edmundston (Nouveau-Brunswick) et venant de Hartland (Nouveau-Brunswick), une distance d'environ cent milles...

Je vois que vous avez une carte du Nouveau-Brunswick ici, si vous voulez bien me suivre vous serez édifié, pourquoi ce produit serait-il acheminé de Hartland à Woodstock par le Pacifique-Canadien, puis par le National-Canadien à Fredericton, McGivney, Newcastle, Campbellton, Cyr Junction et Edmundston soit un parcours de 400 milles pour faire cent milles?

C'est le taux le moins élevé disponible. Pourquoi en est-il ainsi?

Voilà donc des questions d'inégalité, que, à notre avis, votre comité pourrait aider à résoudre. Jusqu'ici nous n'avons pas réussi à résoudre ces problèmes. Pourquoi le taux de

[*Texte*]

tive. Why are eastbound rates often lower than, seldom higher than, and sometimes equal to westbound rates for similar products? Why is this so? Please note again the westbound rates are subsidized but the eastbound rate, without subsidy, are often lower than the subsidized westbound rates.

This seems to be railroad policy and I think it is a question to which your Committee might get the answer. But we in this area have been unsuccessful. For instance, why would beer in an occasional carload move as cheaply from Montreal to New Brunswick unsubsidized as potatoes would move by the thousands of cars from New Brunswick to Montreal under subsidy? The rate, Mr. Chairman, is quite comparable. These are infuriating questions and seem to present an unreasonable situation.

Why is the rate paid by Atlantic shippers plus government subsidy so often greater than unsubsidized rates for the same product moving eastward? Why cannot the CNR and the CPR co-operate to save themselves money and at the same time compete realistically to save the customer's money? The prime example, I would say, would be the routing of the potato chips from Hartland to Edmundston. Why has containerization been so long coming? Containerization has been taking business from agriculture in New Brunswick from other sources for 10 years, but containerization in 1968 became a topic in the Atlantic area by those interested in transportation.

Why is there so little piggyback for the general truckers? Why is there not co-operation between rails and truckers with piggyback service? The railroads use it in the U.S. Piggyback trains move there, flowing from one despatch centre to another, expediting service for all concerned, saving money for all. Why are the bottlers of soft drinks in the Atlantic area subject to the pressure of rates which they have depicted earlier? Is this to continue indefinitely?

The price-cost squeeze has farmers in a serious economic crop bind. The West is not alone in this. While transportation has not been the sole contributor it has been a very important part, and during the last 25 years there is no end in sight. Could your Committee ask the Government of Canada that if there is no solution for the freight costs mov-

[*Interprétation*]

l'acheminement vers l'est est-il souvent moins élevé, rarement plus élevé et parfois égal aux tarifs des mêmes produits acheminés vers l'ouest. Pourquoi en est-il ainsi? Une fois de plus, veuillez observer que les tarifs vers l'ouest sont subventionnés, mais que ceux vers l'est, sans subvention, sont souvent moins élevés que les tarifs vers l'ouest.

Cela semble être la politique des chemins de fer et ce devrait être une question pour laquelle votre comité devrait obtenir une réponse. Nous, nous n'avons pas réussi. Ainsi, pourquoi la bière, en chargements irréguliers peut-elle être transportée aussi économiquement de Montréal au Nouveau-Brunswick, sans subvention, que les pommes de terre qui sont acheminées par centaine de wagons, du Nouveau-Brunswick à Montréal, avec des subventions? Voilà des questions irritantes et qui témoignent d'une situation illogique.

Pourquoi le taux payé par les expéditeurs de l'Atlantique compte tenu de la subvention du gouvernement, est-il souvent plus élevé que le taux non subventionné pour le même produit qui est acheminé vers l'Est? Pourquoi le National Canadien et le Pacifique Canadien ne peuvent-ils pas collaborer pour épargner de l'argent, tout en ayant une concurrence réaliste, pour épargner de l'argent aux clients? Le meilleur exemple, serait l'acheminement des croustilles de Hartland à Edmundston. Pourquoi la question des cadres a-t-elle mis tant de temps à venir? Le transport par cadres a enlevé des affaires à l'agriculture du Nouveau-Brunswick et à d'autres sources pendant dix ans, mais en 1968 le transport par cadres est devenu un sujet au goût du jour pour ceux qui s'intéressent au transport dans la région Atlantique.

Comment se fait-il qu'il y ait si peu de remorques rail-route pour les camionneurs? Pourquoi n'y a-t-il pas de collaboration entre le service ferroviaire et les camionneurs? Aux États-Unis, les chemins de fer se servent des remorques rail-route. Des trains entiers de remorques vont d'un centre d'expédition à l'autre, accélérant le service pour tous et épargnant de l'argent à tous. Pourquoi les embouteilleurs de boissons gazeuses de la région de l'Atlantique, sont-ils sujets à la pression de ces taux qu'ils nous ont décrits plus tôt? Est-ce que cela va continuer indéfiniment?

L'écart des prix fait que les agriculteurs se trouvent dans une situation économique grave. L'Ouest n'est pas la seule région à connaître ce problème. Bien que le facteur transport ne soit pas le seul, ce fut un des facteurs importants, au cours des vingt-cinq dernières années et nous ne voyons pas encore la fin. Est-ce que votre Comité ne

[*Text*]

ing westward can the government find markets for our products elsewhere? Either one would be satisfactory. It is a matter of rates or markets for agriculture in this area. This is no simple problem, but it is very real.

Whether the rates be water competitive or road competitive or just plain competitive or noncompetitive, the Atlantic area must not be subject to rates which deny markets. This is an inherent right of our Confederation. The transportation industry, land, sea and air must be inventive, daring, pioneering, and when we look at changes in the U.S. under private ownership; changes in Europe, Russia, Japan, we are astounded that a land of daring pioneers such as ours has allowed our situation to degenerate to today's level.

Mr. Chairman and gentlemen, I think that Grand Manan's presentation has been an exclamation mark for presentations. They presented their case with sincerity, clarity and precision. The case for the Atlantic area cannot be so simply stated but it is no less urgent and it is no less clear in the minds of those in need.

In closing, I wish again to emphasize that the Atlantic problem is but a regional facet of the national problem where the taxpayers pay millions every day for all of Canada, and I refer to our brief where in essence we say we believe that an economic solution for the Atlantic area is a sound investment in Canada as a whole. Now, most of the questions have been asked and on behalf of the Opposition our brief prepared about a year ago is on file and is in your book. We still support that brief. Thank you, very much for the sincere interest you have shown throughout a very long and informative day.

The Chairman: Thank you, very much. Mr. Perrault?

Mr. Perrault: Mr. Chairman, Mr. McCain made reference to British Columbia and I would like to ask one or two questions of him, but before I do I would like to refer to the brief which he submitted in March of 1968 which reads:

> We are interested in and support the consideration of such proposals as the Chignecto Canal, a super airport, the Corridor Roads and Atlantic super

[*Interpretation*]

pourrait pas demander au gouvernement du Canada, que s'il n'y a pas de solution pour le coût des transports vers l'Ouest, il nous trouve des débouchés ailleurs pour nos produits? L'une ou l'autre des solutions serait satisfaisante. Il s'agit d'une question de tarifs ou de marchés pour l'agriculture de cette région. Ce n'est pas un problème simple, mais c'est un problème.

Qu'il s'agisse de tarifs maritimes ou routiers concurrentiels ou pas, la région de l'Atlantique ne doit pas faire l'objet de tarifs qui lui ferment des marchés. C'est un des droits de notre Confédération. L'industrie des transports terrestres, maritimes ou aériens doit être à la pointe du progrès et lorsqu'on voit les changements qui se produisent aux États-Unis, en Europe, en Russie, au Japon, nous sommes étonnés de voir qu'une terre de pionniers comme la nôtre ait permis que cette situation se détériore au point où elle en est aujourd'hui.

Monsieur le président, Messieurs, je pense que la présentation de Grand Manan a été un point d'exclamation. Ils ont présenté leur situation avec sincérité, autorité et précision. Le cas de la région de l'Atlantique n'est pas aussi simple, mais, il est tout aussi urgent et tout aussi clair dans l'esprit de ceux qui sont dans le besoin.

En terminant, une fois de plus, je désire vous signaler que le problème de l'Atlantique est un aspect régional du problème national où les contribuables paient chaque jour des millions pour tout le Canada, et je me réfère à notre mémoire où nous disons, en essence, que nous croyons qu'une solution économique pour la région de l'Atlantique, est un bon investissement pour l'ensemble du Canada. La plupart des questions ont déjà été posées, et, au nom de l'opposition, notre mémoire a été présenté il y a environ un an, il figure au compte rendu. Nous appuyons toujours ce mémoire. Je vous remercie beaucoup de l'intérêt dont vous avez fait preuve, tout au long de cette journée qui fut très longue, mais des plus utiles.

Le président: Merci beaucoup. Monsieur Perrault?

M. Perrault: Monsieur le président, M. McCain a parlé de la Colombie-Britannique. Je voudrais lui poser une ou deux questions, mais avant de ce faire, je voudrais me référer au mémoire qu'il nous a présenté au mois de mars 1968 qui dit:

> Nous nous intéressons à l'étude de projets comme l'aménagement du canal de Chignecto, la construction d'un superaéroport, l'aménagement de couloirs et

[*Texte*]

ports...it is not ..sound to consider the elimination of subsidies.

Now, you know, to be responsible in public life you have to put price tags on these things. Now what has the Official Opposition in New Brunswick worked out in the way of a price tag for the Atlantic super port, the corridor road, the super airport, the Chignecto Canal and the subsidies? Now, what does it all come to because...

An hon. Member: On a point of order . . .

The Chairman: Order! Order, please!

Mr. Perrault: Mr. Chairman, it is a serious question.

An hon. Member: It has all worked out in British Columbia.

Mr. Perrault: Mr. Chairman, I would ask that member be called to order because it is a serious question. We are faced, Mr. Chairman, with the critical problem of balancing the national budget and I think it is important...

An hon. Member: Increase the expenditures by one . . .

Mr. Perrault: Mr. Chairman, this is a question I have asked of everyone appearing before the Committee today. I have asked the same question and I think it is important to find out what the price tag is.

The second question I would like to ask relates to transportation costs. I think there are transportation rate anomalies in the Maritimes. These anomalies also exist in Western Canada, as Mr. McCain knows, but he must have been out of the room when I referred to the matter of free trade. He seems to dismiss the feasibility of freer trade in the Maritimes.

He suggested I talk to Mr. Gilmore of the West Coast Fruit Marketing Board. We have had many conversations about it. Mr. Chairman, I suggested earlier that whether we live in Western Canada or in Eastern Canada we should discuss the possibility of industry by industry free trade with the United States. The suggestion of Mr. McCain is, Mr. Chairman, that somehow Canada does not have any bargaining position at all; how could we possibly negotiate with the United States for freer trade? Now, I am suggesting to him, Mr. Chairman...

[*Interprétation*]

de superports sur l'Atlantique. Il n'est pas bon...de songer à éliminer les subventions.

Pour être responsable, dans la vie publique, il faut mettre un prix sur ces différents éléments. Alors, à combien l'opposition officielle a-t-elle chiffré le prix d'un superport sur l'Atlantique, d'un couloir, d'un super-aéroport, du canal de Chignecto et des subventions? Qu'est-ce que cela représente car...

Une voix: J'invoque le Règlement...

Le président: A l'ordre, à l'ordre, s'il vous plaît.

M. Perreaul: Monsieur le président, c'est une question sérieuse.

Une voix: Le travail a été fait en Colombie-Britannique.

M. Perrault: Monsieur le président, je voudrais que les députés soient rappelés à l'ordre, car c'est une question sérieuse. Monsieur le président, nous devons faire face à un problème critique d'équilibre de notre budget national et je pense qu'il est important...

Une voix: Augmentez les dépenses de un...

M. Perrault: Monsieur le président, c'est une question que j'ai posée à tous les témoins qui ont comparu aujourd'hui. J'ai posé la même question et je pense qu'il est important de savoir combien ça coûtera.

La deuxième question que je voudrais poser a trait au coût de transport. Je pense qu'il y a des anomalies dans les tarifs de transport dans les Maritimes. Ces anomalies existent aussi dans l'Ouest du Canada, comme l'a dit M. McCain, mais il devait être à l'extérieur lorsque j'ai parlé de libre-échange. Il semble ne pas croire à la possibilité d'un échange plus libre dans les Maritimes.

Il a suggéré que je parle à M. Gilmore de l'Office de commercialisation des fruits de la côté ouest. Nous en avons beaucoup parlé. Monsieur le président, j'ai suggréré plus tôt que nous vivions dans l'Est ou dans l'Ouest du Canada, nous devrions parler de la possibilité du libre-échange, industrie par industrie avec les États-Unis. La suggestion de M. McCain, monsieur le président, c'est que le Canada n'est pas en position de négocier. Comment pourrions-nous négocier pour des échanges plus libres avec les États-Unis? Maintenant, je suggère, monsieur le président...

[*Text*]

The Chairman: Mr. Perrault, if you would like to have an answer you will have to give the witness a chance to answer one of your questions.

Mr. Perrault: I am asking this question: Does Mr. McCain really believe that it is impossible, for example, to negotiate with the United States a free trade agreement in the area of forest products, for example, so we can sell some of our fine papers from Canada in the United States? A policy of this kind does not affect people who are in the business of marketing agricultural products in the United States. If we had more support for policies of this kind in the East and the West, Mr. Chairman, perhaps we could eliminate some of these transportation subsidies. Now that is my question, to start.

Mr. McCain: Mr. Chairman, I do not intend to attempt to compete...

Mr. Perrault: Well try.

Mr. McCain: I do not intend to attempt to compete in length with the last speaker. I will say that I do sincerely support any negotiations which can be conducted and which would have as an objective freer trade with our neighbour to the South. I so stated very clearly, but I also stated that the immediate problem at hand is our transportation problem within Canada. This is the item which needs immediate attention because of regulations which are about to come into effect.

By all means, Mr. Chairman, anything that your Committee can do to encourage negotiations for free trade in the item I mentioned when I spoke earlier we support 100 per cent, but let us not wait for that to deal with this.

Mr. Perrault: Mr. Chairman, I am glad to have that clarification. Now, the second suggestion was that somehow...

Mr. McCain: May I interrupt a moment? Mr. Gilmore is the one who is the proponent of duties on agricultural products, particularly British Columbia fruits and vegetables, when they come in competition with California and Washington. He certainly would not promote or support, as I know him, any negotiations in respect of free trade in agriculture.

Mr. Perrault: We are not talking about Mr. Gilmore; we are talking about transportation costs in the Maritimes.

Mr. McCain: You talked about him.

[*Interpretation*]

Le président: Monsieur Perrault, si vous voulez avoir une réponse, laissez au témoin une chance de répondre à vos questions.

M. Perrault: Voici la question que je pose: M. McCain croit-il vraiment qu'il soit impossible, disons, de négocier avec les États-Unis une entente de libre échange, disons, pour les produits forestiers, pour que nous puissions vendre cet excellent papier canadien aux États-Unis? Une telle politique n'affecte pas les gens qui se trouvent dans la commercialisation des produits agricoles, aux États-Unis. Si nous avions plus d'appui pour une telle ligne de conduite, dans l'Est et dans l'Ouest, monsieur le président, peut-être pourrions-nous faire disparaître certaines de ces subventions en matière de transport. Voici, ma question, pour débuter.

M. McCain: Monsieur le président, je n'ai pas l'intention d'essayer de m'attaquer...

M. Perrault: Essayez, du moins!

M. McCain: Je n'ai pas l'intention de m'attaquer au précédent orateur quant à la longueur de ma réponse. Je dois dire que j'appuie sincèrement toutes négociations qui pourraient avoir lieu et qui auraient comme objectif des échanges plus libres avec notre voisin du Sud. Je l'ai d'ailleurs déjà dit, bien clairement. Mais j'ai dit aussi que le problème immédiat est celui du transport au Canada. C'est là la question qu'il nous faut étudier immédiatement à cause des règlements qui seront mis en vigueur d'ici peu.

Enfin, monsieur le président, tout ce que votre comité pourra faire pour encourager de telles négociations pour des échanges plus libres dans les domaines dont j'ai parlé, nous l'appuierons tout à fait. Mais n'attendons pas cela pour régler les problèmes de transport.

M. Perrault: Je suis très heureux d'avoir cette précision. La deuxième suggestion était que...

M. McCain: Puis-je vous interrompre un moment? M. Gilmore est celui qui propose des droits sur les produits agricoles, notamment les fruits et légumes de la Colombie-Britannique, lorsque nous faisons concurrence aux produits de Californie et de Washington. Il n'appuierait certainement pas, tel que je le connais des négociations visant à la libération des échanges dans le domaine de l'agriculture.

M. Perrault: On ne parle pas de M. Gilmore, on parle des transports dans les Maritimes.

M. McCain: Vous avez parlé de lui.

[*Texte*]

Mr. Perrault: The second thing, Mr. Chairman, is this: The suggestion has been made that somehow British Columbia apples should move freely to Nova Scotia while these Valiant Enterprise stoves have a difficult time getting out to British Columbia. Now, you know, I do not think that the scales are balanced in favour of Western Canada in this country. I think we are no better off and probably no worse off than any other part of the country. But British Columbia contributes to the Atlantic Development Fund, we have no tax equalization out on the West Coast and I do not think this kind of comment is appropriate at a meeting of this kind; that somehow there is a favoured province status to one province in this country—certainly it is not British Columbia.

Mr. McCain: Mr. Chairman, if I made any implication that any part of Canada was receiving preference as a result of national policies, I apologize. I was not aware that I was even implying such a thing. I did suggest that British Columbia, through very strong representations, had found ways and means of obtaining a rate which made it possible for them to ship British Columbia apples to New Brunswick, and I enjoy those apples.

I am not finding fault with that in any way. I am merely finding fault with the fact that New Brunswick industry in contrast has found it impossible, according to the future plans, to continue to ship to British Columbia. I am looking, sir, for a two-way street for the Atlantic area in the transportation situation. That is all I ask.

An hon. Member: I move we adjourn.

The Chairman: Gentlemen, I think we have had a great day of work and I think everybody enjoyed it. We shall adjourn.

[*Interprétation*]

M. Perrault: Mais voici, monsieur le président, on a proposé que les pommes de la Colombie-Britannique viennent librement en Nouvelle-Écosse, alors que les cuisinières ont beaucoup de mal à se rendre en Colombie-Britannique. Je ne crois pas que l'Ouest soit très avantagé. On n'est pas mieux ou pire que n'importe quelle autre région du pays, Mais, la Colombie contribue au fond de développement de l'Atlantique. Nous n'avons pas de péréquation sur la côte ouest et je ne crois pas qu'un tel commentaire soit approprié au cours d'une telle réunion, disons que s'il y a un statut préférentiel pour une province, ce n'est certainement la Colombie-Britannique.

M. McCain: Monsieur le président, si j'ai laissé entendre quoi que ce soit voulant qu'il y ait une région du Canada qui reçoive un traitement préférentiel à la suite d'une politique nationale, je m'en excuse. Je ne croyais pas avoir dit une telle chose. J'ai seulement suggéré que la Colombie-Britannique, à la suite de demandes très fermes, avait trouvé des moyens d'obtenir un tarif lui permettant d'expédier au Nouveau-Brunswick les pommes de la Colombie-Britannique, et j'aime bien ces pommes.

Je ne vois rien de mal là-dedans. Ce que je trouve mal, c'est le fait que l'industrie du Nouveau-Brunswick s'est vue dans l'impossibilité, suivant les programmes à venir, de continuer ses expéditions vers la Colombie-Britannique. Ce que je voudrais, c'est une voie à double sens, pour les transports de la région atlantique, c'est tout ce que je demande.

Une voix: Je propose qu'on ajourne.

Le président: Messieurs, je pense que nous avons fait beaucoup de travail, que tout le monde l'a apprécié et que nous devrions lever la séance.

[*End of Volume I—Balance in Volume II*] [*Fin du volume I—suite au volume II*]

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TRANSPORT AND COMMUNICATIONS

COMITÉ PERMANENT DES

TRANSPORTS ET DES COMMUNICATIONS

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FREDERICTON, N.B.

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[*Text*]

EVIDENCE

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Fredericton, N.B.,
Tuesday, February 18, 1969

The Chairman: Gentlemen, the first item on our agenda this morning will be the Town of Dalhousie. Will the representatives come forward, please. Is Mr. D. E. Noel present?

From the Canadian Trucking Associations Inc. we have on my right Mr. J. E. Palmer, President, and Mr. A. K. MacLaren, Executive Director. I imagine you have a short brief to present and then you would be willing to answer some questions from the members.

Mr. A. K. MacLaren (Executive Director, M.M.T.A., Canadian Trucking Associations Inc.): Mr. Chairman and gentlemen, this submission is made jointly by the Canadian Trucking Associations and the Maritime Motor Transport Association Inc. We also have with us today Mr. Peter Cook, Vice-President of M.M.T.A. for Newfoundland, Mr. Ross Judge, Vice-President from Nova Scotia, Mr. Lowell Hogg, Vice-President from P.E.I. and Mr. Charles Palmer, Vice-President from New Brunswick.

Gentlemen, by way of introductory remarks and to explain the perhaps somewhat unusual situation where a national association is participating in what might first appear to be a strictly regional matter, may I say that the problems facing the trucking industry in the four Atlantic Provinces and Eastern Quebec are important to the whole trucking industry for several reasons. The transportation policies in the Maritimes affect the trucking industry both within and without the Atlantic Provinces and it is for this reason that the CTA is participating.

Generally speaking, it is the policy of the Canadian Trucking Association to be against all forms of subsidies in transportation. However, where subsidies are necessary, it is our view that the subsidies should be applied equally to all modes of transport.

[*Interpretation*]

TÉMOIGNAGES

(*Enregistrement électronique*)

Fredericton, N.-B.
Le mardi 18 février 1969

Le président: Messieurs, à l'ordre du jour de ce matin, nous avons une première soumission de la ville de Dalhousie et je demanderais aux représentants de bien vouloir se présenter. Donc la ville de Dalhousie. Monsieur D. E. Noël est-il ici?

De l'Association Canadienne du Camionnage Inc., nous avons, à ma droite, M. J. E. Palmer, président et M. A. K. MacLaren, directeur exécutif. J'imagine que vous avez un résumé à présenter et qu'en suite vous serez prêts à répondre aux questions que les membres voudront bien vous poser.

M. A. K. MacLaren (directeur exécutif, M.M.T.A. Association Canadienne du Camionnage Inc.): Monsieur le président, messieurs, notre présentation est faite conjointement par l'Association Canadienne du Camionnage Inc. et la *Maritime Motor Transport Association Inc.* Avec nous, aujourd'hui nous avons aussi M. Peter Cook, vice-président de la M.M.T.A. pour Terre-Neuve, M. Ross Judge, vice-président pour la Nouvelle-Écosse, Lowell Hogg, vice-président pour l'Île-du-Prince-Édouard, et M. Charles Palmer, vice-président pour le Nouveau-Brunswick.

Messieurs, pour vous présenter notre soumission, pour vous expliquer la situation quelque peu inusitée qui fait que nous participons, nous, une association nationale, à une question essentiellement régionale, permettez-moi de vous dire que le problème qu'envisage l'industrie du camionnage tant à l'intérieur provinces de l'Atlantique et l'est du Québec est important pour toute l'industrie du camionnage pour plusieurs raisons. La politique des transports dans les Maritimes touche l'industrie du camionnage tout à l'intérieur qu'à l'extérieur des provinces de l'Atlantique et c'est pour cette raison que l'ACC participe à votre étude.

Dans l'ensemble, l'Association Canadienne du Camionnage s'oppose à tout mode de subvention en matière de transport. Toutefois lorsque des subsides sont nécessaires, nous sommes d'avis que ces subsides devraient s'appliquer également à tous les modes de transport.

[*Text*]

The trucking industry in Canada is, I think without question, the fastest growing mode of transport. Some of you will recall that two or three weeks ago I sent you a copy of a booklet prepared by our sister association in the United States, "Trucking 1980", which shows in a rather dramatic fashion the growth rate of the trucking industry in the United States where at the present time 50 per cent—just under 50 per cent, 49 decimal something per cent—of the value of intercity freight carried in the United States is carried by for-hire trucks. That is not private trucking, that is for-hire trucking. Based on trends, it is anticipated that within 10 years this will be up to 60 per cent. In Canada, unfortunately, statistical information is not nearly what we would like it to be. It would seem that the for-hire trucking industry accounts for about one third of the intercity freight generated. It is growing very rapidly.

One indication of that is the fact that the latest DBS figures show that trucking now accounts for one-third of the value of exports from Canada. Four years ago this figure was 20 per cent. So the growth of the trucking industry goes hand in hand with the growth of the manufacturing industry.

I have just one other comment. The trucking industry was pleased to see the introduction of the National Transportation Act. We want to be a part of the National Transportation Act. We are pressing for implementation of Part III of the National Transportation Act and, quite frankly, we do not see how Section I of the National Transportation Act can be effective unless all modes of transport are included. As you know, the National Transportation Act virtually eliminates—it de-regulates—control over rates. Each mode is free to set rates as it chooses. The factor that is being encouraged under the National Transportation Act is competition between modes. While one mode is heavily subsidized and other modes are not, we frankly question if the national transportation policy can be effective.

With those comments, Mr. Chairman and gentlemen, I will turn to Mr. Palmer.

The Chairman: Mr. Palmer?

Mr. J. E. Palmer (President, Maritime Motor Transport Association Inc., Canadian Trucking Associations Inc.): Thank you, Mr. Chairman, and members of the Committee.

[*Interpretation*]

L'industrie du camionnage au Canada est, je pense, le mode de transport qui connaît le rythme d'accélération le plus élevé. Certains d'entre vous vous souviendrez qu'il y a deux ou trois semaines je vous ai fait parvenir un exemplaire d'une brochure préparée par l'association analogue à la nôtre aux États-Unis, «*Trucking 1980*» qui indique de façon plutôt dramatique le taux de croissance de l'industrie du camionnage aux États-Unis où, en ce moment, 50 p. 100, ou un peu moins que 50 p. 100 soit 49.9 p. 100, du transport interurbain des marchandises aux États-Unis se fait par des camions de louage. Ce ne sont pas des camions privés, mais des camions de louage. C'est la tendance et on prévoit que d'ici dix ans cela sera rendu à 60 p. 100. Au Canada, malheureusement, les données statistiques ne sont pas tout à fait ce que nous aimerions voir. Il semblerait que l'industrie du camionnage à forfait représente environ le tiers des transports de marchandises inter-urbains. Cela croît très rapidement.

Un indice est que les dernières données du Bureau fédéral de la statistique nous montrent que le camionnage est maintenant comptable du tiers des exportations du Canada. Il y a quatre ans, c'était 20 p. 100. Donc avec la croissance de l'industrie manufacturière va de pair la croissance de l'industrie du camionnage.

Une autre observation. L'industrie du camionnage était heureuse de voir la présentation de la Loi nationale sur les transports. Nous voulons faire partie de ses dispositions. Nous demandons la mise en vigueur de la partie III de cette Loi et sincèrement nous ne voyons pas comment la partie I de la Loi nationale sur les transports peut vraiment donner un rendement efficace à moins que tous les modes de transports soient inclus. Comme vous le savez, la Loi nationale sur les transports fait disparaître à peu près, se trouve à dérégler tout contrôle sur les taux. Chaque mode est libre d'établir ses taux suivant ses désirs. Le facteur qu'on encourage en vertu de la Loi nationale sur les transports est la concurrence entre les différents modes de transports. Quand un mode de transport est fortement subventionné et d'autres ne le sont pas, nous nous demandons si cette politique nationale peut être vraiment efficace.

Donc, ceci dit, monsieur le président, messieurs, je cède la parole à M. Palmer.

Le président: Monsieur Palmer?

M. J. E. Palmer (président, Maritime Motor Transport Association Inc., Association Canadienne du Camionnage Inc.): Merci, monsieur le président et membres du Comité. D'abord

[*Texte*]

First, on behalf of the M.M.T.A., I would like to thank all of you for coming down and listening to the problems you heard yesterday and will hear again today. It is very good of you to do so. We will try to not take any more of your time than we have to, but we feel we have a very serious problem here and we would like to try to put it across to you.

First, M.M.T.A. stands for Maritime Motor Transport Association, and it represents the for-hire trucking industry in the four Atlantic Provinces. Our name, I might add, will be changed to the Atlantic Motor Transport Association next fall—it is in the process now—as Newfoundland, since the Trans-Canada Highway has been completed, is getting big in for-hire trucking also. We represent about 450 for-hire trucking companies.

We will not go into our brief this morning. Our brief is mainly composed of quotes from studies by three royal commissions carried out over the past 10 years, all of which agree with and back up what we say should happen to the trucking industry. We are not here this morning to ask for handouts or to look for sympathy, or anything of this nature. We feel we have a fair beef, we feel we have had for 10 years, and we feel it is time something was done about it.

We in the trucking industry all have our own ideas on what may be best in the way of a transportation policy for the Atlantic Provinces. We feel that it is not our position to try to form policy, but we do say that whatever the policy is now or what it may be next year or 10 years from now, we want to be a part of that policy.

Should the policy change, we will change with it, but we feel that in the past we have played a big part in helping the economy start to move in the Atlantic Provinces, we are at present and, if we are used equally, we will be a bigger part in the future. We feel that we have been discriminated against. We have been asked to compete against a government-owned railroad, and on a dollar rate we get the dollar and they get the dollar plus 20 per cent within and plus 30 per cent on westbound movements based on Levis, Quebec, and Diamond Junction. This kind of profit is not in business today. Nobody that we know of is making 20 and 30 per cent on

[*Interprétation*]

au nom de la *M.M.T.A.*, je désire vous remercier tous d'être venus ici pour entendre l'énoncé des problèmes dont on vous a parlé hier et dont on vous parlera aujourd'hui. Je suis d'avis que c'est excellent de le faire. Nous n'essayerons pas de prendre plus de temps que nous devons, mais nous sommes d'avis que nous avons un problème très grave à régler ici et nous aimerions essayer de vous l'exposer. D'abord la *M.M.T.A.* est la *Maritime Motor Transport Association* et elle représente l'industrie du camionnage à forfait dans les quatre provinces Atlantiques. Notre nom, en passant, sera changé et deviendra *Atlantic Motor Transport Association* l'automne prochain. Cela est en voie de se faire depuis que Terre-Neuve, depuis l'achèvement de la route transcadienne, devient importante dans le camionnage à forfait. Nous représentons environ 450 sociétés de camionnage à forfait.

Ce matin nous ne voulons pas revenir sur notre mémoire qui essentiellement présente les citations des études de trois Commissions royales d'enquête qui ont été faites au cours des dix dernières années avec lesquelles nous sommes d'accord et qui appuient toutes les idées que nous avons énoncées comme devant se produire dans l'industrie du camionnage. Nous ne sommes pas ici pour demander la charité et vous demander votre sympathie ou quoi que ce soit de ce genre. Nous avons un juste grief, nous l'avons depuis dix ans et nous trouvons que le moment est venu d'y faire quelque chose.

Nous avons tous, dans l'industrie du camionnage, nos propres idées quant à ce qui pourrait être la meilleure politique en matière de transports pour les provinces Atlantiques. Ce n'est à nous d'essayer d'énoncer cette ligne de conduite, mais nous disons que quelle que soit la ligne de conduite maintenant, l'année prochaine ou peut-être dans dix ans, nous voulons être partie intégrante de cette politique lorsque la politique sera changée.

Si elle doit être modifiée, nous évoluerons aussi, mais nous sommes d'avis que par le passé nous avons vraiment aidé à lancer l'économie dans les provinces Atlantiques et qu'en ce moment nous y participons et nous aurons un rôle plus grand à remplir à l'avenir. Nous sommes d'avis que nous avons fait l'objet de distinction, on nous a demandé de concurrencer avec un chemin de fer subventionné, propriété du gouvernement et au taux d'un dollar, quand nous obtenons un dollar, eux obtiennent un dollar plus 20 pour cent, plus 30 pour cent pour la distribution pers l ouest par Lévis, Québec et Diamond Junction. Bien entendu qu'un tel bénéfice ne

[*Text*]

any investment, and certainly not in the trucking business.

We have to abide by the laws of the four provinces. Any trucking industry crossing a border falls under all the jurisdiction of the federal government, such as the Canada Labour Code, Limitation of Hours of Work, and on and on.

Our costs have gone up continually and we are not only fighting one form of subsidy, in our opinion we are fighting three. The rate freeze has been on for two years and although it was only put on the railroads, the rates of the other competitive modes were also frozen.

The railroads' rates were frozen, but they have also been helped in other subsidies to the tune of $100 million a year. We are not saying we want to have a subsidy—we are not saying this and we are not saying that—we are saying that we want to be a part of whatever you people think is the best policy and we will do our fair share.

I would also like to mention that although everyone here today from the four provinces is representing the larger carriers in the Atlantic Provinces, we feel our association speaks very loudly for all the for-hire truckers in the area. I have said many times, and I said it a year ago when we met with the people in Ottawa, that I do not think it is right that the men whom we have seen work hard and who have helped to build this province, Nova Scotia, P.E.I. and Newfoundland should go broke because of the competition they have had to work against, and this has happened many, many times. So, we are not only representing ourselves here this morning, but all the for-hire truckers.

There is much more I can say, but we are prepared to try to answer any questions you may ask. Thank you.

The Chairman: Thank you very much, Mr. Palmer. You will find the brief at page 832. Mr. McGrath?

Mr. McGrath: Mr. Chairman, can the witness give us any examples of or indicate to us if CN trucks are taking advantage of the Maritime Freight Rates Act?

[*Interpretation*]

se trouve pas dans le monde des affaires aujourd'hui. Personne, nous le savons, n'a de bénéfices de 20 et 30 pour cent sur des investissements sûrement pas dans l'industrie du camionnage.

Nous devons nous en tenir aux lois des quatres provinces. Toute industrie de camionnage franchit une frontière tombe sous la juridiction du gouvernement fédéral. Par exemple en ce qui concerne les limites du Code canadien du travail, les heures de travail et ainsi de suite. Nos coûts d'exploitation ont constamment augmentés et nous combattons non pas simplement une forme de subside, mais trois, selon nous. Le gel des taux est en vigueur depuis deux ans et bien qu'il n'existait que pour les chemins de fer, tout autre mode de transport concurrentiel a subi aussi un gel de leurs tarifs.

Les chemins de fer ont eu un gel de leurs tarifs, mais ils ont eu d'autres subventions au rythme de cent millions de dollars par année. Nous ne disons pas que nous voulons des subventions, ni ceci ou cela, nous disons que si vous croyez qu'une telle politique est à l'avantage de tous, nous voulons y participer à cette politique et avoir notre part juste et équitable.

Nous aimerions aussi dire que quoique tout le monde ici aujourd'hui représentant les quatres provinces représente les plus grands transporteurs des provinces Atlantiques, notre association, à notre avis, parle aux noms de tous les camionneurs à forfait de la région. J'ai dit plus d'une fois, et je l'ai dit quand nous avons rencontrer les gens à Ottawa il y a un an, que je ne crois pas qu'il soit juste que lorsque des hommes que nous voyons travailler et qui ont aidé à monter leur entreprise, ont aidé ces provinces, l'Île-du-Prince-Édouard, Terre-Neuve et la Nouvelle-Écosse doivent faire faillite à cause de la concurrence qu'ils ont dû affronter et ce bien souvent. Nous représentons non pas simplement notre propre association, nous-mêmes ici, mais toutes les associations de camionneurs à forfait.

Je pourrais vous parler beaucoup plus longuement mais nous essayerons de répondre à toutes les questions que vous aimeriez bien poser. Merci.

Le président: Merci beaucoup, monsieur Palmer. Vous trouverez le mémoire à la page 832. Monsieur McGrath?

M. McGrath: Monsieur le Président, le témoin pourrait-il nous donner des exemples ou nous indiquer si les camions du Canadien National bénéficient des dispositions de la Loi sur les taux de transport des marchandises dans les provinces Maritimes?

[*Texte*]

Mr. Palmer: Yes. We have thought this for quite some time. A year ago we told the Minister of Transport that we felt they were.

A study was done about a month and a half ago by Touche, Ross, Bailey & Smart, the auditors for CNR, at the request of the Minister of Transport. In a preliminary audit they said they were able to say, without going further, that in the last year railroad trucks had received better than $50,000 by way of subsidy, and if we needed more information it would take a much bigger audit. It was not the amount of money we were looking for, it was whether they were getting it or not, and we have that.

Mr. McGrath: Have you made any representations to the Government of Canada in this regard?

Mr. Palmer: Yes, and we have been told—which we do not agree with—by the people paying the subsidy in Ottawa that as long as the company applying for it owns a railroad and the freight moves on a railroad bill of lading they do not care how it moves, it is for the subsidy.

Mr. McGrath: Perhaps you might be able to make a deal with the CNR to buy the Newfie Bullet and then you would be able to get—

Mr. Palmer: We have thought of that.

Mr. McGrath: How serious is the CN truck competition in the Atlantic Provinces? Perhaps, in explaining this to us, you might be able to break it down by provinces.

Mr. Palmer: The trucking arms of the CNR in the Atlantic Provinces number two. First, CNR completely owns Eastern Transport Ltd., which is the biggest carrier in Nova Soctia. Second, CNTL is a trucking arm of the railroad and they have a lot of trucks. We do not know how many, but I would say their fleet was by far the largest in the Atlantic Provinces.

What is happening today is that their trucks, for example, pick up freight in Moncton, New Brunswick and deliver it to Fredericton, New Brunswick, and its never sees a

[*Interprétation*]

M. Palmer: Oui. Nous y avons pensé pendant longtemps. Il y a un an nous avons dit au ministre des Transports que nous pensions qu'ils le faisaient.

Une étude a été faite par Touche, Ross, Bailey et Smart, les vérificateurs du National Canadien, à la demande du ministre des Transports, il y a environ un mois et demi. Une vérification provisoire a été faite et ils ont dit qu'ils étaient en mesure de dire, sans aller plus loin, qu'au cours de la dernière année, les camions du chemin de fer avaient reçu plus de $50,000 en subventions et si nous voulions plus de renseignements il faudrait une vérification plus grande. Nous ne voulions pas savoir le montant d'argent, mais nous voulions savoir si nous l'obtenions ou non et nous avons eu le renseignement.

M. McGrath: Est-ce que vous avez présenté des instances au gouvernement du Canada à cet égard?

M. Palmer: Oui, il nous a été dit, et nous ne sommes pas d'accord, par les gens qui payent le subside à Ottawa qu'aussi longtemps qu'une société qui le demande est propriétaire d'un chemin de fer et que les marchandises sont déplacées et expédiées en vertu d'une lettre de voiture ferroviaire peu importe le mode de transport, le subside est là.

M. McGrath: Vous pourriez peut-être faire un marché avec le National Canadien pour acheter le *NewfieBullet* et vous seriez alors capables...

M. Palmer: Nous y avons pensé.

M. McGrath: Dans quelques mesures considérez-vous la concurrence des camions du National Canadien dans les provinces Atlantiques? Peut-être pourriez-vous, en nous l'expliquant, nous faire une compilation par province.

M. Palmer: Les opérations de camionnages du National Canadien dans les provinces Atlantiques sont doubles. Tout d'abord, le National Canadien est propriétaire de l'*Eastern Transport Ltd.* qui est le plus grand transporteur dans la Nouvelle-Écosse. Deuxièmement, le CNTL est une arme de camionnage des chemins de fer et possède un grand nombre de camions. Nous ne savons pas combien, mais je dirais que c'est la plus importante flotte des provinces de l'Atlantique.

Mais ce qui se produit aujourd'hui, c'est que leurs camions, par exemple, prennent des marchandises à Moncton et en font la livraison à Fredericton au Nouveau-Brunswick et

[*Text*]

railroad. The solicitation is done by railroad people, the freight moves on a railroad bill of lading, but they are in direct competition with the for-hire truckers. The only difference is that they get $1 plus 20 cents and we only get $1. We feel it is very unfair. This applies in all provinces.

Mr. McGrath: Are CN trucks hauling LCL freight in the Atlantic Provinces?

Mr. Palmer: Yes.

Mr. McGrath: In all four provinces?

Mr. Palmer: Yes.

Mr. McGrath: You state in your brief that the MFRA tends to inhibit competition. I gather you would prefer that the MRFA were dispensed with, but on the other hand you feel that if you are to stay in business you must come under it. Is that correct?

Mr. Palmer: We feel that all we want is to be treated equally. We have our own ideas between us, as truckers and as Maritimers, on whether they should stay or should not stay, but we do not feel that is the big question. If it is going to be there, then we should be a part of it. If it is going to be taken off, then we are still equal. I feel that the subsidy that is being paid goes back a long ways. I think you are all familiar with why it was put on in the first place.

Mr. McGrath: Under whose franchise do the CN trucks operate in the various provinces?

Mr. Palmer: Each time a rail line is abandoned they apply to the motor carrier board in whichever province it may be, and so far the right has always been granted to them to run trucks to serve the same area that the rail line served.

Mr. McGrath: Did you make representations at the time of these hearings opposing this CN application?

Mr. Palmer: We have opposed every application of CNR. We have not won one yet, but we have opposed them all.

[*Interpretation*]

ne voient jamais le chemin de fer. La réclame est faite par les gens des chemins de fer, les marchandises sont transportées en vertu d'une lettre de voiture ferroviaire, mais ces gens sont en concurrence directe avec les exploitants de camions de louage. La seule différence c'est qu'ils reçoivent une dollar plus vingt cents et nous n'obtenons nous qu'un dollar. Nous croyons que c'est injuste. Ceci arrive dans toutes les provinces.

M. McGrath: Est-ce que les camions du National Canadien font le transport des chargements incomplets dans les provinces Atlantiques?

M. Palmer: Oui!

M. McGrath: Dans les quatre provinces?

M. Palmer: Oui!

M. McGrath: Vous dites, dans votre mémoire, que la Loi sur les taux de transport des marchandises dans les Maritimes tend à mettre fin à toute concurrence. Je suppose que vous préférez donc mettre de côté les dispositions de cette Loi, mais d'autre part que vous êtes d'avis que si vous voulez rester dans le monde des affaires, il vous faut être obligés par ces dispositions n'est-ce pas?

M. Palmer: Nous sommes d'avis que tout ce que nous voulons, c'est d'abord un traitement égal. Nous avons nos propres idées entre nous, entre camionneurs et résidents des Maritimes à savoir si on devrait y demeurer ou pas, mais ce n'est pas là la question qui importe. Si ce subside doit être donné, nous devrions aussi en bénéficier. S'il doit disparaître, donc nous sommes sur un pied d'égalité. Je suis d'avis que le subside payé remonte loin. Je crois que vous savez tous pourquoi on l'a donné, tout d'abord.

M. McGrath: En vertu de quelle concession les camions du National Canadien fonctionnent-ils dans les différentes provinces?

M. Palmer: Chaque fois qu'une ligne ferroviaire est abandonnée, il présente une demande à la Commission de transport par route de chacune des provinces; jusqu'ici, ils ont toujours eu l'autorisation d'un service de camionnage pour desservir la même région desservie par la ligne ferroviaire.

M. McGrath: Est-ce que vous avez fait des instances au moment de ces audiences pour vous opposer à cette demande du National Canadien.

M. Palmer: Nous nous sommes opposés à toute demande présentée; nous n'avons jamais gagné jusqu'ici, mais on s'est opposé chaque fois.

[*Texte*]

Mr. McGrath: What effect would the proclamation of Part III of the Transport Act have on the industry?

Mr. Palmer: I would like to give you my views and I would like to hear Ken add his as a Canadian. We feel that at present any company operating in more than one province has to abide by the laws of each and every province. We have felt for a long while that there should be one law governing licencing, fuel taxes, and whatnot, across Canada. We feel that if the industry is going to grow it cannot work by 10 different laws. We feel it will certainly help the trucking industry.

Mr. MacLaren: I might add to what Mr. Palmer has said, because this is one of the thing that we are working on at the present time. Hard representations have been made to the government by the Canadian Trucking Associations Inc. to have Part III implemented. The industry is unanimous across the country that we want Part III implemented, we want federal control over trucking. The reasons are numerous. The position of a trucker seeking extra-provincial operating authority in two or three provinces is that he has to make an application in each province and he often runs up against local opposition which has nothing to do with the need for the movement as an interprovincial movement.

You often have one provincial regulatory authority granting the authority, while another one will grant it with restrictions. The situation is developing where there is much more international trade, as I referred to earlier, or cross border trade with the United States. There are problems inherent in this. We feel that only the Canadian Transport Commission is in a position to deal on an equal basis with the ICC. I could really go on and on forever enumerating reasons why the trucking industry wants Part III.

We only want federal control—and this is perhaps interesting—over commerce that is moving interprovincially. In other words, we are asking that Ottawa and the provinces agree to draw the line. Any of you who are lawyers may recall the Winner case, which was decided in the Privy Council back in 1952 or 1954. The decision in that case was that if a motor carrier crossed an international boundary the whole of the undertaking would then come under federal jurisdiction. Back in the early 1950s Ottawa did not have the machinery to regulate trucking, so

[*Interprétation*]

M. McGrath: Quels effets aurait la proclamation de la partie III de la Loi sur les transports sur l'industrie?

M. Palmer: Je voudrais vous faire part de mon point de vue et je voudrais aussi que Ken nous fasse part de son point de vue en tant que Canadien. Nous sommes d'avis, en ce moment, que toute société qui fonctionne dans plus d'une provinces doit s'en tenir aux lois de chacune des provinces. Pendant longtemps nous étions d'avis qu'il devrait y avoir une loi régissant l'émission des permis, des impôts pour l'essence, et autres, à travers le Canada. Nous croyons que si l'industrie va croître, elle ne peut opérer en vertu de dix lois différentes. Nous croyons que cela aidera l'industrie du camionnage.

M. MacLaren: Je voudrais ajouter à ce qu'a dit M. Palmer, parce que c'est une des questions qui nous occupe présentement. Des instances ont été faites auprès du gouvernement par l'Association Canadienne du Camionnage pour la mise en vigueur de la partie III. L'industrie est unanime à travers le pays pour que cette troisième partie soit mise en vigueur, car nous voulons le contrôle fédéral sur le camionnage. Les motifs sont nombreux. Lorsqu'un camionneur essaie d'obtenir une autorité dans deux ou trois provinces, il doit présenter une demande à chacune des provinces et bien souvent il doit faire face à une opposition locale qui n'a rien à voir aux besoins de transport d'une province à l'autre.

Vous voyez souvent une autorité provinciale qui accorde cette autorité, tandis que l'autre l'accordera avec des restrictions. La situation, comme je vous en ai parlée plus tôt, nous avons de plus en plus un commerce international ou outre-frontière avec les États-Unis. Il y a des problèmes, et cela à notre avis, seule la Commission canadienne des transports est en mesure d'agir et de traiter directement avec l'ICC. Je crois pouvoir vous donner différentes raisons pour laquelle l'industrie du camionnage voudrait la mise en vigueur de la troisième partie.

Nous voulons le contrôle fédéral pour le commerce interprovincial; et ceci est peut-être intéressant. En d'autres mots, ce que nous demandons c'est qu'Ottawa et les provinces conviennent d'établir une ligne. Vous qui êtes avocat, vous vous souvenez, sans doute, du cas Winner qui a été décidé au Conseil privé en 1952 ou 1954. La décision fut alors que si un transporteur routier franchissait une frontière internationale, le tout relevait de la compétence du gouvernement fédéral. Au début des années cinquante, Ottawa n'avait pas les rouages pour régir le

[*Text*]

they immediately passed the Motor Vehicle Transport Act delegating their authority to the provincial boards. What we want now is a division which is not strictly along the lines of the constitutional division. We want—and Section 29 of the National Transportation Act, Part III, permits this, I think—Ottawa to regulate the flow of commerce across provincial boundaries. In other words, they will only regulate part of an undertaking, or that part of it that involves interprovincial movement. We are calling for a system that is very close to the ICC system, where the federal authorities in the United States regulate commerce moving across state boundaries.

The Chairman: A supplementary, Mr. Trudel?

Mr. Trudel: Mr. Chairman, I would like to direct this question to Mr. Palmer. You spoke about subsidies, I believe, in answer to Mr. McGrath, on the order of $50,000 per year. Is that correct?

Mr. Palmer: Yes.

Mr. Trudel: Is this in the form of a freight reduction rate?

Mr. Palmer: No. I probably should explain that. In the last fiscal year subsidies paid under MFRA in the Atlantic Provinces were in excess of $14 million. Of this $14 million, better than $12 million was paid to CNR. We have always said that some of this subsidy paid for the freight moved on trucks, not on rail. We asked that this be checked out and the auditors for the CNR in a preliminary audit said that on at least $50,000 of the subsidy paid the freight did not see the railroad at all, it moved entirely on trucks.

Mr. Trudel: The reason I asked the question, Mr. Chairman, is that in your brief you mention that you get 73.8 per cent of the ton mile traffic moved on trucks. I am trying to relate this figure to the subsidy of $14 million and it just does not seem to have any bearing on it. In the first paragraph of your brief you say that 73.8 per cent of the total per ton mile was moved by trucks.

Mr. MacLaren: Oh, no, that statement describes the for-hire trucking industry and compares it to the whole of the trucking industry. As you know, there are private

[*Interpretation*]

camionnage, et alors ils ont institué la Loi sur le transport par véhicule à moteur qui déléguait leur autorité aux commissions provinciales. Ce que nous voulons maintenant, c'est une répartition, non pas suivant le partage constitutionnel, nous voulons, et à l'article 29 de la Loi nationale sur les transports, partie III, le permet, qu'Ottawa régisse le flot de commerce interprovincial. En d'autres termes, ils ne seront responsables que d'un aspect de l'entreprise ou de cette partie qui touche le mouvement interprovincial. Nous voulons un système analogue au système du ICC où l'autorité fédérale aux États-Unis régit le commerce à travers les frontières des États.

Le président: Une question supplémentaire, monsieur Trudel?

M. Trudel: Je voudrais poser ma question à M. Palmer. Vous parliez de subsides, en réponse à M. McGrath, vous parliez de l'ordre de $50,000 par année. C'est juste?

M. Palmer: Oui.

M. Trudel: Est-ce que cela est sous la forme d'une diminution des taux?

M. Palmer: Non. Peut-être devrais-je vous expliquer. Au cours de la dernière année financière, les subventions payées en vertu de la Loi sur le transport des marchandises dans les provinces Atlantiques étaient de plus de 14 millions de dollars. De ces 14 millions, près de 12 millions furent payés au National Canadien. Nous avons toujours prétendu qu'une partie des subsides étaient pour des déplacements par camion et non pas par chemin de fer. Nous avons demandé qu'il y ait vérification et les vérificateurs du National Canadien disent qu'après une première étude qu'au moins $50,000 de subventions ont été payées pour l'expédition de marchandises et qu'elles ont été expédiées exclusivement par camion et jamis par chemin de fer.

M. Trudel: La raison pour laquelle j'ai posé la question, monsieur le président, c'est que, dans votre mémoire, vous dites que vous avez 73.8 p. 100 du trafic des tonnes-milles, transporté par camion. Alors, j'essaie de rattacher ces chiffres aux subsides de 14 millions de dollars et cela ne semble pas avoir de rapport. Par votre mémoire, au premier alinéa, vous dites 73.8 p. 100 du total par tonne-mille sont transportés par camion.

M. McLaren: Oh non, cette déclaration vous décrit ce qu'il en est pour l'industrie de camionnage à forfait et la compare à l'ensemble de l'industrie du camionnage. Comme

[*Texte*]

trucks such as delivery trucks in cities, Simpsons, the big stores and the supermarkets all have trucks that they own. That are not the for-hire regulated truckers.

Mr. Trudel: I agree.

Mr. MacLaren: We are saying there that the for-hire trucks, which are only 6 per cent of the total truck registrations, account for 73.8 per cent of the total intercity movement of freight by truck.

Mr. Trudel: This is correct. But I was also trying to relate the fact that in your statement you mention that the biggest line will have the biggest volume. Is that what you were trying to say, or is that what you said, that some of the Eastern truck lines you mentioned were the bigger operators. Did you not mention that those owned by the railroad were the bigger operators in the area?

Mr. Palmer: CNR owns Eastern Transport Limited, that is a trucking company here that is owned by CNR. They are not getting a subsidy. The only trucks that are getting a subsidy are the trucks that operate under CNTL, which is an arm of the railroad.

Mr. Trudel: Right.

Mr. Palmer: We are saying that a CNTL truck picks up a shipment of freight in Moncton on a railroad bill of lading and delivers it in Fredericton and it never sees a railroad station or a rail car, but the subsidy is still paid on that movement; whereas when the for-hire trucker picks up the same shipment and delivers it to the same place they get the rate and that is it.

Mr. Trudel: Thank you, Mr. Chairman.

The Chairman: Mr. Rose?

Mr. Rose: I thought Mr. Skoberg was ahead of me but I will go ahead anyway. He will not mind. Mr. Palmer, historically when your companies began business in the Maritimes there was preferential treatment as far as the railways were concerned. Is that so?

Mr. Palmer: Yes.

Mr. Rose: Therefore, you felt it was economically possible for your companies to compete at that time. You went into it under those conditions.

[*Interprétation*]

vous le savez, il y a des camions privés tels que les camions de livraison dans les villes, Simpsons, tous les grands magasins et les super marchés ont leurs propres camions, ce ne sont pas des camions de louage.

M. Trudel: D'accord.

M. McLaren: Ce que nous disons ici, c'est que pour les camions de louage, qui ne représentent que 6 p. 100 des permis, cela représente 73 p. 100 de l'ensemble du transport interrurbain par camion.

M. Trudel: C'est juste. Mais j'essaie aussi de rattacher ce fait dans votre déclaration, lorsque vous parlez de certaines des lignes de camionnage les plus importantes ou celles qui ont le plus grand volume d'expéditions. Dans les lignes de l'Est dont vous parlez, certains sont des exploitants les plus importants? Est-ce que vous n'en avez pas parlé? C'est la propriété des chemins de fer qui sont les plus grands exploitants de la région?

M. Palmer: Le National Canadien est propriétaire de *Eastern Transport*, une maison de camionnage, propriété du National Canadien, et ils n'obtiennent pas de subventions. Ils obtiennent leurs subventions où les camions du CNTL soit une émanation du chemin de fer.

M. Trudel: C'est exact.

M. Palmer: Ce que nous disons, c'est qu'un camion du CNTL prend une livraison de marchandises à Moncton avec une lettre de voiture ferroviaire et en fait la livraison à Fredericton, et ces marchandises n'ont jamais vu autre chose qu'un camion et il y a des subventions qui sont payées; alors qu'un camion à forfait qui fait la même livraison d'un colis, n'obtient pas ces mêmes subventions.

M. Trudel: Merci beaucoup, monsieur le président.

Le président: Monsieur Rose?

M. Rose: Je croyais que M. Skoberg avait la parole avant moi. Peu lui importe; donc, je prends la parole. Monsieur Palmer, sur le plan historique, lorsque votre industrie a commencé son entreprise dans les Maritimes, il y avait un traitement préférentiel pour les chemins de fer n'est-ce pas?

M. Palmer: Oui.

M. Rose: Par conséquent, il était possible, sur le plan économique, pour vous et votre compagnie, de concurrencer, et vous avez commencé alors dans de telles conditions?

[*Text*]

Mr. Palmer: I think in the case of most trucking companies—and I think this applies to North America, but it is definitely so in the Atlantic Provinces—that it was not a planned business or a planned venture. They started out by hauling fish or potatoes, or something, to market and getting a load of fertilizer or sugar or roofing, or something, to bring back. It was because our service was better. It was a case of your neighbour wanting to know if you would bring this or that back for him, and in this way you bought two crops. I think that probably every company that M.M.T.A. represents was started in that manner. We did not plan on taking on the CNR, but all at once we were caught up in it and now we are in competition with them.

Mr. Rose: In other words, you started out in a very small way and gradually as you grew and as business increased you reached the point where you are now in competition with the rail carriers.

Mr. Palmer: That is correct.

Mr. Rose: Do you know if any of the companies that you represent traditionally lose money on their lines?

Mr. Palmer: I think I can answer that. In the Atlantic Provinces there is seldom a month goes by that a small trucking company does not go bankrupt, so I am sure they have lost money. That could be due to competition, poor management or under-capitalization. It could be due to a lot of things. I think we have found in the trucking industry that when we had one truck and drove it ourselves and worked day and night seven days a week and did the bookkeeping out of our hip pocket we could compete with the railroads without the subsidy. As we got bigger and got more trucks and had to hire people to work for us—they do not seem to want to work that long and that hard—we have found that we cannot compete, but we have also found that the people want us here competing.

Mr. Rose: You really did not answer my question. I asked you if your major trucking lines traditionally lose money in this part of the country?

[*Interpretation*]

M. Palmer: Je pense que la plupart des exploitations de camionnage, et cela vaut pour l'Amérique du Nord, mais sûrement pour les provinces de l'Atlantique, ne furent pas des entreprises conçues dans leurs moindres détails. Nous avons commencé par le transport de poisson, de pommes de terre ou d'autres produits vers le marché, et d'obtenir du sucre ou des fertilisants ou quelque chose d'autre pour le retour. Nos services étaient meilleurs. Il n'y avait personne qui exploitait ceci. Tout d'abord, votre voisin voulait savoir si vous pouviez rapporté telle marchandise pour lui, et de cette façon vous achetiez deux récoltes. Je pense que chacun des membres de notre Association a commencé de cette façon. On ne prévoyait pas ainsi faire concurrence au National Canadien, mais nous avons été pris et maintenant, nous faisons concurrence au National Canadien.

M. Rose: En d'autres mots, vous avez commencé peu à peu, cela a augmenté, et maintenant vous faites concurrence avec le transport ferroviaire.

M. Palmer: C'est juste.

M. Rose: Savez-vous s'il y a des sociétés que vous représentez qui, sur le plan traditionnel, perdent de l'argent de leur ligne?

M. Palmer: Je pense pouvoir répondre à votre question. Dans les provinces de l'Atlantique, à peine un mois s'écoule pendant lequel on n'a pas une petite société de camionnage qui fasse faillite. Elles ont perdu de l'argent, c'est peut-être dû à la concurrence, à une mauvaise administration, en vertu de capitalisation ou autre chose, mais ce que nous trouvons dans l'industrie du camionnage, c'est lorsque nous avons un camion et que nous utilisons toujours le même, que nous travaillons jour et nuit, sept jours par semaine et que nous faisons la comptabilité; nous pouvons alors concurrencer avec les chemins de fer sans subvention. Au fur et à mesure où nous avons plus de camions, où nous prenons plus d'importance et nous embauchons des camionneurs, ils ne veulent pas travailler si longtemps et si dur, et maintenant nous trouvons que nous ne pouvons plus concurrencer, mais nous trouvons aussi qu'on nous veut ici pour faire la concurrence.

M. Rose: Vous n'avez pas vraiment répondu à ma question. Je vous ai demandé si certaines lignes de camionnage perdent de l'argent dans cette région du pays?

[*Texte*]

Mr. Palmer: I guess anyone who operates year after year and keeps operating is not losing money.

Mr. Rose: All right. You are making money, then. There is nothing unique about the trucking business as far as the small operator dropping out is concerned. We see this in farming, in fishing, in manufacturing and all the rest of it. We are seeing a trend in our country where the big fish eat the little fish. Would you agree with that?

Mr. Palmer: I think the trend in North America today is toward mergers; the bigger companies are getting bigger and the smaller companies are getting smaller, yes.

Mr. Rose: You do not have certain costs, sir, that the railroads have such as maintaining roadbeds, and that sort of thing. You are subsidized in a sense by the municipalities in the provinces because of your use of the highways. Is that so?

Mr. Palmer: I do not believe that at all. I think we pay our way very, very well. For a truck and trailer to operate 150,000 miles we pay $10,500 in fuel tax and licences alone, which represents 7 cents for every mile. That is not counting the sales tax we pay to the provinces, the federal sales tax we pay when we buy the equipment and the sales tax we pay on the tires and all the parts. A study was done in Ontario last year which shows that the for-hire trucking industry more than pays their fair share of the highways costs. So, I say we have that cost and we pay for it well.

Mr. Rose: You are paying your own way, then, you say.

Mr. Palmer: Very well.

Mr. Rose: I was interested in the idea you put forward that should you get this subsidy it would make you more competitive with the CNR. Is that right? In other words, we are adding more government money to the transportation industry. You said that it would make the trucks more competitive with the CNR, and that this would ultimately bring prices down. This is the part I could not understand.

Mr. Palmer: Definitely. We are hauling today at a break-even point or at a very small profit. If we were to get the subsidy or if the subsidy was taken away—I want to make that very clear we were equal in both ways—if we were to get the subsidy immediately rates would be cut to the shipper in the

[*Interprétation*]

M. Palmer: J'imagine que quiconque fait une telle exploitation annuellement et maintient ses opérations ne perd pas de l'argent.

M. Rose: D'accord. Vous faites de l'argent, alors. Il n'y a rien de particulier pour ce qui est de l'industrie du camionnage et du fait que le petit exploitant disparaît. Il y a la même chose qui se produit dans le secteur agricole, de la pêche, etc., dans le reste du pays ou ici. Les grands exploitants, le grand mange le petit? Seriez-vous d'accord?

M. Palmer: Je pense que la tendance en Amérique du Nord, aujourd'hui, est pour le fusionnement. Les grandes compagnies deviennent de plus en plus grandes, et les petites de plus en plus petites, oui.

M. Rose: Est-ce qu'il n'y a pas des frais chez les chemins de fer que vous n'avez pas, l'entretien des voies par exemple? Vous êtes subventionné en ce sens par les municipalités dans les provinces parce que vous utilisez la route n'est-ce pas?

M. Palmer: Non, je ne dirais pas cela. Nous payons notre part. Tout camion que nous avons pour, disons, faire 150,000 milles, nous payons en permis, en impôt sur l'essence, une somme qui représente 7c. le mille, sans compter la taxe de vente que nous payons à la province, la taxe de vente du fédéral pour l'équipement, la taxe de vente pour les pneus, les pièces de rechange, je suis d'avis que l'étude faite en Ontario l'année dernière, nous montre que pour l'industrie du camionnage à forfait, nous nous trouvons à payer plus que notre part de l'aménagement des routes. Et, je vous dirai donc que nous avons fait calculer ces frais. Nous payons.

M. Rose: Vous payez votre part.

M. Palmer: Oui, de beaucoup.

M. Rose: Je suis intéressé à cette idée que vous avez énoncée, si vous obteniez les subventions, vous pourriez mieux concurrencer avec le National Canadien? C'est juste? Donc, il y aurait plus d'argent du gouvernement pour l'industrie du transport, c'est que vous avez dit? Les camions pourraient mieux concurrencer avec le National Canadien? Ainsi les prix pourraient baisser, c'est ce que je ne comprends pas.

M. Palmer: Définitivement nous faisons très peu de profit, si nous en faisons, dans le camionnage actuellement. Si nous obtenions la subvention ou si la subvention était enlevée, je veux que ce soit très clair, il y a des opinions dans les deux sens. Si nous recevions la subvention, les taux seraient immé-

[*Text*]

Atlantic Provinces. We do not need nor do we want 20 per cent. We would not know what to do if we were to get 20 per cent on every pound of freight we moved. We would like a little piece of it but we are very willing to pass a good part of it back to the shipper and that is where we understand the subsidy is to go. In our opinion, at present the subsidy is not going to the shipper, it is going to the CNR.

Mr. Rose: Well, sir, I have just one or two questions, Mr. Chairman. I was relatively silent yesterday you must admit.

The Chairman: You are having a good try today.

Mr. Rose: I am always interested in this idea about competition bringing prices down. It is interesting to me that wherever I go it does not matter what brand of gas I have the price is the same. We hear that in places like Alberta there are too many gas stations but it never brings the price down. So I am not particularly convinced with that argument. Do you think any subsidy should go directly to the shipper or should it go to the trucker?

Mr. Palmer: We in the industry could care less where it is paid. If it is paid to the shipper then the shipper has the choice of using any form of transport he wants. If it is paid to the carrier then it is in our coffers and we can adjust rates accordingly. We feel as a trucking industry that it would be more easily regulated to pay it to a few carriers than to a lot of shippers, but that is strictly which ever the government feels is the best way to do it.

Mr. Rose: This is my final question, sir, unless you have something to add?

Mr. Palmer: When you speak about competition I would just like to refer you to the back pages of our brief where we have noted what competition did to rates when it started to grow here. Then I would add my own remarks. Let me take an area I know. The trucking industry started hauling potatoes, for example, from Carleton County to Montreal and in the 1940's and 1950's the rate on potatoes from our area to Montreal was 60 cents a 100 pounds.

[*Interpretation*]

diatement réduits dans les provinces de l'Atlantique pour l'expéditeur. Nous n'aurons pas besoin, nous ne voudrions pas de 20 p. 100, nous ne saurions pas quoi faire si nous obtenions 20 p. 100 pour chaque livre de marchandises que nous transportons. Nous aimerions bien en avoir une partie, mais nous sommes très consentants à en remettre une partie à l'expéditeur. Si c'est ce que nous comprenons du tout de la subvention. A notre avis, à l'heure actuelle, la subvention n'est remise à l'expéditeur, mais bien plutôt donnée aux chemins de fer nationaux du Canada.

M. Rose: Il me reste encore une autre question. J'ai été plutôt silencieux hier, vous l'avouerez.

Le président: Vous commencez bien toutefois aujourd'hui.

M. Rose: L'histoire de la concurrence qui fait baisser les prix m'intéresse toujours. Il me semble que peu importe où je vais, et peu importe la marque d'essence, nous entendons dire que dans l'Alberta, par exemple, il y a trop de postes d'essence, mais le prix est toujours le même, il n'est jamais réduit, et alors cet argument ne me convainc pas. Vous croyez donc qu'une subvention devrait être remise directement à l'expéditeur ou au camionneur.

M. Palmer: Dans l'industrie, peu nous importe à qui on le remet. Si c'est l'expéditeur qui l'a, il a donc le choix d'employer n'importe quelle forme de transport. Si c'est le transporteur qui le reçoit, alors nous pouvons ajuster nos taux de conséquence, lors de notre conférence. A titre de porte-parole de l'industrie du camionnage, ce serait plus facile si nous le versions à quelques transporteurs plutôt qu'à un très grand nombre d'expéditeurs. Mais c'est au Gouvernement de décider de la façon dont il veut procéder.

M. Rose: C'est ma dernière question à moins que vous ayez quelque chose à ajouter?

M. Palmer: En ce qui concerne la concurrence, j'aimerais bien qu'on revienne à la fin de notre mémoire, car nous y avons mentionné quelque chose à ce sujet en ce qui a trait aux taux. Ensuite je dirais au sujet de la concurrence, que l'industrie du camionnage a commencé par transporter des pommes de terre, par exemple, du côté de Carleton jusqu'à Montréal. Dans les années 1940 ou dans les années 1950, le taux de transport pour les pommes de terre dans notre région jusqu'à Montréal était de 60 cents le 100 livres.

[*Texte*]

When truck competition started taking over it came down from 55 to 50 to 45 to 40 and it is now 39 cents. I do not think the railroad would have ever cut the rate on potatoes if there had not been truck competition. Our costs are certainly more in the sixties than they were in the forties and the rates have come down only because of competition.

Mr. Rose: You have larger trucks now too, do you not?

Mr. Palmer: We have larger trucks but at present the railroad wants that haul. The trucks are not hauling the potatoes now because the railroad cut the cost down to where it is noncompensatory to either them or us but the potato farmers benefit from it, that is all.

Mr. Rose: This is my final question, sir. The railroads were established and many lines are run at a loss—this refers to something I said earlier—for various social, cultural or national reasons. Do you have any lines you operate that way, and would you operate any lines that way if you were awarded the subsidy?

Mr. Palmer: We certainly operate such lines. If you are hauling for a big customer you just cannot take his good freight, you have to take all his freight.

Our own firm serves every town and village in the Province of New Brunswick. There is not a hamlet that we do not serve. We serve places that the railroads do not serve. I think the same is true in Nova Scotia and the same is true in P.E.I. The trucking industry is serving each and every town and each and every run does not pay.

The Chairman: Mr. Mahoney.

Mr. Mahoney: That seems like a good place to begin because the impression we got yesterday, sir, was that the industry was being pretty well served in over-the-highway hauls from central Canada. However, certainly both the T. Eaton Co. Limited brief and The Enterprise Foundry Company Limited presentation indicate that there is a great lack of service within the province. I wonder if you have any explanation for that. Do you agree with the presentations?

Mr. Palmer: No, we do not agree. We heard some of those briefs yesterday—although we are here as a group today when we leave we are all competitors—and we

[*Interprétation*]

Quand la concurrence de la part des camions a commencée, le prix a baissé à 55 cents, 50, 45 et maintenant le prix est de 39 cents. Je ne croyais pas que les chemins de fer allait réduire les taux. Nos coûts sont beaucoup plus élevés aujourd'hui qu'ils ne l'étaient dans les années 1940. Mais les taux sont réduits en raison de la concurrence.

M. Rose: Vous avez des camions plus grands, maintenant, n'est-ce pas?

M. Palmer: Oui, mais en fait maintenant ce sont les chemins de fer qui veulent assumer le transport. Ce ne sont pas les camions qui les transportent maintenant, car les taux sont tellement bas que ce n'est pas payant ni pour les chemins de fer ni pour nous.

M. Rose: Ma dernière question, monsieur. Les chemins de fer ont été établis et il y a plusieurs lignes qui sont exploitées à perte comme on l'a dit plus tôt. Pour diverses raisons sociales, économiques ou culturelles. Avez-vous des lignes que vous exploiteriez de cette façon si vous obteniez une subvention.

M. Palmer: Nous exploitons certainement des lignes. Si vous avez un bon client, vous ne pouvez tout simplement pas prendre uniquement ses produits payants, il faut tout prendre.

Dans la province du Nouveau-Brunswick, notre compagnie dessert chaque ville et village de la province du Nouveau-Brunswick. Il n'y a pas un seul hameau que nous ne desservons pas. Nous desservons des endroits qui ne sont pas desservis par les chemins de fer; et je crois que la chose est vraie aussi en Nouvelle-Écosse, et à l'Île-du-Prince-Édouard. Nous desservons chaque ville et village dans l'industrie du camionnage, mais ce ne sont pas tous des parcours rentables.

Le président: Monsieur Mahoney.

M. Mahoney: Voilà il me semble un bon endroit où il faudrait répartir, car hier nous avons appris que l'industrie était passablement bien desservie par l'industrie du camionnage. Mais le mémoire de la Société Eaton et celle de la Enterprise Foundry indiquait qu'il y avait un très grand manque de service partout dans la province. Je me demande si vous auriez une explication à ce sujet, ou est-ce que vous êtes d'accord avec ce qu'il nous ont dit?

M. Palmer: Non, nous ne sommes pas d'accord. Nous avons entendu certains de ces mémoires hier. Aujourd'hui nous sommes ici à titre de groupe mais nous avons noté hier

[*Text*]

compared notes very quickly last night and found there is more than one firm that would like to have that business. We have tried to get that business. We are willing to take the business. It is strictly because of the rates they want to pay that we cannot take the business.

Mr. Mahoney: The rates they want to pay are the rates they are paying the railway?

Mr. Palmer: That is correct.

Mr. Mahoney: So you feel that the only reason you have not been able to move into this market is because of the competitive advantage the railway has in charging?

Mr. Palmer: That is correct.

Mr. Mahoney: Thank you.

The Chairman: Mr. Horner.

Mr. Horner: Mr. Palmer, would you suggest that a better way to grant the subsidy to the Maritimes might well be to give the subsidy direct to the shipper rather than to the transportation companies?

Mr. Palmer: I think I just answered that. We are not trying to set policy. As long as all modes are treated equally we are very willing to go along with any way it is done.

Mr. Horner: I noticed in your brief that before the Minister of Transport on December 7, 1967, you were told that if this subsidy were extended to the trucking industry it would cost an additional $4 million, which the government felt they could not find at that particular time. The question remaining in the air is whether or not prices would actually be lowered. Do you think that the public, or the shipper in many cases, would feel more of the direct benefit of the subsidy and be able to choose whatever means of transportation he liked if it were paid to him?

Mr. Palmer: I think personally it makes no difference. The shipper will get the same amount whether it is paid to the carrier or the shipper if it is paid to all modes of transport. I think our country is built on competition and if you put competition back into the picture it will find its own level. The company that wants to make a big profit today will only make it for a short time. Someone will pass it back to the shipper. You cannot be greedy if you are in a competitive market.

[*Interpretation*]

soir qu'il y a plus d'une société qui aimerait avoir ce genre de commerce. Nous avons essayé de l'obtenir. Nous sommes prêts à l'entreprendre mais aux taux qu'on veut nous payer on ne peut l'accepter.

M. Mahoney: Les taux qu'ils veulent payer sont les taux qui'ls payent aux chemins de fer?

M. Palmer: C'est exact.

M. Mahoney: Alors vous croyez que la seule raison pour laquelle vous n'avez pas pu obtenir une partie de ce marché c'est en raison des avantages concurrentiels des chemins de fer.

M. Palmer: C'est exact.

M. Mahoney: Merci.

Le président: M. Horner.

M. Horner: Monsieur Palmer, est-ce que vous diriez qu'une meilleure façon de donner la subvention pour les Maritimes, serait de donner la subvention directement à l'expéditeur plutôt qu'à la société de camionnage?

M. Palmer: Je crois avoir déjà répondu à cette question. En effet, nous n'essayons pas d'établir la politique à condition que tous les modes de transport obtiennent une partie des affaires. Nous sommes très consentants à procéder nous aussi.

M. Horner: J'ai remarqué dans votre mémoire présenté au ministre des Transports le 7 décembre 1967, que vous avez dit que si la subvention était étendue à l'institut du camionnage, cela coûterait quatre millions de dollars de plus selon l'estimation du gouvernement à cette époque et que les taux ne seraient pas réduits. Croyez-vous que le public ou l'expéditeur dans plusieurs cas auraient été concerné davantage en raison de la subvention et choisir le mode de transport qu'ils désiraient s'ils obtenaient la subvention?

M. Palmer: A mon sens, il n'y a aucune différence. L'expéditeur obtiendrait le même montant, que la subvention soit versés a transporteur ou à l'expéditeur. Je crois que notre pays, justement, a besoin de concurrence et a été édifié compte-tenu de la concurrence. Si on veut de gros profits, cela ne durera pas tellement longtemps. Il faudrait nécessairement remettre cet argent à l'expéditeur.

[*Texte*]

Mr. Horner: I was interested in your remarks, Mr. Palmer, with regard to Eastern Transport Limited and the application of the subsidy. We have always been told in the Transportation Committee with regard to the CNR venture into trucking, that the books on each trucking firm were kept independent of one another and that each trucking firm received no subsidy from the rail operations, You in a sense stated that, in fact, if the bill of lading goes out from the railroad company it is more or less credited to the railroad. You more or less suggested that the books are not kept separate and it is pretty near impossible to keep them separate.

Mr. Palmer: If I said that I did not mean to as far as Eastern Transport running separately is concerned. However, if Eastern Transport hauls freight for the CNR, which they do, they have a contract with the CNR and they haul per ton mile, but the freight still keeps moving on a railroad bill of lading. The CNR gets the sudsidy, Eastern Transport does not.

Mr. Horner: Then you are suggesting that Eastern Transport's books would not show as much money as they are actually making?

Mr. Palmer: I guess it could be interpreted that way. The subsidy price that the railroad is getting could be in the price they pay Eastern Transport per mile for hauling the freight. I do not know what their price is.

Mr. Horner: Is it your belief that because Eastern Transport has received part of the subsidy that in a sense they have presented themselves to be pretty stiff competition to other trucking lines?

Mr. Palmer: I would say Eastern Transport is a good trucking company. It is well managed. The management of Eastern Transport are not rail people, they are trucking people. However, I think that Eastern Transport has an advantage, there is no question about it. The same is true of Smith Transport which is owned by CPR and has an advantage over the private trucking firm. For example, Eastern Transport get their money at less than bank interest. They have become a part of the big buying volume CNR has in buying equipment and tires and all these things. I guess we cannot say too much about that, it is only good business.

Mr. Horner: Eastern Transport and Smith Transport are not members of your trucking association?

[*Interprétation*]

M. Horner: J'étais très intéressé au sujet de ce que vous avez dit au sujet de la *Eastern Transport* et de l'allocation de la subvention. On nous a toujours dit au comité des transports que dans l'industrie du camionnage en regard du CN, que la rentabilité était distincte pour chaque société de camionnage et que leur exploitation était distincte de celle des chemins de fer. Et alors, si la feuille de route est prise à titre de chemin de fer, on donne crédit au chemin de fer, d'après ce que vous dites. Vous prétendez que la comptabilité n'est pas séparée.

M. Palmer: Si c'est ce que j'ai dit, je n'avais certainement pas l'intention de le dire. En ce qui concerne la *Eastern Transport,* c'est vrai que c'est distinct. Mais si la *Eastern Transport* qui transporte justement des marchandises pour le CN, la *Eastern Transport* a un contrat avec le CN à un taux de X par milles. Toutefois, les marchandises sont toujours transportées en vertu d'une feuille de route. Ainsi, c'est le CN qui obtient la subvention et non pas la *Eastern Transport.*

M. Horner: Alors, vous suggérez que la *Eastern Transport,* dans sa comptabilité, n'indiquerait pas autant de profit qu'elle en fait effectivement?

M. Palmer: On pourrait peut-être l'interpréter de cette façon. La subvention reçue par les chemins de fer pourrait fort bien comprendre le taux par mille reçu pour le transport routier.

M. Horner: Croyez-vous que la *Eastern Transport* par sa participation à la subvention, que dans un certain sens, elle se considère comme étant un fort concurrent des autres sociétés de camionnage?

M. Palmer: Je prétends que la *Eastern Transport* est une excellente société de camionnage, très bien administrée. La direction de la *Eastern Transport* ne fait pas partie des chemins de fer. Ce sont des camionneurs. Mais, tout comme la *Smith's Transport* qu'appartient au CP elle a aussi un avantage sur le camionneur privé et indépendant—par exemple, la *Eastern Transport* obtient des capitaux au-dessous du taux bancaire. Elle devient une partie du CN, et par conséquent, a tous les avantages pour les achats, les vastes achats du CN, en pneus etc...

M. Horner: La *Eastern Transport* et la *Smith Transport* ne font pas partie de votre association?

[*Text*]

Mr. Palmer: Yes, they are and they are very good members.

Mr. Horner: I think Mr. McGrath asked this question and I do not think you answered it exactly. What percentage of the trucking industry in the Maritimes is under Eastern Transport or Smith Transport or the railroads or CNTL?

Mr. Palmer: That is a pretty hard question to answer. The only rail-owned companies in the Atlantic Provinces are Eastern Transport, which is owned by CNR and Smith Transport which is owned by CPR.

Mr. Horner: Give us a rough idea, would it be 5 per cent, 10 per cent, or 50 per cent? Surely we can hit upon an approximate percentage. You have suggested there are something like 700 firms employing 7,500 people. Could we figure it out by the number of people that Eastern Transport and Smith Transport and CNTL employ? Could we use a figure from that to give us an idea of the percentage owned by the railroads? In other words, if the railroads and the trucking industry employ 2,500 people and the total trucking industry employ 7,500 people I could then assume with a fair amount of accuracy, providing one outfit was as efficient as the other, that they have a third of the trucks.

Mr. Palmer: I am doing a quick calculation. I would not like to go into roles but I would say that Eastern Transport and Smith Transport would be doing 6 or 8 per cent of the "for hire" trucking in the Atlantic Provinces.

Mr. Horner: It is that small. Are representatives of those two trucking firms with you today?

Mr. Palmer: No, they are not here today.

Mr. McGrath: May I ask a supplementary.

Mr. Horner: Go ahead.

Mr. McGrath: When you say that this only accounts for 6 or 7 per cent of the "for hire" trucking industry you are not taking into account the fleets owned directly and operated directly by the railways?

Mr. Palmer: I was taking those in but not the arm of the railroad in CNTL. We have no idea how many trucks they have.

Mr. McGrath: The figure is not really realistic?

Mr. Palmer: It is not a good figure.

[*Interpretation*]

M. Palmer: Oui, ils font partie de l'association. Ils sont d'excellents membres.

M. Horner: Je crois que M. McGrath nous a posé la question, mais je ne crois pas que vous ayez répondu. Quel pourcentage de l'industrie du camionnage dans les Maritimes revient à la *Smith Transport*, à la *Eastern Transport*, au chemin de fer, ou à la CNTL?

M. Palmer: Ce serait très difficile de vous donner une réponse. Les seules compagnies de camionnage qui appartiennent aux chemins de fer sont la *Eastern Transport*, et la *Smith's Transport*.

M. Horner: Donnez-nous une idée, tout de même. 5 p. cent, 10 p. cent, donnez-nous une approximation? Vous avez dit qu'il y avait environ 700 compagnies employant 7,500 personnes. Pourriez-vous dire alors combien la *Eastern Transport*, la *Smith's Transport* et la CNTL emploient de personnel? Quel pourcentage fait partie des chemins de fer? En d'autres termes, si les chemins de fer et la société de camionnage emploient 2,500 personnes et que l'industrie du camionnage dans son ensemble emploie 7,500 personnes, je pourrais donc présumer assez exactement, à condition que les deux côtés soient administrés de façon efficace, qu'ils auraient, mettons le tiers des camions.

M. Palmer: Je fais un calcul rapide. Je ne voudrais pas trop me prononcer, mais je dirais que la *Eastern Transport* et la *Smith's Transport* font environ 6 ou 7 p. 100 du camionnage des Provinces maritimes.

M. Horner: C'est plutôt peu. Est-ce qu'il y a des représentants de la société ici?

M. Palmer: Non.

M. McGrath: Question complémentaire.

M. Horner: Allez-y.

M. McGrath: Quand vous dites que cela ne compte que 6 ou 7 p. cent, pour l'industrie du camionnage de louage, tenez-vous compte des sociétés exploitées directement pour les chemins de fer?

M. Palmer: Oui, je les comptais, mais non l'armée de camions du CNTL. Nous n'avons aucune idée du nombre de camions qui leur appartiennent.

M. McGrath: Monsieur, ainsi ce n'est pas exact.

M. Palmer: Non. Je dirais que non.

[*Texte*]

Mr. Horner: Do you believe if the subsidy were paid direct to truckers that there would be a definite growth in the amount of truck services in the Maritimes?

Mr. Palmer: Definitely.

Mr. Horner: Would the railroads also improve their ability to provide trucking service?

Mr. Palmer: If they were efficient I think they would.

The Chairman: Are you through, Mr. Horner?

Mr. Horner: Yes, thank you.

Mr. Skoberg: Thank you, Mr. Chairman. I believe your pen must have gone dry a little earlier in the morning. Mr. Palmer, how far do your "for hire" trucks travel out of the provinces? I realize they are interprovincial in the Maritimes. How far west, for example, do they travel?

Mr. Palmer: The group of trucks that M.M.T.A. represents covers Newfoundland, Nova Scotia, P.E.I., New Brunswick, Quebec, Ontario and the Eastern States of the United States.

Mr. Skoberg: I am just wondering about the port facilities you refer to in your brief. What type of facilities do they have at the ports for handling truck cargo and are they sufficient?

Mr. Palmer: All port facilities here were designed for rail movements. In Halifax and Saint John we have no level dock loading or unloading at the docks. The only thing we can do is back into the sheds and use fork lifts. There is no level dock loading.

Mr. Skoberg: What does your association recommend for improvement in this regard?

Mr. Palmer: This is a very controversial subject which I would rather not try to deal with because of the changes in transportation. With containerization coming in and so on and so forth, I think anything that might have been recommended a year ago would not do the trick today and possibly might not tomorrow. We feel that the trucks will probably never catch up in port traffic in the old

[*Interprétation*]

M. Horner: Vous croyez donc que si la subvention était versée directement aux camionneurs, il y aurait croissance dans le nombre des services des camionneurs dans les Maritimes.

M. Palmer: Oui, certainement.

M. Horner: Est-ce que les chemins de fer amélioreraient aussi leurs services ou est-ce qu'ils seraient plus en mesure de donner des services de camionnage?

M. Palmer: S'ils sont efficaces, oui.

Le président: Avez-vous fini M. Horner?

M. Horner: J'ai fini. Merci.

M. Skoberg: Merci, M. le Président. J'avais cru que vous aviez manqué d'encre un peu plus tôt ce matin. M. Palmer, je me demande jusqu'à quel point vos camions parcourent dans les Maritimes, jusqu'à quel point dans l'ouest vont-ils?

M. Palmer: Les camions représentés par l'association de transport des Maritimes, voyagent dans Terre-Neuve, la Nouvelle-Écosse, l'Île du Prince-Édouard, le Nouveau-Brunswick, le Québec et l'Ontario, ainsi que certains états de l'est des États-Unis.

M. Skoberg: Dans votre mémoire, j'ai lu quelque chose au sujet des installations portuaires. Quel genre d'installations a-t-on dans les ports pour les cargaisons destinées aux camions et sont-elles suffisantes?

M. Palmer: Toutes les installations portuaires ont été conçues pour le transport par chemin de fer. Les installations portuaires d'Halifax et de Saint-Jean n'ont pas de quais routiers. Nous n'avons pas de rampes pour le déchargement au quai, et nous devons reculer jusqu'aux hangars et utiliser des leviers mécaniques.

M. Skoberg: Et qu'est-ce que votre association recommande comme améliorations dans ce sens?

M. Palmer: C'est un sujet de controverse. Mais je préférerais ne pas y répondre, en raison des changements dans les transports dus aux containers. Je trouve que tout ce qu'on aurait pu recommender il y a un an ne serait pas suffisant. Aujourd'hui, et il ne le sera peut-être pas demain non plus. Nous estimons que les camions ne pourront jamais récupérer ce qu'ils avaient dans les installa-

[*Text*]

way of handling freight. We feel the trucking industry will be a big part of the containerization movement.

Mr. Skoberg: How many trucks do you have, Mr. Palmer, that are driver-owned or how many people do you have to hire in your association? Could you give me an estimtion of how many people you have to hire for driving?

Mr. Palmer: When we prepared the brief we thought the industry here was hiring around 7,500, is that correct? However, the industry is growing quite fast and probably it is close to 10,000 today.

Mr. Skoberg: Are these people organized in an official organization, in a union type of operation?

Mr. Palmer: The only companies that have unions in the Atlantic Provinces are the two companies owned by the railroads.

Mr. Skoberg: Are the which? I did not hear the last part.

Mr. Palmer: The only two companies working under union are Eastern Transport and Smith Transport.

Mr. Skoberg: I have just two more questions, Mr. Chairman. Mr. Palmer, how would you suggest controlling the truckers from the Quebec and Ontario areas bringing their loads to the Maritimes, returning home with the revenue freight and then assessing the rates far below the tariff charges or the so-called gas rates? How would you suggest that we could control this type of traffic?

Mr. Palmer: I do not think that is being controlled anywhere in North America. You will always have the person who buys a truck, or the shipper who gets his own truck and goes for gas money. I think as long as he is willing to operate the shipper should take advantage of it. He will not be there long, you generally get the business back. One comes and goes and then another one comes and goes, I think we will always have them.

Mr. Skoberg: The last question then, Mr. Palmer. Are the Atlantic truckers abiding by the tariff rates and does your trucking association or any other body audit these tariff rates or do they know what the bills of ladings are in regard to the trucks under your association?

[*Interpretation*]

tions portuaires. Nous estimons que tous les camions devront nécessairement occuper une bonne part du trafic des containers.

M. Skoberg: Combien de camions sont-ils conduits par leurs propriétaires et combien de gens devez-vous engager dans votre association pour conduire les camions? Combien d'employés, en d'autres termes?

M. Palmer: A la rédaction de notre mémoire, nous estimons que l'industrie avait environ 7,500 employés. C'est bien ça? L'industrie croît assez rapidement. Je crois que le chiffre serait peut-être de 10,000 aujourd'hui.

M. Skoberg: Les employés, sont-ils syndiqués? Font-ils partie d'un syndicat quelconque?

M. Palmer: Les seules compagnies qui ont des syndicats dans les provinces de l'Atlantique sont les compagnies exploitées par les chemins de fer.

M. Skoberg: Lesquelles?

M. Palmer: Les deux seules sont la *Eastern Transport* la *Smith's Transport.*

M. Skoberg: Juste deux autres questions, monsieur. Pour contrôler les camions du Québec et de l'Ontario, qui viennent dans les Maritimes et qui repartent avec des cargaisons payantes et fixant des taux très bas. Comment estimez-vous qu'on peut contrôler ce genre de trafic?

M. Palmer: Je ne crois pas qu'on puisse le contrôler. A n'importe quel endroit en Amérique du Nord, vous aurez toujours l'expéditeur ou le camionneur indépendant qui obtient ses expéditions. Évidemment, l'expéditeur ou le camioneur indépendant qui obtient ses expéditions. Évidemment, l'expéditeur peut en profiter mais le camionneur ne durera pas tellement longtemps. Il y a aussi l'expéditeur lui même qui emploie sa propre flotte, mais généralement, il abandonne.

M. Skoberg: Ma dernière question maintenant, M. Palmer. Est-ce que les camionneurs de l'Atlantique s'en tiennent aux taux du tarif et est-ce que votre association de camionnage vérifie ce tarif ou est-ce qu'ils savent ce que comportent les feuilles de route pour les camionneurs?

[*Texte*]

Mr. Palmer: To get a licence within the Atlantic Provinces you have to file your rates at the Board but they are not controlled or audited. Any of us who operate into Quebec or Ontario belong to the tariff bureaus there and then our rates are controlled and audited.

Mr. Skoberg: In effect then the tariff rates are not really being quoted and protected by any regulating body at this particular time?

Mr. Palmer: No, none.

Mr. Nesbitt: First of all, I was wondering Mr. Chairman, if a point of clarification could be made. Could you tell us, Mr. Chairman, if there is a member of the Canadian Transport Commission with us today?

The Chairman: Yes, by the name of Mr. Hanley. As I promised yesterday I talked to the Minister of Transport and he provided us with the services of Mr. Hanley, but only as an observer.

Mr. Nesbitt: I am sure we all welcome his presence, Mr. Chairman.

Mr. Rose: Mr. Chairman, the translator could not hear your remarks and perhaps you might like to introduce Mr. Hanley again?

The Chairman: It is not so important. If it is important everyone will hear me; do not worry. I said when this question was put yesterday we phoned Ottawa right away and the Minister provided the service of Mr. Hanley.

Mr. Horner: On a point of order, while I have no question for Mr. Hanley right now, I think if he is just along as an observer he could read the transcript when we got back. I think he should be available for questions or to provide information or advice at any time the Committee so desires.

An hon. Member: I do not support that.

The Chairman: No, I do not think he was sent here to talk for the government.

Mr. Horner: No, he is here for the CTC which is not an agency of the government. It is supposed to be an independent body.

The Chairman: Just a moment, please, Mr. Allmand.

[*Interprétation*]

M. Palmer: Dans les provinces de l'Atlantique, il faut absolument donner votre tarif à la Commission mais les taux ne sont pas vérifiés. Parmi nous il y a des camionneurs qui se dirigent vers l'Ontario et le Québec, ils donnent leurs taux à la Commission et les taux sont vérifiés.

M. Skoberg: En d'autres termes, le tarif n'est pas protégé par un organisme de contrôle à l'heure actuelle?

M. Palmer: Non.

M. Nesbitt: Tout d'abord, je me demandais si peut-être on pourrait éclairir un point. Pourriez-vous nous dire, monsieur le président, s'il y a un membre de la Commission canadienne des Transports parmi nous aujourd'hui?

Le président: Oui, M. Hanley. Comme je vous l'ai promis hier, je me suis mis en contact avec le ministre et le ministre nous a fourni les services de M. Hanley; mais uniquement comme observateur.

M. Nesbitt: Je suis sûr que nous lui souhaitons tous la bienvenue.

M. Rose: Je ne sais pas si c'est important ou non, mais apparemment l'interprète ne vous aurait pas compris. Est-ce que vous voulez répéter maintenant pour que ce soit bien inscrit sur le ruban?

Le président: Ce n'est pas tellement important. Apparemment, c'est inscrit sur le ruban. Tout le monde m'a compris. Ce que j'ai dit, c'est que nous avons téléphoné immédiatement hier lorsque la question a été soulevée. Nous avons téléphoné à Ottawa et le ministre nous a donné les services de M. Hanley.

M. Horner: Un appel au règlement, s'il vous plaît.

Même si je n'ai pas de question à poser à M. Hanley à l'heure actuelle, s'il est uniquement ici à titre d'observateur. Il aurait pu lire le compte rendu à son retour. Je pense qu'il devrait pouvoir nous répondre à tout moment si le comité le désire.

Une voix: Je n'admets pas cela.

Le président: Non, je ne crois pas qu'on l'ait envoyé ici comme porte-parole du gouvernement.

M. Horner: Non, il est ici pour la CCT qui n'est pas un organisme du gouvernement. C'est un organisme qui est censé être indépendant du gouvernement.

Le président: Un moment, s'il vous plaît, monsieur Allmand.

[*Text*]

Mr. Allmand: On the point of order, Mr. Chairman, before we met we set up a schedule of witnesses in the Maritimes whom we would hear and there were many people we decided not to hear at this time. I think we should stick to the scheduled witnesses, but when we return to Ottawa if we want to hear the Minister, a representative from the Canadian Transport Commission or anybody else, we could decide to do so.

Mr. Horner: Apparently you have misunderstood my remarks. I do not want to hear from the CTC, but if they have some knowledge and can clear up some misunderstanding in the Committee on one or two brief points we should be able to call them. That is all I said.

The Chairman: Mr. Horner, I think if you want some clarification, Mr. Hanley will be very happy to give it to you. All you have to do is sit right next to him and he will give you all the answers you require. Mr. Nesbitt.

Mr. Nesbitt: Yes, Mr. Chairman, I notice in the brief, Mr. Palmer, that you said there are 700 firms—trucking firms—in the Maritimes that are represented here. I would take it, of course, that a very large number of those firms were purely local trucking firms. Could you give us any idea of how many firms of this type there are in the Maritime provinces? Perhaps it would be better to put it this way, do you have the figures for all the firms in the Atlantic provinces that do interprovincial or international business?

Mr. Palmer: We feel about 250 to 275 trucking companies cross borders.

Mr. Nesbitt: The second question I have then is, could you give us a rough estimate, a very rough estimate—I do not expect you will have exact figures on this—of the total volume of business of the trucking companies—when I refer to trucking companies I refer to ones that cross provincial or international borders. What would be the gross volume per year?

Mr. Palmer: That figure is not available in any way because the regulatory boards do not ask for financial statements of this nature and many of the companies are very hesitant to give it out. We do have wild guesses, but that is really about all they would be.

[*Interpretation*]

M. Allmand: Sur un point de Règlement, monsieur le président. Nous avons décidé qu'il y avait plusieurs personnes qu'on avait l'intention d'entendre pendant la tournée et d'autres que nous ne voulions pas entendre. Nous devrions nous ne tenir à ce programme. Quand nous reviendrons à Ottawa, si nous voulons entendre le ministre, ou un représentant de la Commission canadienne des transports ou n'importe qui, nous pourrons le faire.

M. Horner: Vous m'avez mal compris. Je ne veux pas entendre le représentant de la CCT, mais, s'il peut éclaircir un ou deux points très rapidement, je crois qu'on devrait nous permettre de leur poser des questions. C'est tout ce qui j'ai dit.

Le président: M. Hanley sera très heureux, je pense, de vous donner des renseignements si vous en désirez, M. Horner. Tout ce que vous avez à faire, c'est de vous asseoir à côté de lui et il vous donnera toutes les réponses voulues. Monsieur Nesbitt.

M. Nesbitt: Merci, monsieur le président. J'ai remarqué dans le mémoire, monsieur Palmer, que vous dites qu'il y a 700 sociétés de camionnage dans les Maritimes, qui sont représentées ici. Je dois comprendre, bien sûr, qu'un très grand nombre de ces sociétés sont des sociétés purement locales. Pouvez-vous nous donner une idée du nombre de sociétés de camionnage de ce type qui existent dans les provinces Maritimes? Ou plutôt, avez-vous le chiffre pour toutes les formes des provinces de l'Atlantique, qui ont une exploitation interprovinciale ou internationale.

M. Palmer: Nous estimons à environ 250 à 275 les sociétés de camionnage qui traversent les frontières provinciales.

M. Nesbitt: Ma deuxième question, maintenant. Je ne m'attends pas à ce que vous ayez les chiffres exacts, mais si vous ne les avez pas, vous pourrez peut-être nous donner une idée générale, quel serait le volume total d'affaires des sociétés de camionnage; quand je parle de sociétés de camionnage, je parle de celles qui traversent les frontières provinciales ou internationales, quel serait le chiffre d'affaires brut, de ces sociétés?

M. Palmer: Ce chiffre n'est pas à notre disposition. Les organismes de contrôle n'exigent pas le chiffre d'affaires. Plusieurs compagnies évidemment, hésitent à publier ces chiffres. Nous pourrions deviner, peut-être, mais ce serait tout simplement deviner; ce ne serait pas sûr.

[*Texte*]

Mr. Nesbitt: I thought perhaps you might not be able to give me an answer, but on the other hand, there is always hope. If you ask questions you might get an answer. I suppose it will be rather difficult to get an answer to my other question, too. Would you have any idea of the percentage of the total volume of transport business in the Atlantic provinces that would be done by the trucking firms? Again, I refer to firms crossing provincial borders and international borders only.

Mr. Palmer: The only way I could give you a figure on that and probably it would not be too far out would be by knowing the percentage our own company handles, the percentage of trailers we buy in this area and so on and so forth, and multiplying it by our gross. In this way I could come up with a fair assumption of the business done.

If my figures are correct in the percentage of trailers our company owns versus the total trailers for hire—this would not include straight trucks and there are a lot of straight trucks working in remote areas, these would be the trailer fleets—the trucking industry in the Atlantic provinces would be doing somewhere in the vicinity of $50 million worth of business.

Mr. Nesbitt: Yes, but what percentage of the total transport business would this represent? What I am trying to get at, you see—

Mr. Palmer: We feel that the trucking industry is doing between 35 per cent and 40 per cent of the total business.

Mr. Nesbitt: Thank you. I have just a few other brief questions. I think of the trucking industry in terms of other transport businesses such as railways and now we have a new form, of course, coming up and that is air cargo. Would you—I do not mean you personally, I mean the trucking industry—be in favour of possible subsidies going to air carriers at some time in the future?

In other words, should they be part of the general freight rate structure of the Maritimes? You said, as I understood it, that whatever policy the government decided vis-à-vis freight rate subsidies, your only concern is that you be treated the same as the railway industry. Do you think the air industry should be treated the same way as well?

Mr. Palmer: I believe very strongly that whatever is good for rail should be good for trucks, should be good for air, should be good

[*Interprétation*]

M. Nesbitt: C'est ce que je pensais, mais j'espérais tout de même avoir une réponse. Maintenant, j'imagine, que ce serait difficile d'obtenir aussi une réponse à ma deuxième question. Auriez-vous une idée du pourcentage du volume total de transport, dans les provinces de l'Atlantique, qui est effectué par des sociétés de camionnage? Encore une fois, il s'agit des sociétés de camionnage qui traversent les frontières provinciales ou internationales.

M. Palmer: La seule façon pour moi de vous répondre, et ne ne serait peut-être pas si loin de la vérité, serait de prendre les pourcentages du chiffre d'affaires de notre propre société et de multiplier pour notre chiffre d'affaires total. De cette façon, nous pouvons avoir une idée du chiffre d'affaires réalisé.

Si les chiffres que j'ai en main sont exacts, en ce qui concerne le pourcentage de camions que nous possédons sur le total des camions de louage, il s'agit des camions-remorques et non pas tout simplement des camions, et il en a beaucoup qui travaillent dans les régions éloignées, l'industrie du camionnage dans les provinces de l'Atlantique aurait un chiffre d'affaires d'environ 50 millions de dollars.

M. Nesbitt: Oui, mais quel pourcentage du total de l'industrie du transport cela représente-t-il?

M. Palmer: Nous estimons que l'industrie du camionnage a de 35 à 40 p. 100 du total des transports.

M. Nesbitt: Merci. Encore quelques questions plutôt brèves. Je songe à l'industrie du camionnage en comparaison avec les autres modes de transport, comme les chemins de fer et maintenant, un nouveau mode de transport, le transport aérien. Seriez-vous, je ne parle pas de vous personnellement, mais de l'industrie du camionnage, seriez-vous en faveur d'une subvention donnée aux transporteurs aériens à l'avenir, par exemple?

En d'autres termes, devraient-ils faire partie de la structure générale pour le transport des marchandises? Si je vous ai bien compris, vous avez dit que quelle que soit la politique adoptée par le gouvernement, au sujet des subventions pour le tarif des marchandises, ce que vous vouliez c'est être traité de la même façon que les chemins de fer. Croyez-vous alors que les industries aériennes devraient être traitées de la même façon?

M. Palmer: Je crois fermement que ce qui est bon pour les chemins de fer, devrait être bon pour les camions, devrait aussi être bon

[*Text*]

if it goes by dog team. I think everybody in this country should be treated equally and then let them make their bed after that.

Mr. Nesbitt: I have one final question. We have heard from some other witnesses and we have heard various announcements recently about improved cargo handling services in the Atlantic area as well as elsewhere. What would improved cargo handling services in this region do to your business? Do you think it would help it; would you be able to cut your costs? Could you give us some general remarks on that?

Mr. Palmer: Definitely anything to improve cargo handling will reduce costs, especially as per hour labour costs go higher and higher. I think containerization is one form of reducing costs; I think containerization is starting to come in very fast now, not as we think of containers, but containers within trailers. If the drug companies and grocery companies instead of giving the trucking companies or railroads 99 little pieces that have to be handled 99 times, put these in one box then only one lift would have to be made instead of 99 lifts. I think this will correct itself as the labour costs go higher.

I think perhaps the reason we are behind the times here in handling freight is that our labour costs have been lower. If we used two men to do something it did not cost as much as it would to have used two men in Toronto to do the same thing.

Mr. Nesbitt: You have found in your experiences that containerization is progressing very rapidly in the Atlantic region?

Mr. Palmer: Yes.

Mr. Nesbitt: Thank you very much.

The Chairman: Mr. Perrault.

Mr. Perrault: Mr. Chairman, most of my questions have already been posed, but I want to say that Mr. Palmer's organization appears to be very well established, indeed, and I am sure he can give us the answer to this question. How many Atlantic provinces' truckers have gone out of business in the past 10 years as the result of business failure? I think this is a question of some interest to us. Is the industry in trouble or is it in relatively good condition at the present time? How many business failures have involved members of your association in the past ten years or even five years?

[*Interpretation*]

pour les transporteurs aériens et même pour les traîneaux à chiens. Ça devrait s'appliquer à tout le monde, d'après nous.

M. Nesbitt: Une dernière question, maintenant. Nous avons entendu d'autres témoins et nous avons entendu parler d'amélioration dans le transport des marchandises dans la région Atlantique comme ailleurs. Qu'est-ce que cette amélioration donnerait à votre industrie? Est-ce que cela vous aiderait? Est-ce que ça réduirait vos frais d'exploitation? Pourriez-vous nous donner des commentaires généraux à ce sujet?

M. Palmer: Toute amélioration de la manutention des marchandises, réduirait certainement nos frais, notamment de main-d'œuvre qui ne cessent de croître. Je crois que le transport par cadres aiderait beacoup à réduire les frais. J'ai l'impression qu'on l'emploie de plus en plus, maintenant. Quand nous parlons de cadres vous voulons dire des cadres pour camions-remorques. Si au lieu de donner aux sociétés de camionnage ou aux chemins de fer, 99 petits colis qui doivent être manutentionnés 99 fois, on les met tous dans une seule boîte, il ne faut manutentionner qu'une seule fois au lieu de 99. Cela va se produire au fur et à mesure que le coût de la main-d'œuvre s'élève.

La raison pour laquelle nous sommes en retard, c'est parce que notre main-d'œuvre était moins coûteuse, ici. Et, alors même s'il fallait deux hommes ici pour une exploitation, ça ne coûtait pas aussi cher qu'à Toronto, par exemple.

M. Nesbitt: Alors, vous trouvez qu'on progresse rapidement dans le domaine du transport par cadre, dans les provinces de l'Atlantique?

M. Palmer: Oui.

M. Nesbitt: Merci beaucoup.

Le président: Monsieur Perrault.

M. Perrault: Monsieur le président, la plupart de mes questions ont déjà été posées, mais je voudrais dire que l'organisation de M. Palmer semble être très bien établie et je suis sûr qu'il pourra nous donner la réponse à cette question. Combien de camionneurs des provinces de l'Atlantique, ont fait faillite depuis dix ans? Je pense que c'est une question importante pour nous. Est-ce que l'industrie souffre à l'heure actuelle ou est-ce que sa situation est relativement bonne? Combien de membres de votre association ont fait banqueroute depuis dix ans ou même cinq ans?

[*Texte*]

Mr. Palmer: In the last five years we have averaged about a member a month going out of business due to financial failure.

Mr. Perrault: A member a month because of financial failure?

Mr. Palmer: Yes.

Mr. Perrault: How many truckers have gone into business during a comparable period, either the five-year period or the ten-year period which I cited?

Mr. Palmer: Most of these failures have been picked up by existing carriers.

Mr. Perrault: So the total number then is remaining relatively the same?

Mr. Palmer: It has been decreasing.

Mr. Perrault: Some of them may have gone out of business because of merges and purchases by larger trucking organizations?

Mr. Palmer: Yes, there also have been some new firms started up, but these cannot compare in numbers with those that have gone out of business.

Mr. Perrault: The figure $4 million was mentioned in the 1967 meeting with the Minister of Transport as perhaps the amount of money required to provide a subsidy to the truckers. How many dollars would be involved in a subsidy to Atlantic truckers today if they achieved parity with the railroads in this area, do you think?

Mr. Palmer: A year ago under MFRA $14 million was paid. If the trucking industry were included under this and as we are doing 35 per cent to 40 per cent of the business, then we would be talking of $5 million to $6 million.

Mr. Perrault: Five or six million dollars.

Mr. Palmer: We have no way to prove these figures, but they are probably fairly close.

Mr. Perrault: Would you say your profit margins are increasing in this industry or declining?

Mr. Palmer: Declining.

Mr. Perrault: That is the limit of my questioning.

The Chairman: Mr. Breau.

[*Interprétation*]

M. Palmer: Depuis cinq ans, nous avons perdu en moyenne un membre par mois par suite de faillite.

M. Perrault: Un par mois par suite de faillite?

M. Palmer: Oui.

M. Perrault: Combien de sociétés de camionnage ont été créés pendant cette même période de temps de cinq ans ou dix ans?

M. Palmer: La plupart de ces faillites, ont été remplacées par des transporteurs existants.

M. Perrault: Par conséquent, le nombre est demeuré relativement stable?

M. Palmer: Il a diminué.

M. Perrault: Peut-être en raison de fusionnement ou d'achat par des organisations plus importantes.

M. Palmer: Oui. Il y a eu aussi de nouvelles sociétés mais cela ne se compare pas avec le nombre de faillites.

M. Perrault: On a mentionné le chiffre de 4 millions de dollars qui seraient nécessaires pour subventionner les camionneurs. Quelle serait la somme requise pour les provinces de l'Atlantique pour en arriver au pair avec les chemins de fer dans ce domaine, à l'heure actuelle?

M. Palmer: Il y a un an, $14 millions ont été versés en vertu de la Loi sur les taux de transports des marchandises dans les provinces Maritimes. Si les sociétés de camionnage en faisaient partie, et si nous avons de 35 à 40 p. 100 des transports, alors nous parlerions d'un chiffre de l'ordre de 5 ou 6 millions de dollars.

M. Perrault: Cinq ou six millions de dollars?

M. Palmer: Il n'y a pas moyen de le prouver, mais c'est probablement très près de cela.

M. Perrault: Est-ce que vos marges bénéficiaires augmentent ou diminuent dans ce domaine?

M. Palmer: Elles diminuent.

M. Perrault: C'est tout ce que j'avais à dire.

Le président: Monsieur Breau.

[*Text*]

Mr. Breau: Mr. Chairman, I would like to ask Mr. Palmer a couple of questions. You mentioned that the 20 per cent that went to the railroads went as extra profits, but are there not extra costs that the railroads have that you do not have? For example, I would be inclined to think that their manpower would be more expensive than yours.

Mr. Palmer: It should not be because I do not think the railroad has any better men working for them than we do. Therefore, we should be paying our men the same price. If the railroads have extra costs I do not think the taxpayers of Canada should give them money. If there is another form that can do the job cheaper, that is the form that should be doing it.

Mr. Breau: Do you think you are giving a better service within the Atlantic provinces either westbound or eastbound than the CNR are giving? I would imagine the main complaint would be the amount of time taken. We have heard a lot of complaints during the last year about the CNR, for example, taking about three weeks to go from Moncton to Campbellton or something of the sort. Does this happen in your industry?

Mr. Palmer: I would like to say it never does, but yes, it does happen. However, I think over-all the trucking industry does give a better service by far than the CNR.

Mr. Breau: Would you say then that because the CNR does not have to compete with you as they have a subsidy, they are not as efficient as you would be if you had a subsidy or if their subsidy were taken off? Could they become more efficient?

Mr. Palmer: I think they could become much more efficient. If they were not so inefficient the trucking industry would not have grown as it has.

Mr. Breau: So the people of the Atlantic provinces then would be getting a better service?

Mr. Palmer: Yes.

Mr. Breau: You mentioned that the trucking industry was getting 35 per cent to 40 per cent of the business. Is this just within the Atlantic provinces? I would like to know what percentage of business you get that goes, say, from the Atlantic provinces to Toronto and eastbound. Is it about the same percentage?

[*Interpretation*]

M. Breau: J'aimerais poser quelques questions à M. Palmer. Vous avez mentionné que les 20 p. 100 donnés aux chemins de fer, étaient un profit supplémentaire, mais est-ce qu'il n'y a pas des frais supplémentaires que les chemins de fer encourent et que vous n'encourez pas? Ainsi, je serais porté à croire que leur main-d'œuvre serait plus chère que la vôtre.

M. Palmer: Ça ne devrait pas, parce que je ne crois pas que les chemins de fer aient une main-d'œuvre plus spécialisée que la nôtre. On devrait donc payer les hommes le même prix. S'ils ont des frais additionnels, je ne crois pas que le contribuable canadien doive leur donner de l'argent. S'il y a une autre méthode qui peut faire le travail moins cher c'est celle-là qu'il faut employer.

M. Breau: Croyez-vous que vous fournissez un meilleur service dans les provinces de l'Atlantique, vers l'est ou vers l'ouest, que le CN? J'imagine que les délais sont le défaut principal. Au cours des dernières années on a reçu beaucoup de griefs contre le Canadien National, voulant qu'il mette trois semaines pour aller de Moncton à Campbellton, ou quelque chose de ce genre. Est-ce que cela se produit dans votre cas?

M. Palmer: J'aimerais bien pouvoir dire que cela ne se produit jamais, mais malheureusement cela arrive. Cependant dans l'ensemble, l'industrie du camionnage donne un bien meilleur service que le Canadien National.

M. Breau: Diriez-vous que parce que le Canadien National a une subvention, il n'a pas a se préoccuper de la concurrence et n'est pas aussi efficace que si vous étiez aussi subventionné ou si la subvention disparaissait. Pourraient-ils devenir plus efficaces?

M. Palmer: Ils pourraient l'être. S'ils n'avaient pas été aussi inefficaces, l'industrie du camionnage n'aurait pas grandi autant.

M. Breau: Donc les provinces de l'Atlantique devraient obtenir un meilleur service?

M. Palmer: Oui.

M. Breau: Vous dites que l'industrie du camionnage obtenait de 35 à 40 p. 100 des affaires. Je voudrais savoir quel pourcentage vous obtenez, disons, des provinces de l'Atlantique vers Toronto et vers l'est? Est-ce à peu près le même pourcentage?

[*Texte*]

Mr. Palmer: We feel that it is about the same. It is almost next to impossible for us to come with figures that we can really hang our hat on. We only have been able to come up with these figures by comparing and watching and looking and listening and, I think, our best source is from our customers, from what they tell us and so forth.

Mr. Breau: You mentioned that some trucking firms, particularly Eastern Transports, might get a subsidy anyway—the CNR was getting a subsidy for them. There are probably many places in the Atlantic provinces that, I think, no longer are served by rail, for example, the CNR no longer delivers to some small towns. What would happen if a shipment were to come, say, from Montreal to Moncton and then go by a CN truck—I am not speaking of Eastern Transport, but a CN truck—to (inaudible), Rogersville or Buctouche or what have you. Would the CNR get the subsidy for that part of the trip made by truck?

Mr. Palmer: First, the subsidy does not apply to freight moving from west to east. It only applies from east to west.

Mr. Breau: All right, then let us suppose it came from the east.

Mr. Palmer: Yes, they get the subsidy if the subsidy is applicable, if it is on a railroad bill of lading and if the truck takes it.

The Chairman: Mr. Pringle.

Mr. Pringle: Thank you, Mr. Chairman. Mr. MacLaren mentioned a (inaudible) way about recommending that Part III of the National Transportaton Act should be enacted now or completed. He stated that there would be considerable merit in this as this will probably be the last time we will have the opportunity of meeting with the Canadian Trucking Association along with the Maritime Motor Transport Association. I wondered if he could give us an example of the application of Part III as it would apply to the Maritime provinces.

Mr. A. K. MacLaren (Executive Director, Canadian Trucking Association): If somebody were seeking authority to operate from Halifax to Toronto, say, a trucking firm, in Nova Scotia that saw some business for delivery through to Ontario, instead of having to go to four boards, turn up with all his witnesses, be met with varying degrees of local opposition, and ending up with an operating authority that would be different, perhaps, in all

[*Interprétation*]

M. Palmer: Nous sommes d'avis que c'est à peu près la même chose. C'est à peu près impossible de fournir des chiffres sûrs. On ne peut mentionner ces chiffres qu'en établissant des comparaisons, en écoutant, en observant, et je pense que la meilleure source de renseignements c'est ce que les clients nous disent.

M. Breau: Vous avez mentionné que certaines entreprises de camionnage, comme, par exemple, *Eastern Transports* pourraient obtenir des subventions tout de même car le CN les obtient pour eux. Et dans les provinces de l'Atlantique, il y a beaucoup d'endroits qui ne sont plus desservis par le CN, par exemple, le CN ne dessert plus les petites villes. Qu'arriverait-il si un colis allant de Montréal à Moncton et emprunte ensuite un camion du Canadien National, je ne parle pas de Eastern Transport, mais du CN, pour aller ensuite à Rogersville, Buctouche ou ailleurs. Le Canadien National obtient-il la subvention pour la partie du transport effectuée par camion?

M. Palmer: D'abord, la subvention ne s'applique pas au transport de l'ouest vers l'est. Elle ne s'applique que d'est en ouest.

M. Breau: Parfait disons que cela vient de l'est.

M. Palmer: Oui, ils obtiennent la subvention, si la subvention s'applique, si c'est une feuille de route du Canadien National et si un camion prend le chargement.

Le président: Monsieur Pringle.

M. Pringle: Merci beaucoup, monsieur le président. M. MacLaren a parlé de recommander que la partie trois de la Loi nationale sur les transports, soit mise en vigueur ou complétée. Il a déclaré qu'il y aurait beaucoup de mérite là dedans puisque ce sera sans doute la dernière fois que nous avons l'occasion de rencontrer l'Association canadienne du camionnage et la *Maritime Motor Transport Association*. Est-ce qu'il ne pourrait pas nous donner un exemple de l'application de la partie III en ce qui concerne les provinces maritimes.

M. A. K. MacLaren (Directeur exécutif de l'Association Canadienne du camionnage): Si quelqu'un essayait d'obtenir le droit d'opérer de Halifax à Toronto, disons une société de camionnage en Nouvelle-Écosse qui trouve des livraisons à effectuer jusqu'en Ontario, au lieu de présenter une demande d'exploitation à quatre commissions, de se présenter avec tous ses témoins, de se heurter à divers degrés d'opposition locale et de finir avec des

[*Text*]

four provinces, he could go to the Canadian Transport Commission and they would decide whether the licence should be granted on grounds of public convenience and necessity. It seems to me that on long-haul interprovincial operations the Canadian Transport Commission would decide questions of public convenience and necessity on a slightly difference basis than a provincial regulatory authority would.

Mr. Pringle: In other words, it would facilitate the trucking industry as far as the Maritimes particularly are concerned and Canada in general. Is that correct?

Mr. MacLaren: This is our very strong feeling.

Mr. Pringle: Are you getting any opposition to the...

Mr. MacLaren: We are getting very strong opposition from several provinces.

Mr. Pringle: Is the opposition a provincial matter?

Mr. MacLaren: Yes.

Mr. Pringle: You mentioned, Mr. Palmer, that when the CNR abandons a freight route or railroad, you have opposed their going into the trucking business. I wonder if it is possible that a part of the consideration with regard to the abandonment of the railroad is that the CNR must provide an alternate carrier within that area. Is this part of the reason why your opposition has been unsuccessful? Were the pre-arranged requirements essential?

Mr. Palmer: Yes, that has happened many many times in the past.

Mr. Pringle: In other words, if the abandoning of the railroad were judged just on the merits of abandoning it and not on the premise that they must replace it with a trucking system, you may have had a better chance in your opposition? Is that reasonably correct?

Mr. Palmer: I think that is a fair statement.

Mr. Pringle: I have one last question. You mentioned about the service in the Maritimes; I happen to have been associated with an industry in Prince Edward Island and I have to say in front of all your men here that the service has been certainly less than

[*Interpretation*]

droits d'exploitation différents peut-être dans chacune des provinces, il pourrait se présenter à la Commission canadienne des transports et celle-ci déciderait si ce permis doit être accordé pour des motifs de nécessité et dans l'intérêt du public. Il me semble que pour les opérations interprovinciales, la Commission canadienne des transports décidérait des questions d'intérêt public selon une toute autre optique que les commissions provinciales.

M. Pringle: En d'autres termes, cela faciliterait l'industrie du camionnage en ce qui concerne les Maritimes et l'ensemble du pays. C'est cela?

M. MacLaren: Oui, ce sont là nos impressions.

M. Pringle: Vous avez de l'opposition...

M. MacLaren: Oui, dans bon nombre des provinces, nous faisons face à une forte opposition.

M. Pringle: Est-ce que cela vient du plan provincial?

M. MacLaren: Oui.

M. Pringle: Vous avez dit, monsieur Palmer, que lorsque le Canadien National abandonne une ligne ferroviaire, vous vous opposez à ce qu'il établisse une ligne de camionnage. Je me demande si une partie des considérations, dans les cas d'autorisation d'abandon de lignes ferroviaires, n'est pas que le Canadien National fournisse un autre moyen de transport dans cette région où se trouvait le chemin de fer. N'est-ce pas là une des raisons pour laquelle votre opposition n'a pas réussi? N'était-ce pas dû à des exigences prévues à l'avance?

M. Palmer: Oui, cela s'est produit plus d'une fois dans le passé.

M. Pringle: En d'autres mots, si en abandonnant les lignes ferroviaires, on avait jugé seulement sur les mérites de l'abandon sans condidérer l'obligation de fournir un système de camionnage de remplacement, vous auriez eu une meilleure position pour votre opposition? Est-ce exact?

M. Palmer: Oui, c'est juste.

M. Pringle: Une dernière question. Vous avez parlé des services dans les Maritimes; j'ai été associé à une société dans l'Île-du-Prince-Édouard et je dois vous dire, devant vos différents représentants ici, que le service était vraiment moins que souhaitable, du

[*Texte*]

desirable as far we were concerned. We were unable to function in a satisfactory manner because of it. This happens to be a frozen food industry in Prince Edward Island. We get complaints from Montreal customers all the time about the inadequacy of the trucking out of Prince Edward Island to the point where they have been pleading with us to allow them to make arrangements to send trucks from Montreal to do this trucking. I would like to register that complaint and ask if there is some particular reason for this? Is it going to improve or all the allegations incorrect?

Mr. Palmer: No, I do not think they are. I think the trucking industry has been treated as a second class industry here. We are meeting, in fact, tomorrow night with the Department of Transport and the Canadian National Railways to see if we can upgrade the ferry service as far as trucks are concerned between New Brunswick and Prince Edward Island. I am very glad you brought this question up. Again on rates, we are not only governed by MFRA because the boats that run between New Brunswick and Prince Edward Island are owned by the Department of Transport and operated by CNR. Anyone in the private trucking industry has to pay between $15 and $16 a round trip to take a 40-foot trailer and tractor from New Brunswick to Prince Edward Island and back. The CNR pays $2 to take a loaded car over and if it comes back empty it comes back for nothing. This, we feel is not fair in any way.

An hon. Member: May I supplement that?

The Chairman: I think it would be a good idea to let this gentlemen complete his answer.

An hon. Member: I thought he was finished, Mr. Chairman, I did not intend to be rude.

Mr. Palmer: This makes us uncompetitive with their rates because they have an advantage of $14 a load over the trucking industry just in getting back and forth across the Northumberland Strait.

In the second place, the service last summer to Prince Edward Island was terrible. I am personally familiar with your company and there were times when it took us as long as three days to get back and forth. We could not hold equipment up that long.

[*Interprétation*]

moins en ce qui nous concernait. Nous étions dans l'impossibilité d'exploiter une industrie de façon satisfaisante à cause de cela. C'était une entreprise de produits congelés dans l'Île-du-Prince-Édouard. Nous avons reçu constamment des plaintes de nos clients de Montréal, tous nos clients se plaignaient du mauvais service de camionnage à partir de l'Île-du-Prince-Édouard, au point qu'ils nous priaient de les autoriser à envoyer une maison de Montréal pour faire ce transport par camion. Je veux donc vous saisir de cette plainte et vous demander s'il y a une raison particulière à un tel état de choses. Est-ce que cela va être amélioré ou est-ce que ces accusations sont injustes?

M. Palmer: Non, je ne crois pas. Je pense que l'industrie du camionnage a été traitée comme une industrie de deuxième ordre ici. Nous rencontrons, en fait, demain soir, le ministère des Transports et le Canadien National afin de voir si on ne peut pas améliorer le service de bacs pour les camions entre le Nouveau-Brunswick et l'Île-du-Prince-Édouard. Je suis très heureux que vous ayez soulevé la question. Encore une fois pour ce qui est de nos tarifs, nous ne sommes pas régis par la Loi sur le taux de transport des marchandises dans les provinces maritimes, car les bacs qui assurent le service entre le Nouveau-Brunswick et l'Île-du-Prince-Édouard sont la propriété du ministère des Transports et sont exploités par le Canadien National. Tout camionneur privé doit payer de $15.00 à $16.00 le voyage aller-retour pour un camion-remorque de 40 pieds du Nouveau-Brunswick à l'Île-du-Prince-Édouard. Le Canadian National paie $2.00 pour passer un camion chargé et s'il revient à vide il ne paie rien. Voilà donc une situation injuste, à notre avis, vraiment injuste.

Une voix: Puis-je ajouter quelque chose?

Le président: Je pense qu'il serait bon de permettre au témoin de terminer sa réponse.

Une voix: Je m'excuse si je suis impoli, monsieur le président, je pensais qu'il avait terminé.

M. Palmer: Donc, on ne peut concurrencer sur le plan des tarifs parce que pour un seul chargement, ils ont un avantage de $14.00, simplement pour franchir le détroit de Northumberland.

Deuxièmement, l'été dernier, le service était vraiment terrible. Je connais très bien votre compagnie et parfois il nous a fallu trois jours pour aller et revenir. On ne pouvait retarder aussi longtemps le matériel.

[*Text*]

You would go and not get within five miles of the ferry and when you have a $40,000 piece of equipment, you could not sit there so you went somewhere else and loaded it, and the truck that was going to get your load of trade ended up loading in New Brunswick or going empty, because in the freight business you have to haul this way; this is where you make your money. You certainly do not make it hauling west so I think that an improved ferry service plus MMTA has and will continue strongly to endorse the building of a permanent crossing between New Brunswick and P.E.I.

The Chairman: A supplementary, Mr. McGrath?

Mr. McGrath: Thank you, Mr. Chairman. I wonder if the witness could relate the same answer to the Nova Scotia-Newfoundland ferry service?

Mr. Palmer: Very definitely so. As I say, we are meeting tomorrow night. We hope we are winning a part of this battle, but again on the ferry service between Nova Scotia and Newfoundland we pay $2 a foot to cross on that ferry, so a rig that is 60 feet long costs $120 to go across. The railway pay on a very complicated formula that is written into the Constitution and is a part of Newfoundland's joining Canada. They pay according to their ton-mile revenue in the Atlantic Provinces, and crossing is considered as 90 miles.

Therefore, based on the ton-mile revenue, the CNR guess it is costing them somewhere in the vicinity of $8 to get a railcar across on the boat.

Mr. Carter: Could I ask a supplementary, Mr. Chairman?

The Chairman: Yes, Mr. Carter.

Mr. Carter: Concerning this $2 per foot charge on the ferry, I wonder whether he can tell us how this compares with regular costs when going on a highway. Ninety miles of highway would cost you so much; how much more does this 90 miles of water cost?

Mr. Palmer: Over-the-highway cost of operation runs about 50 cents a mile so it is not that far out of line in the crossing there, but the time factor well overtakes it. To operate 90 miles of highway takes two hours; to operate 90 miles between North Sydney and Port aux Basques takes eight hours, so the time factor becomes very expensive, plus the fact that we have to pay men.

[*Interpretation*]

Nous y allions, mais nous ne pouvions nous approcher à cinq milles du bac, lorsque vous avez un équipement de $40,000 vous ne pouvez le laisser attendre à rien faire, vous allez donc charger ailleurs et le camion qui devait prendre votre chargement, charge au Nouveau-Brunswick ou revient à vide, c'est ainsi si vous voulez ne pas perdre d'argent. Donc, il faudrait améliorer le service de bacs, de plus la MMTA a soutenu et soutiendra fermement l'aménagement d'une voie permanente de franchissement entre l'Île du Prince-Édouard et le Nouveau-Brunswick.

Le président: Une question supplémentaire, monsieur McGrath?

M. McGrath: Merci monsieur le président. Est-ce que le témoin ferait la même réponse en ce qui concerne le service de bacs entre la Nouvelle-Écosse et Terre-Neuve?

M. Palmer: Absolument. Comme je vous le disais, nous nous réunissons demain soir. Nous espérons gagner une partie de la bataille, mais une fois de plus, pour ce qui est du service de bacs entre la Nouvelle-Écosse et Terre-Neuve, nous payons $2 le pied pour utiliser ce bac, donc un attelage de 60 pieds de longueur, doit payer $120 de passage. Les chemins de fer paient selon un tarif très complexe inscrit dans la Constitution et faisant partie des conditions d'association de Terre-Neuve au Canada. Ils paient suivant leur revenu par tonne-mille dans les provinces de l'Atlantique et la traversée est considérée comme représentant 90 milles.

En se fondant sur le revenu par tonne-mille, le Canadien National, pense qu'il leur en coûte environ $8 pour transporter un wagon de chemin de fer par le bac.

M. Carter: Puis-je poser une question supplémentaire, monsieur le président?

Le président: Oui, monsieur Carter.

M. Carter: Pour ces $2 par pied sur le bac, comment pouvez-vous comparer cela avec les frais réguliers de parcours de 90 milles sur la grand-route, combien vous en coûte-t-il? Combien en coûte-t-il de plus pour 90 milles d'eau?

M. Palmer: Sur la route les frais d'exploitation sont d'environ 50 cents le mille, alors l'écart n'est pas tellement grand pour ce qui est de cette traversée, mais le facteur temps est énorme pour 90 milles de route il faut deux heures, mais par contre pour 90 milles de traversée entre North Sydney et Port aux Basques il faut huit heures, et ce facteur temps improductif s'ajoute aux salaires de nos hommes.

[*Texte*]

Mr. Carter: Is this reflected in the final cost to your customers?

Mr. Palmer: I think all rates are composed of final costs—all costs plus trying to get a small margin of profit, so it has to be reflected.

Mr. Pringle: Just in closing I would like to say I do not think it would be fair for me to leave this particular question without saying that we have also ordered a freight car from the railroad which took two weeks to get and when it finally arrived in the afternoon at 4 o'clock, ready to be loaded the next morning, we have gone out to find it gone, so the Prince Edward Island situation is rough in all forms of transportation.

The Chairman: I still have five more members that have asked to put questions. Would you please try to make your questions as short as you can because we are away behind in our scheduled time. Mr. Rock?

Mr. Rock: Mr. Palmer, I would like you to clarify a few answers that you gave a little while ago on certain items. You mentioned something about the stiff competition that the other truckers are getting from the two trucking companies, Eastern and Smith, which are owned by the railways.

Would you tell me if they were giving stiff competition to the other truckers before they were owned by the railway companies? Were Smith and Eastern very competitive to the other truckers before they were owned by CP and CN?

Mr. Palmer: Smith was one of the biggest, if not the biggest, company in Canada before it was purchased by CPR. Smith Transport operated here a very short time, owned as Smith Transport. It was purchased by CPR very shortly after it got operating rights within the Atlantic Provinces, so that is hard to say. Eastern Transport has been owned by CNR for 10 or 12 years—about 12 years, I think. It was two companies bought out and then made into Eastern Transport and Eastern Transport are certainly much bigger than the two companies that were purchased. Whether the two companies would have grown to the same size or not we will never know.

Mr. Rock: Do other trucking companies, say, other than Smith and Eastern use the piggyback service?

Mr. Palmer: Yes, the only piggyback service we have in the Atlantic Provinces on

[*Interprétation*]

M. Carter: Est-ce que cela se retrouve dans le prix des billets?

M. Palmer: Le coût final se retrouve toujours, il nous faut récupérer le coût et faire un bénéfice.

M. Pringle: En terminant, je ne crois pas qu'il serait juste que de laisser cette question sans dire que nous avons eu aussi un wagon de chemin de fer qui a pris deux semaines pour venir, il est arrivé à 4 heures un après-midi et prêt à être chargé le lendemain matin. Mais le lendemain matin il était déjà parti. La situation à l'Île du Prince-Édouard n'est donc pas facile quel que soit le mode de transport.

Le président: J'ai encore cinq autres membres du Comité inscrits pour poser des questions. Veuillez, je vous en prie, être aussi brefs que possible parce que nous sommes en retard sur notre horaire. Monsieur Rock?

M. Rock: Monsieur Palmer, je voudrais simplement faire préciser quelques réponses que vous nous avez fournies. Vous avez parlé de l'importance concurrence à laquelle les autres camionneurs doivent faire face de la part de deux compagnies, *Eastern* et *Smith*, qui sont la propriété des chemins de fer.

Pourriez-vous me dire s'ils faisaient une grande concurrence aux autres camionneurs avant qu'elles ne soient la propriété des chemins de fer? Est ce que *Smith* et *Eastern* faisaient une grande concurrence aux autres camionneurs avant qu'ils ne soient la propriété du CP et du CN?

M. Palmer: *Smith* était une des plus grandes, sinon la plus grande, sociétés de camionnage du Canada avant qu'elle ne soit achetée par le CP. *Smith Transport* n'a été ici que peu de temps, comme *Smith Transport*. Il a été acheté par le Canadien Pacifique, peu après avoir obtenu les droits d'exploitation dans les provinces de l'Atlantique, c'est donc difficile à dire. *Eastern Transport* est la propriété du Canadien National depuis dix ou douze ans, je dirais plutôt douze ans. C'était deux sociétés qui furent achetées et constituées en une seule, *Eastern Transport* et *Eastern Transport* est beaucoup plus grande que les deux sociétés qui furent achetées. Est-ce que les deux compagnies auraient pu croître jusqu'à une telle importance, nous ne le saurons jamais.

M. Rock: Est-ce que d'autres compagnies de camionnage autres que *Smith et Eastern* utilisent le service rail-route?

M. Palmer: Oui, le seul service rail-route que nous ayons dans les provinces de l'at-

[*Text*]

CNR is to go east or west. They will not give us piggyback service, say, to pick up in Moncton and take to Halifax, so the carriers within the province cannot use it but all carriers operating to Quebec and Ontario use piggyback from time to time.

Mr. Portelance: I have a supplementary on that, Mr. Chairman.

The Chairman: Mr. Portelance?

Mr. Portelance: If they use piggyback at that time they have a subsidy by using them, the trucking themselves?

Mr. Palmer: We thought maybe it might have been, but they tell us, no.

Mr. Portelance: You are not allowed subsidy if you use the piggyback system going west?

Mr. Palmer: If CN or CP picks up freight that is piggyback they get a subsidy on it because it does not say how it is hauled.

Mr. Portelance: What about your own firm; are you allowed to use it?

Mr. Palmer: No; we use it but we cannot get subsidy.

Mr. Portelance: You do not get subsidy?

Mr. Palmer: No.

Mr. MacLaren: If I might just add, that the National Transportation Act provides specifically—I cannot just find the section now—that independent truckers are to have the same rates as the railways for piggyback service. It is spelled right out in the act.

Mr. Rock: There is another point I would like Mr. Palmer to clarify. You know, after you answer questions sometimes certain things hang in the air without your realizing it. It does not come to a proper conclusion. I would like to know from you whether you are actually for the subsidy to be given to the shippers or that the subsidy be removed...

The Chairman: The same question was asked...

Mr. Rock: Mr. Chairman, may I finish please? You do not know what is in my mind. —or whether...

[*Interpretation*]

lantique par le Canadien National est un service est-ouest. Ils ne nous donnent pas de service rail-route pour aller de Moncton à Halifax donc les transporteurs dans la province ne peuvent y avoir recours, mais tous les transporteurs allant au Québec et en Ontario utilisent les services rail-route de temps à autre.

M. Portelance: J'ai une question supplémentaire sur ce sujet, monsieur le président.

Le président: Monsieur Portelance?

M. Portelance: Alors, lorsqu'ils utilisent le service rail-route ils ont une subvention?

M. Palmer: On avait pensé qu'il en était ainsi mais on nous a dit que non.

M. Portelance: Vous n'avez pas de subvention lorsque vous utilisez le système rail-route vers l'ouest?

M. Palmer: Si le CN ou le CP prennent des marchandises acheminées rail-route ils obtiennent une subvention, parce que rien n'indique le mode de transport.

M. Portelance: Que dire de votre maison; êtes-vous autorisé à demander la subvention?

M. Palmer: Non, nous l'utilisons mais nous n'avons pas de subvention.

M. Portelance: Vous n'avez pas de subvention?

M. Palmer: Non.

M. MacLaren: Je voudrais ajouter que la Loi nationale sur les transports prévoit, je ne trouve pas l'article, que les camionneurs indépendants devraient bénéficier exactement des mêmes tarifs que les chemins de fer pour les services rail-route. C'est écrit dans la loi.

M. Rock: Je voudrais une autre précision de la part de M. Palmer. Après avoir répondu aux questions, parfois il y a certaines choses qui restent obscures et nous n'arrivons pas à une conclusion appropriée. Je voudrais donc savoir si vous êtes en faveur d'une suvention à l'expéditeur ou que cette subvention soit supprimée...

Le président: Cette question a déjà été posée ..

M. Rock: Monsieur le président, pourriez-vous s'il vous plaît, me laisser terminer? Vous ne savez pas ce à quoi je pense. ...ou est-ce...

[*Texte*]

The Chairman: This same question was asked by four or five members this morning.

Mr. Rock: You do not know whether it was because I did not finish Mr. Chairman, please. —or whether you would like to see the subsidy removed from the railway company because you said both in the past and I would like this clarified. You said, for better competition you would rather see it removed from the railway company.

Mr. Palmer: All I am saying is that we in the trucking industry have our own ideas of what we feel would be best but we do not feel it is our place nor are we probably qualified to set the policy, so whatever policy the federal government comes up with, all we are saying is we want to be a part of that and we will be happy whatever it is.

Mr. Rock: This is exactly what I wanted you to be more specific about and you are not, so that is all right. I mean, this is again your answer. I was trying to get a better answer than that, but I understand now. The other question that I think either you or Mr. MacLaren could answer is, are you for this well-talked-about State of Maine corridor? I am asking this for a reason and that is because of the possible complications that may arise if your truckers use a corridor like this, vis-à-vis licensing and state taxes and things like that.

Mr. Palmer: I think I can answer that very quickly. If there is any shorter route to any place it is not for us to say whether we will use it or not. Road transport will always use the shortest, fastest, cheapest route available, so if it is built and the cost is a cent a mile cheaper to get to Montreal using that road, we shall use it; if it is not cheaper we will not use it.

Mr. Rock: What about the complications of taxation on the trucker? In the Montreal area some truckers have complained to me in the past about their having to pay a New York State tax and on and on, going through although, being employed by a Canadian company, they still have to pay these other income taxes. I would like to know what the complications will be for your truckers through the Maine Corridor.

Mr. Palmer: The only tax that you have to pay in the United States is the same as in

[*Interprétation*]

Le président: Quatre ou cinq autres membres du Comité ont posé la même question ce matin.

M. Rock: Vous ne savez pas si c'est la même tant que je n'ai pas fini de la poser. . . .ou est-ce que vous voulez que cette subvention ne soit plus accordée aux sociétés ferroviaires? Vous avez dit les deux, je voudrais donc savoir exactement. Vous avez dit que pour avoir une meilleure concurrence vous préféreriez que la société ferroviaire n'ait plus cette subvention.

M. Palmer: Tout ce que je dis c'est que nous avons nos propres idées quant à ce qui serait la meilleure situation, mais nous sommes d'avis qu'il ne nous appartient pas d'établir la politique et nous n'avons pas qualité pour le faire. Quelle que soit la ligne de conduite établie par le gouvernement fédéral, tout ce que nous disons c'est que nous voulons y participer, quoi qu'elle soit.

M. Rock: C'est exactement ce que je voulais vous voir préciser, j'essayais d'obtenir une réponse précise, mais vous n'en donnez pas, parfait. Maintenant, je comprends très bien. Vous ou peut-être M. MacLaren pourrez sans doute répondre à mon autre question. Est-ce que vous êtes en faveur de ce corridor de l'État du Maine dont on parle tellement? Je demande cela pour certaines raisons liées aux complications qui pourraient se présenter si vos camions utilisaient un tel corridor, disons, en ce qui concerne les permis, les impôts de l'état et autres.

M. Palmer: Je pourrais y répondre assez rapidement. S'il y a une route plus courte, ce n'est pas à nous de dire si nous l'utiliserons ou non. Le transport routier utilisera toujours la route la plus courte, la plus rapide et la moins coûteuse qui soit disponible, donc si cette route est aménagée et si il nous en coûte un cent de moins du mille pour se rendre à Montréal, nous l'utiliserons. Mais si ce n'est pas moins cher nous ne l'utiliserons pas.

M. Rock: Mais que dire des complications en ce qui concerne les impôts payés par les camionneurs? Je sais que par le passé dans la région de Montréal des camionneurs se sont plaints d'avoir à payer un impôt dans l'État de New York bien qu'ils soient à l'emploi d'une société canadienne, et qu'ils aient à payer les impôts sur le revenu. Je voulais savoir ce qu'il en serait pour vos camionneurs si on utilisait un tel corridor dans le Maine.

M. Palmer: La seule taxe que vous avez à payer aux États-Unis est la même qu'au

[*Text*]

Canada, which we in the trucking industry believe in. We believe that we should pay a fuel tax for the miles used in any province or any state. That is our toll and we think we should pay it, so whether we pay it to Maine, New Hampshire or Vermont or New Brunswick, Quebec and Ontario makes no difference to us.

Mr. Rock: Mr. Chairman, I do not think Mr. Palmer understands my question. You are talking about licensing and I did not mention licensing. I am talking about the chauffeur who may be obliged to pay income tax in another state because he is travelling through that state. Possibly 60 per cent or 90 per cent of his distance is through America rather than Canada and he has to pay that portion of his income tax to another country.

Mr. MacLaren: Mr. Rock, may I answer that? There are certain hazards involved—and this has just come to light recently. Many of the trucks coming from Western Canada to Ontario and Quebec use what they call the bridge states, the Dakotas, Michigan, Wisconsin. Usually there is a charge, a transit fee going through a bridge state.

Mr. Palmer: You either have to buy enough fuel for the mileage you travel there or you pay the tax anyway.

Mr. MacLaren: Yes, but recently the State of Wisconsin—in fact this is on now; we are finding it right now—has tried to hit one of the biggest carriers in Western Canada with corporate income tax and personal income tax on the driver, even though they are doing no business at all in the state. They are simply using it to drive through. In fact, two states are attempting to do this now. This is a problem that we are faced with. We hope we can resolve it.

Mr. Rock: You are not aware that possibly the State of New York also charges income tax to every chauffeur of Canadian firms who travels through New York State.

Mr. MacLaren: Well, it would depend; if they are doing business in New York City, if their terminal is in New York City, then, of course, they would be paying that kind of tax.

Mr. Rock: That is all, Mr. Chairman.

The Chairman: Mr. Allmand?

[*Interpretation*]

Canada. Nous sommes d'avis qu'on devrait payer toute taxe sur la vente de l'essence pour les milles parcourus dans toute province ou état. C'est notre péage et nous sommes d'avis que nous devons payer cet impôt, qu'on le paie au Maine, au New Hampshire, au Vermont, au Nouveau-Brunswick, au Québec ou à l'Ontario, peu nous importe.

M. Rock: Monsieur le président, je ne crois pas que M. Palmer ait compris ma question. Vous parlez des permis, ce n'est pas ce dont j'ai parlé. Je parle du conducteur de camion lui-même qui sera peut-être tenu de payer un impôt sur le revenu dans un autre état parce qu'il traverse cet état. Peut-être que 60 ou 90 p. 100 de sa distance à parcourir sera aux États-Unis plutôt qu'au Canada et il devra donc payer cette partie de son impôt à un autre pays.

M. MacLaren: M. Rock puis-je répondre à votre question? Il y a certaines inconnues qui se présentent. Cela n'est apparu que récemment. Bon nombre de camions qui viennent de l'ouest du Canada vers l'Ontario ou le Québec utilisent ce qu'on appelle les états de liaison, les Dakota, le Michigan et le Wisconsin. Habituellement il y a une redevance pour la traversée de ces états.

M. Palmer: Vous devez acheter suffisamment d'essence pour les distances parcourues dans cet état ou bien vous payez la taxe de toute façon?

M. MacLaren: Oui, mais récemment l'état du Wisconsin a essayé de s'en prendre à un des plus grands transporteurs de l'ouest du Canada en lui imposant un impôt corporatif et un impôt personnel aux chauffeurs bien qu'ils ne font aucun commerce dans l'état. Ils traversent simplement l'état. Il y a deux états qui essaient de le faire maintenant et c'est un véritable problème qui se pose pour nous. Nous espérons pouvoir le résoudre.

M. Rock: Vous n'êtes pas au courant du fait que l'État de New York de même prélève un impôt personnel auprès de tout camionneur de maison canadienne qui doit passer par l'État de New York.

M. MacLaren: Tout dépend s'ils font des affaires à New York, si leur terminus est à New York, alors ils paient certains impôts.

M. Rock: J'ai terminé monsieur le président.

Le président: Monsieur Allmand?

[*Texte*]

Mr. Allmand: Mr. Palmer, in answer to certain questions you stated that you thought you were paying a fair share towards the construction and upkeep of roads through licences and taxes. I want to ask you several questions on this matter. What is the difference between the diesel oil tax and the gasoline tax?

Mr. Palmer: In every province it is different.

Mr. Allmand: Do most of your trucks operate on diesel fuel?

Mr. Palmer: Almost all line haul tractors that haul the freight from one city to another use diesel fuel. The pickup trucks within the cities are mostly gas.

Mr. Allmand: Do you know the difference between the tax on diesel fuel and gasoline?

Mr. Palmer: In New Brunswick the diesel fuel tax is 23 cents a gallon and gasoline is 19 cents. In Nova Scotia it is 19 cents on gas and 27 cents on diesel.

Mr. Allmand: So it is more on diesel fuel clear through, is it, gentlemen?

Mr. Palmer: It is twenty-five cents on each in Newfoundland.

Mr. Allmand: So in every province that you know of the diesel fuel tax is higher than the gasoline tax.

Mr. Palmer: As high or higher.

Mr. Allmand: Do you know what percentage of highway costs—and here I include construction and maintenance of highways—are covered by revenue from trucking companies? You may not know. Do you know whether statistics are kept by the provinces?

Mr. Palmer: I think Mr. MacLaren can answer that.

Mr. MacLaren: There has only been one significant study in Canada that we know of. There have been studies in the United States, but the Committee on Taxation in Ontario, brought down its report—the Smith Report—a year ago. It is a most complicated matter; I do not pretend to understand it. Chapter 30 of that report goes into this in detail. They did lengthy studies. They made the calculations in two or three different ways and the conclusion was that buses and heavy high-

[*Interprétation*]

M. Allmand: Monsieur Palmer, en réponse à certaines questions vous avez dit que vous pensiez payer votre dû pour l'aménagement et le maintien des routes par les permis et les impôts. Je voudrais vous poser plusieurs questions là-dessus. Quelle différence y a-t-il entre l'impôt pour l'essence et le carburant pour diesel?

M. Palmer: Chaque province a un système différent.

M. Allmand: Est-ce que la plupart de vos camions utilisent le carburant pour diesel?

M. Palmer: La plupart des tracteurs qui font le transport d'une ville à l'autre utilisent le carburant pour diesel. Les camions qui font le ramassage dans les villes utilisent de l'essence.

M. Allmand: Quelle différence y a-t-il entre les impôts à payer sur ces deux carburants?

M. Palmer: Au Nouveau-Brunswick l'impôt sur le carburant pour diesel est de 23 cents le gallon, pour l'essence 19 cents. En Nouvelle-Écosse 19 cents pour l'essence et 27 cents pour le carburant pour diesel.

M. Allmand: C'est donc plus pour le diesel.

M. Palmer: A Terre-Neuve c'est 25 cents pour les deux.

M. Allmand: Donc en règle générale l'impôt pour le diesel est plus élevé.

M. Palmer: Plus élevé ou aussi élevé, oui.

M. Allmand: Savez-vous quel pourcentage du coût des chemins, soit pour la construction soit pour l'entretien, est couvert par les revenus provenant des sociétés de camionnage? Vous ne le savez peut-être pas. Savez-vous si les provinces ont des statistiques à ce sujet?

M. Palmer: Je pense que M. MacLaren peut répondre à cela.

M. MacLaren: Nous ne connaissons au Canada qu'une étude faisant autorité. Il y en a eu aux États-Unis, mais le Comité ontarien sur la taxation a produit son rapport, le rapport Smith, qui a été présenté il y a un an. C'est une question complexe que je ne prétends pas comprendre. Au chapitre 30 de ce rapport on a des explications détaillées. Après une longue étude, on a fait les calculs de deux ou trois façons différentes et les

[*Text*]

way trucks are more than paying their fair share of highway costs.

Mr. Allmand: I think this is very important, to answer the questions that were raised, I think, by Mr. Rose and others, and questions that are in my own mind whether or not the trucking companies are paying a fair share. I think perhaps we will study this report put out by the government of Ontario. Now, in the Maritimes you do not have any toll roads but we do in Quebec and in many of the United States there are toll roads.

Would it help your business in the Maritimes and in parts of Quebec where you do business if the governments were to build toll roads? Often they feel that they cannot build a road now due to other priorities but they can build a toll road because they know they will get back revenue to support the construction and maintenance of that road very quickly and they build the road much quicker through that means. If the provinces here in the Maritimes need the roads but feel they cannot do it out of ordinary revenues, do you support the toll road principle of getting the roads built right away, quickly?

Mr. McGrath: Mr. Chairman, on a point of order that question is irrelevant because it applies to provincial jurisdiction.

Mr. Allmand: Oh, it is very relevant.

Mr. McGrath: No, not at all.

The Chairman: Mr. Allmand.

Mr. Allmand: We have joint highway programs such as the Trans-Canada Highway. We may go into toll roads; I do not know.

Mr. Palmer: I would answer that only personally because it has never been discussed in our association.

I think no one ever wants to pay for anything as long as he does not have to. I think the toll road has a lot of merit. Certainly when you go in the United States you are on one toll road after another and they certainly get a lot of traffic. If, for example, there were a toll road running parallel to Trans-Canada I would not be in favour of it, but if the only way we were going to get a road from Moncton to Cambellton was to construct a toll road, then I think probably the industry could well afford to pay the toll versus the

[*Interpretation*]

conclusions auxquelles on en est arrivé furent que les autobus et les camions paient plus que leur juste part du coût d'entretien et de construction des routes.

M. Allmand: Je pense qu'il est très important de répondre aux questions posées par M. Rose et autres et aux questions que je me suis posées pour savoir si les sociétés de camionnage payaient leur juste part. Peut-être pourrions-nous consulter ce rapport de l'Ontario. Dans les Maritimes vous n'avez pas de routes à péage, mais nous en avons dans le Québec et dans bon nombre d'états américains.

Est-ce que cela aiderait votre entreprise dans les Maritimes et dans certaines régions du Québec où vous allez si le gouvernement aménageait des routes à péage? Souvent, ils sont d'avis qu'ils ne peuvent construire une route maintenant vu les autres priorités, mais s'ils peuvent, disons, construire une route à péage parce qu'ils peuvent obtenir un revenu pour son entretien, ils peuvent construire des routes plus rapidement. Si les provinces Maritimes ont besoin de routes mais n'ont pas la possibilité de le faire avec les revenus habituels, est-ce que vous appuieriez que le principe du péage pourrait vous aider à faire construire une route rapidement.

M. McGrath: Monsieur le président, un rappel au règlement parce que cela relève de la compétence provinciale.

M. Allmand: Cela nous concerne parfaitement.

M. McGrath: Non, pas du tout.

Le président: Monsieur Allmand.

M. Allmand: Nous avons des programmes conjoints de construction de routes, comme la Route transcanadienne, nous en viendrons peut-être aux routes à péage, je n'en sais rien.

M. Palmer: Je ne vous donnerai qu'une réponse personnelle parce que nous n'en avons jamais parlé au sein de l'association.

Je pense que personne ne veut payer pour quoi que ce soit aussi longtemps qu'il ne doit pas le faire. Je pense que la route à péage a beaucoup de mérite. Lorsque vous allez aux États-Unis vous avez une route de péage après l'autre et il y a beaucoup de circulation. Si, disons, par exemple, il y avait une route à péage parallèle à la Route transcanadienne, je ne serais pas en faveur de celle-là. Mais si la seule façon de pouvoir avoir une roue de Moncton à Campbellton était une route à péage, alors j'imagine que l'industrie

[*Texte*]

time it is taking to get there now. However, I think it is a bigger decision than I would like to make on the spur of the moment.

Mr. Allmand: All right. Now, you said that you find it hard to compete because of the subsidies paid to the railways and you say that the reason you find it hard to compete is mainly because of the rates you must charge in comparison with those that railways must charge. Yesterday we had McCain Foods Limited here and they say they use trucking as a principal means of transport and the reason they do it is because you can give them services that they cannot get from the railways, and the price of the service is not so much greater as to deter them from using the trucks.

I am questioning your principal argument that you are not competitive with the railways principally because of the cost. McCain, for example, said that they find it quicker to go out of the Maritimes by truck. They also find that they can service their customers better because of multiple drops, because of siding problems, and so on, so I think you have many competitive advantages that the railways do not have in the Maritimes and that you are competing, in fact.

Mr. Palmer: We are competing and what you say is true with a lot of companies, but also when it comes to negotiating a rate and the railway has a rate of 80 cents a hundred or 70 cents a hundred or 90 cents a hundred the choice comes down very quickly to, do you want it for this rate or do you not? This is with the food companies, the paper companies, the fish companies—any of the big companies; our rate is determined in the end by what they can get it hauled for by rail and we have met this many, many times.

We will negotiate a rate, buy equipment, get set up and then the rail comes in because they have lost the business and they cut the rate by 10 cents a hundred. We have one of two choices: we stop hauling it, or we cut our rate by 10 cents a hundred. We have a prime example of this happening right now with one of our big back hauls. Two companies, a competitor and we, have been hauling it and we are getting 63 cents a hundred to haul from Bathurst to Montreal. The railway has

[*Interprétation*]

pourrait très bien se permettre de payer le péage si on tient compte du temps qu'il nous faut pour nous y rendre maintenant. Je pense que c'est une décision trop importante à prendre pour l'adopter sans hésitations.

M. Allmand: Vous trouvez qu'il vous est difficile de concurrencer les chemins de fer à cause de la subvention qu'ils reçoivent et vous dites que la raison pour laquelle vous trouvez que cette concurrence est difficile c'est essentiellement parce que vous vous trouvez dans l'obligation d'exiger des tarifs comparativement plus élevés que ceux des chemins de fer. Hier nous avons eu les représentants de *McCain Foods Limited* et ils nous ont dit qu'ils utilisaient des camions comme moyen principal de transport parce que le service était meilleur que celui des chemins de fer et que la différence de prix était trop faible pour les dissuader d'utiliser des camions.

Donc, je mets en doute votre argument voulant que vous ne pouvez concurrencer les chemins de fer, et cela essentiellement à cause de tarifs. McCain, entre autres, ont déclaré qu'ils trouvaient qu'il était plus rapide de parcourir les Maritimes en camion. Ils ont également constaté qu'ils pouvaient mieux servir leurs clients parce qu'ils pouvaient faire des livraisons échelonnées et qu'ils avaient d'autres avantages. Donc, je pense que vous avez vraiment bon nombre d'avantages que n'ont pas les chemins de fer dans les Maritimes que vous essayez de concurrencer.

M. Palmer: Oui, nous faisons la concurrence et cela vaut pour bon nombre de sociétés, mais tout de même, lorsque nous en arrivons à la négociation d'un tarif et que les chemins de fer ont 70 ou 80 ou 90 cents le cent, alors le choix en vient rapidement à: est-ce que vous acceptez ce tarif ou pas? Que ce soit avec les sociétés de produits alimentaires, de papier, de poisson, enfin, n'importe quelle grande société, notre tarif est déterminé à la fin par le prix qu'ils obtiennent des chemins de fer, et c'est la situation que nous avons rencontrée très souvent.

Nous négocions un tarif, achetons l'équipement, constituons notre service, ensuite les chemins de fer arrivent, ils ont perdu des clients, ils baissent leurs prix et nous perdons le client ou nous baissons nos prix. Nous avons deux solutions: perdre le client ou baisser nos prix. Nous avons un excellent exemple de cette situation qui se produit maintenant avec un des grands parcours. Deux sociétés, celle d'un concurrent et la mienne faisions ce transport et nous obte-

[*Text*]

come in and said, give us 90 per cent of your business and we will give you a rate of 44 cents a hundred.

Mr. Allmand: Despite this you are still in great demand. As a matter of fact, in their brief Mr. McCain says they find there is a shortage of good trucking companies with proper refrigeration service. It is right in their brief. I do not know whether or not you read their brief.

Mr. Palmer: Yes I did and this is correct. I know that we load all the trucks we can get there and they are looking for more all the time.

Mr. Allmand: I see. All I say is that there is some doubt about the competitiveness or not. How many national trucking firms are in the Maritimes as opposed to local firms? I am speaking of companies like Smith. I do not know what other large national ones you have here.

Mr. Palmer: Smith is the largest. We have Rimouski Transport out of Rimouski. We have Daigneault out of Riviere-du-Loup; we have Speedway Express Ltd. from Montreal, etc.

Mr. Allmand: The follow-up question would be: if the same subsidies were given to the trucking industry as to the railways, would you expect more competition to come in from the trucking firms in Montreal, Toronto and Quebec City?

Mr. Palmer: I would expect the moment that trucking was put equal with other modes in the provinces you would see the intercities, the Kingsways, and all the firms immediately taking a look at the Atlantic provinces.

Mr. Allmand: And do you not feel that they may be able to put a lot of you boys out of business down here?

Mr. Palmer: No. Anyone who goes out of business by good, fair competition should go out of business—by fair competition.

Mr. Allmand: Thank you.

The Chairman: Mr. Thomas.

Mr. Thomas (Moncton): Mr. Chairman, first I would like to thank Mr. Palmer for his very timely remarks on the difficulties

[*Interpretation*]

nions 63 cents le 100 pour faire le transport de Bathurst à Montréal. Les chemins de fer sont arrivés et ont dit, donnez-nous 90 p. 100 de vos affaires et on vous consentira 44 cents le 100.

M. Allmand: Malgré tout on a toujours recours à vos services. McCain dans son mémoire dit qu'il y a insusffiance d'excellentes maisons de camionnage avec des camions réfrigérés appropriés et adéquats. C'est dans leur mémoire. Je ne sais pas si vous avez lu ce mémoire.

M. Palmer: Oui, je sais, c'est juste. Nous savons que les camions qu'on peut y acheminer sont remplis et on peut toujours en fournir plus.

M. Allmand: Très bien, je vois. Tout ce que je peux dire, c'est qu'il y a certains doutes au sujet de la concurrence. Combien de sociétés nationales de camionnage se trouvent dans les Maritimes par opposition aux sociétés locales? Je parle des compagnies comme *Smith etc...* Je ne connais pas les autres grandes sociétés nationales que vous avez ici.

M. Palmer: *Smith Transport* est la plus considérable. Nous avons aussi *Rimouski Transport* qui vient de Rimouski. Nous avons aussi *Daigneault* de Rivière-du-Loup; *Speedway*, de Montréal, etc...

M. Allmand: Et maintenant, une autre question qui fait suite à celle-ci. Si la même subvention était donnée au camionnage qu'à l'industrie des chemins de fer, est-ce que vous vous attendriez à plus de concurrence de la part des sociétés de Montréal, Toronto et Québec? Les grandes compagnies?

M. Palmer: Du moment que le transport par camion est sur un pied d'égalité avec les chemins de fer, toutes les grandes sociétés comme Kingsway et les autres regarderaient vers les provinces de l'Atlantique immédiatement.

M. Allmand: Ne croyez-vous pas que ces compagnies pourraient peut-être éliminer plusieurs de vos sociétés ici?

M. Palmer: Non. Ceux qui se retirent des affaires à la suite d'une bonne et juste concurrence devraient se retirer des affaires, à condition que ce soit une concurrence juste.

M. Allmand: Merci.

Le président: Monsieur Thomas.

M. Thomas (Moncton): Monsieur le président, tout d'abord je voudrais remercier M. Palmer de ses observations très justes au

[*Texte*]

incurred in the expense involved in shipping to and from Prince Edward Island. I think if any of the members of this Committee had any doubts as to the validity of or the necessity for a permanent Island-Northumberland Strait crossing, you must have given them some food for thought to take back with them. Thank you very much.

In connection with Part III of the National Transportation Act which still has not been implemented, Mr. Pickersgill told us in a Committee session that negotiations were under way, I presume with the provinces and with the trucking industry, but he could not give us any idea of when this might be implemented. Do you, in your capacity with the Canadian Trucking Association, have any indication as to when this Part III may come into effect?

Mr. MacLaren: I do not think it would be appropriate for me to predict what the Commission may recommend or the government may do. All I would say is that we have been twisting arms and everything as hard as we can all over the place to try and get some action. In actual fact I do not think it is any secret that the Canadian Transport Commission is now enagaged in discussions with all the interested road transport groups, Canadian Industrial Traffic League, our association, the CWA and the warehousing association to find out exactly where they stand on this matter. We hope that a recommendation will be going forward to the government fairly soon. We are pressing for this and we hope it will happen.

Mr. Thomas (Moncton): Thank you. Mr. Palmer, we heard yesterday of several instances of, to me, ridiculous figures of differences in rates between places of similar distances or instances where the railway rate for 500 miles is lower than a rate for 200 miles; this did not seem to make sense. There was also an inference that rates across the country vary. Does this apply to the trucking industry? In other words, talking about per ton mile does it cost the same to ship 200 miles in Ontario as it does to ship 200 miles in the Maritimes? Are we paying higher rates in the Maritimes per ton mile than in other parts of the country, in your industry?

Mr. Palmer: I think I can answer this best this way; we have tried very hard to figure out how the railway sets rates. No-one has ever been able to give me an answer of how this is done. In the trucking industry our rates are set mainly on three things: distance is certainly a factor; The type of freight you are hauling is certainly a factor; and then the volume of freight that any one customer

[*Interprétation*]

sujet des difficultés et des frais encourus pour l'expédition vers et de l'Île du Prince-Édouard. Si les membres du Comité avaient des doutes sur la validité ou la nécessité d'un lien pour le Détroit de Northumberland, il a certainement donné lieu à réfléchir, et je l'en remercie.

J'aimerais bien demander à M. MacLaren en rapport avec la partie III de la Loi nationale sur les transports qui n'a pas encore été mise en vigueur, M. Pickersgill nous a dit, lors d'une séance de Comité, que les négociations étaient en cours, je présume, avec les provinces et avec l'industrie du camionnage. Mais il ne savait pas du tout quand cette partie serait mise en vigueur. Selon votre titre dans l'association, avez-vous une idée quand cela sera mis en vigueur?

M. MacLaren: Cela ne serait pas approprié pour moi de vous dire ce que la Commission peut recommender ou peut faire. Tout ce que je peux dire, c'est que nous avons essayé de faire jouer des influences partout pour essayer d'obtenir des résultats. En fait, ce n'est pas un secret que la Commission des Transports canadienne à l'heure actuelle a des pourparlers avec toutes les parties intéressées: la *Canadian Industrial Traffic League*, notre association, la *CWA*, et l'association des propriétaires d'entrepôts pour connaître leurs opinions à ce sujet. Nous espérons qu'une recommandation sera formulée auprès du gouvernement très rapidement. Nous exhortons que cela se fasse le plus tôt possible et nous espérons que cela arrivera.

M. Thomas (Moncton): Merci. Maintenant, monsieur Palmer, hier, on nous a donné plusieurs exemples de chiffres ridicules et de différences de taux sur les mêmes parcours ou des exemples, où le tarif du chemin de fer pour 500 milles était moins élevé que pour 200 milles, ce qui ne semble avoir aucun sens. On nous a dit aussi que les taux variaient d'un bout à l'autre du pays. Est-ce que cela s'applique au camionnage aussi? Est-ce que, dans l'Ontario, le prix par tonne-mille est plus élevé pour expédier des marchandises sur un trajet de 200 milles qu'aux Maritimes?

M. Palmer: Je crois que la meilleure réponse à cette question serait la suivante: quant aux taux des chemins de fer, nous avons essayé très fort de savoir de quelle façon les chemins de fer établissent leurs tarifs. Personne n'a jamais pu me donner une réponse à ce sujet. Dans l'industrie du camionnage, nos taux sont fixés selon trois éléments: la distance est certainement un des

[*Text*]

has to offer you over a period of years is certainly a factor. Putting those three factors together we have come up with a rate with which we hope can meet all our costs and make a little profit.

What we find in competing with the railway is that with some commodities in some areas we have no problem whatsoever. It seems that for the same product in a similar area somewhere else their rate is half. I do not think the trucking industry's rates vary this much. I think mileage is always a factor.

Mr. Thomas (Moncton): But is it fair to say from that that it could very well be that in the Maritimes in certain cases we are paying higher rates than Ontario because in the more highly competitive situation the railways might have reduced their rates.

Mr. Palmer: The competitive part is one thing, but I think another thing that makes rates higher here in some areas is because of the small amount of traffic that goes through the area; you could never get there with a truck-load of freight. Basically your per mile haul makes no difference whether you carry 20,000 pounds of freight or 40,000 pounds.

Mr. Thomas (Moncton): This is the core of our whole problem down here and this is what we are trying to get at.

I was also interested to hear yesterday—and this has come up before—one or two shippers make the statement that they could not use truck transportation because it was not satisfactory. In one case we had a shipper stating flatly that in Sackville he had ordered trucks to pick up two or three times. The trucks had passed by his door so he is now shipping everything by rail. This was interesting.

Also we have a case of a brief that was presented last year, and I suppose it will be presented here today, where a company declares that they are a captive shipper. This is the Chestnut Canoe Company Limited brief from Fredericton, N.B. and they say, in effect, that the railways have enjoyed them as a captive market because of inadequate truck transportation and point to the unwillingness of truck transports to carry out commodity and the outright refusal by two trucking firms to pick up canoes. This is basically what the man in Sackville said,

[*Interpretation*]

éléments; le genre de cargaisons que vous transportez aussi, ainsi que le volume d'un seul client au cours d'une année, qui est le troisième facteur. Si vous mettez les trois facteurs ensemble, nous en arrivons aux taux qui, nous l'espérions, nous permettront de faire un très petit profit.

Mais quand nous en arrivons à la concurrence avec les chemins de fer, ce que nous trouvons, c'est que pour certaines denrées dans certaines régions, il n'y a aucun problème du tout quant à la concurrence. Mais pour les mêmes produits dans d'autres régions, on découvre que le tarif est coupé de 50 p. 100. Et je ne crois pas qu'il y ait tellement de différences dans le camionnage mais je crois que le millage y est pour quelque chose.

M. Thomas (Moncton): Alors, pour être juste, est-ce que l'on peut dire que dans les Maritimes nous payons des taux plus élevés dans certains cas, alors que dans l'Ontario, en raison de la situation plus concurrentielle, les chemins de fer ont dû réduire leurs taux?

M. Palmer: Oui, dans une certaine mesure. Mais la raison pour laquelle les taux sont élevés ici dans certaines régions, c'est en raison du peu de volume qui se rend dans cette région et cela est absolument impossible de s'y rendre avec un camion de marchandises. En d'autres termes, peu importe si vous avez à transporter 20,000 livres ou 40,000 livres avec un seul camion.

M. Thomas (Moncton): Voilà la raison clé pour laquelle nous voulons obtenir le corridor. Hier, j'étais intéressé à cette question et un ou deux expéditeurs ont déjà déclaré qu'ils ne pouvaient pas employer les camions parce que le service n'était pas satisfaisant. Dans un cas, un des expéditeurs nous a dit carrément qu'il avait commandé des camions deux ou trois fois à Sackville pour venir chercher ses colis et que les camions n'étaient même pas venus. Il faisait depuis ses expéditions par chemin de fer.

Il y a un mémoire qui a été présenté l'an dernier et je suppose qu'il a été présenté cette année aussi, où l'expéditeur déclare être un expéditeur captif. Il s'agissait de la compagnie *Chestnut Canoe Company Ltd.* de Fredericton et en fait, ce qu'il ont dit, c'est que les chemins de fer nous les avaient comme clients captifs parce que les camions ne veulent pas transporter leurs produits. Il s'aggissait de canoës. C'est ce qu'il nous ont dit, que les camionneurs préfèrent la densité au volume. Et alors, ils prétendaient dans leur mémoire qu'il y avait deux sociétés de

[*Texte*]

that the trucks would not take the bulky freight; they would rather haul the high density freight. The brief goes on to say that the two truck companies have actually refused to haul their products. Have you any comments on these statements?

Mr. Palmer: I am very familiar with both of these cases. The trucking companies have not refused to haul the product. We have rates published for every product in the Atlantic provinces, but we cannot operate at a loss for any one company, because we have no-one to pick up the tab at the end of the year if we do not make a profit. Companies such as Chestnut Canoe Company Limited or Enamel and Heating Products Ltd., are both talking of bulky expensive products. At a rate for which canoes have been hauled from Fredericton to Montreal and Toronto, with the biggest vans we have, based on the same rate, we would get something like $60 or $70 to go from here to Toronto, which we cannot do. Perhaps the rails can, but we cannot.

Mr. Thomas (Moncton): Just one more short question. You indicated earlier an instance of the railways reducing their freight rates on hauling potatoes to the point where it was no longer possible for the trucking industry to carry them?

Mr. Palmer: Yes.

Mr. Thomas (Moncton): This also ties in with some evidence we heard yesterday that the railways have been following this policy of deliberately cutting their rates to put competition out of business. Is this still going on? Does this go back some years or would you say that this policy is still being followed by the railways?

Mr. Palmer: The part that bothers me very much is that the government of Canada, the people of Canada, who have been paying $14 million a year in subsidy, are saying that should be passed to the shipper so that the people in the Maritimes can get their products on the central Canadian market and be competitive. I say the railroad has taken advantage of this, because if they were using it rightfully, then they should have given the best rate to the customer who was going farthest. It is only truck or water competition that reduced that rate and it has happened many, many, many times with our own company. Anybody here will tell you that once

[*Interprétation*]

camionnage qui avaient refusé de transporter ces produits. Avez-vous des commentaires à formuler à ce sujet?

M. Palmer: Je connais les deux cas. Les compagnies n'ont pas refusé de transporter les produits. Nous avons un tarif publié pour chaque province dans les provinces de l'Atlantique. Mais nous ne pouvons subir des pertes ou exploiter à perte pour une seule compagnie, car à la fin de l'année, si nous ne faisons de profits, il n'y a personne qui va combler notre déficit. Qu'il s'aggisse de la *Chestnut Canoe* ou de la *Enamel and Heating Products Ltd.*, leurs produits sont très volumineux et coûteux. Au taux auquel on transporte les canots de Fredericton à Montréal ou Toronto avec les remorques que nous avons à l'heure actuelle, nous recevrions de $60.00 ou $70.00 pour nous rendre d'ici Toronto, et c'est absolument impossible pour nous de le faire à ce prix-là. Les chemins de fer peuvent peut-être le faire mais nous, non.

M. Thomas (Moncton): Merci. Une autre brève question maintenant. Un peu plus tôt, vous nous avez donné un exemple où les chemins de fer avaient réduit leur tarif-marchandises pour le transport des pommes de terre jusqu'au point où ce n'était plus rentable pour l'industrie du camionnage de faire ce transport.

M. Palmer: Oui.

M. Thomas (Moncton): Cela concorde avec les preuves que nous avons eues hier à l'effet que les chemins de fer suivaient cette politique de couper délibérément les taux afin d'éliminer la concurrence. Est-ce que cela se produit toujours, ou est-ce que cela remonte à plus loin, à quelques années en arrière? Est-ce que vous diriez que cette politique est toujours suivie par les chemins de fer?

M. Palmer: Ce qui me préoccupe le plus, c'est que le gouvernement du Canada, le peuple du Canada, qui versent 14 millions de dollars par année en subventions, qu'on devrait verser ces allocations aux expéditeurs, afin que la population des Maritimes puissent acheminer leurs produits vers le centre du Canada et soutenir une certaine concurrence. Je prétends que les chemins de fer en ont profité, effectivement en ont abusé car si ces subventions avaient été utilisées à bon escient elles auraient dû procurer le meilleur taux possible au client expédiant dans les centres les plus éloignés. Mais ce n'est que la concurrence du transport mari-

[*Text*]

trucks come in and get the product, immediately there is a rate cut given by the railroad.

Therefore, I can only assume that they were making excess profits before, because the trucking industry will never reduce a rate to below what they need to pay their bills. You cannot do it and stay in business. You can run for a while at break-even, or you can run a small segment of your business at a loss, but you cannot run your whole business at a loss.

Mr. Thomas (Moncton): Thank you, Mr. Palmer. In other words, if we can come up with an over-all transportation policy that will apply to the trucking industry as well as the railways, you may very well get lower rates?

Mr. Palmer: I would say immediately.

Mr. Thomas (Moncton): Thank you.

The Chairman: Mr. Portelance.

Mr. Portelance: Thank you, Mr. Chairman. Regarding subsidy from government, if this was ever desired, would you not agree that it would be easier for the government to give these subsidies to the transport companies instead of the shipper? There would be less people involved.

Mr. Palmer: We feel there would be less people involved. Also we feel that it could be better controlled through a for-hire trucker. If it is given to the licensed people in the trucking industry, a very valuable asset of that company is their franchise permit given by the different provinces or the Dominion. Therefore if it is given to the trucking industry, and if abused, the penalty clause could be that the franchise be taken away. To give it to the shippers, we feel, might be very hard to administer. However, that is out of our field.

Mr. Portelance: You were saying that you had a lot of opposition when you had to contract for permits with the different provinces. Did this opposition come from the trucking industry, the transport companies, or from the province itself, or their representative?

Mr. Palmer: I am sorry, I did not get the first part of the question.

[*Interpretation*]

time ou par camion qui a réduit ce taux. C'est une chose qui est arrivée plusieurs fois, dans notre compagnie. On vous le dira partout: du moment que nous faisons de la concurrence, il y a une réduction de tarif de la part du chemin de fer.

Je présume donc qu'ls faisaient des profits exhorbitants et excessifs avant notre arrivée car l'industrie du camionnage ne réduira jamais un taux à un montant qui soit inférieur à ce qui est nécessaire pour payer leurs comptes. C'est impossible de le faire et de rester en affaires. Vous pouvez exploiter à perte une petite partie de votre industrie mais vous ne pouvez pas faire fonctionner tout votre commerce à perte.

M. Thomas (Moncton): Merci M. Palmer. Si nous en arrivons à une politique d'ensemble qui s'applique au camionnage, vous serez donc heureux.

M. Palmer: Oui.

M. Thomas (Moncton): Merci.

Le président: M. Portelance.

M. Portelance: Merci, monsieur le président, en ce qui concerne les subventions; est-ce que vous ne seriez pas d'accord qu'il serait plus facile de donner cette subvention au camionneur plutôt qu'à l'expéditeur étant donné qu'ily a moins de gens en cause?

M. Palmer: Oui, et nous croyons aussi qu'il y aurait un contrôle plus efficace pour le camionnage de louage si on les donne à l'industrie du camionnage. Le permis d'exploitation qu'il reçoit de la part des différentes provinces ou la franchise reçue du gouvernement fédéral sont très précieux. Si on les donne à la société de camionnage, voilà la punition qu'on pourrait imposer: lui enlever son permis si elle ne remet une partie de la subvention à l'expéditeur. Ce serait très compliqué au point de vue administratif si on le donnait directement à l'expéditeur mais ce n'est pas de notre ressort.

M. Portelance: Une autre question. Vous avez di que vous aviez eu une forte opposition quand vous avez dû négocier les permis d'exploitation dans les différentes provinces. Est-ce que cette opposition vous venait de la part de l'industrie du camionnage, des transports, ou de la province ou de ses représentants?

M. Palmer: Je m'excuse. Je n'ai pas compris le début de votre question.

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Mr. Portelance: Once you have a contract situation with another province—because there are four provinces here and you may have to go to Quebec also, and you have to get a licence—you seem to meet opposition. Does the opposition come from the province itself, or from the trucking industry in the province?

Mr. Palmer: No, from licensed carriers already serving the route.

Mr. Portelance: For example, if someone from outside wants a licence to come into New Brunswick, does your company or the one you represent also make opposition?

Mr. Palmer: All franchises are given on the need and necessity of the public. If we feel we could serve the industry, we would oppose. If we felt we could not, we would not.

Mr. Portelance: Thank you.

The Chairman: Mr. Nowlan.

Mr. Nowlan: Mr. Chairman, I am breaking my moratorium of silence, because I have one question to ask Mr. Palmer. I was going to ask a supplementary to someone else, but you changed too quickly. It has to do with the ferry services and the preferential treatment on some of the CN boats, or the CN trailers compared to for-hire trucks.

At long last we have a Digby-Saint John ferry announced and that is to take truck trailers which it could never take before. Is there a joint approach to this problem—not just the CN, Prince Edward Island and Newfoundland—but a joint approach to ferries, in effect, and the rates that should be charged to truck trailers regardless of whether it is owned by the CP or the CN along with the private industries? You mentioned the meeting with the Department of Transport. Is that just to do with the Canadian National, or should not the trucking industry produce some type of resolution with a uniform approach to ferry service, whether you own the truck trailer or whether it is a private truck trailer? If there is no uniform approach, why cannot there be?

Mr. Palmer: We have been working very hard on that. I think we are making some headway, but not enough. We are saying that with the ferry problem, be it Newfoundland or Prince Edward Island, that what CNR has to pay should be brought up to be equal to ours. Perhaps that is what should be done,

[*Interprétation*]

M. Portelance: Lorsqu'il vous faut traiter un contrat ou négocier un contrat avec une autre province, il y a quatre provinces ici, mais peut-être devez-vous vous adresser à Québec aussi,—il semble que vous ayez une certaine opposition à ce moment-là. D'où vous vient cette opposition? De la province elle-même ou de l'industrie du camionnage au sein de la province?

M. Palmer: Non, de la part des transporteurs qui desservent déjà la route.

M. Portelance: Et alors, si quelqu'un demandait à entrer au Nouveau-Brunswick, votre compagnie ou celles que vous représentez s'opposeraient-elles aussi lorsque quelqu'un de l'extérieur veut obtenir un permis?

M. Palmer: Toutes les franchises sont données en vertu de la nécessité et du besoin que ressent le public. Si nous estimions que nous pouvions servir le public, oui, alors nous nous y opposerions. Autrement, non.

M. Portelance: Merci.

Le président: M. Nowlan.

M. Nowlan: Je romps le silence car j'ai une question complémentaire à poser à M. Palmer. J'avais une question complémentaire aussi à quelqu'un d'autre mais vous avez passé trop rapidement. Cela avait trait aux services de bacs et au service préférentiel sur certains navires du CN comparativement aux taux des camions de louage.

En fin de compte, nous avons eu l'annonce d'un transbordeur de Digby à Saint-Jean pour transporter les camions qu'ils avaient toujours refusé de transporter jusque-là. Est-ce qu'il s'agit d'une approche conjointe d'une solution non seulement pour Terre-Neuve et l'Île du Prince-Édouard, mais pour les bacs en général, ainsi que les taux qui devraient être chargés, peu importe qui en est le propriétaire, le CN, le CP, ou l'industrie privée? Vous avez mentionné le ministère des Transports. Est-ce qu'il s'agirait tout simplement du CN ou est-ce que l'industrie du camionnage ne devrait pas avoir une résolution comportant une attitude uniforme à l'égard des services de bacs, que vous soyez propriétaire d'un camion-remorque ou qu'il s'agisse d'un exploitant indépendant? Si il n'y a pas d'attitude uniforme, pourquoi pas?

M. Palmer: Nous avons fait beaucoup de travail dans ce sens mais les progrès ne sont pas tout à fait ceux que nous aurions espérés. En ce qui concerne Terre-Neuve ou l'Île du Prince-Édouard, nous dirions que le taux payé par le CN devrait être augmenté ou porté jusqu'au niveau du nôtre, car il y a un

[*Text*]

because there is a big deficit in running these ferries, but if the government is going to pick up the deficit and not raise their rate, then our rate should be reduced to theirs. We should ask—and I can see no argument against it—to pay no different rate to cross on a ferry than does the CNR or CPR or anyone else.

Mr. Nowlan: We have never had the CPR problem, but we are going to have it, and I just wonder if you are not going to have the same discrimination unless there is some advance work done and foundation laid to try to get a uniform policy apply to CN and CP.

Mr. Palmer: The way I feel on this is that CP is putting this boat on from Saint John to Digby, and if they run that independently and the federal government is not involved and they pick up no deficits on it, then CPR could charge the trucking industry anything they want to to use that boat. Once the federal government becomes involved, then our costs should be the same.

Mr. Nowlan: I will not argue the point, but I must say, what about the terminal facilities at both ends? The Canadian taxpayer pays that. Surely, we are not going to have a private industry boat charging only the rates that it wants if the taxpayer is producing the terminals at both ends to the tune of several millions of dollars. I do not quite agree with your point, Mr. Palmer.

It is interesting, because if that is your personal view, then perhaps it is not the reason why the trucking association, to me, should be in this Committee. Perhaps it should make some type of recommendation, but certainly I think the trucking industry could help if there could be a uniform policy for ferry services. I do not care where the CP boat is going to run, they do not own the terminal facilities. They are being developed by the federal government.

Mr. Palmer: I probably did not make myself clear on this and I will try to be brief. I know we have taken a lot of your time and we appreciate it. We feel that rates should be the same for all modes of transport, as should subsidies be the same. We are not trying to say whether the rate to Prince Edward Island should be $16 or $2; we do not feel we are qualified to make that statement. However, we feel as long as we are paying the same, then we can adjust our rates and should be able to be competitive. We would like to see this followed with all ferries, and

[*Interpretation*]

déficit considérable dans l'exploitation de ces bacs. Si le gouvernement doit payer les déficits pour ne pas augmenter le taux, alors notre taux devrait être réduit en conséquence. Je ne vois aucune raison pour laquelle nous paierions un tarif différent pour les services de bac du CN ou du CP.

M. Nowlan: Nous n'avons jamais eu de problème avec le CP jusqu'ici. Mais nous allons l'avoir à moins que l'on travaille à l'avance afin d'essayer d'obtenir une politique uniforme qui s'appliquerait au CN et au CP.

M. Palmer: Ma réaction à l'égard du nouveau bac du CP qui sera mis en service entre Digby et Saint-Jean est la suivante: si c'est une exploitation indépendante, si le gouvernement n'est pas en cause et s'il ne paie pas les déficits, le CP pourra charger à l'industrie du camionnage tout ce qu'il voudra pour l'utilisation du bac. Mais du moment que le gouvernement fédéral est en cause, les coûts devraient être les mêmes pour tous.

M. Nowlan: Je n'argumenterais pas, mais qu'en est-il des frais d'exploitation des terminus? C'est le contribuable qui paie tout de même. Sûrement, nous n'allons pas avoir un bateau appartenant à l'industrie privée qui chargera des taux libres si c'est le contribuable qui paie les frais des terminus. Je ne suis pas tout à fait d'accord avec le point que vous soulevez, monsieur Palmer.

C'est très intéressant car si c'est votre opinion personnelle, ce n'est peut-être pas la raison pour laquelle l'industrie du camionnage est présente ici même. Notre Comité devrait peut-être formuler une recommandation mais je crois que l'industrie du camionnage pourrait aider si elle avait une politique uniforme pour les services de bacs. Peu importe où vont être en action les navires du CP, ils ne sont pas propriétaires des installations portuaires et des terminus qui sont, eux, la propriété du gouvernement fédéral.

M. Palmer: Je n'ai peut-être pas été aussi clair que j'aurais voulu l'être. Nous avons pris beaucoup de votre temps mais nous apprécions le temps que vous nous avez accordé. Nous croyons que les taux devraient être les mêmes pour tous les modes de transport, tout comme les subventions devraient être les mêmes. Nous n'essayons pas de dire que le taux pour l'Île du Prince-Édouard devrait être de $16.00 ou de $2.00. Nous ne sommes pas compétents pour faire ce genre de déclaration. Mais nous croyons qu'aussi longtemps que nous payons la même chose,

[*Texte*]

with all decisions made in transportation we would like to think that the trucking industry is now big enough to be a part of that policy.

Mr. MacLaren: I might add, Mr. Nowlan, that the Canadian Transport Commission has been of great assistance to MMTA in their problem with the CNR and conceivably there is some way, if the problem arose with the CP ferry, they would do the same.

Mr. Nowlan: Mr. Chairman, I wonder if I could ask one more question of Mr. MacLaren. In the experience of British Columbia, where the CP were very involved with ferry service and now, of course, the government has taken it over, was there this same type of preferential treatment to the CP tractors against the independent tractor trailers?

Mr. MacLaren: Being relatively new to the business, I do not know how Mr. Bennett runs his fleet, or how the CP ran it before that. I am sorry but I cannot answer your question.

Mr. Nowlan: All I say, Mr. Chairman, is that where it involves federal money, I quite agree with Mr. Palmer; if the CP builds the boat and runs between its own terminals they can charge anything they want, the same as they can on a train, but where federal moneys are involved, and this is a common carrier that is looked for with some expectation in western Nova Scotia and New Brunswick, I cannot understand why a uniform recommendation or resolution could not apply to the ferry service, because we only have three, basically, where this problem arises, in the east: P.E.I., Newfoundland and now the Digby-Saint John ferry, excluding Grand Manan and some of the smaller ones. Federal money is involved in the three cases. I do not see why there should be discrimination against a private industry in favour of the public where public money is involved.

Mr. MacLaren: I think your point, Mr. Nowlan, is quite well taken, that they are a common carrier and perhaps something can be done on that.

The Chairman: Gentlemen, I want to thank you.

I will now call upon the next witnesses from the Chestnut Canoe Co. Ltd., of Fredericton, N.B.

[*Interprétation*]

les taux devraient être ajustés de façon à être concurrentiels. Nous voudrions que cela se fasse avec tous les transbordeurs, et de toutes les décisions prises dans le domaine des transports, nous aimerions bien croire que l'industrie du camionnage est maintenant assez grande pour s'intégrer dans cette politique.

M. MacLaren: Je pourrais peut-être ajouter, monsieur Nowlan, que la Commission canadienne des transports a beaucoup aidé l'industrie et que, s'il y avait justement un problème à l'égard du bac du CP, il y aurait probablement une intervention de la part de la Commission.

M. Nowlan: Une dernière question à l'endroit de M. MacLaren. En Colombie-Britannique où le CP exploitait un service de bac qui est maintenant exploité par le gouvernement, est-ce que le même genre de traitement préférentiel a été donné aux remorques du CP en comparaison aux indépendants là-bas?

M. MacLaren: Étant un nouveau venu ici dans l'industrie, je ne sais pas comment M. Bennett exploite sa flotte, ou comment le CP le faisait auparavant.

M. Nowlan: Là où les fonds fédéraux sont en cause, je suis d'accord avec M. Palmer. Si c'est le CP qui construit son navire et s'en sert entre ses propres terminus, il peut en faire ce qu'il veut. Mais là où les fonds du gouvernement fédéral sont en cause, il s'agit d'un bac public comme nous espérons qu'il va en être au Nouveau-Brunswick et en Nouvelle-Écosse, je ne vois pas pourquoi une recommandation uniforme ne s'appliquerait pas au service de bacs. Nous n'en avons que trois: celui de l'Île du Prince-Édouard, celui de Terre-Neuve, et maintenant celui de Digby-Saint-Jean à l'exclusion des plus petits bacs pour Grand Manan etc... Mais là où les fonds du gouvernement fédéral sont en cause, dans les trois cas, je ne vois pas pourquoi il y aurait une distinction injuste à l'égard de l'industrie privée.

M. MacLaren: Monsieur Nowlan, vous avez certainement raison dans le sens où ils sont des transporteurs publics. Et on pourrait peut-être faire quelque chose dans ce domaine.

Le président: Messieurs, je vous remercie de votre présentation.

Et maintenant, nous allons demander à la *Chestnut Canoe Co. Ltd.* de Fredericton de nous faire sa présentation. Vous trouverez le

[*Text*]

You will find the brief on page 729. I understand there will be no opening remarks, so, if members are ready for questions, we will proceed. As you know we are behind our time schedule, so I would ask members to be brief.

Mr. G. W. Birch (President, Chestnut Canoe Co. Ltd., Fredericton, N.B.): Mr. Chairman, due to the lateness of your meetings, I am prepared to waive the summary of my previous brief in order to expedite the later meetings, and I am here to answer any questions on our previous brief, dated March 7, 1968.

Mr. Pringle: I just have a short question. You mention in your brief that rail carriers should be nationalized and become non-profit organizations to work for the good of all Canadians.

In view of the fact that the railroad that is presently nationalized is running into pretty heavy deficits and the one that is not nationalized is not considered to be running into deficits, do you feel that this statement is justified?

Mr. Birch: I feel that both railroads should be amalgamated to eliminate the duplication of services into different cities. If they were amalgamated they possibly could operate at a much lower rate than they are operating now and still break even.

Mr. Pringle: Thank you. I had only one question.

Mr. Rock: On reading your brief it seems to me that you are blaming the shipping for your loss of business. Do you not think it is more related to the new methods of building fibreglass boats? Has that not got a great deal more to do with the loss of business than shipping costs?

Mr. Birch: In my brief I refer to a loss of business in the western provinces. We were non-competitive in carload rates going in that direction, simply because at the time the railroads were providing their Ontario and Quebec manufacturers—particularly those in Ontario—with larger cars at the same price as the standard 40-foot car. I am referring now to shipments out of Ontario to Edmonton and Calgary, and particularly to Edmonton, where we have distributors who eventually changed over to the Ontario manufacturer because his rail rates were much less.

[*Interpretation*]

mémoire à la page 729 de votre compte rendu en anglais. Le représentant m'a dit qu'il n'avait pas de mémoire à présenter. Pourriez-vous s'il vous plaît poser vos questions? Comme vous le savez, nous sommes très en retard et alors je demanderais encore une fois d'être très bref.

M. G. W. Birch (président, Chestnut Canoe Co. Ltd., Fredericton, N.-B.): Merci, monsieur le président. En raison de l'heure tardive, je mettrais de côté la présentation de mon mémoire.

Je suis ici pour répondre aux questions au sujet du mémoire que nous avions présenté le 2 mars 1968.

M. Pringle: J'ai une brève question. Vous dites dans votre mémoire que les transporteurs ferroviaires devraient être étatisés et devenir des organismes sans but lucratif travaillant au bien-être de tous les Canadiens. Étant donné que la ligne de chemin de fer, nationalisée accuse un déficit assez lourd et que celle qui ne l'est pas ne semble pas être en déficit, pensez-vous que cette déclaration est justifiée?

M. Birch: J'estime que les deux chemins de fer devraient être fusionnés, afin d'éliminer le double emploi ou le chevauchement des services dans diverses villes. S'il y avait fusion des deux compagnies, elles pourraient tourner à un coût bien inférieur et boucler leur budget.

M. Pringle: Merci; je n'avais qu'une question.

M. Rock: A la lecture de votre mémoire, j'ai l'impression que vous rendez les expéditeurs responsables de vos pertes. Ne croyez-vous pas que ces pertes sont plutôt attribuables aux nouvelles méthodes de construction de bateaux en fibre de verre? N'est-ce pas là plutôt la cause de cette perte d'affaires plutôt que de l'attribuer aux frais d'expédition?

M. Birch: Si j'ai parlé d'une perte sur notre chiffre d'affaires, il s'agissait des provinces de l'Ouest. Les taux de chargements complets vers cette direction ne sont pas compétitifs, et cela pour la simple raison qu'en ce temps-là, les chemins de fer mettaient à la disposition des fabricants du Québec et surtout ceux de l'Ontario, des wagons plus grands que ceux de 40 pieds. Je parle maintenant des expéditions qui se font à partir de l'Ontario vers Calgary, et surtout vers Edmonton, plus particulièrement à Edmonton là où nous avons des distributeurs qui, en fin de compte, ont préféré faire affaire avec les fabricants de l'Ontario, car ses taux de transport par chemins de fer étaient moins chers.

[*Texte*]

If you refer to the brief, you will find we suggest that the railroad was providing the carriers in Ontario with a 50-foot car at railroad convenience, and then later, after we got this cleared up, the railroad then took the action of supplying two 40-foot cars in lieu of a 50-foot car and at the same cost.

Mr. Rock: Yes; but this does not mean that the boat manufacturers are using these facilities. This is my point. There are now manufacturers of fibreglass boats in every little nook and corner of Canada, therefore it does not pay today to make a fibreglass boat here and ship it to Montreal. Because right in the area of Montreal, or even in the outlying areas, there are manufacturers of fibreglass boats today.

Mr. Birch: Yes; but we are in the fibreglass boat business, too, and we are having difficulty getting into the Ontario and Western Canadian markets with them. Our main line of business, however, is canoes, and we have to compete with Ontario and Quebec manufacturers as well as Western manufacturers in producing them. We were doing so very successfully up to now.

Mr. Rock: Let us correct one thing. You seem to have left the impression that canoes are only made out of wood. We must admit they are also made out of fibreglass.

Mr. Birch: Yes, indeed, they are; and we are making fiberglass canoes, too, and receiving orders for them, as well.

Mr. Horner: On page 732 of your brief your recommendation (G) is:

> That all activity of rail and truck transportation be closely supervised by a national supervisory committee...

Does not the CTC fully comply with your suggestion in (G)?

Mr. Birch: I am not sure whether or not it fully complies. All I am saying is that we know for a fact that Upper Canadian manufacturers have been given agreed freight rates and combination carloads at the price of one carload—in lieu of that is, a 50-foot car they have been given 80 feet of car space by the supply of two 40s. We are saying that this is cramping our business in the western market because we in the Maritimes cannot get the same privileges.

[*Interprétation*]

Si vous consultez le mémoire, vous constaterez que les chemins de fer fournissaient aux transporteurs dans l'Ontario des wagons de 50 pieds avec tous les avantages, et après que cette affaire avait été réglée, les chemins de fer se sont permis de fournir deux wagons de 40 pieds au lieu d'un seul de 50 pieds et cela au même prix.

M. Rock: Oui, mais cela ne veut pas dire que les fabricants de bateaux emploient ces facilités; il y a actuellement tellement de fabricants de bateaux de fibre de verre partout au Canada, qu'il n'est plus payant d'en construire ici et de les expédier à Montréal, car il y a aujourd'hui dans la région de Montréal, ou même dans les environs des fabricants de bateaux de fibre de verre.

M. Birch: Oui; mais nous produisons aussi des bateaux de fibre de verre et nous éprouvons des difficultés à nous introduire en Ontaroi et au Québec. Cependant nous fabriquons principalement des canoës, et nous devons soutenir la concurrence des fabricants du Québec et de l'Ontario, ainsi que de ceux de l'Ouest. Ce que nous faisions assez bien jusqu'à maintenant.

M. Rock: Il y a une chose que nous devons mettre au clair. Vous semblez laisser entendre que les canoës ne sont faits que de bois, alors qu'ils sont faits aussi de fibre de verre.

M. Birch: Oui. En effet, nous fabriquons aussi des canoës de fibre de verre, et nous en recevons des commandes également.

M. Horner: A la page 732 de votre mémoire, vous dites dans une de vos recommandations, que:

> Tout le domaine des transports par chemins de fer et par camion devrait être étroitement surveillé par un comité national de surveillance...

La Commission canadienne des transports a-t-elle pleinement tenu compte de votre suggestion contenue dans le paragraphe (G) de votre mémoire?

M. Birch: Je ne suis pas sûr si elle s'en tient étroitement à ce que nous avons proposé. Tout ce que je sais, c'est que les fabricants du Haut-Canada ont reçu un tarif marchandises convenu, ainsi que des chargements combinés au prix d'un chargement, c'est-à-dire qu'au lieu d'avoir un wagon de 50 pieds, ils en ont reçu deux de 40. Nous sommes d'avis que cette situation gêne nos affaires sur le marché de l'Ouest, parce que nous dans les Maritimes, nous ne pouvons jouir des mêmes privilèges.

[*Text*]

Mr. Horner: Have you ever considered taking your case to the CTC so that they could...

Mr. Birch: We have taken our case, first, to the railroads on a local basis, and only received denials that this ever existed. We then took the case up with the Maritime Transportation Commission, and after about a year we find that the railroads have changed their story and have admitted that they were doing this. But before they admitted it we had an Ontario manufacturer make a shipment to us and we told him to ask for a 50-foot car, and, if they could not supply it, see what would happen on two 40s. I have with me the documents showing that he did receive two 40-foot cars for the price of a 50 out of Ontario. This established the fact that this was being done at that time.

Mr. Horner: Do you think you have rectified that situation now?

Mr. Birch: Only to a certain degree.

Mr. Horner: You are still complaining about it?

Mr. Birch: Yes, we are.

Mr. Horner: And do you propose to bring the matter before the CTC at any time?

Mr. Birch: Not at the moment; we have been working with the Maritime Transportation Commission on it and we believe that this is the body that should fight for us.

Mr. Horner: You suggest in your recommendation (D) that the railroad should become a non-profit organization. These organizations always interest me. I am a member of several in Western Canada and I have often found to my surprise that they still use profit as their guide to efficiency, if you follow what I mean.

How can you tell whether a railroad is really providing a service efficiently unless you look at their profit and loss sheet? If all railroads operated as non-profit organizations what would you use as your guide to efficiency?

Mr. Birch: This would be a management problem, would it not?

Mr. Horner: But the taxpayers would still want efficiency, I would think.

[*Interpretation*]

M. Horner: Avez-vous déjà songé à présenter votre cause devant la CTC afin qu'elle puisse...

M. Birch: Tout d'abord, nous avons présenté notre cause aux chemins de fer dans le domaine local et, évidemment, ils ont nié la chose. Ensuite, nous en avons parlé à la Commission de transport des Maritimes et une année plus tard nous constatons que les chemins de fer ont changé d'idée et ont avoué que c'était en fait ce qui se passait. Mais avant qu'ils ne l'aient avoué, nous avons demandé à un fabricant de l'Ontario d'effectuer une expédition et nous lui avons dit de demander un wagon de 50 pieds, et, s'il ne réussissait pas à l'obtenir, de demander deux wagons de 40 pieds. J'ai eu en ma possession des documents qui prouvent qu'il a effectivement reçu deux wagons de 40 pieds pour le prix d'un seul de 50 pieds, à partir de l'Ontario. Ce qui prouvait que cela se pratiquait encore à ce moment-là.

M. Horner: Croyez-vous que la situation soit différente actuellement?

M. Birch: Jusqu'à un certain point.

M. Horner: Et, vous vous en plaignez toujours?

M. Birch: Oui, certainement.

M. Horner: Est-ce que vous vous proposez d'en parler à la Commission canadienne des transports?

M. Birch: Pas pour le moment; nous avons travaillé avec la Commission maritime canadienne à ce sujet, et nous croyons que c'est cet organisme-ci qui devrait justement venir à notre défense.

M. Horner: Dans le paragraphe (D) des recommandations, vous avez dit que les chemins de fer devraient devenir une entreprise à but non lucratif. Je me suis toujours intéressé à ces organisations. Je suis membre de plusieurs d'entre elles dans l'Ouest du Canada et j'ai souvent trouvé, à ma grande surprise, qu'on considérait toujours le profit comme règle de conduite de l'efficacité.

Comment savoir si une compagnie de chemin de fer est vraiment efficace, à moins d'en examiner les pertes et profits? Si tous les chemins de fer étaient des organisations sans but lucratif, qu'est-ce qui serait le facteur déterminant pour l'efficacité?

M. Birch: C'est un problème qui concernerait la Direction, n'est-ce pas?

M. Horner: Oui, mais je pense que les contribuables voudraient de l'efficacité.

[*Texte*]

Mr. Birch: I would think so.

Mr. Horner: That is right.

Mr. Birch: But I do feel that the railroads should be amalgamated and not duplicating service. For example, we have both railroads servicing the City of Fredericton which has a population of 25,000 people. One would have a great time arguing that if one rail carrier was going out of here and taking all of the traffic their cost could not, or would not, be reduced considerably.

Mr. Horner: Could not the same be said of the trucking industry; that if one large trucking firm did all the trucking it would increase their efficiency?

Mr. Birch: It would increase the efficiency of the trucking service if there was one large trucking organization; there is no doubt about that.

Mr. Horner: And if one large canoe manufacturer in Canada had the whole business would not that increase their efficiency?

Mr. Birch: Yes, it would.

Mr. Horner: Therefore, do you not agree that if we follow that point to the inevitable you are not going to increase employment in the Maritimes particularly?

Mr. Birch: I am talking about a national service—a service for all Canadians—as a Maritime Canadian. This is a common service. It is not a competitive industry, in the sense that it should be made competitive.

Mr. Horner: It is on that rationalization that I am questioning you. It does not matter whether or not it is a common service. The public, as taxpayers—and these are the people I am concerned about—want efficiency. They want efficiency in governments, although sometimes they do not get it; they want efficiency in railroads; and they want efficiency in manufacturers, whether they be canoe manufacturers, or what they may be.

Mr. Birch: That is right.

Mr. Horner: What other guide are you going to use if you do not use profit, and does competition not make you more aware of the efficiency factor?

Mr. Birch: My reference was particularly to railroad carriers. Are the railroads operating efficiently now?

[*Interprétation*]

M. Birch: Oui, je le croirais moi aussi.

M. Horner: C'est exact.

M. Birch: Mais je crois qu'il faudrait fusionner les chemins de fer, et éviter la duplication des services. Nous avons, par exemple, deux chemins de fer qui desservent Fredericton, une ville de 25,000 habitants. Il serait difficile de prétendre que les coûts ne seraient pas réduits de beaucoup, s'il n'y avait qu'un seul chemin de fer ici, pour s'occuper de tout le mouvement.

M. Horner: Est-ce qu'on ne pourrait pas dire la même chose de l'industrie du camionnage; si l'on n'avait qu'une seule grande compagnie de camionnage qui s'occuperait de tout le mouvement, que cela augmenterait leur efficacité?

M. Birch: Cela améliorerait l'efficacité de la société de camionnage; oui, certainement.

M. Horner: Et s'il n'y avait qu'un seul fabricant de canoës au Canada, est-ce que cela n'améliorerait pas l'efficacité?

M. Birch: Oui, certainement.

M. Horner: Par conséquent, n'êtes-vous pas d'accord que si nous poursuivions ce point-là jusqu'à l'infini, il y a l'inévitable, vous n'allez certainement pas augmenter les possibilités d'emploi dans les Maritimes?

M. Birch: Je parle d'un service national, c'est-à-dire un service pour tous les Canadiens, à titre de Canadien des Maritimes. Il s'agit d'un service en commun. Ce n'est pas une industrie concurrentielle dans le sens où elle devrait être compétitive

M. Horner: C'est la raison pour laquelle je pose des questions justement. Et je mets en doute votre raisonnement. Peu importe s'il s'agit d'un service en commun ou non. Le public en tant que contribuable, et ce sont les gens dont je me préoccupe, exige un rendement efficace de la part du gouvernement, bien que parfois, ils ne l'obtiennent pas, de la part des chemins de fer et des fabricants, qu'il s'agisse d'un fabricant de canoës ou non.

M. Birch: C'est exact.

M. Horner: Quelle serait la ligne de conduite si ce n'est les profits? Et, est-ce que la concurrence ne vous rend pas plus sensible ou conscient du facteur d'efficacité?

M. Birch: Je me référais surtout aux transporteurs par chemins de fer. Le rendement des chemins de fer est-il plus efficace à l'heure actuelle?

[*Text*]

Mr. Horner: I do not think so, no.

Mr. Birch: Evidently one is not and the other is.

Mr. Horner: I would not even accept that. It depends on what is being transported. I would readily say that the CNR is operating far more efficiently than the CPR in hauling passengers. The direct reverse might be true in hauling freight. But I would not even accept that either. I think both of them operate inefficiently. I do not think that competition is keen enough, particularly here in the Maritimes. Perhaps trucking could create more competition if we allowed the truckers to have the advantage of the MFRA. Do you agree with that?

Mr. Birch: I agree to a certain extent with what you are saying, but when you consider the capital cost of laying railroads and rails into smaller cities of this country I do not agree that it is economical to do so on a duplicated basis.

Mr. Horner: Yes; but they are already laid.

Mr. Birch: They are already laid; but they have to be maintained, do they not?

Mr. Horner: Yes, to a certain extent; but what you are suggesting, sir, is that part of the trackage into Fredericton should be rolled up; that it is costing too much to maintain; and that the one track would do a more efficient job.

Mr. Birch: I am suggesting that this should be done in all small cities across Canada; not just Fredericton.

Mr. Horner: I question that as a guide to creating greater efficiency. It might create greater efficiency, but, on the direct reverse, do you not think it could bring about poorer services to many of the areas?

Mr. Birch: This would be an administration problem, to see that it did not cause that.

The Chairman: Mr. Rose, on a supplementary?

Mr. Rose: I was interested in Mr. Horner's logic about efficiency in relation to largeness, and having one large canoe firm, and so on.

[*Interpretation*]

M. Horner: A mon sens, non.

M. Birch: Apparemment, l'une est efficace et l'autre ne l'est pas.

M. Horner: Je n'accepte même pas cela; cela dépend de ce que l'on transporte. Je dirais tout de suite que le National Canadien a un rendement beaucoup plus efficace que le Pacifique canadien, pour ce qui est du transport des voyageurs, alors que l'inverse serait peut-être vrai dans le cas des marchandises, mais je n'accepterais même pas cela. Je crois que les deux sont inefficaces. Je ne crois pas que la concurrence soit assez acharnée dans ce domaine et, surtout, ici, dans les Maritimes. Le camionnage pourrait peut-être créer une plus forte concurrence, si l'on donnait aux camionneurs les avantages de la Loi. N'êtes-vous pas d'accord là-dessus?

M. Birch: Je suis d'accord avec ce que vous dites, jusqu'à un certain point, mais lorsqu'on songe aux frais d'immobilisation pour aménager des voies de chemins de fer dans les petites villes de ce pays, je ne suis pas d'avis qu'il est rentable de le faire sur une base double.

M. Horner: Oui, mais les installations y sont déjà.

M. Birch: Oui, elles le sont toujours, mais ne faut-il pas penser à l'entretien tout de même?

M. Horner: Oui, dans une certaine mesure. Mais, vous laissez entendre qu'une partie de la voie ferrée à proximité de Fredericton devrait disparaître; que le maintien coûte trop cher et qu'une seule voie serait plus efficace.

M. Birch: Je dis que cela devrait être fait dans toutes les petites villes du Canada, non pas simplement Fredericton.

M. Horner: Je doute que cela puisse servir de principe directeur menant à une plus grande efficacité. Cela pourrait mener à une plus grande efficacité, mais inversement ne croyez-vous pas que cela pourrait entraîner un service inférieur pour un bon nombre de ces régions?

M. Birch: Alors, ce serait à la direction de voir à ce qu'une telle situation ne se présente pas.

Le président: Monsieur Rose, question complémentaire?

M. Rose: Je m'intéresse à la logique du raisonnement de M. Horner, pour ce qui est de l'efficacité de rendement proportionnelle-

[*Texte*]

Perhaps he would agree that one large farm would be more efficient than, say, many small ones of the kind that he operates? I think he would probably agree that the personal interest of the management of the owner-farmer, or the family farmer, is much more efficient. All these forms of logic break down ultimately if you take them to their ludicrous extreme.

I would suggest to you, sir, that perhaps in your testimony you are looking upon the railroads as an extension of a social policy and as a service rather than as a business; is that so?

Mr. Birch: That is correct.

Mr. Rose: And would you also agree that perhaps the trucking firms are not so interested in pursuing a social policy and, because of their private ownership nature as opposed to the public ownership of, let us say, the CNR, they have less right to public support?

Mr. Birch: I believe that the truckers basically are privately owned, that they operate their business as I would try to operate mine; and that probably competition, in one sense, would be good there. But, on the other hand, let us get down to the basic fact that largeness of a trucking firm and the non-duplication of highway travel, and so on, would no doubt make trucking firms more profitable, too.

Mr. Rose: I agree with you that the railroads should be nationalized, or that at least their operations should be nationalized, so that we can avoid duplication. But, of course, the railroads are not unique in this. There are many other instances of this.

However, you were complaining about a captive market. Would you not agree that if this happened, and the two railroads were made into one, you would be more at the mercy of a captive market than you are at the moment?

Mr. Birch: I do not think so; not if it was properly supervised.

Mr. Rose: Thank you.

Le président: Monsieur Godin? Voulez-vous attendre une minute, s'il vous plaît?

M. Godin: Je vous remercie, monsieur le président. Les réponses données jusqu'à maintenant répondaient à mes questions.

The Chairman: Thank you. Mr. Allmand?

[*Interprétation*]

ment à la grandeur, et d'avoir une seule grande fabrique de canoës, ainsi de suite. Serait-il peut-être d'avis qu'une grande ferme serait plus efficace que le genre de petite ferme qu'il exploite lui-même? Je pense qu'il admettrait probablement le fait que l'administration d'une propriété agricole, c'est-à-dire le petit fermier, est beaucoup plus efficace en fin de compte. Toute cette logique s'effondre si elle est poussée à l'extrême. Je dirais que, dans votre témoignage, vous considérez peut-être les chemins de fer comme étant une expansion d'une politique sociale et comme un service plutôt qu'une entreprise n'est-ce pas?

M. Birch: Oui, c'est juste.

M. Rose: Vous conviendrez aussi que les sociétés de camionnage ne sont peut-être pas tellement intéressées à maintenir une politique sociale, et du fait que ce sont des compagnies privées, contrairement aux sociétés publiques, comme le National-Canadien, ont de moins en moins de droit à l'appui du public?

M. Birch: Je crois que les camionneurs qui sont essentiellement des sociétés privées exploitent leur entreprise comme j'essayerais d'exploiter la mienne; et que la concurrence, dans un sens, serait bénéfique là. Mais, d'autre part, revenons-en au principe fondamental à l'effet que l'envergure, d'une société de camionnage et non duplication du parcours routier rendraient sans doute les sociétés de camionnage plus rentables.

M. Rose: Je conviens avec vous que les chemins de fer devraient être nationalisés ou du moins que leurs opérations soient rationalisées pour éviter ce double emploi. Ce n'est pas une situation particulière aux chemins de fer. Elle se présente dans d'autres cas analogues. Toutefois, vous vous plaigniez à propos d'un marché captif. Ne convenez-vous pas que si nous avions une seule compagnie ferroviaire, vous seriez encore plus à la merci d'un marché captif que vous ne l'êtes maintenant?

M. Birch: Je ne le crois pas. Certainement pas si c'était bien administré.

M. Rose: Merci.

The Chairman: Mr. Godin? Would you please wait a minute?

Mr. Godin: Thank you, Mr. Chairman. The answers given so far have answered my questions.

Le président: Merci. Monsieur Allmand?

[*Text*]

Mr. Allmand: Sir, I find an interesting paragraph in your brief at page 730; in the second one from the top you say:

> Also due to the volume demand on truck transportation at this time truck transporters are now increasing their rates. They can do this knowing that they are still more than competitive with rail transporters on the cube basis of calculation.

I wish I had had that paragraph before me when I was discussing the brief with the previous witness, because you seem to think that the truckers are in a very good competitive position with the railways. As a matter of fact, you say they are increasing their rates, which conflicts with the truckers who were here before you.

Do you have any real evidence that this is so, or is this just your impression?

Mr. Birch: No; I do not have any bills of lading with me, but shortly after the cube rates, or the class 100 rates, went into effect there was a general increase in the trucking rates on some of the commodities we were bringing in from Ontario and Quebec.

I think I go on to say, too, that the service became much poorer on account of traffic loads on the trucks coming inward.

Mr. Allmand: The truck service, or the—

Mr. Birch: The truck service.

Mr. Allmand: Due to over-demand?

Mr. Birch: Because of over-demand.

Mr. Allmand: I notice that in your brief you do not recommend that the truckers be given the same subsidies as the railways under the Maritime Freight Rates Act. Would that be a recommendation, or do you think that all means of transport should be put under the MFRA?

Mr. Birch: I agree that under the Maritimes Freight Rates Act the subsidies given to the railroads are to allow shippers in the Atlantic region to be competitive with manufacturers in the central provinces, or the mass market provinces; and with the subsidy the railroads are in a position where they

[*Interpretation*]

M. Allmand: Monsieur le président, je trouve qu'il est fort intéressant de lire l'alinéa dans votre mémoire à la page 730, deuxième colonne, colonne de droite, en haut, vous dites:

> Par ailleurs, du fait que les entreprises de camionnage, sont très recherchées en ce moment, augmentent leurs taux et n'hésitent pas à le faire, sachant qu'elles peuvent encore soutenir la concurrence des transporteurs ferroviaires d'après le calcul du volume.

J'aurais bien aimé avoir cet alinéa sous les yeux lorsque nous étions en train de poser des questions au témoin précédent, parce que vous semblez croire que les entreprises de camionnage sont vraiment compétitives. Vous dites même qu'ils augmentent leurs taux, ce qui est en contradiction avec les représentants de l'Association des camionneurs, qui ont comparu avant vous. Est-ce que vous avez des preuves qu'il en est ainsi ou est-ce une impression?

M. Birch: Non. Je n'ai pas de feuilles d'expéditions ici, avec moi, mais peu après la mise en vigueur de la catégorie des taux en pieds cubes ou de la catégories 100 on a constaté une augmentation générale dans les taux de transport par camion pour certaines des denrées que nous faisions apporter à partir de l'Ontario et du Québec. Et, je pourrais ajouter que les services se détérioraient à cause des expéditions par camion qui se faisaient vers l'extérieur.

M. Allmand: Le service de camionnage?

M. Birch: Oui.

M. Allmand: Parce qu'ils avaient une trop grande demande?

M. Birch: Oui.

M. Allmand: Je remarque que dans votre mémoire vous ne recommandez pas que les camionneurs aient les mêmes subventions que les chemins de fer, aux termes de la Loi sur les taux de transport des marchandises dans les Maritimes? Est-ce que c'est là votre recommandation ou croyez-vous que tous les moyens de transport devraient être visés par la Loi sur les taux de transport des marchandises dans les provinces maritimes?

M. Birch: J'admets qu'en vertu de la Loi sur les taux de transport des marchandises dans les Maritimes, les subventions consenties aux chemins de fer ont pour objet de permettre aux expéditeurs de la région Atlantique de soutenir la concurrence des fabricants dans les provinces centrales ou des provinces

[*Texte*]

have to take below normal rates in order to protect the shipper from here so that he can get his goods on a competitive basis into the mass market. I think this is really the prime purpose of the Maritime Freight Rates Act.

Mr. Allmand: Yes; but do you think the truckers should have that same subsidy—that same benefit—in the Maritimes?

Mr. Birch: Whether or not they would utilize it to the same benefit is something else again. For instance, I cannot see shipping canoes or boats via truck and being competitive in Ontario with the 20 per cent subsidy given to the truckers. They would still want quite a premium to carry this type of product on account of its lightness and bulkiness.

Mr. Allmand: Thank you.

The Chairman: Are there any further questions, gentlemen?

Mr. Skoberg: Are you finding yourself in the position now that if transportation costs are not stabilized and the MFRA rates come off, your plant will be faced with extinction?

Mr. Birch: Yes; there is no question in our minds that if these rates come off we will have to settle in the mass market area which, in our case, is the province of Ontario. We would be foolish to stay here and try to ship, for example, a 16-foot canoe. Such a boat is now going to Montreal at $4.62, but when the rates come off it will go to $24 and something—an increase of 528 per cent. We would be foolish to try to stay in the province of New Brunswick and fight with our competitors in Ontario—even though we do produce a better quality product. We would be better to move there. A canoe such as the one I referred to would sell wholesale to the dealer at about $150.

Mr. Skoberg: Are you finding, then, that to decentralize would not be the answer; that you do not care to move into the market?

Mr. Birch: Pardon me?

[*Interprétation*]

comportant les grands débouchés commerciaux; en effet avec cette subvention les chemins de fer sont alors dans une position qui leur permet d'accepter des tarifs inférieurs à la normale afin d'assurer la protection de l'expéditeur et pour que son produit parvienne aux grands débouchés à un prix compétitif. C'était là le but essentiel de cette loi sur les taux de transort des marchandises dans les provinces Maritimes.

M. Allmand: Oui, mais ne croyez-vous pas que les camionneurs devraient recevoir cette même subvention? D'avoir ces mêmes avantages dans les Maritimes?

M. Birch: Qu'ils utilisent ces subventions aux mêmes profits ou pas, c'est une autre chose. Par exemple, je ne vois pas comment l'expédition de canoës ou de bateaux par camion peut soutenir la concurrence en Ontario avec une subvention de 20 p. 100 qui serait consentie aux camionneurs. Ils voudront quand même toute une prime pour transporter ce genre de marchandise par suite de la légèreté et du volume excessif du produit.

M. Allmand: Merci beaucoup.

Le président: Auriez-vous d'autres questions à poser, messieurs.

M. Skoberg: Une question très brève, monsieur le président. Est-ce que vous vous trouvez dans une situation telle que si ces coûts de transport ne se stablisent pas et que, si les tarifs prévus par la Loi sur le transport des marchandises dans les Maritimes sont éliminés, votre usine serait en voie de disparaître?

M. Birch: Oui. Il n'y a aucun doute. Si ces taux disparaissent, nous devrons vendre sur les grands marchés et, dans notre cas, ce sera en Ontario. Nous serions stupides de rester ici et d'essayer d'expédier un canoë de 16 pieds cubes. Un canot de ce genre est expédié vers Montréal pour $4.62, mais avec l'abolition des taux il en coûtera $24 et quelque, ce qui fera une augmentation de 528 p. 100. Il serait stupide de notre part d'essayer de demeurer au Nouveau-Brunswick et de lutter contre nos concurrents de l'Ontario, quoique nous puissons produire un meilleur produit. Nous ferions mieux d'aller nous établir en Ontario. Un canoë de ce genre, se vendrait en gros à $150.

M. Skoberg: Est-ce que vous trouvez que la décentralisation ne serait pas la réponse; qu'il vous importe peu de vous y établir?

M. Birch: Je m'excuse, je n'ai pas compris.

[*Text*]

Mr. Skoberg: You are not willing to move to where the market demand is?

Mr. Birch: We would have to move to the central market if the rates were cancelled.

Mr. Skoberg: This just multiplies the situation that already exists in this area?

Mr. Birch: That is right. It would throw about 60 men out of employment.

The Chairman: If there are no more questions, I wish to thank you, Mr. Birch, for your presence this morning.

Our next brief will be from Mr. J. W. MacDonald, Mayor of the City of Campbellton; Mr. J. W. Bird of J. W. Bird and Company Limited; and from the City of Bathurst I have on my right Mr. J. A. Picot, the Mayor.

Mr. J. A. Picot (Mayor of Bathurst): We intended to present a brief a year ago, but because of delays this was set aside and, subsequently, when the hearings were resumed, we did not have the time to meet again and to update our brief. So this is the reason that we did not file any. Would it be possible, with your permission, to update this brief and submit it at a later date.

The Chairman: How long would this take?

Mr. Picot: It would take us about 10 days.

The Chairman: We could print it as an appendix.

Mr. Picot: Thank you very much.

The Chairman: Is that the wish of the Committee?

Some hon. Members: Agreed.

Mr. Picot: I would at this time make only a few brief statements concerning primarily the City of Bathurst and transportation as it affects us.

The City of Bathurst has a population of approximately 16,000. We have in our county three other towns. Bathurst is the central point for these three towns. This is the city where these people come to market and where they take the CNR facilities to Montreal and elsewhere.

Over the past great number of years the trend as been for these people to entrain in Bathurst, therefore this pattern has been

[*Interpretation*]

M. Skoberg: Vous ne voulez pas aller vous établir là où se trouvent les marchés?

M. Birch: Nous devrions nous y établir si ces taux étaient supprimés.

M. Skoberg: Alors, cela multiplie et augmente la situation qui existe déjà dans cette région?

M. Birch: Cela ferait perdre l'emploi à 60 employés.

Le président: Nous vous remercions, monsieur Birch de votre présentation de ce matin.

La soumission suivante nous vient de M. J. W. MacDonald, maire de la ville de Campbellton. M. J. W. Bird de la *J. W. Bird and Company Limited*; et de la Ville de Bathurst. A ma droite, M. J. A. Picot, le maire.

M. Picot (maire de Bathurst): Nous songions à présenter un mémoire il y a un an, mais vu que vous avez eu des retards, nous avons mis la question de côté et par la suite, lorsque les audiences furent reprises, nous n'avons pas eu le temps de nous réunir de nouveau afin de mettre notre mémoire à jour. C'est la raison pour laquelle nous n'en avons pas déposé. Serait-il possible, avec votre autorisation, de mettre ce mémoire à jour et de le présenter plus tard?

Le président: Combien de temps cela prendrait-il?

M. Picot: Il nous faudrait environ dix jours.

Le président: Nous pourrions l'imprimer en annexe.

M. Picot: Merci beaucoup.

Le président: Est-ce que le Comité est d'accord?

Des voix: D'accord.

M. Picot: Maintenant, je me contenterai de faire quelques déclarations plutôt brèves, essentiellement sur la ville de Bathurst et la question des transports, en ce qu'elle nous concerne.

La ville de Bathurst compte environ 16,000 habitants et nous avons, dans notre comté, trois autres villes. Bathurst est le point central de ces trois villes. C'est là que les gens viennent au marché, prennent le train du CNR pour se rendre à Montréal, et ailleurs.

Au cours des dernières années, ces personnes ont pris l'habitude de prendre le train à Bathurst et, par conséquent, ces caractéristi-

[*Texte*]

established. The total population in the area, besides the City of Bathurst, is approximately 40,000 people. We established in Bathurst a few years ago an airport with a 4,000 foot runway. Incidentally, this is a municipally-owned airport.

In the past year we have established and set up facilities, including a terminal building. The Air Transport Board has granted a licence to Eastern Provincial Airways to serve the Bathurst area from an airport situated in Charlo approximately 50 miles away. This service is not what the City of Bathurst and the residents of the lower part of the County of Gloucester who traditionally come to Bathurst feel that they should have. We feel that the runway should be extended to a proper length to facilitate the landing of larger aircraft, so that a first-class service may be established from the airport in Bathurst.

These are the points that I wanted to make particularly before this Committee this morning. When you read our brief you will note that we are endorsing possibly the ideas set forth by other people, other towns and cities in the Province of New Brunswick where it concerns freight movement, passenger movement on the CNR and otherwise.

Gentlemen, I thank you very much. If there are any questions that I can answer, I will certainly be glad to do so.

Mr. Portelance: Mr. Picot, you were saying that the airport is owned by the City of Bathurst?

Mr. Picot: That is correct, yes.

Mr. Portelance: It was built with your own money. If you enlarge it do you want to pay for the enlargement too?

Mr. Picot: The surface treatment and improvements on the present runway were paid for by the Department of Transport under the shared costs agreement. The Department of Transport did spend money on the runway. The land was purchased by the municipality of Gloucester and the City of Bathurst at that time on a joint venture, and since that time it has been transferred over to the City of Bathurst. The terminal was built by the City of Bathurst.

Mr. Portelance: Which towns do Eastern Provincial Airways service right now?

Mr. Picot: They land in Charlo, which is approximately 50 miles away from Bathurst. Charlo would be northeast of Bathurst.

[*Interprétation*]

ques se précisent. L'ensemble de la population, à mon avis, dans cette région, en plus de la ville de Bathurst, est donc d'environ 40,000 personnes. Nous avons, à Bathurst, il y a quelques années, aménagé un aéroport avec une piste de 4,000 pieds. Soit dit en passant, il s'agit d'un aéroport qui est la propriété de la municipalité.

Au cours de la dernière année, nous avons constitué et aménagé les services, y compris un terminus. La Commission des transports aériens a accordé un permis à la *Eastern Provincial Airways* afin de desservir la région de Bathurst à partir d'un aéroport qui se trouve à Charlo, soit à 50 milles environ. Ce service n'est pas ce dont ont besoin la ville de Bathurst et les résidents de la région sud du comté de Gloucester, qui, traditionnellement, viennent à Bathurst. Cette piste, à notre avis, devrait être allongée pour faciliter l'atterrissage d'avions plus gros pour que nous puissions établir un service de première classe à l'aéroport de Bathurst.

Voilà donc les quelques observations que je voulais faire ce matin. Lorsque vous lirez notre mémoire, vous remarquerez que nous appuyons les idées énoncées par d'autres gens et d'autres villes et la province du Nouveau-Brunswick, en ce qui concerne le transport des marchandises et des voyageurs par le CN, et autrement. Je vous remercie beaucoup, Messieurs. S'il y a des questions, je me ferai un plaisir d'y répondre.

M. Portelance: Monsieur Picot, vous disiez que l'aéroport était la propriété de la ville de Bathurst?

M. Picot: Oui, en effet.

M. Portelance: On l'a construit avec votre argent. Si vous voulez l'agrandir, voulez-vous payer ces frais d'aménagement aussi?

M. Picot: Le traitement de la surface et les améliorations à apporter à la piste sont payés par le ministère des Transports, en vertu de l'entente de partage des frais, le ministère des Transports a dépensé de l'argent pour l'aménagement de la piste. Le terrain fut acheté par la municipalité de Gloucester et la ville de Bathurst; c'était une entreprise conjointe et depuis lors, on en a fait le transfert à la ville de Bathurst. Le terminus fut construit par la ville de Bathurst.

M. Portelance: Et maintenant, la *Eastern Provincial Airways* dessert quelles villes?

M. Picot: Charlo, qui est à environ 50 milles de Bathurst, soit au nord-est de Bathurst.

[*Text*]

Mr. Breau: Mr. Mayor, could you tell the Committee exactly what facilities and runways you would need, say, in the next year to get the air service that you need?

Mr. Picot: The information that we have at the present time is that we would require an extension of a minimum of 6,500 feet to our runway. Our runway is now laid out on a piece of property approximately 10,000 feet long. It has a solid gravel base and can be enlarged at a very low cost because of the type of soil that we have there and the easy availability of further land. What we are asking is that the federal government, through the Department of Transport, make available to us a paved runway 6,500 feet long at the minimum.

Mr. Breau: Am I correct that at the present time there is a surface treatment on it and DOT are committed to repave 4,000 feet right now?

Mr. Picot: That is my understanding. This surface treatment was laid under specifications of the Department of Transport and, because it was a chip and seal type of treatment, it did not stand up under winter conditions.

Mr. Breau: Has your terminal building that the city paid for been approved by DOT?

Mr. Picot: Yes, it has. We submitted the plans to them and the regional office in Moncton have approved the type of building that we have.

Mr. Breau: Therefore you main recommendation in your brief is for an extension of the runway?

Mr. Picot: That is what we would be asking.

The Chairman: Mr. Pringle?

Mr. Pringle: I have only one supplementary. You mentionned that the runway had not stood up. If you increased it to 6,500 feet you would also increase the size and weight of the aircraft, therefore you are probably suggesting that the entire runway would have to be rebuilt?

Mr. Picot: Not rebuilt in that sense. It would have to be paved. What happened is that the surface was prepared for paving but there was no paving put on it. I should not say that it was oil treated; it was more of a composition treatment that was put on.

[*Interpretation*]

M. Breau: Monsieur le maire, pourriez-vous dire au Comité exactement de quels services et aménagements de pistes auriez-vous besoin, disons, pour l'année prochaine pour avoir le service dont vous avez besoin?

M. Picot: D'après les renseignements que nous avons en ce moment, il nous faudrait un prolongement pour la porter à au moins 6,500 pieds. Notre piste, maintenant, est sur une propriété de 10,000 pieds de long, à base de gravier, avec peu de frais d'agrandissement ou de prolongement. C'est le genre de sol que nous avons et la disponibilité d'autres terrains. Donc, ce que nous demandons, c'est que le gouvernement fédéral, par l'entremise du ministère des Transports, mette à notre disposition une piste pavée de 6,500 pieds de long au moins.

M. Breau: A l'heure actuelle, il y a un revêtement, et le ministère des Transports s'est engagé à repaver 4000 pieds dès maintenant?

M. Picot: Oui, c'est juste. Ce fut aménagé suivant le cahier des charges du ministère des Transports. C'était plus ou moins un genre de traitement qui ne pouvait être maintenu avec les conditions en hiver.

M. Breau: Le terminus payé par la ville a-t-il été approuvé par le ministère des Transports?

M. Picot: Oui. Nous avons présenté les plans au ministère et le bureau régional de Moncton a approuvé le genre de terminus que nous y avons aménagé.

M. Breau: Donc, vous proposez essentiellement le prolongement de la piste?

M. Picot: Oui, c'est juste, c'est ce que nous demandons.

Le président: Monsieur Pringle?

M. Pringle: J'ai une seule question complémentaire à poser. Si vous portiez cette piste à 6,500 pieds, vous vous trouveriez à avoir la possibilité d'avoir un avion plus grand. Vous proposez donc qu'on reconstruise toute la piste?

M. Picot: Il faudrait la payer. Ce qui s'est produit, c'est que la surface a été préparée pour être bitumée, mais on ne l'a pas fait, on lui a donné un traitement à l'huile tout simplement. Je ne devrais pas parler de traitement à l'huile vraiment, mais il s'agit d'un composé qu'on a utilisé.

[*Texte*]

The Chairman: Mr. Skoberg?

Mr. Skoberg: Your Worship, what is the closest first-class landing field you have to your city at the present time?

Mr. Picot: Charlo Airport has a 4,000 foot runway.

Mr. Skoberg: I am thinking of distance.

Mr. Picot: It is 50 miles from Bathurst on number 11 highway which is completely built up the whole length of that 50 mile distance. To travel to Charlo, Bathurst residents have to go through anywhere between 15 to 20 speed limit zones because they travel through thickly populated villages along this highway. Conditions do not lend themselves, in my view or in the view of the citizens of Bathurst, for adequate service in that locality to the citizens of Bathurst.

Mr. Skoberg: Thank you. What rail service do you have in there now?

Mr. Picot: We are on the CNR main line from Montreal to Halifax.

Mr. Skoberg: Are you receiving satisfactory rail service? I am not using this as an argument against your other request.

Mr. Picot: I would not care to comment on that it has improved, although we still get a mentioned in our brief.

I would say that in the past six months it has improved. The system that was installed instead of the Ocean Limited for a time did give us cause for concern. We did receive a number of complaints from the travelling public in this area. I do say that in my view that it has improved, although we still get a number of complaints.

Our complaints, as far as freight service is concerned, are probably similar to other towns or cities along the main line. But I can say that we are closely related to the towns of Tracadie, Shippigan and Caraquet, which are not on the main line, and we do get a lot of complaints from those areas.

The Chairman: Mr. Breau?

Mr. Breau: Mr. Mayor, could you tell us what kind of service the parts of the county other than Bathurst are getting? Are they getting adequate service from Charlo?

[*Interprétation*]

Le président: Monsieur Skoberg?

M. Skoberg: Votre Honneur, où se trouve la meilleure piste d'atterrissage la plus rapprochée en ce moment?

M. Picot: L'aéroport de Charlo a une piste de 4,000 pieds.

M. Skoberg: Je parle de distance.

M. Picot: Il se trouve à 50 miles de Bathurst, le long de la route 11, qui est tout à fait aménagée tout le long des 50 milles. Pour se rendre à Charlo, les résidents de Bathurst doivent parcourir de 15 à 20 zones de vitesse contrôlée, parce qu'il y a un bon nombre de villages le long de cette route. Et à mon avis, et de l'avis des citoyens de Bathurst, les conditions ne se prêtent pas du tout à un service adéquat à cet endroit pour les citoyens de Bathurst.

M. Skoberg: Merci. Quels sont les services ferroviaires que vous avez?

M. Picot: Nous sommes le long de la ligne principale du National-Canadien de Montréal à Halifax.

M. Skoberg: Est-ce que le service ferroviaire est adéquat? Ce n'est pas un argument contre votre demande.

M. Picot: Je ne veux pas faire de commentaires là-dessus maintenant, mais ce sera mentionné dans notre mémoire.

Je dirais qu'au cours des six derniers mois, la situation s'est améliorée. Le système qui a remplacé l'Océan Limitée pour un certain temps nous a donné certaines préoccupations. Nous avons reçu un certain nombre de plaintes du public voyageur dans cette région, et j'ajouterais qu'à mon avis le service a été amélioré, mais nous avons toujours des griefs qui nous sont formulés.

Nos griefs, pour ce qui est des messageries, sont à peu près les mêmes que ceux formulés par ces autres villes qui se trouvent le long de l'embranchement principal, mais j'ajouterais que là où nous sommes, c'est étroitement rattaché aux villes de Tracadie, de Shippigan et de Caraquet qui ne sont pas situées le long de la principale ligne, et nous recevons un bon nombre de plaintes de ces régions.

Le président: Monsieur Breau?

M. Breau: Monsieur le maire, pourriez-vous nous dire quel genre de service les autres points du comté reçoivent, en plus de la ville de Bathurst? Est-ce qu'ils ont un service adéquat, de Charlo?

[*Text*]

Mr. Picot: I met with representatives of these towns not too long ago and they are certainly concerned with the present service to these areas. Some of these towns are as far away from Charlo as 122 miles and they feel that they are certainly not getting the service that they should be getting.

Mr. Breau: So they would rather use Moncton then?

Mr. Picot: In this sense they have indicated to me that what they are doing now is using Air Canada facilities in Moncton.

The Chairman: Mr. Corbin?

M. Corbin: Nous avons traité jusqu'à maintenant de problèmes...

Le président: M. Picot comprend le français, alors, pas de problèmes.

M. Corbin: Ce matin, nous avons parlé surtout de problèmes de transport aérien; mais, n'en existe-t-il pas aussi pour le réseau routier dans votre région? Est-ce que vous n'avez pas besoin de meilleures routes, par exemple?

M. Picot: J'y ai fait allusion en passant lorsqu'il fut question de la route nº 11 et je suis certain que nous allons apporter notre appui aux autres villes situées le long de cette route, car nous sommes d'avis qu'elle ne dessert pas adéquatement les régions de Bathurst, Campbellton, Dalhousie et quelques autres.

M. Corbin: Des améliorations s'imposent?

M. Picot: Certainement.

Mr. Picot: We feel, gentlemen, that number 11 Highway from Campbellton down to Bathurst and to Moncton certainly should be brought up to Trans-Canada standards. Bypasses should be built especially around the City of Bathurst. I know there have been steps taken in that direction. We feel this is a priority item because a lot of traffic is moving in and around Bathurst. Also, we are centrally located in the new mining development in that area, and we will certainly endorse any demands that would be made to upgrading or even relocating in some areas number 11 highway.

Mr. Corbin: I have another question, Mr. Chairman. In connection with the air service provided by EPA which is now based at Charlo, do you have the impression that EPA mainly wanted that station up there in order to get into Montreal, or do you feel they are

[*Interpretation*]

M. Picot: Eh bien, j'ai rencontré les représentants de ces villes il n'y a pas tellement longtemps, et ils sont vraiment préoccupés du service qui est offert maintenant pour ces régions. Certaines de ces villes sont aussi éloignées de Charlo que 122 milles, et ils sont d'avis, qu'ils n'ont pas le service qu'ils devraient obtenir.

M. Breau: Ils préféreraient aller à Moncton, alors?

M. Picot: En ce sens, ils m'ont indiqué que ce qu'ils font maintenant, c'est d'avoir recours au service d'Air Canada à Moncton.

Le président: Monsieur Corbin?

Mr. Corbin: So far we have been dealing with...

The Chairman: Mr. Picot understands French, so there is no problem.

Mr. Corbin: This morning we have spoken mainly about air transport problems. But is there not also a problem with regard to the road transport network in your area? Do you not need better roads, for instance?

Mr. Picot: I mentioned it in passing when highway 11 was mentioned and I am sure that we will support the other cities located on highway 11, because we are of the opinion that this highway is not adequate to service the regions of Bathurst, Campbellton, Dalhousie and a few other places.

Mr. Corbin: So it should be improved?

Mr. Picot: Yes.

M. Picot: Nous estimons, Messieurs, que la route nº 11 de Campbellton à Bathurst, et Moncton devrait être aménagée selon les normes de la route transcanadienne. Et on devrait construire des voies d'évitement, surtout autour de la ville de Bathurst. Je sais que certaines mesures ont été prises à cet égard. Nous croyons qu'il s'agit d'une priorité en raison de la circulation autour et dans la ville de Bathurst. De même, nous sommes situés au centre de la nouvelle région minière, et nous appuyerions certainement toute demande d'amélioration de la route, ou même de déplacement, de la route nº 11.

M. Corbin: J'ai une autre question à poser, monsieur le président. Quant au service aérien assuré par EPA, qui a sa base à Charlo à l'heure actuelle, avez-vous l'impression que EPA voulait cette base là-bas afin de pouvoir se rendre à Montréal, où est-ce

[*Texte*]

really serious in giving the people of the area very good service.

Mr. Picot: I am afraid, Mr. Corbin, that that is too much of a loaded question at this time for me to answer.

Mr. Corbin: I appreciate your position, sir.

The Chairman: I want to thank you, Mr. Mayor.

Mr. Picot: Thank you.

The Chairman: This completes our work for this morning. We will adjourn.

AFTERNOON SITTING

The Chairman: Gentlemen, our first brief this afternoon is from Ganong Brothers Limited of St. Stephen, New Brunswick. On my left here I have Mr. J. P. Ensor and Mr. P. D. Frye. They are going to give us a short brief and then you can ask questions after.

Mr. J. P. Ensor (Ganong Bros. Limited): Mr. Chairman, members of the Committee. The Ganong Brothers brief was submitted to the Standing Committee on Transport and Communications in order to bring to your attention the effect that the new non-carload freight rates have on our company.

Of particular concern is the new minimum shipping weight of 300 pounds and the extra charge of 20 cents for each carton over one. The 300-pound minimum and the 20-cent upcharge affect the cost of shipping confectionery to a greater degree in the Atlantic Provinces due to the fact that the average non-carload shipment is considerably smaller in this region than elsewhere in Canada. The average wholesale and retail outlet is smaller than its counterpart in the central and western regions of Canada, and consequently requires frequent shipments in order to keep inventories at a minimum and maintain fresh stocks.

The average carton weight for general confectionery is between 15 and 20 pounds, which means that an order under 300 pounds at 20 cents a carton charge becomes a very important cost.

We also pointed out in our brief the effects of the increase on inward freight. In October

[*Interprétation*]

qu'ils sont vraiment sérieux en voulant donner un excellent service aux gens de la région?

M. Picot: Monsieur Corbin, je regrette, mais j'ai l'impression que la question est trop dangereuse; je ne saurais y répondre.

M. Corbin: Je comprends parfaitement votre situation, monsieur.

Le président: Je voudrais vous remercier, monsieur le maire.

M. Picot: Merci.

Le président: Je crois que cela termine notre travail pour ce matin. Nous allons lever la séance.

SÉANCE DE L'APRÈS-MIDI

Le président: Messieurs, le premier mémoire que nous avons cet après-midi est celui de la *Ganong Brothers Limited* de St. Stephen (N.-B.)

J'ai à ma gauche M. J. P. Ensor et M. P. D. Frye. Ils vont nous donner un bref résumé de leur mémoire et ensuite vous pourrez poser des questions.

M. P. F. Ensor (Ganong Brothers Limited): Monsieur le président, membres du Comité, le mémoire de Ganong a été présenté au Comité permanent des transports et communications afin d'attirer votre attention sur l'effet que les nouveaux taux de transport des chargements incomplets ont sur notre compagnie.

Nous nous préoccupons du nouveau minimum de 300 livres et du taux supplémentaire de 20c. pour chaque boîte s'ajoutant à la première. Le minimum de 300 livres et l'augmentation de 20c. affecte les frais d'expédition des confiseries beaucoup plus dans les provinces de l'Atlantique en raison du fait que la moyenne des chargements incomplets est beaucoup plus faible dans notre région qu'ailleurs au Canada. Le grossiste et le détaillant moyen sont moins considérables que dans les parties centrales et l'ouest du Canada, et en conséquence, demandent des expéditions fréquentes afin de maintenir les inventaires au minimum et de garder des stocks frais.

Le poids moyen est de 15 à 20 livres pour une boîte ordinaire de produits de confiseries, ce qui veut dire que pour une commande de moins de 300 livres à 20c. la boîte, les frais deviennent plutôt considérables.

Nous avons aussi indiqué dans notre présentation, les effets de l'augmentation sur les

[*Text*]

1966, there was an increase in the carload rate of sugar of four cents per hundred pounds, which increased Ganong's inward freight cost by 30 per cent on its chief raw material. This rate has since been increased another one cent per hundred pounds.

In Ontario where truck competition is very keen, the rail rate between Toronto and London was not increased. So Ganong's largest competitors in general confectionery were not affected. Therefore, we feel that the new non-carload freight rate structure should be reconsidered as it puts the Ganong Company at a competitive disadvantage in its home market, particularly in regard to shipments under 300 pounds.

The Chairman: Mr. Horner?

Mr. Horner: Mr. Ensor, I find your brief quite interesting. It is once again enunciating the firm belief that in the Maritimes, the implementation of the non-carlot shipment of goods has been very detrimental to your business. This appears to be a pattern that is developing in the Maritimes. Have you considered appealing to the Canadian Transport Commission, making the case that these new rates are detrimental to the public interest?

Mr. Ensor: We have not done this.

Mr. Horner: Have you discussed it with the Maritime Transportation Commission or the...

Mr. Ensor: I believe your President has.

Mr. Horner: You do not know whether they are prepared to take your case to the CTC?

Mr. Ensor: I do not right now, I am sorry.

Mr. Horner: This is not the first time we have heard it in this series of briefs we have been hearing. You suggest that it has been an increase of 64 per cent on all shipments under 300 pounds, or something like that. To me this is a drastic increase. You suggest that if it continues you will pretty nearly be forced out of business.

Mr. Ensor: I think, sir, that 64 per cent of our shipments are under 300 pounds.

[*Interpretation*]

frais de transport des matières premières venant du Haut-Canada. En octobre 1966, il y a eu une augmentation de prix de 4 cents le cent livres, ce qui a augmenté les frais de transport de 30 p. 100 pour la matière première la plus importante de Ganong. Depuis, on l'a augmenté de nouveau de un cent le cent livres.

En Ontario où la concurrence des camions est très intenses, on n'a pas augmenté le tarif entre Toronto et London. Ce qui fait que les plus gros concurrents de Ganong dans la confiserie générale n'ont pas été touchés. Nous estimons donc qu'on devrait réévaluer le nouveau tarif-marchandises des chargements incomplets étant donné que la société Ganong est à un désavantage concurrentiel sur ses propres marchés, surtout en ce qui concerne les expéditions de moins de 300 lbs.

Le président: M. Horner.

M. Horner: Monsieur Ensor, j'ai trouvé votre mémoire très intéressant. Encore une fois, il nous montre très clairement cette croyance qu'on a que dans les Maritimes, la mise en vigueur des taux à l'égard des chargements incomplets est au détriment de votre commerce. Ce qui semble être une tendance qui se développe dans les Maritimes. Avez-vous songé à en appeler à la Commission canadienne des Transports à l'effet que ces nouveaux taux sont au détriment de l'intérêt public?

M. Ensor: Non, nous ne l'avons pas fait.

M. Horner: L'avez-vous discuté avec la Commission des transports des Maritimes?

M. Ensor: Je crois que notre président l'a fait.

M. Horner: Est-ce que vous savez s'ils sont prêts à porter votre cause devant la Commission canadienne des transports?

M. Ensor: Je ne le sais pas, je regrette.

M. Horner: Ce n'est pas la première fois que nous entendons ceci dans la série de mémoires que nous avons entendus. Vous prétendez qu'il y a eu augmentation de 64 p. 100 sur toutes les expéditions de moins de 300 livres, n'est-ce pas? Et alors, à mon sens, c'est une augmentation draconienne. Vous dites dans votre mémoire que si cela se continue, vous serez presque forcés à abandonner les affaires.

M. Ensor: Je crois que 64 p. 100 de nos expéditions sont de moins de 300 lbs, monsieur.

[*Texte*]

Mr. Horner: Are under 300 pounds. Oh. The average increase is 85 per cent?

Mr. Ensor: Yes.

Mr. Horner: The average increase is 85 per cent. In other words nearly double, and would you disagree with the suggestion I made that if it is to continue that you will pretty nearly be forced out of business?

Mr. Ensor: It would force us to take serious consideration.

Mr. Horner: Yes. I do not suppose that you or your legal advisers have made any study under Clause 16 of the new bill which set up the CTC?

Mr. Ensor: No, we have not.

Mr. Horner: The reason I bring this up is because this Section 16 was hotly debated when the bill was passed, and you have to—as a private shipper—hang your case on, if you might put it that way, on the fact that it is in the public interest. Believe me, I argued this for a number of days in the House of Commons, the fact that it would be difficult for a concern—an individual concern such as yours—to build a case around the contention that the public interest would be in jeopardy. And I say to you, and I encourage you, that I would like to see—a number of cases have come before the Committee similar to this, but no one apparently has taken it to the CTC yet.

And I encourage you to—either through your Maritime Transportation Commission, or privately yourself, because in order to really test the application of the Act, we have to have an interpretation from the CTC as to what is meant, or what is in the public interest. And I realize the plight you are faced with, and encourage you to pursue it to the ultimate limit.

The Chairman: Mr. Allmand?

Mr. Allmand: Mr. Ensor, your factory is very close to the American border; as a matter of fact it is right on the border.

Mr. Ensor: Right on the border, yes.

Mr. Allmand: What is your attitude on the proposed corridor roads up through Maine to

[*Interprétation*]

M. Horner: Oh, je vois, de moins de 300 livres. Et l'augmentation moyenne est de 85 p. 100?

M. Ensor: Oui.

M. Horner: L'augmentation moyenne est de 85 p. 100. En d'autres termes, presque le double, et est-ce que vous conviendriez alors de la suggestion que j'ai faite à l'effet que si cela se continue, ça vous forcera à vous retirer des affaires.

M. Ensor: Cela nous force à étudier la question très sérieusement, oui.

M. Horner: Oui. Je ne m'imagine pas que vous et vos conseillers juridiques auront fait une étude en vertu de l'article 16 du nouveau bill qui a établi la nouvelle Commission canadienne des transports?

M. Ensor: Non, nous ne l'avons pas fait.

M. Horner: La raison pour laquelle je soulève la question c'est que l'article 16 a été discuté très à fond et chaudement lorsque le bill a été adopté, et à titre d'expéditeurs particuliers, il faut que votre cause repose, si je puis dire, sur le fait que ce soit dans l'intérêt public. Et croyez-moi, j'ai soulevé l'argument pendant plusieurs jours à la Chambre des communes à l'effet que ce serait une préoccupation pour une entreprise comme la vôtre, que ce serait très difficile de prétendre que l'intérêt public serait en jeu, dans un cas comme le vôtre. Je vous dis donc, que j'aimerais voir, étant donné qu'il y a plusieurs cas qui sont présenté au Comité, et personne jusque là n'a porté la cause devant la Commission canadienne des transports.

Alors je vous encourage, ou par l'entremise de la Commission des transports des Maritimes, ou à titre privé, vous-mêmes, si vous le voulez, afin de bien vérifier la Loi, il faut avoir une interprétation officielle de la part de la Commission Canadienne des transports pour savoir ce que cela veut dire, ou ce qui est dans l'intérêt public. Je comprends bien la situation dans laquelle vous vous trouvez, et je vous encourage fortement à poursuivre la cause.

Le président: Monsieur Allmand?

M. Allmand: Monsieur Ensor, votre fabrique se trouve très près de la frontière américaine.

M. Ensor: En fait elle est très proche.

M. Allmand: Quelle est votre attitude au sujet de routes-corridor à travers le Maine

[*Text*]

Montreal and so forth? Would you consider shipping by truck if such a road was built?

Mr. Ensor: Yes, we certainly would. In fact we have been shipping with some truck transport to Montreal and Upper Canada.

Mr. Allmand: What percentage do you ship by truck?

Mr. Ensor: Before this new rate came in we were shipping 75 per cent rail and 25 per cent transport. Today it is just reverse; 75 per cent transport and 25 per cent rail.

Mr. Allmand: I see; since the new LCL rates have come in you have completely reversed your percentage.

Mr. Ensor: Pretty well, yes.

Mr. Allmand: Do you have contracts with trucking firms or do you have your own trucks?

Mr. Ensor: No, we do not have our own trucks. We use Day & Ross Transport Co. Ltd. mainly to Montreal.

Mr. Allmand: So you are interested in the proposed corridor road. That is all, thank you.

Mr. Trudel: Mr. Chairman, I would like to direct my question to Mr. Ensor. You mention here, Mr. Ensor, a 300-pound minimum shipment. What minimum shipment weight are you looking for that would be ideal for your business?

Mr. Ensor: In the Atlantic Provinces, sir, 150 pounds would be the good minimum shipment that we have.

Mr. Trudel: What would be the average weight of your shipments within the Maritimes?

Mr. Ensor: Our average is about 165 to 200 pounds.

Mr. Trudel: You also mentioned in your brief, Mr. Ensor, that you have a penalty per carton. Is it not possible for you to group your smaller packages into one box?

Mr. Ensor: We have investigated this and we could put perhaps four cartons in a shipping container that would save us 60 cents, but the carton itself would cost us 60 to 65

[*Interpretation*]

vers Montréal, etc? Est-ce que vous songeriez à expédier par camion, si une telle route était construite?

M. Ensor: Oui certainement. Nous le ferions. En fait, nous avons fait des expéditions par camion vers Montréal et le Haut-Canada.

M. Allmand: Quel est le pourcentage que vous expédiez par camion?

M. Ensor: Avant l'introduction du nouveau taux, nous expédiions 75 p. 100 des marchandises par chemin de fer et 25 p. 100 par camion, alors qu'aujourd'hui c'est juste l'inverse, 25 p. 100 par chemin de fer et 75 p. 100 par camion.

M. Allmand: Je vois. Depuis l'introduction du nouveau tarif pour les chargements incomplets la situation est complètement renversée.

M. Ensor: Oui, à peu près.

M. Allmand: Est-ce que vous aviez un contrat avec une entreprise de camionnage ou est-ce que vous avez vos propres camions?

M. Ensor: Non, nous n'avons pas nos propres camions. *Day & Ross Transport Co. Ltd.* assure normalement le transport jusqu'à Montréal.

M. Allmand: Alors, la nouvelle route vous intéresse. C'est tout. Merci.

M. Trudel: Monsieur le président, je voudrais poser une question à M. Ensor. Vous avez mentionné, monsieur Ensor, un chargement minimum de 300 livres. Quel serait le chargement minimum qui serait idéal pour votre commerce?

M. Ensor: Dans les provinces de l'Atlantique, monsieur, 150 livres seraient un minimum acceptable.

M. Trudel: Quel serait le poids moyen de vos expéditions dans les Maritimes?

M. Ensor: Environ 165 à 200 livres.

M. Trudel: Vous avez aussi mentionné dans votre mémoire, monsieur Ensor, qu'il y a une punition par colis. Est-ce qu'il ne serait pas possible de grouper vos petits colis en un seul?

M. Ensor: Oui, nous avons fait enquête à ce sujet et nous pourrions peut-être mettre quatre cartons dans un cadre, ce qui nous épargnerait 60 cents, mais le cadre nous coû-

[*Texte*]

cents so it is not practical. We have tried strapping and this has not worked out too successfully yet, but we are still working on it and trying to condense our shipments by strapping into larger packages.

Mr. Trudel: This has been the answer in several other areas of transportation.

Mr. Ensor: Yes.

Mr. Trudel: I have one or two more questions, Mr. Chairman. You mentioned in your brief that 50 per cent of the business in the Maritimes is being conducted or done by the independent stores, whereas it is 5 per cent in Ontario.

Mr. Ensor: This is food chains, sir.

Mr. Trudel: Yes, I understand. Taking that into consideration I think this does not give us the entire story. Although we have independent stores, we also have group stores and I think you have them here as well.

Mr. Ensor: Yes, we do.

Mr. Trudel: Most of these group stores are now drawing their goods from various warehouses in the area, but you are talking here as if all your distribution is done on a direct basis.

Mr. Ensor: In Montreal and Toronto, sir, the food chains have central warehouses where a shipment is sent for distribution, but no food chain in the Maritimes has a central warehouse where we can ship. We have to ship to individual stores.

Mr. Trudel: Yes, but taking this a little further, you are talking about food chains in Montreal. They do less than 30 per cent of the business in the Province of Quebec. Therefore, we are talking about independently-owned or group stores that are in existence here. What I am trying to arrive at is whether all of your business is done on a direct basis. You do not go through a retailer or a wholesaler?

Mr. Ensor: Wholesale and retail, sir, yes.

Mr. Trudel: Therefore, your shipments in a lot of cases would exceed 150 pounds.

Mr. Ensor: In a lot of cases through the wholesaler; they are drop shipments and they are shipped direct to the store and charged through the wholesaler.

[*Interprétation*]

terait 65 cents, de sorte que cela ne serait pas pratique. Nous avons essayé avec des lanières sans trop de succès. Nous essayons toujours de condenser nos expéditions en liant les colis ensemble.

M. Trudel: Ce fut la solution dans d'autres domaines des transports.

M. Ensor: Oui.

M. Trudel: Une ou deux autres questions, monsieur le président. Vous avez mentionné que 50 p. 100 des affaires dans les Maritimes sont entre les mains de magasins indépendants, à l'égard de 5 p. 100 dans l'Ontario.

M. Ensor: Il s'agissait des épiceries, monsieur.

M. Trudel: Oui, je le comprends et, si l'on tient compte de ce fait, je crois que cela ne nous donne pas tous les éléments en cause. Nous avons des magasins indépendants, nous avons aussi des magasins à succursales multiples et je crois que vous les avez ici, aussi.

M. Ensor: Oui, monsieur.

M. Trudel: La plupart d'entre eux tirent leurs stocks d'entrepôts de la région, mais, vous semblez dire que tout se fait sur une base directe.

M. Ensor: A Montréal et à Toronto, les magasins d'aliments à succursales multiples ont un entrepôt central qui assure la distribution, mais, aucun magasin à succursales multiples des Maritimes a un entrepôt central, où nous pourrions expédier. Il faut nécessairement expédier aux magasins mêmes.

M. Trudel: Oui, puisque vous parlez des magasins à succursales multiples de Montréal, ils représentent moins de 30 p. 100 du chiffre d'affaires de la province de Québec. Par conséquent, nous parlons des magasins indépendants et des coopératives qui existent ici. Ce à quoi je veux en venir, c'est de savoir si toutes vos affaires se font sur une base directe. Vous ne passez pas par un grossiste ni un détaillant?

M. Ensor: Par le grossiste et le détaillant, oui, monsieur.

M. Trudel: Alors, beaucoup de vos chargements dépasseraient 150 livres.

M. Ensor: Il y a beaucoup de chargements échelonnés qui sont envoyés directement aux magasins et défrayés par les grossistes.

[*Text*]

Mr. Trudel: I am thinking of some of your competitors who are also in that type of business. They are now even grouping their shipments to a group of wholesalers, let alone retailers. You are talking here about independent stores.

Mr. Ensor: Yes, we do this in Montreal but in the Atlantic Provinces there is no group to which we can ship.

Mr. Trudel: But you are able to deal on the wholesaler basis with distribution from there afterwards?

Mr. Ensor: In the Atlantic Provinces?

Mr. Trudel: In the Atlantic Provinces.

Mr. Ensor: Yes, we ship to wholesalers and we ship direct through wholesalers on a drop shipment basis. It does not go to the wholesaler.

The Chairman: Mr. Portelance?

Mr. Portelance: When you make drop shipments, do you not charge more?

Mr. Ensor: No, we do not.

Mr. Portelance: At the same price?

Mr. Ensor: We charge to the wholesaler at the same price.

Mr. Portelance: Some firms have different prices; when it is a drop shipment they usually get more for it.

Mr. Trudel: I have one more question, Mr. Chairman. Mr. Ensor, what per cent of your business would be done in the Maritimes?

Mr. Ensor: Approximately 50 per cent of our business is done in the Maritimes.

Mr. Trudel: In other words, what we are talking about now would involve about 50 per cent of your business on the LCL basis?

Mr. Ensor: That is right.

Mr. Trudel: Thank you, Mr. Chairman.

The Chairman: Mr. Skoberg?

Mr. Skoberg: I would like to ask, what per cent is LCL in so far as the western part of the nation is concerned?

Mr. Ensor: All carload to Western Canada, sir; we ship all carload to Western Canada.

[*Interpretation*]

M. Trudel: Je songe à certains de vos concurrents qui sont dans le même genre d'entreprise et qui groupent leurs expéditions en formant un groupe de grossistes et même de détaillants. Vous parlez de magasins indépendants.

M. Ensor: Oui, on le fait à Montréal, dans les provinces de l'Atlantique, il n'y a pas de tels groupes auxquels nous pourrions expédier.

M. Trudel: Mais vous pouvez le faire avec un grossiste qui assure la distribution.

M. Ensor: Dans les provinces de l'Atlantique?

M. Trudel: Dans les provinces de l'Atlantique.

M. Ensor: Oui, nous expédions à ou par l'entremise de grossistes. Ce sont des expéditions échelonnées qui ne se rendent pas au grossiste.

Le président: Monsieur Portelance?

M. Portelance: Est-ce que vous chargez davantage lorsqu'il s'agit de chargements échelonnés?

M. Ensor: Non, c'est le même prix.

M. Portelance: C'est le même tarif?

M. Ensor: Nous chargeons le même prix qu'aux grossistes.

M. Portelance: Certaines sociétés ont des tarifs spéciaux; ils obtiennent davantage quand il s'agit de chargements échelonnés.

M. Trudel: Une autre question, monsieur le président. Quel pourcentage de vos affaires se fait dans des Maritimes?

M. Ensor: Environ 50 p. 100.

M. Trudel: On parle donc, de la moitié de votre commerce qui est touché par le tarif des chargements incomplets.

M. Ensor: Oui, c'est exact.

M. Trudel: Merci beaucoup, monsieur le président.

Le président: Monsieur Skoberg?

M. Skoberg: Quel pourcentage de vos expéditions vers l'Ouest de notre pays est affecté par le tarif des chargements incomplets?

M. Ensor: Toutes nos expéditions vers l'Ouest sont des chargements complets.

[*Texte*]

Mr. Skoberg: That is straight carload lots?

Mr. Ensor: Straight carload lots yes.

Mr. Skoberg: What would your position be, sir, in regard to the Atlantic free trade policy and what would your market possibly be across the line?

Mr. Ensor: In the United States?

Mr. Skoberg: Yes.

Mr. Ensor: We are doing very little export at the present time.

Mr. Skoberg: What is your policy on the Atlantic free trade thought?

Mr. Ensor: I do not wish to state it now; I am sorry.

Mr. Skoberg: I have one other question. Has your company any interest in the trucking firms in the Atlantic Provinces?

Mr. Ensor: Any interest in the trucking firms?

Mr. Skoberg: Yes.

Mr. Ensor: Financial interest?

Mr. Skoberg: Yes.

Mr. Ensor: No.

Mr. Skoberg: I notice in the final paragraph of your brief, sir, that at least there is a possibility of your relocating outside the Atlantic Provinces. With that in mind, could you give us an indication of what you mean by that and what location you were thinking of, taking into consideration that 50 per cent of your market is here and 50 per cent is the rest of the nation?

Mr. Ensor: This has been considered but as this brief was made by the President of our Company I do not feel qualified to comment further than what the brief says right now. I am sorry.

Mr. Skoberg: That is fine; thank you.

The Chairman: Mr. Horner?

Mr. Horner: I have a supplementary. I was interested in your remarks concerning the free trade area. Could you give this Committee—and the question has been brought up a number of times—any idea of the difficulty you may be having in getting your product to the market in the United States? Is there a tariff or is there not?

Mr. Ensor: There is a tariff.

[*Interprétation*]

M. Skoberg: Des chargements complets?

M. Ensor: Oui, monsieur.

M. Skoberg: Et, quelle est votre attitude envers la politique de libre échange pour la région de l'Atlantique et quel est votre marché aux États-Unis?

M. Ensor: Aux États-Unis?

M. Skoberg: Oui.

M. Ensor: Nous exportons très peu à l'heure actuelle.

M. Skoberg: Quelle serait votre attitude quant à l'idée du libre-échange dans la région de l'Atlantique?

M. Ensor: Je regrette, je préfère ne pas l'exprimer pour l'instant.

M. Skoberg: Est-ce que votre compagnie a un intérêt quelconque dans les entreprises de camionnage des provinces de l'Atlantique?

M. Ensor: Des intérêts dans les entreprises de camionnage?

M. Skoberg: Oui.

M. Ensor: Un intérêt financier?

M. Skoberg: Oui.

M. Ensor: Non.

M. Skoberg: Je constate dans le dernier paragraphe de votre mémoire, qu'il y a au moins une possibilité que vous vous retiriez des provinces de l'Atlantique. En songeant à cela, pourriez-vous nous dire ce que vous aviez en vue, compte tenu du fait que 50 p. 100 de vos débouchés se trouvent ici et que 50 p. 100 se trouvent dans le reste du Canada?

M. Ensor: Nous y avons songé, mais comme le mémoire a été rédigé par le président de notre société, je ne crois pas pouvoir commenter davantage sur ce que dit le mémoire à l'heure actuelle. Je m'excuse.

M. Skoberg: C'est très bien. Merci beaucoup.

Le président: Monsieur Horner.

M. Horner: Une question complémentaire. Ce que vous avez dit au sujet de la zone de libre échange m'intéresse beaucoup. La question a déjà été soulevée plusieurs fois, mais pourriez-vous donner une idée, au Comité, des difficultés que vous pourriez éprouver à vendre vos produits aux États-Unis? Est-ce qu'il y a un tarif?

M. Ensor: Oui, il y a un tarif.

[*Text*]

Mr. Horner: There is a tariff?

Mr. Ensor: Yes 12 per cent, but this is pretty well offset because we are exempt the 12 per cent excise tax in Canada if we export. It is pretty well an offsetting tariff.

Mr. Horner: Therefore, it is nearly a free trade basis for your product anyway?

Mr. Ensor: Yes.

Mr. Horner: Have you made any inroads at all into the American market?

Mr. Ensor: Some; we have just started in the past 12 months and we have made some in Maine. We have not gone beyond the State of Maine yet.

Mr. Horner: You have not tried Boston, or...

Mr. Ensor: Not yet.

The Chairman: Mr. Breau?

Mr. Breau: Mr. Chairman, I have just one question for the witness. You left the impression a while ago that you were favouring the corridor road. Are you saying that you can prove it would be cheaper for you if there were a corridor road, or did you want to leave the impression that if it were proven to you that it would be cheaper you might agree with it?

Mr. Ensor: I do not know what the rates would be with a corridor road. We would favour this because it would be a more direct line for shipping to Montreal and Ontario markets, but what the rate would be I have no idea.

Mr. Breau: But you would favour the corridor road if it were cheaper for you?

Mr. Ensor: Certainly.

Mr. Breau: But I mean you are not ready to say that you can prove it would be cheaper?

Mr. Ensor: No, I could not prove it.

The Chairman: Gentlemen, are there any more questions? Thank you, Mr. Ensor.

Next will be the Fredericton Board of Trade.

Gentlemen, on my right are Mr. Bidlake, Mr. Rioux, Mr. McKenzie and Mr. Logue. They will make a short presentation. They have no brief. We have the brief here and I

[*Interpretation*]

M. Horner: Il y a un tarif?

M. Ensor: Oui, de 12 p. 100, mais il est compensé par le fait que nous sommes exemptés de la taxe d'accise de 12 p. 100 au Canada, si nous exportons les produits. Alors, l'un compense l'autre.

M. Horner: Donc, il s'agit effectivement d'un libre échange de toute façon?

M. Ensor: Oui.

M. Horner: Est-ce que vous avez réussi à pénétrer le marché américain?

M. Ensor: Nous ne l'avons tenté que depuis un an. Nous avons réussi quelque peu dans le Maine. Nous ne sommes pas allés au-delà.

M. Horner: Vous n'avez pas encore tenté à Boston?

M. Ensor: Pas encore.

Le président: Monsieur Breau.

M. Breau: Monsieur le président, une seule question que je voudrais poser au témoin. Vous avez laissé l'impression, tout à l'heure, que vous étiez en faveur de la route-corridor. Est-ce que vous dites que cela vous coûterait moins cher où est-ce que vous vouliez dire que si on pouvait vous prouver que c'était plus économique vous seriez en faveur?

M. Ensor: Je ne sais pas quels seraient le tarif par la route-corridor. Nous serions en faveur car ce serait une route beaucoup plus directe pour les expéditions vers Montréal et l'Ontario, mais je n'ai pas idée de ce que serait le taux.

M. Breau: Mais vous seriez en faveur de la route-corridor si elle était plus économique.

M. Ensor: Oui, certainement.

M. Breau: Vous n'êtes pas prêt à dire que vous seriez capable de prouver qu'elle serait plus économique?

M. Ensor: Non, je ne serais pas capable.

Le président: Messieurs, s'il n'y a pas d'autres questions je remercierais M. Ensor. Merci.

Voici maintenant la Chambre de Commerce de Fredericton.

Messieurs, j'ai ici à ma droite MM. Bidlake, Rioux, McKenzie et Logue. Ils présenteront un bref exposé. Ils n'ont pas de mémoire. Nous avons leur mémoire ici; je ne

[*Texte*]

do not believe there are enough copies for everyone of you but you can ask questions.

Now I ask for a very brief comment.

Mr. A. J. Rioux (Director Fredericton Board of Trade): Mr. Chairman and gentlemen, we wish to thank you for the privilege of appearing before you today. In summary we wish to bring to your attention four points on transportation which are more fully explained in our brief. The first is LCL freight rates, which have been in force over 12 months. You will be receiving many briefs on this issue so we will not dwell on this subject except to say our concern lies in industry.

These new rates are a severe blow to Maritime-based industry, and are also a severe blow when trying to attact new industry to our province. Second, the proposed corridor road linking Sydney, Nova Scotia and Montreal via the State of Maine, we believe, would give the Atlantic provinces speedy and efficient access to the heartland of Canada, the Atlantic Coast to the U.S.A. and sport-loving enthusiasts of Quebec to Maine. We would like to see this corridor road a reality, but built and maintained by the U.S.A. Residents of Maine need our assurance that the Canadian portion will be built.

Our third point is that we are asking for improved air flights from Fredericton to Prince Edward Island and Fredericton to New England; for the present time they are inadequate.

The fourth point is, are you aware, sir, that we have no direct passenger service in our capital city? Should we desire to travel by train to Montreal, we have a choice, if I may call it such, to take a bus to Fredericton Junction, a distance of 30 miles, or a bus to McGivney Junction, a distance of 35 miles. Returning to the city, we must again travel by bus. We have joined forces with the Saint John Board of Trade in the submission of a brief on an international airport. This was presented to you yesterday by the Saint John Board. We are not prepared at this time to make a suggestion on a suitable site midway between Saint John and Fredericton that would suit our cause. We intend to further investigate this project. In the light of future changes we are prepared to work toward the betterment of our rail, air and transportation

[*Interprétation*]

crois pas qu'il y ait suffisamment d'exemplaires pour chacun d'entre vous, mais vous pouvez toujours poser des questions.

Nous allons leur demander de faire un bref exposé.

M. A. J. Rioux (Directeur de la Chambre de commerce de Fredericton): Monsieur le président, messieurs, nous désirons vous remercier d'avoir le privilège de comparaître ici aujourd'hui. Tout d'abord, nous voulons vous signaler quatre points sur la question des transports qui sont beaucoup mieux expliqués dans notre mémoire. Tout d'abord, le tarif des chargements incomplets qui ont été mis en vigueur il y a plus d'un an. Je sais que vous recevrez un bon nombre de mémoires à ce sujet, c'est pourquoi nous nous contenterons de dire que nous nous inquiétons pour les industries.

Le nouveau tarif est un dur coup pour les industries des Maritimes, mais surtout lorsqu'il s'agit d'attirer de nouvelles industries dans notre province. Deuxièmement, la route-corridor entre Sydney (Nouvelle-Écosse) et Montréal en passant par l'État du Maine, donnerait à notre avis aux provinces de l'Atlantique un accès rapide et efficace à l'intérieur du Canada, au littoral de l'Atlantique et aux États-Unis et, pour les Québécois qui aiment le sport, au Maine. Nous voudrions que cette route devienne réalité, mais qu'elle soit maintenue et construite par les États-Unies. Il faudrait que les habitants du Maine soient assurés que nous aménagerons la partie canadienne.

Troisièmement, nous demandons l'amélioration des vols entre Fredericton et l'Île du Prince-Édouard et entre Fredericton et la Nouvelle-Angleterre. En ce moment, ces vols sont complètement insuffisants.

Quatrième point: êtes-vous au courant, monsieur le président, que nous n'avons pas de service passager direct dans notre capitale? Si nous voulons aller à Montréal, par train, nous le pouvons, mais en nous rendant par autobus jusqu'à Fredericton Junction, une distance de 30 milles, ou jusqu'à McGivney Junction, une distance de 35 milles. Pour revenir nous devons une fois de plus emprunter l'autobus. Nous nous sommes joints au Board of Trade de St-Jean dans la présentation d'un mémoire pour obtenir un aéroport international.

Hier, le Board of Trade de St-Jean vous en a fait la présentation. Nous ne sommes pas prêts, en ce moment, à vous proposer un emplacement précis entre St-Jean et Fredericton. Nous avons l'intention d'étudier le projet plus longuement. Vu les modifications

[*Text*]

network for we are confident therein lies the future of the Atlantic Provinces.

Therefore we appreciate this opportunity to present our views to you, sir, and your Committee for your findings will have a bearing on what will happen transportation-wise. We recognize that we must have faster service at reasonable cost to attract outside interests. It is our earnest hope, through our submission and others, and your good offices, transportation in the Atlantic Provinces will be elevated to equal that of the other Provinces. Thank you very much.

The Chairman: Mr. Corbin.

Mr. Corbin: Mr. Chairman, on the subject of the corridor road, I wonder if these gentlemen are aware of the fact that the Province of New Brunswick does not consider its end of the corridor road as being among the priorities as far as road building in this province is concerned.

Mr. Rioux: Pardon me, Mr. Corbin, I saw the comments from one of the Ministers yesterday. I think it is pathetic, myself. I think that for those of us that have studied this problem for the past four years, it does not show much wisdom on the part of the gentleman making the comment. He presumes, I believe, that we have to pay part of the cost of the corridor road and that is not true.

An hon. Member: That is, the New Brunswick end.

Mr. Rioux: The New Brunswick end is already there. It is just a matter of improvement of the road and it needs improvement now that it has to be done in a short time. It could be brought up to Trans-Canada specifications very easily and probably requires two by-passes of two small villages, and that is all. So, when we talk about the cost to New Brunswick, it is ridiculous when one considers the overall benefit to the Maritime Provinces.

The Chairman: Are there any further questions on the same subject?

Mr. Corbin: Why do the Americans not build the road?

Mr. Rioux: The Americans have stated that if we will do our end to improve our road to their border, and Quebec does likewise from Sherbrooke to the Canadian-American border

[*Interpretation*]

à venir, nous sommes prêts à travailler pour améliorer le réseau de transport par air et par terre car nous sommes convaincus que c'est là que se trouve l'avenir des provinces atlantiques.

C'est pourquoi nous sommes très heureux d'avoir cette occasion de faire part de notre point de vue, à vous, monsieur le président et votre Comité, parce que vos conclusions influeront sur ce qui se produira dans le domaine du transport. Il nous faut un service plus rapide à un coût raisonnable pour attirer des intérêts de l'extérieur. Nous espérons sincèrement que notre présentation, celle des autres personnes, et votre travail permettront de placer le domaine du transport dans les Maritimes sur un pied d'égalité avec celui des autres provinces du pays.

Le président: Monsieur Corbin.

M. Corbin: Pour ce qui est de la route corridor, ces messieurs savent-ils que la province du Nouveau-Brunswick ne considère pas comme priorité l'aménagement de cette partie de la route dans cette province?

M. Rioux: J'ai pris connaissance des commentaires formulés, hier, par l'un des ministres. Je trouve cela malheureux. Je trouve, pour ceux d'entre nous qui étudient ce problème depuis quatre ans, qu'il ne s'agit pas d'une preuve de sagesse de la part de celui qui a émis le commentaire. Je crois qu'il suppose que nous devons défrayer une partie du coût de cette route, ce qui n'est pas vrai.

Une voix: La partie du Nouveau-Brunswick.

M. Rioux: La partie du Nouveau-Brunswick s'y trouve déjà. Il s'agit tout simplement d'améliorer la route. Il faut l'améliorer. Il serait facile de faire en sorte qu'elle atteigne les normes établies pour la route transcanadienne. Il suffirait de construire deux tronçons pour permettre d'éviter deux petits villages. Le coût, pour le Nouveau-Brunswick, est ridiculement bas si l'on considère tous les avantages qu'en retireront les Maritimes.

Le président: Il y a d'autres questions sur le même sujet?

M. Corbin: Pourquoi les Américains ne construisent-ils pas cette route?

M. Rioux: Les Américains ont déclaré que, si nous faisions notre part pour améliorer notre route vers leurs frontières, et si le Québec agit de la même façon entre Sher-

[*Texte*]

at Jackman or Mégantic, whichever one you want to use, which Quebec has agreed to, they will build the corridor road, but they must have the co-operation from the two connecting points in Canada.

Mr. Corbin: When you say "they will build the corridor road if we do our end" which you agree is already there but needs some up-grading, who do you mean by "they"? Are you talking about the Maine authorities, the government?

Mr. Rioux: Yes, the Maine authorities have stated—this is in one of the briefs presented to the Premiers by the international committee on the corridor road—that if the road known as the "Sherbrooke Autoroute" were extended to the American border, that they will take it from there and extend it to the Canadian border on this side of Maine. That is not hearsay; it is fact.

Mr. Corbin: You are Mr. Rioux, I understand?

Mr. Rioux: Yes.

Mr. Corbin: Economically, do you not think that Canada will lose very much by having a lot of our traffic going through Maine? Here I refer particularly to the services that already exist along the Trans-Canada Highway from Fredericton, through Edmundston, through Rivière du Loup, to Quebec, through Montreal. What would be the loss to the Canadian economy?

Mr. Rioux: If we were going to use it the way you are thinking, then by improving the Maritimes Canada is losing.

Mr. Corbin: I have asked you a question, I am not asking you to comment on my thinking. I have asked you a question and I want an answer, if you have one.

Mr. Rioux: Sir, I believe that the route you are talking about would have the effect of improving traffic conditions because it would give people an alternate route, say for a long weekend, to come down the St. Lawrence, come down into Fredericton, follow the Saint John River, Mactaquac, and across through Maine, back home in the least possible time, with a change of scenery all the way. Now I do not think that you will find this is going to affect the economy very seriously to the extent of being detrimental which you . . .

Mr. Corbin: Have you made a study of that problem?

[*Interprétation*]

brooke et la frontière canado-américaine, à Jackman ou Mégantic, ce que le Québec a accepté, ils construiront cette route, mais il leur faut notre collaboration à ces deux endroits.

M. Corbin: Lorsque vous dites, «ils construiront la route corridor si nous effectuons le travail à notre extrémité» après avoir admis que la route existe mais qu'elle a besoin d'amélioration, que voulez-vous dire par «ils»? S'agit-il du gouvernement du Maine?

M. Rioux: Oui. Le gouvernement du Maine a déclaré dans un mémoire, présenté aux premiers ministres par le comité international pour l'aménagement de cette route, que si l'autoroute de Sherbrooke était prolongée jusqu'à la frontière américaine, qu'il la prolongerait jusqu'à la frontière canadienne de ce côté-ci du Maine. Ce ne sont pas des racontars, mais des faits.

M. Corbin: Vous êtes M. Rioux, n'est-ce pas?

M. Rioux: Oui.

M. Corbin: Sur le plan économique, ne croyez-vous pas que le Canada y perdrait beaucoup, si une partie de notre trafic passait par le Maine? Je veux surtout parler des services qui existent déjà le long de la route transcanadienne, à partir de Fredericton et en passant par Edmundston, Rivière-du-Loup, Québec, Montréal. Quelles pertes enregistrerait alors l'économie canadienne?

M. Rioux: En admettant votre raisonnement il faudrait en conclure que le Canada y perdrait à améliorer la situation aux Maritimes.

M. Corbin: Je vous ai posé une question. Je ne vous demande pas de commenter ma façon de pensée. J'ai posé une question et je désire une réponse, si vous en avez une.

M. Rioux: Je pense que cette route, dont vous parlez améliorerait la circulation parce qu'elle permettrait aux voyageurs d'emprunter une autre route, lors d'un long weekend, pour se rendre à Fredericton et en revenir par le Maine, très rapidement et en jouissant d'un coup d'œil différent. Je ne crois pas vraiment que cela puisse affecter l'économie de ces régions dans la mesure où cela nuirait. . .

M. Corbin: Vous avez étudié ce problème?

[*Text*]

Mr. Rioux: We have made a study.

Mr. Corbin: Of the detrimental effects that a corridor route would have on the upper portion of the Saint John River Valley and all the routes, the Trans-Canada Highway, through Quebec to Montreal? Have you studied the detrimental effects?

Mr. Rioux: Yes we have.

Mr. Corbin: What conclusions have you arrived at?

Mr. Rioux: We find, for instance, that there are 1.5 million vehicles going through McAdam in the course of a year that are going through to the Montreal area and not using that route now. They are going through not because it is 50 miles shorter, even now, but because they want to go through there.

Committees are going to tell you that the transports buy petrol in Quebec now and again in Nova Scotia and by-pass New Brunswick altogether. We find that they do not stop that much in New Brunswick. This will come from the Maritimes Transportation Commission who will give you all these facts. We were presented with those facts on the Committee when we studied the corridor road.

Again, I think it is a parochial approach to think of one small section of the northern part of the province, who are very fluent in their criticism of the corridor road, when we must think for the rest of the people in the Atlantic Provinces.

Mr. Corbin: Speaking about parochialism, or whatever you want to call it, is it not true that it would be mainly southwest New Brunswick and southwest New Brunswick alone that would be the main beneficiary of the main corridor route, because there is another alternate easy and short access route to Montreal through Newcastle, Renauds, Plaster Rock and on through existing Canadian highways? You are still going to cut the time. You cannot go around the circumference of the circle as quickly as you can go through the diameter.

Mr. Rioux: There would be a saving through the Corridor route of no more than 15 miles and this has been...

Mr. Corbin: Have you studied those figures?

Mr. Rioux: I have studied the figures for the past five years.

Mr. Corbin: You still have not answered my questions as to what effects the Corridor

[*Interpretation*]

M. Rioux: Nous l'avons étudié.

M. Corbin: Vous avez étudié les effets nuisibles que cette route aurait sur la portion supérieure de la Vallée de la rivière Saint-Jean, sur toutes les routes et la transcanadienne en passant par Québec et jusqu'à Montréal? Vous avez étudié ces effets nuisibles?

M. Rioux: Oui. Nous l'avons fait.

M. Corbin: A quelles conclusions en êtes-vous arrivés?

M. Rioux: Il y a, par exemple, un million et demi de véhicules qui passent par MacAdam en un an, qui se rendent à Montréal, et qui n'utilisent pas cette route. Ils y passent, non pas parce que c'est plus court de cinquante milles, mais simplement parce qu'ils veulent passer par cette région. Des comités vous diront que les chauffeurs de camions achètent leur essence au Québec, de temps à autre en Nouvelle-Écosse, et qu'ils ignorent le Nouveau-Brunswick. Nous avons remarqué qu'ils n'arrêtent pas beaucoup au Nouveau-Brunswick. La Commission des Transports des Maritimes vous transmettra ces détails. Nous en avons déjà pris connaissance.

Je crois qu'ils font preuve d'esprit de clocher ceux qui s'inquiètent d'une parcelle du nord de la province alors qu'il faudrait songer au reste de la population des provinces de l'Atlantique.

M. Corbin: Vous voulez parler d'esprit de clocher, mais n'est-il pas vrai que seul le sud-ouest du Nouveau-Brunswick pourrait bénéficier de cette route corridor, parce qu'il y a une autre route vers Montréal en passant par Newcastle, Renauds, Plaster Rock et par les autres routes canadiennes déjà existantes? Le temps nécessaire au trajet sera réduit.

M. Rioux: Le corridor ne réduirait la distance que de 15 milles et...

M. Corbin: Vous avez étudié ces chiffres?

M. Rioux: Je les étudie depuis cinq ans.

M. Corbin: Vous n'avez pas encore répondu à ma question, quant aux effets que cette

[*Texte*]

route would have on the economy of the upper portion of the Saint John River Valley from Woodstock up and the Quebec Trans-Canada Highway sections.

Mr. Logue: Well, we did not study that part.

Mr. Corbin: You told me you had.

Mr. Logue: We have studied the benefits to the Atlantic Provinces as a whole and we find them to be quite favourable.

Mr. Corbin: Well, Mayor Jones, for one, does not agree with your stand on the project of the Maine corridor route and he is entitled to his opinions, I guess...

Mr. Logue: The Atlantic Premiers do.

Mr. Corbin: ...and so are you and I respect your opinions. I am just trying to get to the heart of the matter here.

But let us look at it another way, and let us have another fair opinion. If we were to improve the existing Trans-Canada truck highway to a four lane highway through the Maritimes and on to Montreal, would that not help or solve to a very great extent the transport problems you have in getting to the heart of Canada?

Mr. Rioux: Go back 100 years when they built the CP across Maine—I am sure they went through the same battles that we are going through over the corridor road now—and tell me that the railroad through Maine now is not a necessity. Let us double the line of the CNR and see whether we cannot accomplish the same thing.

Mr. Corbin: I think we are ready to draw conclusions here; if the Maine authorities do not want to build it and they are much better off than we are here in New Brunswick and in Quebec, it goes to show that they do not believe in the project as being economically wise, does it not?

Mr. Rioux: You say they do not want the corridor road?

Mr. Corbin: It boils down to that, does it not?

Mr. Logue: Where did you get your figures?

Mr. Corbin: I am not talking about figures. I am talking about attitudes on the part of the Maine authorities. They have the money and the power and we do not. They have a

[*Interprétation*]

route corridor aurait sur l'économie de la partie supérieure de la vallée de la rivière Saint-Jean, et aussi pour la route transcanadienne au Québec.

M. Logue: Nous n'avons pas étudié cet aspect.

M. Corbin: Vous m'avez dit que vous l'aviez fait!

M. Logue: Nous avons étudié les avantages qu'en tireront les provinces de l'Atlantique, et nous trouvons que c'est tout à fait favorable.

M. Corbin: Le maire Jones n'est pas tout à fait d'accord avec votre ligne de conduite sur ce projet de la route corridor, et il a droit à son avis, je suppose...

M. Logue: Les premiers ministres des provinces Maritimes sont d'accord.

M. Corbin: ...et vous aussi, et je respecte votre opinion. Je veux tout simplement savoir ce qui en est.

Regardons le tout d'un autre angle. Si nous améliorions la transcanadienne pour en faire une route à quatre voies depuis les Maritimes jusqu'à Montréal, ne croyez-vous pas alors que cela pourrait résoudre dans une grande mesure les problèmes de transport que vous éprouvez en ce moment pour vous diriger vers le cœur du Canada?

M. Rioux: Revenons à 100 ans en arrière, alors qu'on aménageait la voie du CP au Maine, et je suis convaincu qu'on affrontait alors les mêmes difficultés, oserez-vous affirmer que cette voie n'est pas une nécessité de nos jours? Doublons les voies du CN et voyons s'il n'est pas possible d'atteindre le même but.

M. Corbin: Je crois que nous sommes prêts à tirer des conclusions: si les autorités du Maine ne veulent pas construire cette route, ils se trouvent beaucoup mieux que nous d'ailleurs ici au Nouveau-Brunswick et au Québec, cela vous prouve qu'ils ne croient pas que ce soit rentable, n'est-ce pas?

M. Rioux: Il ne veulent pas la route corridor, dites-vous?

M. Corbin: C'est la conclusion qu'on peut en tirer, non?

M. Rioux: Où avez-vous obtenu vos chiffres?

M. Corbin: Je ne parle pas de chiffres. Je parle de l'attitude du gouvernement du Maine. Ils ont l'argent et le pouvoir, ce que nous n'avons pas. Ils ont un niveau de vie

[*Text*]

higher standard of living. The people of Maine, the residents of those areas three years ago in a referendum, actually rejected expenditures to improve the existing highways that would eventually be a corridor road.

Mr. Rioux: You have in Maine the same attitude that you have in Upper Canada and the Maritime Provinces right now. The southern part of Maine is opposed to the Corridor Road but the northern part of Maine, which could be compared economically to the depressed area of the Maritime Provinces want the Corridor Road for the same reason that we want it.

Mr. Corbin: How many people are involved when you speak of northern Maine? And actually you are not taking the people along the Saint John River Valley.

Mr. Rioux: 20 per cent of the population, probably, of Maine; no more.

Mr. Corbin: What would be the cost to Maine of improving their trunk?

Mr. Rioux: They voted last year—I do not recall the figure—but they voted some improvement to the road now. The total cost has been stated from anywhere from $150 million to $250 million; that is for Maine's part.

Mr. Corbin: On a final question—I do not want to take any more of your time—do you not feel that roadwise there are other priorities in New Brunswick at this time?

Mr. Rioux: We are talking about getting Maritime products into Upper Canada...

Mr. Corbin: They will get there eventually anyhow.

Mr. Rioux: Of course, they will, but at what costs? This is what the corridor road is all about. It is to lower the cost of transporting their goods to and from Upper Canada and in between.

Mr. Corbin: Are there other priorities in New Brunswick at this time in your opinion?

Mr. Rioux: Well, I am not prepared to talk about that. We are talking about corridor roads.

Mr. Corbin: You are from Bathurst, are you not? You are originally from the Bathurst area?

Mr. Rioux: That is right.

[*Interpretation*]

plus élevé que le nôtre. Les habitants du Maine se sont opposés, il y a trois ans, au cours d'un référendum à ce que des sommes d'argent soient utilisées pour améliorer le réseau routier.

M. Rioux: Vous retrouverez, au Maine, la même attitude qu'au Haut-Canada et dans les provinces Maritimes en ce moment. La partie sud du Maine est opposée à cette route corridor, mais la partie nord, dont la situation économique ressemble à celle des régions défavorisées des Maritimes, désire cette route pour les mêmes raisons que nous.

M. Corbin: Combien de personnes sont en cause ici quand vous parlez du nord du Maine? Et vous ne parlez pas de la population de la vallée de la rivière Saint-Jean.

M. Rioux: Environ 20 p. 100 de la population du Maine, pas plus.

M. Corbin: Qu'est-ce qu'il en coûterait au Maine pour améliorer cette route?

M. Rioux: Les autorités ont approuvé certaines dépenses pour l'amélioration de la route, l'an dernier, mais j'ignore de quel montant il s'agit. Le coût total serait de cent cinquante à deux cent cinquante millions de dollars, pour le Maine.

M. Corbin: Une dernière question, ce sera tout: ne croyez-vous pas que, pour ce qui est des routes, il y aurait d'autres priorités plus importantes au Nouveau-Brunswick en ce moment?

M. Rioux: Il est question de l'acheminement des produits des Maritimes vers le Haut-Canada...

M. Corbin: Ils y parviendront d'une façon ou d'une autre.

M. Rioux: Oui, mais s'il y a le facteur coût. C'est la raison pour laquelle nous voulons une route corridor pour réduire les frais de transport entre les Maritimes et le Haut-Canada.

M. Corbin: Y a-t-il d'autres priorités dans les Maritimes, en ce moment, à votre avis?

M. Rioux: Je ne suis pas prêt à en parler maintenant; nous parlons de la route corridor.

M. Corbin: Vous venez de la région de Bathurst?

M. Rioux: Oui!

[*Texte*]

Mr. Corbin: Do you not think that there could be some improvement in the Route 11?

Mr. Rioux: Absolutely.

Mr. Corbin: Thank you very much

The Chairman: Mr. Mahoney.

Mr. Mahoney: Purely on a question of fact, Mr. Chairman, on page 2 of the brief, the gentlemen state categorically:

> We are the only provincial capital not served by direct passenger train service.

I think, for the record, we should correct that. Neither Victoria, B.C. nor Charlottetown, P.E.I. are served by train service, and I understand that St. John's, Nfld. is quite likely to join the club soon.

The Chairman: Order, order. To whom did you address your question?

Mr. Mahoney: I just...

Mr. Logue: We have found that out since this was prepared. Our brief was prepared in April of last year and that was the information we had at that time. Of course, we sent in our brief when it was required, and since we were asked not to change any of our submission, there is nothing much we can do about it at this moment.

The Chairman: Mr. Carter.

Mr. Carter: A supplementary question. Did the City of Fredericton ever have a rail passenger service?

Mr. Rioux: Yes.

Mr. Carter: How long ago was this discontinued?

Mr. Rioux: It has been some years since we had it. I know the train used to go out of here at 6 o'clock in the morning, came back in at 9; it went out at 10, and came in at 12. It went out at 3 o'clock in the afternoon, came back in at 6 and went out at 8.30 in the evening. And now we have no train service.

Mr. Carter: What was the basis for the discontinuation of it?

Mr. Rioux: They said lack of support from the travelling public.

Mr. Carter: Did they put buses on at the same time or...?

[*Interprétation*]

M. Corbin: Ne croyez-vous pas qu'on pourrait améliorer la route 11?

M. Rioux: Certainement.

M. Corbin: Merci beaucoup!

Le président: M. Mahoney.

M. Mahoney: A la page 2 du mémoire, on déclare de façon catégorique:

> Nous sommes la seule capitale provinciale qui n'a pas un service passager direct.

Je pense que nous devrions apporter une rectification. Charlottetown, dans l'Île du Prince-Édouard et Victoria, en Colombie-Britannique n'ont pas de service voyageur ferroviaire, et il semble que St-Jean, Terre-Neuve, va se joindre à ce groupe d'ici peu.

Le président: A l'ordre, s'il vous plaît! A qui avez-vous posé la question?

M. Mahoney: C'est une simple observation que je faisais.

M. Logue: Nous nous sommes aperçus de l'erreur. Notre mémoire a été préparé, en avril dernier, d'après les renseignements que nous possédions à ce moment-là. Nous avons envoyé notre mémoire en nous conformant aux directives reçues, mais puisqu'on nous avait demandé de ne rien modifier à notre présentation, il n'y a pas grand-chose que nous puissions faire.

Le président: M. Carter.

M. Carter: Question complémentaire. Est-ce que la ville de Fredericton n'a jamais joui d'un service ferroviaire voyageur?

M. Rioux: Oui!

M. Carter: Quand ce service a-t-il été interrompu?

M. Rioux: Il y a quelques années déjà. Je me souviens que le train partait à six heures le matin, revenait à neuf heures; partait à 10 heures, revenait à midi; partait à trois heures et revenait à six heures, pour repartir ensuite à huit heures trente le soir. Maintenant, il n'y a plus de service ferroviaire.

M. Carter: Pourquoi a-t-on interrompu le service?

M. Rioux: On disait qu'il n'y avait pas assez de voyageurs.

M. Carter: Est-ce qu'ils ont été immédiatement remplacés par des autobus, ou...

[*Text*]

Mr. Rioux: No, they were not put on until they started running to the junction to pick up the train out there.

Mr. Carter: Does the Canadian National now have buses leaving Fredericton and connecting with the various...

Mr. Rioux: There is a bus that leaves here for McGivney, for the CNR, and there is a bus that leaves here for Fredericton Junction to connect with the CPR.

Mr. Carter: What would be your reaction today if you had a passenger train service and found it was to be discontinued? Would you fight it or would you go along with it?

Mr. McKenzie: We thought that they should have a sleeper-car service in the area to connect with the Junction, and then the businessmen in the community would use that service.

Mr. Carter: Was there any attempt by Canadian National, when this train was running, to downgrade it, to provide not a good service in order to justify its elimination completely?

Mr. McKenzie: Yes.

Mr. Carter: So there was an attempt by C.N. to downgrade this service to perhaps discourage people from using it to justify eventually discontinuing it? Am I right in saying that?

Mr. McKenzie: The trolley that they ran from here to Newcastle was a very slow service and of no advantage to us.

Mr. Carter: Slow by choice or design?

Mr. McKenzie: It was easier for us to drive to the junction and leave the car there and go by train.

Mr. Carter: I see. Thank you, Mr. Chairman.

The Chairman: Mr. Skoberg.

Mr. Skoberg: A supplementary on that very same point. Did the Fredericton Board of Trade make representations before the Board of Transport Commissioners before the decision was made to abandon that particular passenger train?

Mr. Bidlake: I believe the City of Fredericton did at the time.

Mr. Skoberg: Did the Board of Trade?

Mr. Bidlake: I am not familiar with that. I think they did but I was not a member at that time.

[*Interpretation*]

M. Rioux: Non. Le service d'autobus a été inauguré pour aller quérir les passagers du train à Frédéricton Junction.

M. Carter: Est-ce que le National-Canadien maintient un service d'autobus qui relie Frédéricton à...

M. Rioux: Il y a un autobus qui se rend à McGivney, où passe le train du CN, et un autre à Frédéricton Junction, où passe celui du CP.

M. Carter: Qu'arriverait-il si vous jouissiez présentement d'un service ferroviaire et qu'on décidait de le supprimer? Vous opposeriez-vous au projet ou l'approuveriez-vous?

M. McKenzie: Nous croyons qu'il devrait y avoir un service de wagons-lits dans la région jusqu'à Frédéricton Junction. Alors les hommes d'affaires y auraient recours.

M. Carter: Est-ce que le National-Canadien a essayé, lorsque ce train fonctionnait, d'amoindrir le service afin de justifier sa disparition?

M. McKenzie: Oui.

M. Carter: Donc, le National-Canadien a essayé d'amoindrir ses services, peut-être même de décourager les gens pour qu'ils ne l'utilisent pas, afin de justifier l'abandon du service. Est-ce exact?

M. McKenzie: Le train qui roulait entre cette ville et New Castle était très lent. Il n'y avait pas vraiment d'avantages à l'utiliser.

M. Carter: Était-ce de propos délibéré?

M. McKenzie: Il était plus facile de se rendre en automobile jusqu'à la jonction et, là, de prendre le train.

M. Carter: Je vois. Merci, monsieur le président.

Le président: Monsieur Skoberg?

M. Skoberg: Le *Board of Trade* de Fredericton a-t-il fait connaître son point de vue à la Commission des transports avant que la décision ne soit prise d'abandonner ce service-voyageur?

M. Bidlake: Je pense que la ville de Frédéricton l'a fait, à ce moment-là.

M. Skoberg: Et le *Board of Trade*?

M. Bidlake: Je ne sais pas. Je pense qu'il l'a fait. Mais, je ne faisais pas partie du *Baord of Trade,* alors.

[*Texte*]

Mr. Skoberg: I see you have a member of the Transportation Committee of the Board of Trade here present. Is he aware of it?

Mr. Bidlake: I believe so; it was part of the plan. However, each year we change our chairman, and this took place many years ago. I am pretty sure the records will show it did appeal before the Board.

Mr. Skoberg: I believe there was an indication given by one of the other witnesses here that there was a very small deficit incurred by passenger operations before the abandonment of that particular train and I am just wondering whether or not the actual figures were substantiated in co-operation with the City and your Board of Trade before the BTC.

Mr. Bidlake: I cannot quote figures because I was led to believe that there was a difference of roughly $5,000 a year and I understand that they haul the mail in by contract now, and it is around $20,000 or $21,000 a year for a mail contract. So it would have been better to pay the deficit and have the train continue to operate and haul freight and baggage and the mail. But I believe the City of Fredericton made some comment in this regard in their brief.

The Chairman: Mr. Horner.

Mr. Horner: Yes, Mr. Chairman. I am interested in this corridor road. We find many things dividing Canada today. I like to look upon those things which would unite Canada, and as I envisage the corridor road for this part of Canada, linking it with Central Canada, could it not be built on the style of a turnpike, a straight-through road, with very few avenues off it, directly through from the east and the Maritimes to Central Canada? Is this the way you people envisage it?

Mr. Rioux: That is exactly the way we envisage it. Crawling before running is a way of life, and we have been crawling through there in the hope of improving what is there and eventually they will by-pass it for small communities and then go into four-lane highway all the way—take the autoroute from Montreal to Fredericton all the way.

Mr. Horner: Therefore, very few Canadian dollars will be spent in points outside of Canada, really? While they might be passing through the United States, most Canadians would spend very little money outside of Canada.

[*Interprétation*]

M. Skoberg: L'un des membres du comité des transports du *Board of Trade* est ici. Est-ce qu'il est au courant?

M. Bidlake: Je le crois. Le président est remplacé d'une année à l'autre, et cela s'est produit il y a quelques années. Je suis à peu près sûr que les dossiers permettront d'établir que le *Board of Trade* s'est présenté devant la Commission.

M. Skoberg: Je pense qu'un autre témoin a dit qu'un léger déficit a été enregistré par le service-voyageur avant qu'il ne soit mis au rancart. Je me demande si le bien-fondé de ces chiffres a été établi devant la Commission.

M. Bidlake: Je ne puis vous donner de chiffres parce que je suis porté à croire qu'il y avait un écart d'environ $5,000 par année. Je crois savoir qu'ils amènent le courrier jusqu'ici maintenant, ce qui représente environ $20,000 ou $21,000 par année. Il aurait été préférable de payer le déficit et d'exploiter ce train, le service-voyageur, le service des messageries et le courrier. Je crois que la ville de Fredericton traite de ce sujet dans son mémoire.

Le président: Monsieur Horner.

M. Horner: Oui, monsieur le président. Je m'intéresse à cette route corridor. Plusieurs points divisent le Canada, aujourd'hui. Je préfère songer à ceux qui favorisent l'unité. Telle que je la conçois, la route corridor serait une autoroute dotée de très peu de voies d'accès qui relierait directement les Maritimes au centre du Canada. Est-ce ainsi que vous la concevez?

M. Rioux: Exactement. Il faut apprendre à marcher avant de courir. Mais, nous espérons éventuellement améliorer ce que nous avons et aussi faire des détours et ne pas passer par les petites collectivités, avoir une route à quatre voies de Montréal à Frédéricton.

M. Horner: Très peu de dollars canadiens seraient alors dépensés à l'extérieur du Canada. Même en traversant une partie du territoire américain, les Canadiens dépenseraient très peu d'argent en dehors du Canada.

[*Text*]

Mr. Rioux: You could drive from Fredericton to Montreal or Sherbrooke pretty well non-stop, except perhaps for the odd meal.

Mr. Horner: So, while it might do a great deal to link Canada together, it would do very little to divide it or to allow Canadian dollars to be spent outside of Canada.

Mr. Rioux: I do not think that the outflow of Canadian dollars to the United States is going to be that great to be of any concern. I think the American interest in this is in attracting tourists to the state of Maine, which is a beautiful country, not only from, say, the Montreal area with its 5 million people, but they are thinking also of drawing tourists from the lower states. This is where they find the attraction.

Mr. Horner: You would agree with me that we are in the throes of devising a new constitution to tie Canada more firmly together. Do you not believe that the Maritimes needs to be tied more economically and I say that using the word in the sense that the railroads of the past used to be the tie through the Maritimes Freight Rates Act, whereas today it does not appear to be quite as firm a bond as it was in 1867?

Do you not believe that the corridor road, built by Canadians for the sole purpose of tying the Maritimes to the mainland, could well be one of the spokes in the wheel that rolls Canada and keeps Canada together in the new drafting of the Constitution.

Mr. Rioux: I think you answered your own question because the CPR was built for that purpose, was it not? It was built for that purpose, to tie Canada together by cheaper transportation. And I think the corridor is going to do the same thing, and I think that you will find that people who come down here like yourselves and spend a couple of days here, you are not going to know very much about the Maritimes when you leave. If you are able to drive down here in eight hours for a long weekend and spend the time, there may be better understanding between Upper Canada and Lower Canada.

Mr. Perrault: A supplementary question, Mr. Chairman. What is the price tag for the corridor road? How much is it going to cost? There are meany theoretical assumptions in this deal. How much is it going to cost and what specific economic incentive exists for the United States to build a Danzig-type corridor across Maine which would provide no

[*Interpretation*]

M. Rioux: Vous pourriez aller de Frédéricton à Montréal ou Sherbrokke, sans arrêter. Sauf, peut-être, pour un repas.

M. Horner: Tout en reliant diverses parties du pays, cette route permettrait que peu de dollars canadiens soient dépensés à l'extérieur du pays.

M. Rioux: Je ne crois pas que l'exode de dollars canadiens vers les États-Unis soit vraiment un sujet de préoccupation. Je pense que ce qui intéresse les Américains, c'est d'attirer les touristes au Maine, non seulement les touristes de la région de Montréal mais également ceux qui habitent les états situés plus au sud. C'est ce qu'ils trouvent d'intéressant au projet.

M. Horner: Vous conviendrez avec moi que nous voulons rédiger une nouvelle constitution pour mieux unir le Canada. Ne croyez-vous pas que les Maritimes ont besoin d'être rattachées beaucoup plus étroitement et intimement sur le plan économique, en ce sens que, autrefois, c'était le chemin de fer qui était le lien grâce à la *Loi sur les taux de transport des marchandises dans les provinces maritimes,* alors qu'aujourd'hui ce n'est pas un lien aussi ferme, aussi solide que ce ne l'était en 1867.

Ne croyez-vous pas que la route corridor, aménagée et construite par des Canadiens aux seules fins de rattacher les Maritimes à la terre ferme pourrait être l'une des raies de la roue qui maintient le Canada et nous permettrait de mieux considérer ainsi la Constitution.

M. Rioux: Vous avez répondu vous-même à votre question. Le CP a été construit précisément pour raffermir le Canada du fait qu'il constitue un moyen de transport moins coûteux. Je pense que la route corridor tend vers cet objectif, et vous verrez que les personnes qui viennent passer quelques jours ici n'en sauront pas beaucoup sur les Maritimes à leur départ. Si vous venez ici pour une longue fin de semaine et que vous passez tout votre temps chez nous, il y aura peut-être une meilleure compréhension entre le Haut et le Bas Canada.

M. Perrault: Question complémentaire, monsieur le président. Qu'est-ce qu'il en coûtera pour aménager cette route corridor? Il y a beaucoup d'hypothèses à ce sujet. Qu'est-ce qu'il en coûtera et quels avantages économiques peuvent bien pousser les États-Unis à aménager dans le Maine un corridor du type Dantzig, qui ne présente aucun avantage par-

[*Texte*]

incidental economic benefit to surrounding communities? We are all interested in uniting Canada, but let us get down to some economic facts. How much is it going to cost and what specific incentive does this have for the United States in dollars?

The cost to Canada and the United States, this is the relevant factor. And also what are the economic benefits?

Mr. Rioux: The cost to the United States does not concern us one bit. The cost to Canada is the cost to the two provinces. One concept we had about sharing the costs, as far as New Brunswick was concerned, was to get a grant or seek a grant from the ADB, which is not longer in force, because we felt that a grant from the ADB was a logical one because this was to benefit the whole of the Atlantic area. And our request for a grant would probably have been in the vicinity of $6 million, for all the provinces, and that is a lot of money to spend to allow us to buy cheaper and to sell at a far greater speed than we do now.

Mr. Perrault: What would the American . . .

Mr. Rioux: I am not concerned, and I am not prepared to answer it, and I do not care, and I do not know what the cost to the Americans is.

The Chairman: Mr. Mahoney.

Mr. Mahoney: A further supplementary question. Could the witness tell us how many miles of this road are to be located in New Brunswick, how many miles in the State of Maine, and how many miles in the Province of Quebec?

Mr. Rioux: The road in New Brunswick is already there. From Fredericton, it is 61 miles. It is already there. It is brand new for 20 miles already, the long stretch, because of the Mactaquac Dam. So that brings it down to 40 miles, and it is a fairly good road now, but it would not meet Trans-Canada specifications. In Maine it is about 250 miles I believe—no, 150 miles—and in from Sherbrooke to Megantic is some 60 miles, and maybe 20 miles to the border, to Jackman, another 20 miles to Jackman.

There is another thing that you must consider when you are thinking of a corridor road. The Kennedy auto route coming down from Quebec City now would join the corridor road at Megantic, between Megantic and Jackman.

[*Interprétation*]

ticulier pour les collectivités environnantes? Nous sommes tous pour l'unité du Canada, mais nous devons nous en tenir à la réalité économique. Combien en coûtera-t-il et quels avantages particuliers en retireront les États-Unis, en dollars?

Je parle de ce qu'il en coûtera au Canada et aux États-Unis, c'est là une chose importante; je parle également des avantages économiques.

M. Rioux: Ce qu'il en coûtera aux États-Unis ne nous intéresse pas. Ce qu'il en coûtera au Canada, c'est ce qu'il en coûtera aux deux provinces. En ce qui concerne le partage des frais avec le Nouveau-Brunswick, nous avons tenté d'obtenir une subvention de l'Office d'expansion économique de la région atlantique (OEERA), qui a cessé de fonctionner, car nous étions d'avis qu'une subvention de l'OEERA était une solution logique, étant donné qu'elle devait bénéficier à l'ensemble de la région atlantique. Nous aurions probablement demandé une subvention de l'ordre de 6 millions de dollars, pour toutes les provinces; cette somme est suffisante pour nous permettre d'acheter à meilleur prix, et de vendre plus rapidement qu'on ne peut le faire maintenant.

M. Perrault: Et pour les Américains?

M. Rioux: Peut m'importe je ne veux pas le savoir; je ne sais pas combien il en coûterait aux États-Unis.

Le président: Monsieur Mahoney?

M. Mahoney: Une autre question supplémentaire. Est-ce que le témoin pourrait nous dire combien de milles de cette route se trouveraient au Nouveau-Brunswick, combien dans l'État du Maine et combien au Québec?

M. Rioux: La portion du Nouveau-Brunswick existe déjà. De Fredericton, elle a 61 milles. Elle est entièrement nouvelle sur 20 milles, partie la plus difficile à cause du barrage Mactaquac. Il en reste donc 40 à aménager, et la section qui reste est assez bonne, même si elle ne répond pas aux spécifications de la route Trans-Canadienne. Dans le Maine il y en a 150 milles, et de Sherbrooke à Mégantic 60 milles et peut-être 20 milles jusqu'à Jackman, sur la frontière. Il y a une autre chose dont il faut tenir compte au sujet de cette route corridor. L'autoroute Kennedy venant de Québec se joindrait à cette route corridor entre Mégantic et Jackman.

[*Text*]

Mr. Mahoney: Just to get this clear. Are there only 20 miles of new road required in Quebec? Are the other 40 miles already there?

Mr. Rioux: In New Brunswick there is no new road required.

Mr. Mahoney: So it is built as far as New Brunswick is concerned.

Mr. Rioux: That is right.

Mr. Mahoney: In Quebec, how much new road?

Mr. Rioux: Well, from Megantic to Jackman, whatever that is. It is not very far.

Mr. Mahoney: And in the State of Maine, is it mostly built?

Mr. Rioux: It is mostly built. There is no connection right now between Megantic and Jackman. There is none. It is about 20 miles. I am not positive. I think somebody from Quebec here probably would know more about that than I do. I think it is about 20 miles. I cannot remember all the distances, but it is very little new road.

The Chairman: Mr. Thomas.

Mr. Thomas (Moncton): A supplementary question, Mr. Chairman. I am very disturbed at the trend this dialogue is taking. As a member from the Maritimes, I feel that we need additional roads. We should not be arguing that we do not need additional roads, and anything we can get to take care of the increasing traffic we should fight for.

I would refer you gentlemen to the Economists Intelligence Unit. Volume 1. All the figures you gentlemen have been asking for are in here, and this points out that traffic will increase by 80 per cent. Intercommunity traffic by 1980 will increase by 80 per cent. Now, we do not have the existing roads to handle this, and my question to Mr. Rioux is this, and I would ask him if he would not agree. I do not care where the corridor goes. But I say we in the Maritimes need one more link with the rest of Canada. Would you agree, Mr. Rioux, that the development of this road, with the normal generation of traffic in the next 20 years, this road would have all the traffic it could handle, and it would not detract from traffic on any existing highways, whether they be Route 2, Route 11, or Trans-Canada? Is that a fair assumption?

Mr. Rioux: I think it is absolutely essential if we are going to handle the traffic that we need in this area to make it prosperous.

[*Interpretation*]

M. Mahoney: Est-ce qu'il n'y a que 20 milles de nouvelle route à construire dans le Québec? Est-ce que les autres 40 milles sont déjà faits?

M. Rioux: On n'a pas besoin de nouvelles routes au Nouveau-Brunswick.

M. Mahoney: Donc tout est prêt au Nouveau-Brunswick?

M. Rioux: Ce'st exact.

M. Mahoney: Au Québec, combien de milles de nouvelle route faudra-t-il construire?

M. Rioux: De Mégantic à Jackman; ce n'est pas très long.

M. Mahoney: Dans l'État du Maine, cette route est-elle déjà construite?

M. Rioux: En grande partie, oui. Il n'y a pas encore de lien entre Mégantic et Jackman. C'est une distance d'environ 20 milles; je n'en suis pas sûr; quelqu'un du Québec le saurait mieux que moi. Je ne me souviens pas de toutes les distances, mais le tronçon à construire est très court.

Le président: Monsieur Thomas.

M. Thomas (Moncton): Une question supplémentaire, monsieur le président. Je suis inquiète de la tournure du dialogue. En temps que représentant des Maritimes, je pense qu'il nous faut d'aures routes. N'allons pas dire que nous n'avons pas besoin de nouvelles routes; il nous faut réclamer tout ce que nous pourrons obtenir pour décongestionner nos routes.

Je vous renvoie au volume 1 du rapport de l'*Economist Intelligence Unit*. Tous les chiffres que vous demandez s'y trouvent. On nous signale que la circulation augmentera dans une proportion de 80 p. 100. La circulation interurbaine augmentera de 80 p. 100 d'ici 1980. Nous n'avons pas assez de routes voulues pour une telle circulation. Voici donc la question que je voulais poser à monsieur Rioux, en lui demandant s'il est d'accord. Peu importe où va le corridor routier: les Maritimes ont besoin d'un autre lien avec le reste du Canada. Ne pensez-vous pas, monsieur Rioux, que l'aménagement de cette route, compte tenu de la circulation que nous aurons d'ici 20 ans, attirerait toute la circulation qu'elle pourrait écouler et que cela détournerait pas la circulation de nos routes actuelles, la 2, la 11, et la Trans-Canadienne? N'est-ce pas là une supposition fondée?

M. Rioux: Il est essentiel à la prospérité de notre région que nous ayons cette route si nous voulons régler le problème de la circu-

[*Texte*]

Tourism is the biggest industry we have, and we are going to bring 5 million people four hours closer to the Maritime Provinces than they are now.

Mr. Thomas (Moncton): In other words, is it fair to say this is an essential part of our over-all transportation scheme? We need new highways?

Mr. Rioux: Absolutely.

Mr. Thomas (Moncton): Thank you.

The Chairman: Mr. Breau.

Mr. Breau: Mr. Chairman, I have some questions here. I do not know who could answer them, but I will just put them. I expected before we left that we would have more evidence on this corridor road. We have had many comments, but it is difficult to recommend something or to accept something by comment. It should be substantiated.

To be objective about this, we should ask the question, say, if you were in Moncton, New Brunswick, if you were to go to Montreal from Moncton, not from Fredericton, through some corridor road, or if you were to go by Route 11 to a proposed highway between Newcastle and Plaster Rock, and then go up northwestern New Brunswick to southern Quebec, just how many miles would be the difference between Moncton? Can somebody tell me that?

The Chairman: Mr. Breau, I think you are asking a question which would take quite a lot of time. If you agree, I will ask these gentlemen if they could give us the information, have them send this information to me and I could deliver it if you will agree.

Mr. Breau: All right. Will I have some other information? Before we make a decision we have to know how many miles will be paved. We have to know exactly what the cost will be to build this road. The study of Atlantic advantages, economic advantages, which has been referred to, I admit, being from New Brunswick, I have never heard of it.

And then the Atlantic Premiers, not individually, but collectively must agree with this. We would also have to know the priority which was questioned here this afternoon. Of course, we are concerned with transportation; I agree with that. But highways still remain a provincial responsibility, and it has to be done in accordance with the provinces. This Committee must know exactly what the priorities of the provinces are as far as highways are concerned. We heard yesterday that Route 11 was a priority.

[*Interprétation*]

lation. Le tourisme est notre plus grosse industrie, et 5 millions de personnes seront de 4 heures plus près de chez nous.

M. Thomas (Moncton): Peut-on dire que cette route est essentielle à votre programme global en matière de transports? Nous avons besoin de nouvelles routes?

M. Rioux: Absolument.

M. Thomas (Moncton): Merci.

Le président: Monsieur Breau.

M. Breau: Monsieur le président, j'ai quelques questions à poser. Je ne sais pas qui pourra y répondre, mais je me contenterai de les poser. Je m'attendais à avoir d'autres témoignages sur ce corridor routier. Nous avons entendu de nombreux commentaires, mais il est difficile de faire des recommandations d'après ces commentaires et d'admettre leur bien-fondé. Il faudrait les prouver.

Faisons preuve d'objectivité: si vous vous trouvez à Moncton, au Nouveau-Brunswick, et que vous voulez aller à Montréal, non pas de Fredericton, mais de Moncton, par la route corridor, ou que vous vouliez emprunter la route 11 jusqu'à un embranchement quelconque entre Newcastle et Plaster Rock en passant par le nord-ouest du Nouveau-Brunswick et le sud du Québec, quelle serait la différence de millage entre les deux parcours? Quelqu'un pourrait-il répondre?

Le président: Monsieur Breau, vous posez une question qui demande du temps. Si vous le voulez bien, je demanderai à ces messieurs de me communiquer ces renseignements, que je vous transmettrai.

M. Breau: D'accord. Je voudrais avoir d'autres renseignements. Avant de prendre une décision, nous aimerions savoir combien de milles seront asphaltés. Il nous faut savoir exactement quel sera le coût de la construction. Je n'ai jamais entendu parler d'une étude sur les avantages économiques dont bénéficierait la région de l'Atlantique, avantages dont il a été question tout-à-l'heure.

Les premiers ministres de l'Atlantique devront donner leur accord, non pas un à un, mais ensemble. Il vous faudrait également savoir en quoi consiste la priorité dont on a parlé cet après-midi. Nous étudions les transports, certes, mais les routes relèvent toujours des provinces et nous devons agir en accord avec elles. Le Comité doit savoir exactement quelles sont les priorités des provinces en matière de construction routière. Hier, on nous a dit que la route 11 était une priorité.

[*Text*]

We have to know exactly how much truck traffic would go through this corridor road, or how much truck traffic would go to central Canada. We heard the figure this morning that about 35 per cent of freight going out of the Atlantic Provinces was by road and about 65 per cent by rail or boat, so we would have to know the future of truck transportation.

And then we would have to know whether it will be a non-stop route or not. Is it going to be a turnpike with no access? That is the information we need, and I hope somebody can supply it to us.

The Chairman: We will get the information, and when the time comes you will receive it, Mr. Breau.

Mr. Rioux: Mr. Chairman, could I just make a comment on that. We have that information, and if you will allow us we will mail you copies of the briefs that were presented to the Province of New Brunswick, the Premiers of Nova Scotia and P.E.I., and the Governor of the State of Maine, and also the one presented to the Quebec Legislature by the International Corridor Road Committee. We will send you these briefs which contain information on traffic, tonnage, rates, and everything else.

Mr. Breau: That is exactly what we are asking for.

The Chairman: Mr. Trudel.

Mr. Trudel: Mr. Chairman, I would like to refer to the brief for a moment, and I believe at the bottom of the first page you refer to a map as Appendix A, but I have yet to find it in the...

Mr. Rioux: They were attached to the original sent to Ottawa.

Mr. Trudel: Fine. Now, I do not want to start an argument, but I would like to get a little clarification. Are we not talking about different routes? Is not the existing grid plan worked out on the American highway system? I think we are going far north of what they intend, and that is the reason why we are not getting the co-operation from Maine. I think if you will look at your map you will see they have an existing connection plan to the auto route in the township, but this would connect directly between Saint John, Moncton, Bangor and then back into Quebec, rather than the route that you are suggesting now.

[*Interpretation*]

Il nous faudra savoir exactement quelle est l'importance du transport routier par le corridor ou quelle proportion du transport routier passera par le centre du Canada. On nous a dit ce matin que 35 p. 100 des marchandises exportées des provinces Maritimes étaient transportées par camion et 65 p. 100 par chemin de fer ou par bateau; nous nous interrogeons donc sur l'avenir du transport routier.

Il nous faudra également savoir s'il s'agit d'une voie directe ou non. Sagira-t-il d'une autoroute sans voie d'accès? Voilà donc les renseignements dont nous avons besoin. J'espère que quelqu'un pourra nous les donner.

Le président: Nous obtiendrons ces renseignements, et vous les recevrez en temps voulu, monsieur Breau.

M. Rioux: Monsieur le président, puis-je faire un commentaire à ce sujet. Nous avons ces renseignements, et si vous le voulez bien, nous vous ferons parvenir plusieurs exemplaires du mémoire présenté à la province du Nouveau-Brunswick, aux premiers ministres de la Nouvelle-Écosse et de l'Île du Prince-Édouard, au gouverneur de l'État du Maine et à l'Assemblée nationale du Québec par le Comité international du corridor routier. Nous vous enverrons ces mémoires, qui contiennent des renseignements sur la circulation, le volume des marchandises transportées, les prix, etc ...

M. Breau: C'est exactement ce que nous voulons.

Le président: Monsieur Trudel.

M. Trudel: Monsieur le président, je voudrais me rapporter au mémoire pour un instant; au bas de la première page, vous classez une carte à l'Annexe A, mais je ne l'ai pas trouvée dans le...

M. Rioux: Elle était annexée au mémoire original que nous avons envoyé à Otawa.

M. Trudel: Bon. J'aimerais avoir quelques précisions. Ne parlons-nous pas de tracés différents? Le plan actuel n'a-t-il pas été établi en fonction du réseau routier américain? Je crois que nous tirons plus vers le nord qu'il ne l'avaient prévu, et c'est pourquoi le Maine ne nous prête pas sa collaboration. Si vous jetez un coup d'œil sur la carte, vous verrez qu'ils ont prévu un embranchement qui les relie à Saint-Jean, Moncton, Bangor et au Québec.

[*Texte*]

Mr. Rioux: What page are you looking at?

Mr. Trudel: This is on page 696. My interpretation of Mr. Rioux's explanation is that the route that he was supporting was further north. Is that correct, Mr. Rioux?

Mr. Rioux: It is north of St. Stephen, yes.

Mr. Trudel: Thank you.

The Chairman: Mr. Rock.

Mr. Rock: I have one question. I am looking at this map that was submitted to us by the Saint John Board of Trade. You have the line crossing from Saint John to Bangor, to Amsterdam, to the proposed highway.

And then you have this Y jutting out a little after Bangor towards Montreal, and I am just wondering if that is actually necessary since this other line going to Amsterdam is crossing one of the biggest highways in North America and that is the one from New York City to Montreal? Why is it necessary to make this Y through there, which would be considered your corridor, when all you have to do is come right down to, say, Burlington and go right up? It is a matter of maybe three-quarters of an hour difference. Why spend the millions of dollars for that three-quarters of an hour, which it takes to travel say from Burlington to Montreal these days on the new network? In other words, all you have to do is let the Americans build it and you will use it, without any complications whatsoever. Have you looked into it in this manner?

Mr. Rioux: Are you asking me?

Mr. Rock: Yes, I am asking any of you gentlemen.

Mr. Rioux: The proposal that you are looking at was by the group that is opposing the corridor road in the area in which we—the map that you are talking about is the lower. There have been two proposals of a corridor road.

Mr. Rock: Oh, excuse me, are you proposing the actual corridor through, or the one to Amsterdam?

Mr. Rioux: No. We are proposing the one through the Moosehead Lake area, McAdam, N.B., Bangor in Maine, and on through to Sherbrooke, a direct line.

As far as Saint John goes, if you knew the area, I do not know if you do or not, but just about 40 miles west of Bangor on the American side there is another road that goes

[*Interprétation*]

M. Rioux: A quelle page êtes-vous?

M. Trudel: A la page 696. Si j'ai bien compris l'explication de M. Rioux, la route qu'il proposait se trouvait plus au Nord, n'est-ce pas?

M. Rioux: C'est au nord de St-Stephen, oui.

M. Trudel: Merci.

Le président: Monsieur Rock.

M. Rock: J'ai une question. Sur la carte qui nous a été présentée par la *Saint John Board of Trade*, figure une ligne qui va de St. John à Bangor et à Amsterdam jusqu'à l'autoroute proposée.

Vous remarquerez ensuite un embranchement en «Y» un peu après Bangor, en direction de Montréal. Je me demande si cela est vraiment nécessaire étant donné que l'autre ligne en direction d'Amsterdam traverse une des plus grandes routes de l'Amérique du Nord, soit la route de New York à Montréal. Pourquoi alors cet embranchement supplémentaire, qui constituerait votre corridor, alors que vous pouvez vous rendre à Burlington et monter. Cela peut prendre au maximum trois quarts d'heure. Pourquoi dépenser des millions de dollars pour gagner trois quarts d'heure, temps qu'il faut pour aller de Burlington à Montréal par le nouveau réseau routier? Laissons-donc construire la route aux Américains, et servons-nous-en: c'est aussi simple que cela. Avez-vous songé à cela?

M. Rioux: Est-ce à moi que vous posez la question?

M. Rock: Oui, à n'importe lequel d'entre vous.

M. Rioux: La proposition dont vous parlez est celle du groupe qui s'opposait à l'autre corridor—la carte à laquelle vous vous référez est celle du bas. Il y a eu deux propositions relativement au corridor routier.

M. Rock: Je m'excuse. Est-ce que vous proposez le corridor routier ou la route par Amsterdam?

M. Rioux: Non. Nous proposons une route qui emprunte la région de Moosehead Lake, passe par McAdam (N.-B.), Bangor (Maine) et Sherbrooke, en ligne directe.

En ce qui concerne Saint-Jean, si vous connaissez la région, vous saurez qu'à environ quarante milles de Bangor, du côté américain, il y a une autre route qui s'en va

[*Text*]

directly down to St. Stephen, a very short route that would serve that same purpose, to go to Montreal from Saint John using the corridor road but joining it into the State of Maine about 40 miles.

The one they are proposing is a direct route from Saint John through the lower part of Maine into Montreal. I do not think it will save much. It might help the southern part of the province and southern Maine, but it would not help the Atlantic Provinces as a whole, I do not think, or the northern part of Maine.

Mr. Rock: Why do you say that? It seems that in this case here the Americans will spend all the money and you will be able to use it, and I do not think any other alternate route is going to save much more except maybe three-quarters of an hour.

Mr. Rioux: Let me repeat. Our proposal is that the State of Maine would still build the corridor road that we are proposing, in order to develop the northern part of the state, the same as we build roads to resources here in New Brunswick or in the Maritime Provinces. We build roads to resources to help people in depressed areas, and northern Maine is a depressed area. And that is why the northern part of the state is seeking the corridor road, and the cost would all be borne by the Americans, not by ourselves.

The Chairman: Gentlemen, this completes our study. I want to thank you for your recommendations.

Mr. Rioux: Thank you very much, sir.

Mr. Thomas (Moncton): Mr. Chairman, we may go through this day after day, and it is embarrassing to witnesses. It shows them that we have not done our homework. All these figures, and all this information that we have been asking for is all in this Atlantic Provinces transportation study by the E.I.U. All these figures on traffic flow, on corridor roads and all these figures on why additional highways are needed here. Why do we not get this, rather than ask these witnesses questions that obviously we should know the answers to?

An hon. Member: Who has one?

Mr. Thomas (Moncton): I have one.

An hon. Member: Where did you get it?

Mr. Thomas (Moncton): From the Queen's Printer. These witnesses must think we are

[*Interpretation*]

directement à St. Stephen. La route est très courte, mais aurait la même utilité que le corridor routier, de Montréal à Saint-Jean avec un embranchement vers le Maine à environ quarante milles.

La route qu'ils proposent est une voie directe de Saint-Jean, par la partie inférieure du Maine, jusqu'à Montréal. Je ne pense que cela aide beaucoup. Cela pourrait être avantageux pour la partie sud de la province et du Maine, mais non pour les provinces atlantiques, ni le nord du Maine.

M. Rock: Pourquoi cela? Il me semble que dans ce cas les Américans fourniraient tous les fonds et que vous pourriez utiliser la route. Je ne crois pas qu'une autre route nous permette de gagner beaucoup plus de temps: trois quarts d'heure au plus.

M. Rioux: Notre proposition, c'est que le Maine construise le corridor routier que nous envisageons pour assurer le développement du nord de l'État, tout comme nous avons construit des routes pour les ressources du Nouveau-Brunswick ou des Maritimes. Nous construisons des routes pour exploiter nos ressources et aider les gens des régions défavorisées, et le nord du Maine est une région défavorisée. C'est pourquoi l'État du Maine a besoin du corridor routier; les frais seraient entièrement assumés par les américains.

Le président: Messieurs, voilà qui termine notre étude. Je vous remercie.

M. Rioux: Merci beaucoup, monsieur.

M. Thomas (Moncton): Monsieur le président, nous pouvons continuer ainsi jour après jour, ce qui ennuierait les témoins. Cela leur prouve tout simplement que nous n'avons pas fait nos devoirs. Tout les chiffres, tout les renseignements que nous avons demandé se trouvent dans l'étude des transports de la région atlantique faite par l'*Economic Institute*. Tous les chiffres relatifs à la densité de la circulation, au corridor routier, aux routes prévues, figurent dans cette étude. Pourquoi ne pas s'en servir, plutôt que de poser aux témoins des questions dont nous devrions connaître les réponses?

Une voix: Qui l'a, ce rapport?

M. Thomas(Moncton): J'en ai un.

Une voix: Où l'avez-vous pris?

M. Thomas (Moncton): Chez l'Imprimeur de la Reine. Les témoins doivent penser que

[*Texte*]

completely devoid of information. It is all in this report.

The Chairman: And we can get that from the Queen's Printer?

Mr. Thomas (Moncton): You can get it, sure.

Mr. Perrault: Mr. Chairman, the opinions of witnesses are most valuable.

Mr. Breau: If the member would have something that he could give us, I would really appreciate it. If I had known that there was such a study before I would have obtained it. I tried to get all the information that was available.

The Chairman: Mr. Thomas, did you obtain this information before you came down here?

Mr. Thomas (Moncton): Yes. I think the Committee received it last year. I received it last year. I was not here last year either, but I made a point of getting it.

Mr. Perrault: Mr. Chairman, the point is that the value of these public hearings is distinct from any resource material which we may have access to. The fact that we have these written reports does not rule out the value of these public hearings. I think the recent information that these witnesses bring is most important.

The Chairman: I will now call upon the Atlantic Development Board. Stand.

The University of New Brunswick. This brief was prepared by five students. I wonder if they are here today. Stand.

Mr. Skoberg: Mr. Chairman, can we obtain that brief for our files, even though they are not here?

The Chairman: Which brief?

Mr. Skoberg: The University of New Brunswick.

The Chairman: It will be printed if you wish. We have a motion to carry this. Is it agreed?

Some hon. Members: Agreed.

The Chairman: Every brief will be printed. Commuter Air Services Ltd. Mr. Robert D. Thomson, do you have a brief?

I would ask Mr. Thomson to make a brief

[*Interprétation*]

nous manquons complètement de renseignements. Tout est dans le rapport.

Le président: Et on peut se le procurer chez l'Imprimeur de la Reine?

M. Thomas (Moncton): Certainement.

M. Perrault: L'opinion des témoins est précieuse.

M. Breau: Si l'honorable député pouvait nous le procurer, j'en serais ravi. Si j'avais su qu'une telle étude existait, j'aurais cherché à l'avoir. J'ai essayé d'obtenir le plus de renseignements possible.

Le président: Monsieur Thomas, est-ce que vous avez eu ces renseignements avant de venir ici?

M. Thomas (Moncton): Oui, je crois que le comité les a reçus l'an dernier. En tout cas, je l'ai eu l'an dernier. Je n'étais pas au Parlement l'année dernière, mais je me suis procuré un exemplaire du rapport.

M. Perrault: Monsieur le président, les renseignements que nous pouvons recueillir dans ces séances publiques sont distincts de ceux que nous pourrions trouver dans des documents existants. Le fait que nous ayons des rapports écrits n'enlève rien à la valeur de ces audiences publiques. Je crois que les renseignements que les témoins nous donnent sont très importants.

Le président: Alors, je demanderais maintenant à l'Office d'expansion économique de la région atlantique de s'avancer.

L'Université du Nouveau-Brunswick. Ce mémoire a été rédigé par cinq étudiants. Je me demande s'ils sont ici aujourd'hui. Réservé.

M. Skoberg: Monsieur le président, est-il possible d'avoir leur mémoire, même s'ils ne sont pas ici?

Le président: Lequel?

M. Skoberg: Celui de l'Université du Nouveau-Brunswick.

Le président: On le fera imprimer, si vous le désirez. Nous avons une motion à cet effet. Est-ce adopté?

Des voix: Adopté.

Le président: Tous les mémoires seront imprimés. Monsieur Robert D. Thompson, de *Commuter Air Services* Limitée, a-t-il un mémoire?

[*Text*]

resume of his brief.

Mr. Robert D. Thomson (Commuter Air Services Ltd): Monsieur le président et honorables députés. Je regrette infiniment que notre compagnie n'ait pas pu encore vous fournir des exemplaires de notre mémoire en français. Comme nos activités s'adresseront à une clientèle, tant d'expression française que d'expression anglaise, dans cette région, nous nous efforcerons d'adopter le bilinguisme dans le plus bref délai, afin de donner au public le meilleur service possible. Donc, nous comptons sur votre indulgence et vous prions d'accepter que ce mémoire soit rédigé en anglais.

Commuter Air Services Ltd. is a company formed to provide commercial air services throughout the Province of New Brunswick. The company has applications pending before the Air Transport Committee of the Canadian Transport Commission for interurban services connecting Fredericton, Moncton, Saint John, Chatham, Bathurst, Campbellton, Edmundston, Grand Falls, Woodstock, St. Stephen, Rivière-du-Loup, Quebec and Bangor, Maine. These services are planned to connect with Trunk Carrier services at Fredericton, Moncton, Charlo, Bangor and Rivière-du-Loup, thus offering each community a closer air link with Central Canada and the U.S. At the same time the availability of the feeder flights enables the company to offer fast economical interurban flights for intraprovincial travel, air express and mails.

It is the purpose of this brief to inform the Standing Committee on Transport of the plans of the Company so that it may be aware of developments which may have significant effects on transportation within the region. It is submitted without intent to influence or prejudice the hearings before the Air Transport Committee. We respectfully submit comment on three areas related to our sphere of activities:

1. Local Regional Air Transportation.
2. Airport Development within New Brunswick.
3. Interurban Transportation—Fredericton/Saint John.

On the first item:

Local Regional Air Transportation

Within the framework of transportation needs in this region a basic twofold problem

[*Interpretation*]

Je demanderai à M. Thomson de résumer brièvement son mémoire.

Mr. Robert D. Thomson (Commuter Air Services Ltd.): Mr. Chairman, distinguished Members, I regret sincerely that our company has not yet been in a position to provide copies of our brief to you in French. Since our activities will be directed at both French-speaking as well as English-speaking customers throughout this region, we shall attempt to adopt bilingualism in the shortest possible time so as to be able to give to the public the best possible service. Consequently, we ask you to show forbearance and to please accept the brief in English.

La *Commuter Air Services* est une société qui organise des services commerciaux aériens dans l'ensemble de la province du Nouveau-Brunswick. La Compagnie a présenté une demande au comité du Transport aérien de la Commission canadienne des Transports afin d'obtenir les services interurbains reliant Fredericton, Moncton, Saint-Jean, Chatham, Bathurst, Campbellton, Edmunston, Grand Falls, Woodstock, St-Stephen, Rivière-du-Loup (Québec) et Bangor (Maine). Nous projetons que ces services soient reliés avec les services de transport interurbains de Fredericton, Moncton, Charlo, Bangor et Rivière-du-Loup, offrant ainsi à chaque collectivité de meilleures communications aériennes avec le centre du Canada et les États-Unis. En même temps, les vols d'embranchement permettraient à la compagnie d'offrir des vols interurbains économiques pour les déplacements intra-provinciaux, les messageries aériennes ainsi que les postes.

L'intention de notre mémoire, c'est d'informer le comité permanent des transports des projets de la compagnie, afin qu'il soit au courant des développements qui pourraient avoir un effet significatif sur les transports au sein de la région. Nous le présentons sans vouloir influencer ni porter préjudice à l'audience devant le comité des transports aériens. Nous vous présentons respectueusement nos observations sur trois domaines qui ont trait à notre champ d'activité.

1. Le transport aérien local et régional.
2. L'aménagement d'aéroports au Nouveau-Brunswick.
3. Le transport interurbain entre Fredericton et Saint-Jean.

Le transport aérien local et régional

Dans le cadre des besoins de transport dans la région, le problème est double, en ce

[*Texte*]

exists in that there is an urgent need for better connection to the continental market while at the same time local travel and transportation requires to be drastically improved.

Proposals from various individual towns and cities for direct airline service to Central Canada are usually based on the understandable desire of the communities for 'trunk' service to eliminate the irritations and frustrations involved in getting to and from the main centres. Rail travel is no longer fast enough or convenient; two- to three-day mail delivery is grossly inefficient; seven- to ten-day delivery of parcels and express is frustrating. While these municipalities also appreciate the need for improved local regional transportation there is usually a tendency to subordinate the relative importance of this field to that of the claim for trunk route priority. This tendency overlooks the fact that it may be totally impractical to improve 'local' transportation after 'trunk' services are set up. We feel that the problem must be viewed as a whole and that the best solution lies in the most efficient blend of the two facets.

It is our contention that a major contribution can be made to improved regional transportation if significant developments are initiated at the local level. The present Trunk Air Routes to this area from Central Canada are subject to some degree of criticism but they are not entirely out of context with the economics of the region. We consider that it makes good fiscal sense to complement these existing services with effective local services using equipment suitable to the traffic volume emanating in the smaller centres of population.

A proper system of local air travel, well organized, feeding to the major Airlines at specific points can bring virtually all of the smaller centres within one additional hour's travelling time of the cities of Central Canada. The available capacity of such feeder flights would permit utilization by intercity travellers and local air freight.

It is respectfully suggested that copies of our complete brief to the Air Transport Committee may be made available upon request if the Standing Committee wishes to study it. This brief includes details of the economic and feasibility studies made by this company to determine the viability of our project, together with the opinions and endorsements of many civic and corporate bodies in the towns included in the proposed service.

[*Interprétation*]

sens qu'il faut de nécessité prévoir de meilleurs liens avec les marchés continentaux, alors même que le secteur des déplacements et des transports locaux nécessitent une amélioration sensible.

Les propositions de la part de diverses villes en vue d'un service direct aérien avec le centre du Canada se fondent ordinairement sur leur désir compréhensible d'être reliées aux lignes principales pour éliminer les ennuis et tracas qu'entraîne leur éloignement des grands centres. Le chemin de fer n'est plus ni assez rapide, ni convenable, il faut compter de deux à trois jours pour le courrier, de même que de sept à dix jours pour la livraison des colis et les messageries. Alors que les municipalités admettent la nécessité qu'il y a d'améliorer le transport local et régional, elles ont normalement tendance à subordonner cette question importante à leurs réclamations visant leur raccord aux routes principales. On oublie qu'il pourrait être impossible d'améliorer le transport local, une fois les services principaux établis. Nous estimons qu'il faut examiner la question dans son ensemble et que la meilleure solution se trouve dans une fusion de ces deux aspects.

Nous prétendons alors qu'un effort majeur à l'amélioration du transport régional consisterait à développer de manière notable le secteur local. Les principales routes aériennes qui sont présentement établies à partir du centre du Canada, font l'objet de certaines critiques, mais elles ne sont pas tout à fait incompatibles avec l'économie de la région. Nous estimons sensé, du point de vue financier, de compléter les services existants par des services locaux, à l'aide des équipements appropriés au volume de trafic émanant des petites agglomérations.

Un réseau aérien local, bien organisé, qui rejoindrait les principales lignes aériennes à des endroits déterminés, mettrait à peu près toutes les petites agglomérations à une heure d'accès des villes du centre du Canada. Il faciliterait aussi les déplacements interurbains et le transport de marchandises sur le plan local.

Nous envisageons de mettre à votre disposition des exemplaires du mémoire que nous avons présenté au comité du transport aérien, si le comité le désire. Ce mémoire donne des détails sur les études de praticabilité et de rentabilité faites par la compagnie afin de déterminer si le projet était viable; il comprend aussi les vues favorables de nombreux organismes commerciaux et municipaux qui se trouvent dans les villes touchées par le service projeté. L'aménagement d'aéroports au Nouveau-Brunswick.

[*Text*]

On the second item:

Airport Development Within New Brunswick

In relation to its commercial air service proposals this company is vitally interested in the adequate development of suitable airport facilities throughout the region.

It is felt that significant savings in public expenditures can be achieved by tailoring airport development to the trunk and feeder line system. By this we mean that there need not be extravagant expenditures on new major facilities—I emphasize the point "New"—to provide for transcontinental or international jet services where present facilities can be modified or extended suitably at lesser cost. We are not recommending the maintenance of existing facilities where these are not suitable by location, environment, or weather, for provision of economic and safe air services. We do recommend, however, that serious consideration be given only to the extension of the available facilities *most suited* to the regional off- and on-loading of trunk airline passengers and freight and appropriate or commensurate with the technological advances in equipment adopted by the Trunk carriers for regional continental traffic.

We also respectfully recommend to the Standing Committee that a field most worthy of public development expenditures would be the improvement of local airport standards at the other urban centres in the region to meet the operating requirements of safe all-weather service for the size and scope of aircraft most suited to the local regional airlines, which will expedite the efficient movement of passengers and freight at those places.

By virtue of our corporate entity we recognise that we have a special interest in making these recommendations, but we are certain that any study in depth of the economics of the alternates to our suggestions would confirm our own findings.

We humbly state that we would be prepared to develop these arguments in detail with the Standing Committee or the appropriate government agency involved.

Interurban Transportation—Fredericton/Saint John

On the third item we delve into an element of the project which is not quite within

[*Interpretation*]

Dans ses propositions concernant un service commercial aérien, la compagnie s'intéresse de près à l'aménagement d'aéroports appropriés par toute la région.

Nous croyons que d'importantes économies pourraient être réalisées dans le secteur public si pareilles installations étaient convenablement reliées aux réseaux principal et secondaire. Il ne faudrait pas nécessairement faire des dépenses extravagantes pour de nouvelles infrastructures, et j'insiste sur le mot «nouvelles», qui conviendraient aux avions à réaction sur les lignes transcontinentales ou internationales, là où les infrastructures actuelles peuvent très bien être modifiées ou agrandies de manière économique. Nous ne proposons pas, non plus, le maintien des infrastructures existantes, si elles ne conviennent pas, en raison de leur emplacement ou de facteurs écologiques ou météorologiques, à l'établissement de services aériens qui soient économiques et sûrs. Nous recommandons, toutefois, qu'on étudie sérieusement la possibilité d'agrandir les installations qui conviennent *le mieux* au raccord régional avec les services pour passagers ou marchandises, mais qui soient aussi appropriées ou compatibles par rapport au progrès technologique du matériel adopté par les principaux transporteurs pour le trafic régional et continental.

Nous recommandons aussi respectueusement au comité permanent, que l'activité qui mériterait le plus l'attention du secteur public serait l'amélioration des normes pour les aéroports locaux dans les autres centres urbains de la région, afin d'assurer en pratique un service sûr en tout temps pour les avions dont la grosseur et le champ conviennent le mieux aux lignes aériennes régionales, ce qui accélérerait le transport efficace des passagers et des marchandises à ces endroits.

Étant donné notre statut de société, nous nous reconnaissons un intérêt particulier dans ces recommandations, mais nous sommes sûrs que toute étude approfondie de l'aspect économique d'autres options confirmerait nos propres conclusions.

Nous déclarons donc que nous serions prêts à développer nos arguments auprès du comité permanent ou de l'organisme gouvernemental en cause.

Le transport interurbain entre Frédéricton et Saint-Jean.

En ce qui concerne le troisième sujet, nous discutons d'un aspect du projet qui ne relève

[*Texte*]

our sphere but it came up as very much a possibility when we were investigating the original context. In the course of our investigations into the feasibility of our proposed feeder airline system we became aware of the particular combination of factors relating to the Saint John /Fredericton area of the Province.

By virtue of the relative positions of the airports at these two cities interurban air service has minimal advantage over road travel when waiting and loading time are considered. Also, the airport at Saint John suffers from a substantial proportion of unfavourable weather causing diversion, usually to Fredericton.

The suitability of Saint John as a safe all-weather airport can not be improved without major alterations to contours and environment as well as to aircraft visibility aids.

It appeared to us in our deliberations that a detailed study of the Saint John area to determine the relative costs of providing the most efficient transportation for that city and its environs would be well worth while.

Specifically we arrived at the tentative conclusions, based on our own limited investigations, that the whole concept of trunk, interurban, and suburban transportation for the City of Saint John and hinterland would warrant particular study towards the possible installation of an integrated transportation system for the whole area.

It appeared to us that there are existing rail facilities, for example, which might be adapted and developed in the style of the Government of Ontario transit system or in the style being investigated for the state of Pennsylvania in the U.S., emanating from Saint John and linking suburban and semirural centres in a northwesterly direction to Fredericton, including Fredericton Airport, and in a northeasterly direction towards Sussex.

Such development might prove to have these ramifications:

(a) Growth of suburban and semirural communities in a planned manner around the focal points of the new transit media.

(b) We do not want to prejudge the provincial government but the second item that we felt would come of this is that we would possibly reinforce the potential setting up of an industrial park of major significance by facilitating easy mass transit throughout the area.

[*Interprétation*]

pas, à proprement parler, de notre compétence, mais dont l'éventualité s'est manifestée lorsque nous faisions enquête sur la situation initiale. Au cours de nos études de praticabilité concernant le projet de réseau aérien secondaire, nous avons pris conscience de divers facteurs qui se rapportent à la région de Saint-Jean et de Frédéricton.

En raison de l'emplacement de l'aéroport dans ces deux villes, le service aérien interurbain offrent des avantages minimes en comparaison du transport routier, compte tenu des périodes d'attente et d'embarquement. De plus, l'aéroport de Saint-Jean souffre, est souvent le siège de conditions climatiques défavorables qui obligent les appareils à emprunter d'autres pistes, d'ordinaire celle de Frédéricton.

Pour que l'aéroport de Saint-Jean devienne sûr en tout temps, il faudrait apporter des changements sensibles aux abords de la piste et y prévoir des moyens de visibilité supérieurs.

Nos discussions ont mis en évidence l'opportunité d'une étude détaillée de la région de Saint-Jean, afin de déterminer le coût relatif d'un service de transport des plus efficace pour cette ville et ses environs.

Plus précisément, nous en sommes provisoirement venus à la conclusion, fondée sur nos propres enquêtes limitées, que toute la question des services principaux, urbains et interurbains pour la ville de Saint-Jean et les environs pourrait sciemment donner lieu à une étude particulière concernant la mise en place d'un réseau de transport intégré pour la région entière.

Il nous a semblé qu'il existe déjà des aménagements pour les chemins de fer, par exemple, que l'on pourrait adapter et développer, comme l'a fait l'Ontario pour son réseau de transport, ou encore l'État de la Pennsylvanie, aux États-Unis, ce nouveau réseau, à partir de Saint-Jean, relierait les banlieues et les centres semi-ruraux, au nord-ouest, à Frédéricton (et à l'aéroport), et au nord-est, à Sussex.

L'entreprise pourrait donner lieu aux avantages suivants: a) la croissance planifiée des banlieues et des collectivités semi-rurales autour des nouveaux centres de transport.

b) Nous ne voulons pas anticiper sur le gouvernement provincial, mais nous estimons que le deuxième avantage qui en découlerait, c'est de permettre davantage l'établissement d'un parc industriel important, grâce au nouveau réseau dans la région. c) ce serait promouvoir, à notre avis, la transformation de l'aéroport de Frédéricton et lui donner toutes les caractéristiques d'un aéroport régional

[*Text*]

(c) We feel that this would promote the development of the Fredericton Airport to full regional jetport standards—again I emphasize "regional jetport standards"—taking advantage of its central location and good weather pattern.

(d) I think such a service would also enhance the intercity travel facility between the major commercial centre of Saint John and the seat of the provincial government at Fredericton.

This suggestion assumes that a long-term forward view be taken, rather than a view based on the present population or industrial status. It is recognised that the relative population distribution at this time is not comparable to the megalopolis in Ontario but we feel that focussing of concentrated thought and study on this area could well produce an ideal system which will both encourage and withstand constant growth around it.

Commuter Air Services gratefully acknowledges the acceptance by the Standing Committee of these brief but relevant comments and suggestions, and we hope that our contribution may be helpful in some small way in improving the transportation and communication facilities in this region so that the best potential may be obtained from the resources and the peoples of the Atlantic Provinces.

Thank you, gentlemen.

The Chairman: Could you tell me how long it would take to get copies of your brief so that we could have them in Ottawa?

Mr. Thomson: I have copies of it here—or a copy, but I think it would be available from the Air Transport Committee on request. It is in dossier form with multicopies available at this time.

The Chairman: About 10 days?

Mr. Thomson: I do not think it would take that long. I think the copies are before the Air Transport Committee at this time for study. I think this would be available.

The Chairman: Does the Committee agree?

Some hon. Members: Agreed.

Mr. Nesbitt: Just a very brief question, Mr. Chairman. I do not have a copy of the brief but I gather from the witness' remarks that this company is just getting nicely organized and it apparently has representations before the Air Transport Division of the Canadian

[*Interpretation*]

pour avions à réaction, chose que je tiens à souligner, en tirant profit de son emplacement central et du bon climat dont il jouit. *d*) Un tel service faciliterait les déplacements interrurbains entre le centre commercial de Saint-Jean et le siège de l'administration provinciale, à Frédéricton.

En l'occurrence, nous supposons que l'on adoptera une attitude à long terme, plutôt que de tenir compte des seuls facteurs démographiques ou industriels que l'on retrouve présentement. Il est admis que la répartition de la population dans ce secteur diffère de celle qui régit l'agglomération ontarienne; néanmoins, une étude approfondie et serrée de cette région pourrait bien donner naissance, selon nous, à un réseau idéal qui en favoriserait la croissance et l'expansion.

La *Commuter Air Services* remercie le Comité d'avoir bien entendu ses remarques et commentaires brefs mais pertinents. Elle espère qu'ils contribueront utilement dans quelque mesure à améliorer les infrastructures de transport et de communications dans la région, afin que l'on puisse tirer le plus grand profit des ressources matérielles et humaines des provinces de l'Atlantique.

Merci, messieurs.

Le président: Pourriez-vous me dire combien de temps il faudra pour obtenir des exemplaires de votre mémoire, de sorte que nous pourrons l'avoir en main à Ottawa?

M. Thomson: J'en ai des exemplaires ici, ou plus tôt un, mais je crois que le comité des transports aériens pourrait vous en transmettre sur demande; il tient un dossier où se trouvent plusieurs exemplaires de ce document.

Le président: Dans une dizaine de jours?

M. Thomson: Moins que cela, je pense. Le comité des transports aériens en tient déjà des exemplaires pour fins d'étude, alors il pourrait peut-être vous en transmettre quelques-uns.

Le président: Le Comité est-il d'accord?

Des voix: D'accord.

M. Nesbitt: Juste une question très brève, monsieur le président. Je n'ai pas de copie du mémoire, mais d'après ce qu'a dit le témoin, je crois comprendre que la compagnie s'organise à peine et qu'elle a formulé des instances après du comité des transports aériens de

[*Texte*]

Transport Commission. Could the witness tell us how long the Company has been in being and what equipment it has at the moment?

Mr. Thomson: The Company was originated to make application for this complete system. It was originated in May of 1968, and since that time the application has been developed, studied and placed before the board in full detail as a total project. There is no equipment at this time; immediately licences are granted capital investment will be made in the company.

Mr. Nesbitt: Out of idle curiosity, what type of equipment do you envisage using?

Mr. Thomson: We would start using, in a test of the market, a light type of aircraft—a small airliner with approximately eight-to 12-passenger capacity. The logical development from this—and we hope that the market warrants it—will be to an airliner with a maximum capacity of 20—probably 15 to 18 passengers, which appears to us to be the true logical development but which would not be warranted on an initial attempt.

Mr. Nesbitt: Should your application prove successful before the Canadian Transport Commission would you eventually be looking for some subsidy for the purpose of either purchasing equipment or obtaining some of the present Air Canada routes or some sort of freight subsidy?

Mr. Thomson: No, sir. It is expressly stated in our brief that we consider that a properly organized company, operating with the type of equipment which is best suited to the market, can make a viable contribution and provide a solution to the internal transportation market.

Mr. Nesbitt: Would you be expecting to carry much freight or mostly passengers?

Mr. Thomson: We would expect to develop into the carriage of mails and light local freight. We would expect to go into the onward transmission of air freight from Air Canada at, say, Moncton—particularly Moncton to the north, and perhaps Fredericton.

Mr. Nesbitt: You would not be considering then at some future date applying for some of Air Canada's routes in the area?

Mr. Thomson: No, we do not contemplate that type of activity at this time.

Mr. Corbin: Some of my questions have already been answered. Your main purpose,

[*Interprétation*]

la Commission canadienne des transports. Le témoin pourrait-il me dire depuis combien de temps la compagnie existe et de quel équipement elle dispose?

M. Thomson: La compagnie s'est rétablie en mai 1968 en vue de mettre en place ce réseau complet; depuis lors, elle a élaboré par le détail un système total qu'elle a présenté à la Commission. Elle ne tient pas d'équipement à l'heure actuelle, mais du moment où les permis seront délivrés, elle procédera à sa capitalisation.

M. Nesbitt: Par simple curiosité, quel genre de matériel avez-vous en vue?

M. Thomson: Au départ, nous utiliserons, à titre d'essai, un petit avion léger à huit ou douze places. A l'étape suivante, si le marché semble prometteur, nous nous servirions d'aéronefs à 20 places, tout au plus, mettons 15 ou 18 places, ce qui nous paraît une formule d'expansion logique, mais qui ne serait pas justifiée au début.

M. Nesbitt: Si votre demande est agréé par la Commission des transports, chercheriez-vous à obtenir une subvention quelconque pour l'achat du matériel, l'exploration de certains parcours actuellement desservis par Air Canada ou le transport des marchandises?

M. Thomson: Non, monsieur. Nous avons précisé dans notre mémoire qu'à notre sens, une compagnie bien organisée, qui est exploitée avec le genre d'équipement le mieux adapté au marché, pourra réaliser un apport très valable et fournir la solution au problème des transports internes.

M. Nesbitt: Vous attendez-vous de transporter surtout des passagers ou surtout des marchandises?

M. Thomson: Nous escomptons assurer le transport du courrier et des petits colis d'une localité à l'autre, mais aussi des marchandises à bord des appareils d'Air Canada et déchargées à Moncton, au nord de celle-ci, et peut-être aussi à Frédéricton.

M. Nesbitt: Alors, vous ne songez pas à demander plus tard certaines des routes d'Air Canada dans la région?

M. Thomson: Non, nous ne l'envisageons pas en ce moment.

M. Corbin: Certaines de mes questions ont déjà trouvé réponse. Donc, votre principal

[*Text*]

Mr. Thomson, is to make available to people in smaller centres air transport to the larger centres, to the main routes of the national airlines, but in some cases you will be backtracking. For example, if you pick up somebody in Edmunston and bring him either to Mont Joli to get on Quebecair or to Fredericton to get on Air Canada, you are backtracking. What kind of agreement will you have with the largers carriers as far as rates are concerned? The travelling public is not only concerned with getting good service and getting rapid service but is also concerned in paying a decent rate for the service it is getting, and I understand that in the type of service you are trying to provide to these smaller centres, which is most welcome, I can assure you, there will be a lot of backtracking. What kind of rates and agreements will you have with the larger carriers?

Mr. Thomson: In answer to the first part of the question, the geography of New Brunswick necessitates backtracking to Edmunston by its very location unless someone were to fly, say, from the area of Quebec City to Edmunston. The possibility of negotiating joint ticketing and joint billing with the major airlines has been taken up but is in such an early stage that I could not presume to give an answer for the major airlines—Air Canada and Quebecair specifically. We feel that something can be worked out apropos fare structure which can make for economic transportation and avoid the necessity of a major airline's having to provide, or attempting to provide, direct service into an area where they would almost have to apply for subsidy to be able to provide that service. And I think we can work something out with them.

The Chairman: A supplementary question, Mr. Thomas?

Mr. Thomas (Moncton): What type of aircraft are you planning on using?

Mr. Thomson: We have initially planned on two types of aircraft; one is known as an *Islander* which is a high-wing, fixed-wheel type of aircraft carrying 10, possible 12 persons. It is being extended for this. This is a rugged type of aircraft which requires a very, very small landing area.

Mr. Thomas (Moncton): This was the purpose of my question.

[*Interpretation*]

but, monsieur Thomson, serait de fournir aux gens des petites agglomérations des services de transport aérien vers les grands centres, vers les routes principales des sociétés aériennes nationales, n'est-ce pas? Mais, dans certains cas, il vous faudrait revenir en arrière. Par exemple, si l'on prend un passager à Edmundston pour qu'il prenne l'avion de Québec Air à Mont-Joli ou celui d'Air Canada à Fredericton, c'est faire marche arrière, n'est-ce pas? Quel genre d'accord auriez-vous avec les principaux transporteurs en ce qui concerne les tarifs?

Le public voyageur non seulement se préoccupe d'un service prompt et excellent, mais il est intéressé aussi à payer un taux raisonnable pour ce service. Or, si j'ai bien compris, le genre de service que vous voulez donner aux petites agglomérations, service qui serait des plus souhaitable, je vous l'assure, vous obligerait souvent à revenir sur vos pas. Quelle sorte d'arrangements pour les tarifs auriez-vous avec les principaux transporteurs?

M. Thomson: Pour ce qui est de la première partie de votre question, je répondrai que la situation géographique du Nouveau-Brunswick exige que nous revenions jusqu'à Edmunston, vu l'emplacement même de cette ville à moins que l'avion ne soit parti, mettons, de Québec. On a déjà envisagé la possibilité de négocier un contrat visant à la facturation en commun avec les grandes sociétés aériennes, mais je ne saurais présumer, à ce stade, de vous répondre au nom de celles-ci, tout particulièrement Air Canada et Quebec Air. Nous croyons qu'il y a un moyen d'en venir à un arrangement quelconque, en ce qui concerne les tarifs, pour assurer un service économique et pour éviter que les grandes lignes aériennes aient ou cherchent à desservir directement une région où, pour ce, elles devraient presque nécessairement exiger une subvention. Je crois que nous en arriverons à un accord avec elles.

Le président: M. Thomas, vous avez une question supplémentaire à poser?

M. Thomas (Moncton): Quel genre d'appareil avez-vous en vue?

M. Thomson: En fait, nous avons deux types d'appareil en vue: l'un l'«*Islander*», est un avion à 10 ou 12 places, à ailes supérieures et à train d'atterrissage fixe, qui est adapté au trafic-voyageurs. C'est un avion très solide qui peut atterrir sur une très petite piste.

M. Thomas (Moncton): C'est ce que j'allais vous demander justement.

[*Texte*]

Mr. Thomson: This is the precise reason for that type of aircraft—for short fields and rough strips.

The Chairman: Mr. Corbin, would you try to plan your questions to make them a little shorter? I believe it would be much easier for the witness.

Mr. Corbin: Mr. Chairman, with all due respect we are here to get some information from these people.

The Chairman: That would not stop you from getting information. If your questions were divided it would be much better for all of us.

Mr. Corbin: I am coming to the point, sir. Are you planning on also giving at a later date service into the State of Maine at Bangor or Portland?

Mr. Thomson: This is a part of our application currently. We feel that there is a demand for a service particularly from northwestern New Brunswick and the Fredericton and western area of New Brunswick for easy connection to southbound U.S. flights. Air Canada presently provides a service out of Saint John to Boston but this requires a very long wait or delay for passengers from any of the other places in New Brunswick. Our service would connect with Northeast Airlines at Bangor.

Mr. Corbin: Thank you for your kind indulgence, Mr. Chairman.

Mr. Thomson: May I interject. I put a rough map as Appendix "A" to our brief which I emphasize is not intended to be a route map but simply a schematic diagram of the trunk and feeder system, which emphasizes the concept of the central location of Fredericton and also the convenient location of Moncton for development in this line.

The Chairman: Mr. Pringle.

Mr. Pringle: Thank you, Mr. Chairman. May I ask you how long your applications have been in the hands of the Air Transport Committee?

Mr. Thomson: Totally since May of 1968 but officially accepted since July 17, 1968.

Mr. Pringle: And what information have you received from the Air Transport Committee with regard to their processing?

Mr. Thomson: I am aware that the application is now in its final stages before the

[*Interprétation*]

M. Thomson: Nous voulons un type d'avion qui convienne à des pistes courtes et assez mauvaises.

Le président: Monsieur Corbin, pourriez-vous poser vos questions de manière brève; cela facilitera la tâche du témoin.

M. Corbin: Sauf votre respect, monsieur le président, il me semble que nous sommes ici pour obtenir des renseignements.

Le président: Cela ne vous empêchera pas de vous renseigner, et les choses iront mieux pour tout le monde.

M. Corbin: Je vais droit au sujet. Est-ce que vous avez l'intention plus tard de desservir l'État du Maine à Bangor ou à Portland?

M. Thomson: Il en est fait mention dans notre demande. Nous estimons qu'un tel service s'impose, surtout pour relier le nord-ouest du Nouveau-Brunswick, la région de Fredericton et l'ouest de la province aux vols à destination du sud des États-Unis. A l'heure actuelle, Air Canada assure le service de Saint-Jean à Boston, mais cela exige un délai, une période d'attente fort longue pour les passagers qui viennent d'ailleurs au Nouveau-Brunswick. Nous ferions la liaison avec la Northeast Airlines à Bangor.

M. Corbin: Merci de votre bienveillante indulgence, monsieur le président.

M. Thomson: Puis-je dire que la carte figurant à l'annexe «A» de notre mémoire n'est pas censée être une carte routière, mais tout simplement un schéma du réseau qui relierait la ligne principale et l'embranchement, et qui insiste un peu sur l'aspect central de Fredericton ainsi que sur l'emplacement convenable de Moncton pour l'inauguration de cette ligne.

Le président: Monsieur Pringle.

M. Pringle: Merci beaucoup, monsieur le Président. Je voulais vous demander depuis combien de temps vous avez présenté votre demande au Comité des transports aériens?

M. Thomson: Depuis le mois de mai 1968, mais elle a été acceptée officiellement le 17 juillet 1968.

M. Pringle: Quels renseignements avez-vous reçu du Comité de transports aériens pour ce qui est de leur marche à suivre?

M. Thomson: Je sais que la demande en est rendue à l'étape finale. Elle a passé par les

[*Text*]

Committee. It has been processed through all of the departments and is before the Committee for study, and I believe we await decision by the day.

Mr. Pringle: Have you had any hearings with respect to opposition from other areas?

Mr. Thomson: There have been interventions by other carriers and these have been discussed, and our answers to those queries have been put before the Board.

Mr. Pringle: Do you anticipate that you will be able to get by the opposition of the other carriers?

Mr. Thomson: We sincerely think that our application is of such value that the Air Transport Committee in its wisdom will accept it.

Mr. Pringle: With regard to the possibility of flying into the United States, will you still be subject to bilateral agreements on a *quid pro quo* basis or will you have to be able to arrange for an exchange with regard to being able to...

Mr. Thomson: I do not think at our level of air transportation that the bilateral agreements are very severely enforced. In the United States what is known as the third we do not like it to be known as the third—level of air transportation, the feeder concept of air transportation, is not governed by the federal aviation authority, as is the case in Canada.

Mr. Pringle: I understand, but you call this regional. You are calling it local regional, is that your interpretation, instead of third level?

Mr. Thomson: Yes, local regional.

Mr. Pringle: Will this be accepted in Canada? I understand the Department of Transport is now using the term "third level"?

Mr. Thomson: For want of a better term they have taken the expression "Third level" and continued to use it, but from my discussions with the Committee members I think they are in sympathy with finding a better name. My suggestion is "local regional" as opposed to "regional", which is Quebecair EBA style.

Mr. Pringle: I have just one final question. What about air navigational facilities at the present time, will there need to be a great

[*Interpretation*]

différents services et le comité est maintenant en train de l'étudier, et je pense que nous attendons la décision d'ici quelques jours.

M. Pringle: Est-ce que vous avez des témoignages d'autres régions à l'encontre de votre demande?

M. Thomson: Il y a eu des interventions de la part d'autres transporteurs qui ont été discutées et nous avons répondu devant la commission...

M. Pringle: Est-ce que vous prévoyez que vous pourrez contourner ces oppositions présentées par d'autres transporteurs?

M. Thomson: Nous croyons vraiment que notre demande a une telle valeur que le comité dans sa sagesse jugera bon de l'accepter.

M. Pringle: Pour ce qui est de la possibilité d'avoir des vols vers les États-Unis, est-ce que vous serez toujours l'objet d'ententes bilatérales en vertu d'un quiproquo ou est-ce qu'il faudra toujours faire des échanges pour être en mesure de le faire?

M. Thomson: Je ne crois pas qu'à notre niveau de transport aérien, les ententes bilatérales soient vraiment mises en vigueur avec beaucoup de rigueur. Aux États-Unis, il y a le troisième niveau de transport aérien qui est connu ainsi et que nous ne voulons pas reconnaître comme le troisième, soit l'aspect d'alimentation du transport aérien ne fait pas l'objet de l'administration fédérale de l'aviation comme c'est le cas au Canada.

M. Pringle: Je comprends, mais vous parlez d'aspect régional. Vous l'appelez local, régional. Est-ce là votre interprétation, plutôt que le troisième niveau?

M. Thomson: Oui, régional local.

M. Pringle: Est-ce que cela sera accepté au Canada? Si je comprends bien, le ministère des Transports utilise maintenant l'expression «troisième niveau»?

M. Thomson: Faute d'une meilleure expression, ils ont parlé du «troisième niveau» et utilisent toujours cette expression, mais, au cours d'entretiens avec les membres du comité, je pense qu'ils aimeraient mieux trouver un meilleur terme. Je parle plutôt de service régional local, par opposition à service régionale du style Quebecair.

M. Pringle: Une dernière question. Que dire maintenant des installations de navigation aérienne à l'heure actuelle? Est-ce qu'il

[*Texte*]

improvement in this respect? I presume you expect to fly in all weather, and if this is the case what reaction do you get from the Department of Transport with regard to air navigational facility improvements on the various airports you are suggesting be used?

Mr. Thomson: So far my discussions with the Department of Transport officials have been most favourable, in that they recognize and accept the desire to improve the services provided at the local airports. There are one or two that have some geographical or environmental difficulties but we feel that with an established carrier providing a service in conjunction with the local authorities, the local civic bodies and the DOT that the three of them can obtain very satisfactory results in local developments an improvements.

Mr. Pringle: Thank you.

The Chairman: Mr. Skoberg.

Mr. Skoberg: Mr. Thomson, do you or your association consider that the cost of building or improving local airfield strips should be borne by the municipalities, the provincial or the federal authorities? Could you give me an expression of opinion on that, please?

Mr. Thomson: It is not quite in our bailiwick, but I would say that just as much importance should be placed on local airfield federal development—to the appropriate size, not necessarily larger—as would be placed on the establishment of major facilities at a few points.

Mr. Skoberg: In that regard, then, you would use that as a feeder line service and this is why you are suggesting the federal authority should be involved in this?

Mr. Thomson: Yes. I think this is very much a complementary facet of taking the passenger from the closest point to home to his destination, whether it be international or transcontinental.

The Chairman: A supplementary question, Mr. Horner?

Mr. Horner: The witness suggested that their application before the CTC was opposed, but are there similar people who are

[*Interprétation*]

faudra que ces services soient vraiment améliorés à cet égard? J'imagine que vous vous attendez à avoir des vols en tout temps, et si tel est le cas, quelle serait la réaction du ministère des Transports face à l'amélioration des installations de navigation aérienne dans les divers aéroports que vous vous proposez d'utiliser?

M. Thomson: Jusqu'ici les fonctionnaires du Ministère ont été des plus favorables en ce sens qu'ils reconnaissent et acceptent ce désir d'améliorer les services fournis dans les aéroports locaux. Il y en a un ou deux qui présentent des difficultés en raison de leur emplacement géographique ou de leur environnement, mais nous sommes d'avis qu'avec un transporteur qui assure un service de concert avec les autorités locales, les organismes civiques locaux et le ministère des Transports, enfin les trois ensemble peuvent obtenir des résultats très satisfaisants relativement aux perfectionnements et améliorations locales.

M. Pringle: Merci bien.

Le président: Monsieur Skoberg.

M. Skoberg: Monsieur Thomson, est-ce que votre association et vous-mêmes trouvez que le coût de construction ou d'amélioration des terrains d'atterrissage locaux devraient être assurés par les municipalités, les autorités provinciales ou fédérales? Pourriez-vous me dire ce que vous en pensez?

M. Thomson: Ce n'est pas tout à fait, mais je dirais qu'on devrait attacher tout autant d'importance à l'aménagement des terrains d'aviation locaux par le gouvernement fédéral et les mettre au niveau approprié et non pas nécessairement plus grand et qu'aux principales installations à certains endroits.

M. Skoberg: Donc, ce serait un service de ligne d'alimentaiton, et c'est pourquoi vous proposez que l'autorité fédérale s'y intéresse.

M. Thomson: Oui, je pense que c'est vraiment un aspect complémentaire puisqu'il s'agit d'amener le passager à partir des points les plus rapprochés de son foyer à son point de destination, que ce soit sur le plan international ou transcontinental.

Le président: Une question supplémentaire, monsieur Horner?

M. Horner: Le témoin a insinué que la demande qu'ils ont présentée à la Commission canadienne des transports avait rencon-

[*Text*]

providing this service or are prepared to provide it?

Mr. Thomson: Not to the extent that we have proposed, and certainly not based on the inter-air line feeder system which we have set down. Beyond that I would say there is no comparable application in process.

Mr. Horner: Which company opposed you, or would that be public knowledge?

Mr. Thomson: I think it is public knowledge. We have been opposed by some air charter carriers, for example, who would not be providing the same type of service. We have been opposed by a company that is presently licenced and providing service from Saint John to the north shore. This is interurban transportation rather than a feederline to the major air line.

Mr. Horner: I see that Campbellton and Bathurst each have individual airports. Do you envision at some time in the future, with the greater use of small jets, that one airport would serve that total area?

Mr. Thomson: If you had travelled by road between Campbellton and Bathurst you would certainly say no, sir. I would say from an economic standpoint it might be suitable to have one airport for the three cities of Dalhousie, Bathurst and Campbellton, but winter travel on the roads across the north shore is particularly hazardous. Again, it defeats the concept by which we intend to operate, that is, approximately in stage distances of a minimum of 60 miles. We do not especially advocate the duplication of services. We are willing to locate our service where the best airport facilities are.

The Chairman: Mr. Mahoney?

Mr. Mahoney: Mr. Chairman, I understand we have agreed to request copies of the brief from the CTC on this. I think perhaps in fairness we should also request copies of the opposing briefs in case they add anything further.

Mr. Thomson: These would be included, sir.

Mr. Mahoney: Thank you. Your company is very new, sir, but I would guess from listening to you and from reading your brief

[*Interpretation*]

tré des oppositions mais, est-ce que ce sont les mêmes personnes qui assurent ce service, ou qui projettent de l'assurer?

M. Thomson: Non pas dans la mesure où nous l'envisageons et certainement pas en se fondant sur le système d'alimentation interligne que nous avons mis au point. Je dirais en outre qu'il n'y a tout simplement pas de demande comparable à celle que nous avons présenté.

M. Horner: Quelle compagnie s'y est opposé? Ou est-ce que cela sera rendu public?

M. Thomson: Je crois que ce l'est. Certains transporteurs aériens de frètement qui par exemple, n'asssureraient pas le même service, s'y sont opposés. Il y a en outre une compagnie qui détient un permis et qui assure ce service entre Saint-Jean et la Côte Nord. Il s'agit plutôt d'un service interurbain de transport que d'un embranchement d'une ligne aérienne principale.

M. Horner: Je vois que Campbellton et Bathurst, ont tous deux leur aéroport. Est-ce que vous prévoyez qu'à un moment donné avec une utilisation plus grande de petits avions à réaction qu'un aéroport desservirait toute cette région?

M. Thomson: Si vous aviez parcouru le chemin qui sépare Campbellton de Bathurst, vous répondriez sûrement par non monsieur. Je dois dire que sur le plan économique, il se pourrait que ce soit préférable d'avoir un aéroport pour les trois villes, Dalhousie, Bathurst et Campbellton. Mais la circulation en hiver sur les routes de la rive nord est assez dangereuse. Une fois de plus, cela va à l'encontre du concept que nous entendons suivre, soit environ des parcours de 60 milles au minimum. Nous ne proposons pas particulièrement un double emploi des services. Nous espérons offrir nos services là où se trouvent les meilleurs installations d'aéroports.

Le président: Monsieur Mahoney?

M. Mahoney: Monsieur le président, si je comprend bien, nous avons convenu de demander des copies du mémoire de la CCT à ce sujet. En toute justice, nous devrions aussi demander des copies des mémoires des personnes qui sont opposées à la demande, au cas où ils ajoutent quelque chose.

M. Thomson: Ce sera inclu, monsieur.

M. Mahoney: Merci beaucoup. Votre compagnie est assez récente, mais après vous avoir entendu et avoir lu votre mémoire, j'en

[*Texte*]

that you have had considerable experience in this area. Would you perhaps qualify yourself as an expert?

Mr. Thomson: I qualify myself as having only a certain degree of expertise. My studies have been in economics. I have been employed in logistic transportation mainly by sea, land and rail but the same logic and the same degree of economic study can be applied to air lines, and in this respect it is simply a throwback to when I was flying several years ago.

Mr. Hahoney: I like your integrated transportation system approach. To be specific, sir, in your brief, in summarizing the suitability of Saint John as a safe all-weather airport, you say that it cannot be improved without major alterations to contours and environment. Is that a nice way of saying that it will have to be moved?

Mr. Thomson: Yes, sir.

Mr. Mahoney: Thank you. You apparently note the possibility or feasibility of further development of the Fredericton airport to full regional jetport standards. In your opinion this is possible?

Mr. Thomson: I believe there are a few minor difficulties, and when I say minor I mean that I think the railroad track would have to be moved, but there are no topographical difficulties to enlarging the Fredericton airport.

Mr. Mahoney: From the traffic studies that you undoubtedly have done in preparing your brief, would you say that this type of modification or expansion would serve the region adequately in the foreseeable future?

Mr. Thomson: I very much believe so. I very much believe that the location of Fredericton airport approximately 50 miles from the City of Saint John is within very reasonable fast electric or fast go-type transit train distance from Saint John—or even by an improved road system the distance of 50 miles is most acceptable as a delivery point for a major city. After all, the City of Hamilton, Ontario is approximately 34 miles from Malton.

Mr. Breau: You are proposing an alternative service to what nothern New Brunswick is presently expecting. Instead of having an air service from one point in northern New Brunswick to Montreal, you are propos-

[*Interprétation*]

conclue que vous avez beaucoup d'expérience dans ce secteur. Est-ce que vous vous considérez comme un spécialiste?

M. Thomson: Je trouve que j'ai seulement une certaine expérience. J'ai fait des études en économique. J'ai travaillé dans la logistique des transports par terre, par eau et par chemin de fer, mais la même logique et la même étude en économique peuvent s'appliquer aux lignes aériennes. Et ces efforts sont simplement un recul à plusieurs années en arrière, alors que j'allais en avion.

M. Mahoney: J'aime vraiment votre philosophie d'un système intégré de transport. Pour être précis, vous dites, dans votre mémoire, en résumant la sécurité de Saint Jean, en tant qu'aéroport en tous temps, qu'elle ne pourrait être améliorée vraiment sans en modifier les contours et le milieu. Est-ce une manière polie de dire qu'il faudrait le déplacer?

M. Thomson: Oui, monsieur.

M. Mahoney: Merci. Vous remarquez en apparence la possibilité d'aménager encore l'aéroport de Fredericton pour le relever entièrement au niveau d'aéroport régional d'avions à réaction. Vous croyez que c'est possible n'est-ce pas?

M. Thomson: Je crois que ce ne sont que difficultés d'importance mineure et lorsque je dis mineure, je pense que la voie ferrée devrait être déplacée mais il n'y a pas de difficultés topographiques pour agrandir l'aéroport de Fredericton.

M. Mahoney: D'après les études que vous avez faites pour préparer votre mémoire, croyez-vous que ce genre de modification ou d'expansion pourrait desservir la région d'une façon appropriée dans un avenir prévisible?

M. Thomson: Oui, je le crois vraiment. Je pense que l'aéroport de Fredericton, situé à environ 50 milles de la ville de Saint-Jean, s'en trouve à une distance très raisonnable par train électrique ou par express—ou même par un réseau amélioré de routes, un parcours de 50 milles est tout à fait acceptable pour ce qui est d'un centre de livraison pour une ville principale. Après tout, la ville de Hamilton, en Ontario, se trouve à 34 milles environ de Malton.

M. Breau: Vous proposez, un service autre que celui qui est actuellement prévu pour le nord du Nouveau-Brunswick. Au lieu d'un service aérien entre un certain point au nord du Nouveau-Brunswick et Montréal, vous

[*Text*]

ing a service from northern New Brunswick to southwestern New Brunswick and then fly to Montreal.

Mr. Thomson: No. Our original concept was a combination of either line to the major airlines and intra-provincial travel. Although there are individuals in Campbellton and Dalhousie who would wish to travel to Montreal, there are just as many, in our opinion, who wish to travel to other points within the province—and in an easterly direction.

Mr. Breau: Therefore it is not an alternative service westbound?

Mr. Thomson: By no means. It is complementary and offers in fact the ability to move passengers northwest to Charlo to that Montreal westbound service also, if they so wish to take it.

Mr. Breau: In other words, the Campbellton-Bathurst area would not be regarded as backtrocking on the way to Montréal.

Mr. Thomson: No.

Mr. Breau: Thank you.

Mr. Chairman: This ends the question period.

Our next brief is a joint brief from two different cities. I would like to call upon His Worship the Mayor, Mr. Earle McKenna from Newcastle and Mayor Robart Martin from Chatham.

I will ask His Worship, Mayor McKenna, to make a short statement.

Mayor Earle McKenna (Newcastle): Mr. Chairman, Mayor Martin of Chatham and myself, representing the town of Newcastle, will endeavour to make our submission as brief as possible. From here on we will not refer to Newcastle and Chatham directly but to the whole Miramichi area because we are confident that we speak on behalf of this area and its 50,000 or more people.

Due to the fact that transportation on the whole north shore of New Brunswick has an effect on the Miramichi area, we should point out some interesting facts at the outset. Mr. Chairman, we ask you to refer to the New Brunswick provincial county map. You will note that close to half of the 600,000 provincial population or 241,000 persons, live in the northern half of the province. This map, sir,

[*Interpretation*]

proposez d'avoir un service entre le nord du Nouveau-Brunswick et le sud-ouest de cette province, puis un service aérien de là à Montréal.

M. Thomson: Non. Nous pensions, à l'origine, à combiner l'une ou l'autre ligne aux grandes lignes de transport aérien, en plus des voies de déplacement à l'intérieur de la province. S'il y a des personnes de Campbellton et de Dalhousie qui peuvent vouloir se rendre à Montréal, il y en a tout autant, à notre avis, qui veulent se rendre à d'autres endroits de la province et aller vers l'est.

M. Breau: Il ne s'agit donc pas d'un autre service vers l'ouest?

M. Thomson: Absolument pas. C'est un service complémentaire qui offre en fait la possibilité de transporter les voyageurs qui vont vers le nord-ouest, à Charlo, par le service vers l'ouest qui va sur Montréal, s'ils veulent l'emprunter.

M. Breau: Donc, la région de Campbellton-Bathurst ne représenterait pas un retour en arrière lorsqu'on se rend à Montréal.

M. Thomson: Non.

M. Breau: Merci.

Le président: Voici la fin de la période des questions.

Le mémoire suivant est présenté conjointement par deux villes. Son Honneur le Maire de Newcastle, M. Earl McKenna, ainsi que le maire de Chatham, M. Robert Martin.

Je vais demander à Son Honneur, le maire McKenna, de faire une brève déclaration.

M. Earle McKenna (maire de Newcastle): Monsieur le président, M. Martin, maire de Chatham, et moi-même, qui représente la ville de Newcastle, allons essayer de faire un exposé aussi bref que possible. Désormais, nous n'allons plus parler de Newcastle et de Chatham directement, mais plutôt de toute la région de Miramichi, car nous sommes convaincus que nous parlons au nom de cette région et de ses 50,000 habitants ou plus.

Étant donné que le transport sur la rive nord du Nouveau-Brunswick a des répercussions sur la région de Miramichi, nous voudrions signaler certains faits intéressants dès le début. Monsieur le président, nous vous demandons de vous reporter à la carte des comtés du Nouveau-Brunswick. Vous remarquerez que, des 600,000 habitants de la province, 241,000, soit près de la moitié, vivent

[*Texte*]

will emphasize that fact. We now refer you to the same map and the airports shown.

Three of the main airports which handle scheduled air services are located in the southern half of the province, namely Moncton, Fredericton and Saint John. This has also been emphasized by gentlemen from Commuter Air Services Ltd. on this map here, except that it has been emphasized a little stronger. I would like to emphasize that on this map, we have taken an imaginary line. You notice that we kind of dip down a county line because we did not want you to think there was an extra county in the province. We estimate there are 241,000 people above this line and 376,000 below it. If you will also notice everything is concentrated on the lower end.

We now refer you to the map showing the Atlantic Provinces airline routes. This is a map which you can find in any Air Canada aircraft. As you will notice, the complete northern part of the province is nothing but bypasses and overpasses. The Miramichi area is 135 miles from Charlo airport, 110 miles from the Fredericton airport and 100 miles from the Moncton airport. These are approximate figures. A good percentage of the Air Canada traffic through Moncton and Fredericton originates from the Miramichi and other north-shore areas such as the Caraquet coast. To obtain scheduled air service to either Montreal and points west, or Halifax and points east we must travel distances ranging from 100 miles in the case of the Miramichi to 170 miles if you are coming from the Caraquet Coast.

We now refer this Committee to a brief submitted to the Air Transport Committee on February 20, 1968, which had a hearing in Bathurst. This was a hearing with regard to a scheduled air service to the northern portion of the province. We are now well aware of the fact that Eastern Provincial Airways was successful in their bid to fly from Charlottetown to Montreal via Charlo. We refer you to page 3, paragraph 2, Mr. Chairman, which I will read.

> A multi-million dollar Department of National Defence air base at Chatham can at a minimum cost be made available for use by a commercial airline. Attached hereto Appendix U outlining the conditions laid down by the Department of National Defence for the use of this facility and also attached hereto Appendix V particulars of Canadian Forces Base, Chatham, N.B. The airport

[*Interprétation*]

dans la partie septentrionale de la province. Cette carte l'indique très clairement. Vous pouvez y voir les aéroports.

Trois des principaux aéroports qui ont un service de transport aérien régulier se trouvent dans la partie méridionale de la province; ce sont ceux de Moncton, de Fredericton et de Saint-Jean. Cela a été aussi indiqué clairement, mais de façon plus prononcée, sur cette carte, par les gens de la *Commuter Air Services Ltd.* Je voudrais vous faire remarquer sur cette carte que nous avons pris une ligne imaginaire. Nous avons abaissé un peu la ligne le long de la limite d'un comté, car nous ne voulions pas que vous croyiez qu'il y avait un comte supplémentaire dans la province. Nous estimons qu'il y a 241,000 habitants au nord de cette ligne, et 376,0000 au sud: Vous pouvez voir aussi que tout se trouve concentré dans la partie sud.

Maintenant, veuillez vous reporter à la carte qui montre les lignes aériennes des provinces Atlantiques. C'est une carte que vous trouvez dans tout avion d'Air Canada. Comme vous le voyez, les lignes aériennes ne font que survoler la partie septentrionale de la province sans s'y arrêter. La région de Miramichi se trouve à 135 milles de l'aéroport de Charlo, à 110 milles de celui de Fredericton et à 100 milles de celui de Moncton. Ce sont là des chiffres approximatifs. Un bon pourcentage du trafic d'Air Canada par Moncton et Fredericton vient de la région de Miramichi et d'autres régions de la rive nord, comme la côte de Caraquet. Pour prendre un service aérien régulier vers Montréal et l'Ouest ou Halifax et l'est, il nous faut parcourir 100 milles, dans le cas de Miramichi, ou 170 milles, dans le cas de la côte du Caraquet.

Maintenant, veuillez vous reporter à un mémoire présenté au Comité des transports aériens le 20 février 1968, au cours d'une audience à Bathurst. Il s'agissait d'une audience relative à un service aérien régulier pour la partie septentrionale de la province. Nous savons tous que l'*Eastern Provincial Airways* a obtenu l'adjudication d'un service de Charlottetown à Montréal, par Charlo. Monsieur le président, je vais vous lire le paragraphe 2 de la page 3:

> Le ministère de la Défense a une base aérienne à Chatham, au Nouveau-Brunswick, qui vaut des millions de dollars, et qu'il peut mettre, pour un coût très modeste, à la disposition d'une ligne aérienne commerciale. Ci-joints l'Appendice U, qui donne les conditions posées par le mnistère de la Défense nationale pour l'utilisation des installations, et l'Appendice V, qui donne des détails sur

[*Text*]

at Chatham has been in operation for the past 28 years ..

Mr. Chairman, I would like to refer very briefly to Appendix U, which is a letter from our former member of Parliament, Mr G. Roy McWilliam, a predecessor to Mr. Smith who is sitting at the table with us.

The Honourable Leo Cadieux, Minister of National Defence, has advised me that the Department of National Defence agrees in principle to the use of the Chatham airfield for a tri-weekly or daily service, operated by a commercial airline.

The three general conditions are:

1. that Canadian Armed Forces operations have privacy and that civil operations not interfere with Canadian Forces operations;

2. that Base security be maintained, including separate access to the civil emplaning area.

3. that there be no cost to the Department of National Defence.

I will now sir, refer you to Appendix V, the Canadian Forces Base data. This information has been supplied to us by the base itself:

The airfield at CFB Chatham consists of a primary Runway, two parallel taxistrips and aircraft parking facilities.

The runway is 10,000 ft. long. I repeat: 10,000 feet—and on each end of it, gentlemen, it has an extra 1,000 feet of overrun. It is 150 feet wide. The overshoot has 5,000 feet of approach lighting at each end and a high speed turnoff is located 2,500 feet from the runway.

The taxistrips are equipped with taxi and turn off lights. There is sufficient concrete aircraft parking area at the west end of the airfield for two or three passenger aircraft or more depending upon size.

Navigational aids consist of a Visual Control Approach Indicator System, Ground Control Approach,

All civilian use of the CFB should be restricted to one section. Then at the bottom of Appendix V:

The 10 year average bright sunshine hours per year for Chatham total 1,929.

[*Interpretation*]

la base des Forces armées du Canada de Chatham (N.-B.). L'aéroport de Chatham est en service depuis 28 ans...

Monsieur le président, je voudrais citer brièvement l'appendice U, qui est une lettre de notre ancien député, M. G. Roy McWilliam, celui qui a précédé M. Smith qui est ici avec nous.

L'honorable Léo Cadieux, ministre de la Défense nationale, me dit que le Ministère accepte, en principe, l'utilisation du terrain d'aviation de Chatham pour un service tri-hebdomadaire ou quotidien par une ligne aérienne commerciale.

Voici les trois conditions générales qu'il pose:

1. que les opérations des forces armées du Canada aient la priorité, et que les opérations civiles n'y nuisent pas;

2. que la sécurité de la base soit maintenue, y compris un accès séparé à la zone d'atterrissage des avions civils;

3. que cela ne coûte rien au ministère de la Défense nationale.

Maintenant, je voudrais vous reporter à l'appendice V, qui renferme des données sur la base des Forces armées du Canada. Ces renseignements nous ont été fournis par la base elle-même.

Le terrain d'aviation de la base de Chatham comprend une piste d'envol principale, deux pistes d'accès parallèles, et des installations pour le garage des avions. La piste a 10,000 pieds de long. Je le répète, messieurs, 10,000 pieds et, à chaque extrémité, 1,000 pieds de plus. Elle a 150 pieds de large. Les approches sont balisées sur 5,000 pieds à chaque extrémité, et il y a un signal de ralentissement à 2,500 pieds de la piste.

Les pistes d'accès sont balisées. Il y a une aire de garage en béton suffisamment grande, à l'extrémité ouest du terrain d'aviation, pour recevoir deux ou trois avions de passagers ou plus, suivant leur dimension.

Les instruments d'aide à la navigation aérienne consistent en un dispositif d'indication d'approche à contrôle visuel, d'un dispositif de contrôle d'approche au sol, etc.

L'usage de la base des Forces armées du Canada devrait se limiter à une partie de la base. On dit ensuite, à la fin de l'Appendice V, que la moyenne annuelle, sur dix ans, d'heures de soleil est de 1,929 heures pour

[*Texte*]

The 10 year average for Moncton is 1,877.

Since Appendix V was compiled we have more recent developments to report.

On the 3rd, 4th and 5th of this month, February 1969, a group of federal government directors, namely the Director of Policy and Planning, Department of Forestry and Rural Development, the Director of the Engineering Planning Branch of the federal Department of Public Works and the Director of the Marine Works Branch of the Department of Transport were in the Miramichi investigating our transportation problems. At that time the Commanding Officer of the Chatham Forces Base stated that a scheduled air service could commence at the Chatham base in 24 hours.

The Commanding Officer advised that they would provide at once, on a temporary basis until such time as permanent arrangements could be made, waiting room facilities and personnel to refuel and service aircraft where required. He followed this up by stating that they had designated an area on the base for civil use, which, we believe, has approximately four acres of paved parking and taxi strips.

We would eventually be supplied with our own entrance to the base and could construct a permanent passenger ticket office, waiting rooms, washrooms and freight and express facilities. Since the fall of 1967 we have been endeavouring to obtain a scheduled air service to the Miramichi area.

On February 12, 1967, we received word from our Member of Parliament, Mr. Chairman, that the base could be used for civilian use, and we have contacted one agency after another trying to obtain air services. We have discussed the subject with each of the following, and how many more I do not know: the Air Transport Committee, the Canadian Transport Commission, the Eastern Provincial Airways, Air Canada, the directors of various federal departments, whom we had on the Miramichi this month and the Maritime Transportation Commission located in Moncton; and we are now appealing to you.

Gentlemen, you should have been here earlier, believe me. We have a multi-million dollar air base at our disposal, with runways, navigational aids and facilities second to none in the world, plus, I would estimate, in

[*Interprétation*]

Chatham, et de 1,877 heures pour Moncton. Depuis que l'Appendice a été rédigé, il y a eu des nouveautés.

Les 3, 4 et 5 février 1969, un groupe de directeurs du gouvernement fédéral, soit le directeur de la Planification et des Politiques du ministère des Forêts et du Développement rural, le directeur de la Direction des études techniques du ministère fédéral des Travaux publics, et le directeur de la Direction des travaux maritimes du ministère des Transports, étaient dans la région de Miramichi pour étudier nos problèmes de transport.

Le commandant de la base des Forces armées du Canada a dit alors qu'un service aérien régulier pourrait débuter à la base de Chatham dans 24 heures. Il a dit que l'on allait fournir tout de suite, de manière temporaire jusqu'à ce que l'on puisse avoir des installations permanentes, des salles d'attente et le personnel nécessaire pour refaire le plein de combustible des avions et les réviser lorsqu'il y aurait lieu. Puis il a déclaré que l'on avait désigné une section de la base pour usage civil, qui a, je crois, environ quatre acres de terrain de garage et de pistes d'accès pavés.

Nous aurions notre propre accès à la base et pourrions y aménager un bureau permanent de vente des passagers, des salles d'attente, des salles de bain et des installations de transport de marchandises et de messagerie. Et depuis l'automne de 1967, nous avons essayé d'obtenir un service commercial aérien pour desservir la région du Miramichi. Le 12 février 1967, notre député nous informait que l'on pourrait utiliser cette base à des fins civils. Nous avons alors communiqué avec une agence après une autre pour essayer d'obtenir des services aériens. Nous en avons parlé avec les suivants et combien d'autres en plus: Le Comité des transports aériens, la Commission canadienne des transports, *l'Eastern Provincial Airways,* Air Canada, les directeurs des différents ministères fédéraux qui sont venus dans la région de Miramichi, au cours de ce mois et la Commission des Transports maritimes située à Moncton et maintenant c'est à vous que nous nous adressons.

Messieurs, vous auriez dû venir ici plutôt, croyez-moi. Nous avons à votre disposition une base qui vaut plusieurs millions de dollars et qui comprend des pistes, des aides à la navigation, et des installations unique au

[*Text*]

excess of 75,000 people—and that is an underestimate. I know you gentlemen like exact figures so I am giving you an approximation; but I am underestimating, I am sure. We are within a reasonable driving distance of this base—people whose taxes help pay for this base—and we cannot beg, borrow or steal the scheduled service which is so badly needed to assist our economic development.

There are rumours—and they are proven by these hearings—to the effect that consideration is being given to constructing at least one more airport in the province, and possibly an international airport. We cannot see why the taxpayer's money should be wasted on further airport facilities when we have an airport at Chatham which is second to none in the world.

I refer you to picture No. 6, Mr. Chairman, which shows the main Chatham runway, and I point out that there are three other runways which are covered with snow in this picture and cannot be distinguished.

You will notice in this picture, gentlemen, that I have circled the top righthand corner. That is the section of the base which has been allotted by the Department of National Defence for a scheduled passenger ticket office, and so on.

I will move from air to highways. We believe that the Provincial Government is now negotiating with the federal government for funds to up-grade highways in our area. I am referring to the northeastern portion of the province.

At this point, we are sorry, gentlemen, that this Committee cannot take time to drive over our roads on the Miramichi and the North Shore area. We are sure that if you drove over these roads you would strongly recommend that the federal government strongly support our provincial government's request for financial aid in this regard. We wish to point out that the southern and the west side of the Province benefit from the Trans Canada Highway.

Rail Travel. It has been many years since any appreciable improvement has taken place in the Canadian National Railways' service. The last up-grading was from steam to diesel. We are sure there is nothing more to be said about rail transportation; and we will leave freight rates to the people who are more conversant with them, the economists, and so on.

[*Interpretation*]

monde et en plus, 75,000 personnes qui attendent nos services. C'est une évaluation en deça de la réalité. Messieurs, je connais les chiffres exacts, mais je ne vais vous donner qu'une évaluation approximative, mais c'est une sous-estimation, j'en suis certain. Nous sommes à une distance de route raisonnable de cette base et nous ne pouvons pas demander, emprunter, ou voler les personnes qui, par leurs taxes, paient pour cette base, un service à horaire fixe dont on a vraiment besoin pour aider le développement économique de notre région.

Des rumeurs veulent, et c'est prouvé par ces audiences, que l'on songe à aménager au moins un autre aéroport dans la province et peut être un aéroport international. On se demande pourquoi l'argent des contribuables devrait être ainsi gaspillé pour d'autres installations d'aéroport, lorsqu'il y en a un qui est excellent à Chatham. Je vous reporte à la photo No. 6, monsieur le président, où l'on voit la piste principale de Chatham pour vous signaler que trois autres pistes recouvertes de neige dans cette photo ne paraissent pas sur cette photo. Vous y verrez, Messieurs, un cercle en haut au coin droit. C'est la partie de la base qui a été mise de côté par le ministère de la Défense nationale pour un bureau d'émission de billets des passagers pour les services à horaires fixes et autres. Je parlerai maintenant des réseaux routiers.

Nous croyons que le gouvernement provincial est en train de négocier en vue d'obtenir du gouvernement fédéral des sommes d'argent afin d'améliorer le réseau routier dans notre région. Je parle de la région nord-est de la province. Et maintenant, nous nous excusons, Messieurs, que ce Comité ne puisse prendre le temps pour emprunter nos routes de la région de Miramichi et de la rive nord. Je suis sûr que si vous parcouriez ces routes, vous recommanderiez fortement au gouvernement fédéral d'appuyer la demande de notre gouvernement provincial à l'égard de l'aide financière. Nous voulons vous signaler que la partie sud et la partie ouest de la province bénéficient des services de la route trans-canadienne.

Le voyage par chemins de fer: Un bon nombre d'années se sont écoulées depuis que des améliorations marquées ont été apportées au service des chemins de fer Nationaux du Canada. La dernière fois, c'était lorsque l'on a passé des locomotives à vapeur aux locomotives diesels. Je suis sûr qu'il n'y a rien de plus à dire en ce qui concerne le transport ferroviaire, nous laisserons aux spécialistes, les économistes, la question des tarifs mar-

[*Texte*]

Marine Transportation: Although air, rail and highway problems are acute, our marine transportation on the Miramichi River presents an even more serious problem.

We have three large exporting industries, two pulp mills and one mining company which exports lead, zinc and copper concentrates—and I refer to concentrates, not the ore; it is concentrated and then shipped.

These companies employ approximately 3,000 people. All three are endeavouring to compete in a highly competitive industrial market.

Every ton of material exported from these three industries has a surcharge of $6 per ton because of the primitive shipping facilities in the Miramichi area. The Chatham wharf, which again is on the Miramichi—as is Newcastle—is falling into complete disrepair. The Newcastle wharf has been 50 per cent rebuilt in the last few years. The other 50 per cent was left to fall into disrepair. It has extremely limited trackage, which stops several hundred feet from the wharf base.

I refer you, Mr. Chairman, to picture No. 1. You will notice on that picture the hole in the wharf, which fell in a year or so ago; and it shows where the trackage stops. You can see two little lines there.

Picture No. 2, Mr. Chairman, was taken in November, 1968, and it proves that the shipping on the Miramichi is quite heavy at times. This picture was taken on the day that the delegation of 13 businessmen from Newcastle left to meet the Hon. Jean Marchand to present our case on transportation last November. On that particular day, as the picture shows, three ships were tied up at the Newcastle wharf, plus five other ships in the harbour between Newcastle and Chatham.

Picture No. 3, Mr. Chairman, is another picture of the Newcastle wharf from the air.

Picture No. 4, Mr. Chairman, shows the J. D. Irving Limited icebreaking tanker, *Ours Polaire*, which navigated the river through heavy ice, and does quite frequently.

Picture No. 5, Mr. Chairman, which is, I think, the most important picture, shows two of the pulp mills, one in the foreground and one in the background.

There is a complete lack of transit sheds in the Miramichi for either ore concentrates or paper products Picture No. 1 shows very little paving on the wharf. The most important problem is the draft limitation imposed by a sand bar at the mouth of the Miramichi River. The maximum draught at present is 21

[*Interprétation*]

chandises. Le transport maritime: Le transport par air, par terre et par chemin de fer présentent des problèmes aigus, mais le long de la rivière Miramichi le transport maritime est une question beaucoup plus grave. Nous comptons trois grandes industries d'exportation, deux moulins à papier, et une société minière qui exportent du plomb, du zinc et des concentrés de cuivre, je dis bien des concentrés et non pas du minerai. C'est concentré et ensuite expédié.

Ces compagnies ont environ 3,000 employés. Ces trois essaient de lutter sur un marché industriel hautement concurrentiel et chaque tonne exportée à partir de ces trois industries, a une surcharge de $6 la tonne dû aux installations de transport inadéquates dans la région de la Miramichi. Le quai de Chatham qui, une fois de plus, se trouve sur la Miramichi, tout comme Newcastle, est dans un état d'abandon. Le quai de Newcastle a été reconstruit à moitié au cours des dernières années et l'autre moitié est laissée à l'abandon, et le réseau ferroviaire est extrêmement limité et il y a un arrêt à plusieurs centaines de pieds du quai.

Je vous reporte à la photo nº 1. Vous y remarquerez un cercle autour du trou dans le quai qui s'est effrondré, il y a un an environ, et qui montre l'endroit où s'arrête la voie. Vous pouvez y voir deux petites lignes. La photo nº 2, monsieur le président, a été prise au mois de novembre 1968, vous y voyez que la navigation sur la Miramichi est parfois assez pénible. Cette photo fut prise le jour où la délégation de Newcastle, composée de 13 hommes d'affaires est partie pour rencontrer Monsieur Jean Marchand pour présenter votre demande sur les transports en novembre dernier. Ce jour, comme le montre la photo, trois navires étaient amarrés au quai de Newcastle et cinq autres navires dans le port entre Newcastle et Chatham.

Le photo nº 3 est une autre photo du quai de Newcastle et cinq autres navires dans le montre l'Ours Polaire, navire-citerne brise-glace de la J. D. Irving Limited Icebreaking qui navigue assez fréquemment dans la glace épaisse de la rivière. La photo nº 5 est à mon avis la photo la plus importante. Elle montre deux des usines à papier, une à l'avant-plan et l'autre à l'arrière-plan. Il y a un manque total d'entrepôts de transit pour les concentrés ou encore pour les produits du papier. La photo nº 1 montre que le quai est à peine pavé. Le problème le plus grand, c'est le tirant d'eau restreint par l'ensablement à l'embouchure de la rivière Miramichi où il faut au moins 27 pieds de tirant d'eau. Il est de plus en plus difficile pour les trois ou quatre industries susmentionnées de trouver

[*Text*]

feet at high tide, whereas a minimum 27-foot draught is required. Because of the sand bar problem at the moment it is becoming ever more difficult for the three afore-mentioned industries to find ships that will navigate the Miramichi River.

If the marine transportation facilities are not brought up to a reasonable standard the companies will not be able to operate in a competitive market with a $6 shipping surcharge. One hundred ships used the Miramichi River—and I repeat 100 ships used the Miramichi River—in 1968. This can be verified. If I am out, I am out only one or two ships. The majority of them were restricted to 50 per cent cargo—50 per cent cargo—because of one sand bar, or two, at the mouth of the river.

Gentlemen, we have kept our brief as simple as possible, but I am sure you see the urgency. Your sincerity in wanting to assist our regional economy through improved transportation is well accepted, and the Miramichi is a good place to start.

We refer you to Leonard Poetschke, Director of Policy and Planning in the new Regional Development Office in Mr. Marchand's office. I am sure he can fill any of you in on the problems of the Miramichi.

In closing, Mr. Chairman, we refer you to three other items in the envelope which we have supplied. One is a list of persons and the companies they represented at a meeting on transportation held on August 21, 1968, in the town hall at Newcastle. There were 32 business people and government people, and very few politicians. There were all business men directly interested in this.

We are sure that 32 people would not show up for such meetings unless there was the utmost urgency.

There is also a letter received from Air Canada and this is the lulu of lulus, gentlemen! It was written on February 10, and I refer you to three lines in the first paragraph. We were asking for air service and this is Air Canada replying. It is signed by Mr. J. E. Nickson, who, I believe, is Assistant Vice-President, Sales: "We have now been advised that the Canadian Transport Commission do not feel this is in their area of responsibility since it only involves one load of transport".

If the Canadian Transport Commission is not responsible for transportation in this

[*Interpretation*]

des navires qui pourront emprunter la rivière Miramichi, à cause de cet ensablement.

Si les installations de transport maritime ne sont pas élevée à un certain niveau, les compagnies ne seront pas en mesure de concurrencer avec une surcharge de $6.00 pour le transport de leurs produits. Cent navires ont emprunté la rivière Miramichi en 1968. Je dis bien cent navires. Vous pouvez le vérifier. Si je me trompes c'est à peine d'un ou de deux navires. Mais la plupart ont dû s'en tenir à 50 p. 100 de la cargaison, à cause de cet ensablement à l'embouchure de la rivière. Messieurs, notre mémoire est le plus simple possible, mais je suis certain que vous en voyez le caractère d'urgence. Votre sincérité à aider vraiment l'économie de notre région en améliorant les transports est des plus appréciée et Miramichi est un excellent endroit pour commencer ce travail. Nous vous referrons à monsieur Leonard Poetschke chef de la Direction de la ligue de conduite et de la planification du nouveau Bureau de développement régional du bureau de monsieur Marchand. Je suis sûr qu'il peut vous donner tous les détails et les renseignements voulus sur les problèmes de la région de la Miramichi.

En terminant, nous vous reportons trois documents qui se trouvent dans l'envelope que nous vous avons distribuée, soit une liste des personnes et des compagnies, qu'ils ont représenté au cours d'une réunion sur les transports tenue le 21 août 1968 à l'Hôtel de Ville de Newcastle. Il y avait 32 hommes d'affaires, fonctionnaires et très peu d'hommes politiques. Ils étaient tous des hommes d'affaires qui s'intéressent directement à la question.

Je suis sûr que 32 personnes ne seraient pas venu à cette réunion à moins que ce ne soit de toute urgence. Il y a aussi une lettre d'Air Canada et voilà la meilleure d'entre toutes. Elle a été écrite le 10 février et je vous reporte aux trois lignes du premier paragraphe. Nous leur demandions un service aérien et voici ce qu'Air Canada nous a répondu. La lettre est signée par monsieur J. E. Nickson qui, je crois, est vice-président adjoint des ventes, qui dit qu'Air Canada a été informé que la Commission canadienne des transports n'est pas d'avis que ce domaine relève de sa compétence, étant donné que cela n'implique d'une charge de transport. Si la Commission canadienne des transports ne se tient pas responsable du

[*Texte*]

country who is? I do not know. But there it is, sir; and there is another one.

We ask, Mr. Chairman, that the Canadian Transport Commission investigate air service and other transportation, which particularly affects 75,000 people in our area. I am referring to 50,000 in the Miramichi and another 25,000 within reasonable distance.

For your information, Mr. Chairman, we are enclosing a copy of the submission made to the Hon. Jean Marchand in October, 1968, by the 13 businessmen.

The Chairman: Thank you.

Mr. McKenna: Sir, that is the end of my submission. I am sorry if I went a little fast, but I know that Mayor MacDonald from Campbellton is a little bit concerned about not being heard and I will stop now.

The Chairman: Do you have a word to say, Mr. Martin?

Mr. Robert Martin (Mayor, Chatham, New Brunswick): I merely wish to say, Mr. Chairman and gentlemen, that this is basically a joint submission by the Miramichi area. What we are trying to tell you is that the Northern part of New Brunswick has been criminally neglected for a couple of hundred years, not only in transportation but in every other field.

Mr. G. A. Percy Smith (Northumberland-Miramichi): Mr. Chairman, I just have a word to say as member of Parliament for the area concerned.

The Chairman: May I have your name for the record?

Mr. Smith (Northumberland-Miramichi): Percy Smith, M.P. I want to associate myself completely and fully with the brief that has just been submitted.

The Chairman: Thank you. Mr. Corbin.

Mr. Corbin: I have a question which I think Mr. Martin can answer. It has nothing to do with the airport as such, it is a general transportation problem. Could you comment briefly, sir, on the roads in your area and also about a proposed trans-New Brunswick corridor route linking Renous to Plaster Rock, please.

[*Interprétation*]

transport dans ce pays, qui peut le faire alors? Je n'en sais rien.

Mais voilà, messieurs, et il y en a une autre. Nous demandons donc, monsieur le président, que la Commission canadienne des transports fasse enquête sur le service aérien et sur les autres moyens de transport qui touchent en particulier 75,000 personnes dans notre région. Je parle des 50,000 personnes dans la région de la Miramichi et des 25,000 dans un rayon normal. Pour votre gouverne, monsieur le président, nous y joignons une copie de la demande présenté à l'honorable Jean Marchand, au mois d'octobre 1968, par 13 hommes d'affaires.

Le président: Merci.

M. McKenna: Voici la fin de ma demande. Je m'excuse si ce fut un peu rapide, mais je sais que Son Honneur le maire MacDonald de Campbellton se demande un peu s'il pourra être entendu. Je me tais donc.

Le président: Est-ce que vous avez quelque chose à dire, monsieur Martin?

M. Robert Martin (maire de Chatham (N.-B.)): J'aimerais simplement dire qu'il s'agit d'une demande conjointe présentée par les représentants de la région de la Miramichi. Au fond, ce que nous essayons de vous dire, c'est que la partie septentrionale du Nouveau-Brunswick a été négligé de façon inadmissible depuis une couple de centaines d'années, non seulement dans le domaine des transports mais dans tous les autres domaines aussi.

M. G. A. Percy Smith (Northumberland-Miramichi): Monsieur le président, juste quelques mots à titre de député de la région en cause.

Le président: Votre nom, je vous prie?

M. Smith (Northumberland-Miramichi): Monsieur Percy Smith, député. Je voudrais justement être complètement associé au mémoire qui vient d'être présenté.

Le président: Merci. Monsieur Corbin.

M. Corbin: Il y a une question à laquelle, je crois, pourrait répondre monsieur Martin. Cela n'a pas trait du tout à l'aéroport en tant que tel. Cela regarde le problème des transports dans leur ensemble. Est-ce que vous pourriez nous parler brièvement, monsieur, des routes de votre région, et aussi du projet d'un corridor à travers le Nouveau-Brunswick qui relierait Rinouse à Plaster Rock.

[*Text*]

Mr. Martin: Mr. Corbin and gentlemen, of course, our road system on the eastern coast of New Brunswick is terrible. Our roads are not there. Of course, we are encouraged that at least the provincial government has put highway No. 11, which runs up the coast of New Brunswick, on a priority basis. We take that to mean—at least, I hope this is what it means—that it will be the next major road development in the Province of New Brunswick. In the light of that and because of the fact the government of New Brunswick has pretty well decided that a corridor road must wait—I think everybody knows that money is at the root of all our problems—we have not gone into the matter of corridor roads to any great extent. As I say, we are talking about roughly 300,000 people, which is half the population of the province, and a corridor road through Maine, where it is suggested, does not seem to be the answer for our part of the country. That is all I feel I can say on that.

Mr. Corbin: What about Renous-Plaster Rock?

Mr. Martin: Renous-Plaster Rock, of course, is an alternate and it would open up the whole of New Brunswick. You see, there is nothing through the middle of New Brunswick and Renous-Plaster Rock would do a big job in opening the whole country up. That is where all the mining is.

Mr. Corbin: Yes, but do you feel that the Plaster Rock-Renous road would be a better solution to Maritime access into central Canada by way of highways than the proposed Maine Corridor Road?

Mr. Martin: I certainly do, but here again I am not really in a position to try to argue with figures, and so on, I do not have them, but it seems to me that everything indicates we should open up that part of the country.

Mr. Corbin: Thank you.

The Chairman: Mr. Pringle.

Mr. Pringle: I am referring to your remarks regarding the airport, which seem rather difficult to understand. You have been waiting since 1967 to get permission but you apparently have already received permission from the Department of National Defence. Is that correct?

Mr. McKenna: The Department of National Defence, yes. As you realize, they gave their permission to land on the base and they have offered their facilities, including

[*Interpretation*]

M. Martin: Monsieur Corbin, évidemment, le réseau de nos routes le long de la Côte est du Nouveau-Brunswick est affreux. Les routes n'existent pas. Évidemment, nous sommes encouragés quelque peu par le fait que le gouvernement provincial a donné un caractère prioritaire à la grande route nº 11, qui longe la côte du Nouveau-Brunswick. Par conséquent, nous espérons que cela constituera le prochain agrandissement routier dans la province. A la lumière de ce fait, et en raison du fait que le gouvernement du Nouveau-Brunswick a pratiquement décidé qu'un corridor routier devrait attendre, je crois que tous les gens savent que l'argent est la source de tous nos problèmes. Nous n'avons pas étudié la question du corridor routier dans ses moindres détails. Il s'agit de 300,000 personnes, soit environ la moitié de la population de la province et un corridor routier à travers le Maine là où on propose de le placer ne semble pas être la solution idéale pour notre province. C'est tout ce que j'aurais à dire à ce sujet, monsieur.

M. Corbin: Et Rinouse-Plaster Rock?

M. Martin: Il s'agit d'une autre solution qui passerait à travers le Nouveau-Brunswick. Vous voyez qu'il n'y a rien qui passe au milieu du Nouveau-Brunswick et Rinouse-Plaster Rock serait un grand travail d'ouverture du pays. Toutes les mines sont là.

M. Corbin: Mais, croyez-vous que la route Plaster Rock-Rinouse serait une meilleure solution d'accès au centre du Canada, par la route plutôt que par le corridor du Maine?

M. Martin: Oui, certainement, mais je ne pourrais essayer de vous le prouver avec des chiffres car je ne les ai pas en main. Mais, tout indique que nous devrions ouvrir cette partie de la province.

M. Corbin: Je vous remercie, monsieur.

Le président: Monsieur Pringle.

M. Pringle: Je voudrais parler de ce que vous avez dit au sujet de l'aéroport et qui semble assez difficile à comprendre. Vous attendez depuis 1967 pour avoir la permission mais vous avez apparemment reçu déjà la permission du ministère de la Défense nationale. Est-ce juste?

M. McKenna: Oui, le ministère de la Défense nationale. Comme vous le savez probablement, le ministère a donné la permission d'atterrir sur la base, et ils nous ont offert

[*Texte*]

the waiting room and everything else, but the thing is who is going to land, Air Canada or a regional carrier?

Mr. Pringle: So you have an air service in mind that would like to use the airport and are prepared to go ahead and operate out of it if you can get the proper permission from the various authorities?

Mr. McKenna: Apparently from talking to Air Canada and from a letter I see here, it is obvious that they are not interested. The only thing to do is to turn to regional carriers, and the regional carriers are making a survey now. In fact, there is a gentleman right here who is going over to Chatham tomorrow with them I believe to start a survey. In fact, they were talking to the Premier today on this same subject, but there does not seem to be any regional policy.

Let us say, for instance, that you have 75,000 people within a reasonable driving distance—say 50 miles of Chatham in all directions—the first argument you will get from an air service is that the people are not oriented with respect to flying, they are just not interested in flying, but this is not true. It is the same thing as in 1920 and 1930 when I was eating porridge, I did not know what bacon or eggs were until I ate them, but now I eat them every morning.

Mr. Pringle: In other words, you really have not interested a regional air line in making proper application for service out of your airport?

Mr. McKenna: We definitely have interested them and they are starting a survey tomorrow.

Mr. Pringle: So that is waiting. What about the use of navigational facilities, tower control, and so forth? You referred to the various all-weather equipment available on the field and the facilities. Will you be able to make arrangements for the use of these facilities with the Department of National Defence without additional cost to somebody?

Mr. McKenna: They are made.

Mr. Pringle: In other words, the tower operators are prepared to handle your traffic and the GCA boys will take care of your...

Mr. McKenna: I could add something to that, sir. One of the larger radar bases is

[*Interprétation*]

leurs installations, y compris la salle d'attente et le reste, mais il reste à déterminer qui va atterrir: Air Canada ou un transporteur régional?

M. Pringle: Avez-vous un service aérien en vue qui aimerait utiliser l'aéroport et qui serait prêt à aller de l'avant et à exploiter cet aéroport à condition de pouvoir obtenir la permission des diverses autorités en cause?

M. McKenna: D'après ce que j'ai vu de la lettre d'Air Canada et après en avoir parlé aux autorités, il est évident qu'ils ne sont pas intéressés. Par conséquent, nous ne pouvons nous tourner que vers un transporteur régional. Quelques-uns font actuellement des études à cet effet. En fait, cet homme doit aller à Chatham demain avec eux pour commencer une enquête, je crois... Ils en ont parlé au premier ministre aujourd'hui, mais, il ne semble pas y avoir de politique régionale à ce sujet.

Disons, par exemple, que vous avez 75,000 personnes dans un rayon raisonnable, de 50 milles de Chatham. Le premier argument que vous donnera un service aérien, c'est que les gens ne pensent pas à utiliser le transport aérien, mais ce n'est pas vrai. C'est la même chose qu'en 1920 et en 1930, alors que je mangeais du gruau je ne connaissais les œufs, ni le bacon jusqu'à ce que j'en mange et depuis lors j'en mange tous les matins.

M. Pringle: En d'autres termes, vous n'avez pas en vue un transporteur régional qui pourrait présenter une demande en vue de desservir à partir de notre aéroport?

M. McKenna: Nous avons réussi à les intéresser, ils commencent une étude demain.

M. Pringle: Qu'est-ce qui en est au sujet des installations à la navigation, les tours de contrôle et ainsi de suite. Vous avez mentionné le matériel en tout temps et les installations qui seraient à votre disposition sur le terrain. Est-ce que vous pourriez utiliser ces installations sans d'autres frais supplémentaires, en vous arrangeant avec le ministère de la Défense nationale?

M. McKenna: Cela existe déjà et les arrangements sont déjà pris.

M. Pringle: En d'autres termes, les opérateurs de la tour sont prêts à accepter le trafic et les garçons de la GCA prendront soin de votre...

M. McKenna: Je pourrais peut-être ajouter quelque chose à ce sujet, monsieur. Une des

[*Text*]

only 10 miles from there and I am sure they would be glad of the practice.

Mr. Pringle: What would you consider to be the existing status of your request with regard to governmental authorities, without reference to interesting regional carriers.

Mr. McKenna: Our present status?

Mr. Pringle: Yes.

Mr. McKenna: Other than the Department of National Defence, we do not have any status.

Mr. Martin: One thing we may need from the Air Transport Committee is that eventually whoever the carrier is that comes in may have to have a new pick-up point—maybe Moncton or Halifax—and of course that is going to cause a fight.

Mr. Pringle: I do not quite follow you.

Mr. McKenna: We have a map here.

Mr. Pringle: It is all right.

Mr. Martin: In other words, perhaps the carrier, wherever he comes from, is going to have to justify giving a proper service to northeast New Brunswick. He is going to have to have a better starting point.

Mr. Pringle: A bit more traffic?

Mr. Martin: Yes.

Mr. Pringle: In other words, he would not only have to get permission to operate off your field but he would also have to get permission to operate other fields, and this is creating a problem.

Mr. Martin: Yes. That is a strong possibility.

Mr. Pringle: Thank you very much.

Mr. Rock: A supplementary, Mr. Chairman.

The Chairman: Mr. Rock.

Mr. Rock: I am not aware if they submitted anything to this task force or whether they were asked to submit anything.

Mr. McKenna: I have a telegram here which was sent to the Honourable R. J. Higgins and it is dated January 17, 1968, in which we made representations concerning the problems we were having with the CNR when they took the Ocean Limited off our run,

[*Interpretation*]

bases les plus considérables de radar n'est qu'à 10 milles de cet endroit, et on pourrait s'en servir, j'en suis sûr.

M. Pringle: Quelle est, à votre avis, l'importance actuelle de votre demande en ce qui concerne les autorités gouvernementales en parlant des transporteurs régionaux qui pourraient peut-être être intéressés?

M. McKenna: Notre état actuel?

M. Pringle: Oui.

M. McKenna: A part le ministère de la Défense nationale, nous n'en avons pas.

M. Martin: Il y a une chose dont nous aurions peut-être besoin du Comité des transports aériens, c'est que, quel que soit le transporteur provincial intéressé, il devra peut-être choisir un autre point de départ. Peut-être Moncton ou Halifax, ce qui ne manquera pas de causer des ennuis.

M. Pringle: Je ne vous suis pas tout à fait.

M. McKenna: Voici une carte géographique.

M. Pringle: Très bien.

M. Martin: En d'autres mots, peu importe d'où vient le transporteur, il faudrait qu'il justifie le service pour la partie nord-est du Nouveau-Brunswick. Il lui faudra un meilleur point de départ.

M. Pringle: Un plus grand trafic?

M. Martin: Oui.

M. Pringle: Si j'ai bien compris, il lui faudrait non seulement la permission d'exploiter votre terrain, mais il faudrait peut-être la permission d'exploiter d'autres aéroports aussi et c'est ce qui crée un problème.

M. Martin: Oui. C'est très possible.

M. Pringle: Merci beaucoup.

M. Rock: Une autre question, monsieur le président.

Le président: Monsieur Rock.

M. Rock: Je ne sais pas s'ils ont présenté un document au comité d'étude ou si on le leur a demandé.

M. McKenna: Voici un télégramme qui a été envoyé à l'honorable R. J. Higgins, en date du 17 janvier 1968, où nous faisions des propositions au sujet des problèmes que nous avons eus avec les chemins de fer Nationaux du Canada lorsqu'ils ont éliminé l'*Ocean*

[*Texte*]

which had been there for 60 years, and diverted it in another direction, which...

Mr. Rock: I am talking about the transportation task force.

Mr. McKenna: Yes, this is what I am referring to. I believe, Mr. Higgins is the chairman of that task force, is he not? I think he was at one time. Our telegram on that day was to the effect that an investigation is presently being carried out to support the need for a passenger and freight air service and the Miramichi-Chatham air base is the obvious landing site, and we asked that they consider our rail problem, and so on. That was away back in January of 1968.

Mr. Rock: Yes, but you did not send them a brief, or anything. They did not ask you to appear in front of them.

Mr. McKenna: We did not appear in front of them, no.

Mr. Rock: Did they not hold any hearings in the area? It is a task force and...

Mr. Martin: They did not pass our way.

Mr. McKenna: Not our way. We were not invited.

Mr. Rock: Thank you.

The Chairman: Mr. Horner.

Mr. Horner: Just to clear up a point with regard to the Chatham air base. EPA now has the right to fly Charlottetown—Charlo—Montreal. Is that right? Is this what you said?

Mr. Martin: Yes.

Mr. Horner: Did you know whether they applied or were even interested in applying to fly into Chatham rather than Charlo?

Mr. McKenna: I do not know. In the back of my mind it seems that possibly if Charlo did not have enough air traffic to warrant a seven day a week service that possibly EPA would come in, but I now find out to everybody's surprise that there is more traffic coming out of the Charlo airport—in fact, I think it is over double what they had anticipated—so this is out of the question. I am sure that the Chatham air base, with the industry that is involved and the people who are oriented to fly—mainly because we drive from Fredericton to Moncton now—would even double that.

[*Interprétation*]

Limited, après 60 ans, et qu'ils l'ont dirigé vers un autre endroit qui...

M. Rock: Je parle du Comité d'étude sur les transports.

M. McKenna: Oui, c'est ce à quoi je me réfère. Je crois que monsieur Higgins en était le président, n'est-ce pas? Je crois qu'il le fut déjà. Notre télégramme disait que nous faisions des enquêtes pour appuyer la demande d'un service aérien pour le transport des passagers et des marchandises à partir d'une base située à Miramichi-Chatham. Nous demandons aussi qu'on étudie notre problème de transport ferroviaire, et ainsi de suite. C'était en janvier 1968.

M. Rock: Vous n'avez pas envoyé de mémoire ou quoi que ce soit? On ne vous a pas demandé de comparaître?

M. McKenna: Nous n'avons pas comparu.

M. Rock: Est-ce qu'ils n'ont pas tenu d'audience dans la région? Étant donné qu'il s'agissait d'un comité d'étude, et...

M. Martin: Ils ne sont pas passés dans notre région.

M. McKenna: Pas dans notre région. On ne nous a pas invités.

M. Rock: Très bien, merci.

Le président: Monsieur Horner.

M. Horner: Au sujet de la base aérienne de Chatham. EPA a maintenant la permission de desservir Charlottetown, Charlo, Montréal, n'est-ce pas?

M. Martin: Oui.

M. Horner: Savez-vous s'ils ont présenté une demande ou s'ils étaient intéressés à demander la permission de desservir Chatham plutôt que Charlo?

M. McKenna: Je ne sais pas. J'ai dans l'esprit l'idée qu'à un moment donné, si Charlo n'avait pas eu suffisamment de trafic aérien pour justifier un service de 6 ou 7 jours, peut-être que EPA viendrait. Mais, maintenant j'apprends à l'étonnement de tous qu'il y a plus de trafic en provenance de l'aéroport de Charlo. Je crois, en fait, que c'est le double de ce qu'on prévoyait. Et, alors, inutile d'y penser. Je suis sûr que la base de Chatham avec toute l'industrie en cause et les gens qui sont prêts à voyager en avion, surtout maintenant que nous nous rendons jusqu'à Fredericton à Moncton, va doubler de trafic.

[*Text*]

Mr. Horner: Have you people gotten in touch with EPA to see whether or not you could interest them in stopping at Chatham?

Mr. McKenna: The vice-president of EPA is right here and he has a research man with him from Unika research to look into this. The problem is going to come. The question, possibly, is whether it is going to be economical to do this. What happens if it is not economical? Do they say all right and walk away from us and leave the 75,000 people hoofing across the road that we were just talking about, or are they going to give us a subsidy to keep it going?

Mr. Horner: The Department of National Defence has given complete approval for a civilian air line to fly in there. How much difficulty would a civilian air line have with regard to right-of-way, and so on, in approaching, landing and taking off? Is it a busy Department of National Defence air base or is it...

Mr. McKenna: It is reasonably busy. It is a Voodoos atomic base with atomic missiles, and it will likely be there for a long time because of this. According to the commanding officer—and I am sure Mr. Martin will verify this—there is absolutely no problem.

Mr. Horner: Do you know the general attitude that a civilian air line takes with regard to flying into a military base? Do they look upon this as a favourable thing, with passengers and all, or do they shun the idea?

Mr. McKenna: I do not think so. I think Bagotville, Quebec, has one. Shearwater, Nova Scotia, used to have one, and you have Gander.

Mr. Horner: I wish you luck.

The Chairman: Mr. McGrath.

Mr. McGrath: Mr. Chairman, my question has already been answered because it would appear to me that the resolution of this problem has already presented itself in the evidence in that EPA has expressed an interest in this service. Whether or not it can be done economically, of course, is another question.

The Chairman: Thank you.

Mr. McKenna: Mr. McGrath answered his own question but I would like to say that if it cannot be done economically then I feel that the federal government has an obligation to subsidize it until it is economically feasible.

[*Interpretation*]

M. Horner: Est-ce que vous avez communiqué avec EPA pour savoir s'ils seraient intéressés à desservir Chatham?

M. McKenna: Le vice-président de EPA est ici, il a, avec lui, un employé de *Unika research* qui doit faire enquête sur cela. Un problème va surgir. La question peut-être serait de savoir si c'est rentable ou non. Si ce n'est pas rentable, qu'est-ce qui arrive? Est-ce qu'ils doivent dire très bien, on n'insiste pas et on laisse 75,000 personnes marcher sur la route dont on vient de parler ou on demande une subvention pour continuer?

M. Horner: Le ministère de la Défense nationale a donné toute son approbation pour une ligne aérienne civile. Quelles seraient les difficultés d'une compagnie civile en ce qui concerne les priorités, au moment de l'approche, de l'atterrissage et des décollages? Est-ce que la base militaire est très occupée ou...

M. McKenna: Elle est assez occupée. C'est une base atomique, avec des Voodoo, des fusées à charge nucléaire, et ils seront là pendant longtemps encore de ce fait-là. Selon le commandant, et je suis sûr que M. Martin pourrait vérifier la chose, il n'y a aucun problème.

M. Horner: Connaissez-vous l'attitude générale d'une compagnie aérienne civile qui utilise une base militaire? Est-ce qu'elle considère cela comme étant favorable en ce qui concerne les passagers ou est-ce qu'elle désapprouve l'idée?

M. McKenna: Je ne pense pas. Je pense que c'est le cas à Bagotville (Québec), à Shearwater (Nouvelle-Écosse) et à Gander.

M. Horner: Je vous souhaite bonne chance.

Le président: M. McGrath.

M. McGrath: M. le président, la réponse à ma question apparaît d'elle-même en ce sens que *EPA* a manifesté de l'intérêt pour ce service. Qu'on puisse le faire de façon rentable ou non ça c'est une autre chose.

Le président: Merci.

M. McKenna: M. McGrath a répondu lui-même à sa propre question, mais je voudrais dire que si cela n'est pas rentable, le gouvernement fédéral a l'obligation de subventionner jusqu'à ce que le service soit économiquement rentable.

[*Texte*]

Mr. McGrath: Sir, I agree with you 100 per cent.

The Chairman: Mr. Breau.

Mr. Breau: Mr. Chairman, perhaps it would help if you brought in that map again.

The Chairman: The big map?

Mr. Breau: Yes. At present EPA has a service out of Charlo. As Mayor McKenna so eloquently pointed out—and by the way, I would like to compliment you on your well-presented brief—this does not give much of a service to Northern New Brunswick as a whole, not much better than we had before.

You have, for example, the City of Bathurst which has a better service but you have all the Caraquet coast—Tracadie, Shippegan, Caraquet, Chatham, Miramichi—as you said, which does not have a better service than before. I agree with Mayor McKenna, with the facilities all being in Chatham and because an airliner can land there practically 24 hours, that it seems very reasonable, very feasible. But we are going to leave the people from Campbellton without a service. They would be about 100 miles from Chatham.

Mr. McKenna: More than that. But you would not leave them without a service because you have your service. You see, we are not asking that you lose any...

Mr. Breau: You are not asking for an alternative service?

Mr. McKenna: Oh, no, no.

Mr. Breau: Another one completely.

Mr. McKenna: Sure. You people are entitled to your service and the people in Prince Edward Island are.

Mr. Breau: No, but my service would be yours.

Mr. McKenna: Oh, pardon me. I was thinking you were farther north.

Mr. Breau: This is what I am coming at. If you look at the map again, and considering that the Mayor of Bathurst said to us this morning that all you need in Bathurst is an extension of about 2,000 feet of runway to have the jets to which EPA will probably go before too long, instead of having two within 110 miles from one another would you not

[*Interprétation*]

M. McGrath: Je suis tout à fait de votre avis, Monsieur.

Le président: M. Breau.

M. Breau: Monsieur le président, ça aiderait peut-être si vous pouviez montrer cette carte encore une fois.

Le président: La grande carte?

M. Breau: Oui, actuellement *EPA* a un service de Charlo. Comme M. le maire McKenna l'a si bien fait remarquer, et je voudrais le féliciter de son mémoire si bien présenté, cela ne fournit pas un meilleur service au nord du Nouveau-Brunswick. Pas bien meilleur que ce qu'on avait auparavant.

La ville de Bathurst, par exemple, a un meilleur service, mais vous avez tout le littoral de Caraquet, Tracadie, Shippegan, Caraquet, Chatham, Miramichi comme vous disiez, n'a pas un service amélioré. Je suis du même avis que le maire McKenna, étant donné que toutes les installations sont à Chatham, et qu'un avion de ligne peut atterrir là pratiquement vingt-quatre heures sur vingt-quatre, cela nous semble très faisable. Mais je me dis que nous allons laisser les gens de Campbellton sans aucun service. Ils seront à environ 100 milles de Chatham.

M. McKenna: Plus que cela, mais vous ne les laisserez pas sans service tout de même puisqu'ils ont déjà votre service. Nous ne vous demandons pas d'en abandonner.

M. Breau: Vous ne demandez pas un service de remplacement?

M. McKenna: Oh, non, non.

M. Breau: Vous demandez un nouveau service?

M. McKenna: Évidemment. Vous avez droit à votre service de même que les gens de l'Île du Prince-Édouard.

M. Breau: Oui, mais mon service sera le même que le vôtre.

M. McKenna: Je m'excuse. Je pensais que vous étiez plus au nord.

M. Breau: J'y arrive. Si vous regardez la carte encore une fois et étant donné ce que le maire de Bathurst nous a dit ce matin, que tout ce qu'il fallait c'était une extension de 2000 pieds de la piste d'envol pour recevoir les avions à réaction que EPA aura probablement avant longtemps, au lieu d'avoir deux aéroports à 110 milles l'un de l'autre. Ne croyez-vous pas alors qu'un compromis rai-

[*Text*]

think that a reasonable compromise could be made with Bathurst to have one airline?

Campbellton would only be about 65 or 70 miles from Bathurst, the Miramichi would only be 40 miles from Bathurst, and the Caraquet Coast, the extreme of the coast, say Miscou Island, from which there would not be much traffic, would be 60 miles or so from Bathurst.

Mr. McKenna: I will answer that question and I will answer it for the whole board to hear very clearly. As I said in my brief, why spend any more money on airports when you have an airport which is one of the best in the world? That is number 1. Number 2, you have one in Charlo which is flying aircraft out of there or flying passengers out. As far as the people of the Miramichi going north to Bathurst are concerned, because of the weather conditions—and it is right here in this brief to the Air Transport Committee—we would not be interested.

I sincerely mean this; that our people would not drive the 50 or 60 miles to a Bathurst airport, particularly under winter conditions when you do not even know whether or not you are going to get through. This happens so many times in winter that you are better to go south where the weather conditions are better and get on an aircraft in Moncton or go west and get on an aircraft in Fredericton.

Mr. Breau: Mr. Chairman, as I said before, the fact that you have the airport there is very favourable to the Miramichi and I agree with that completely. It would give better service because having a better runway you would have bigger planes, but do you think that two air services would be economically feasible for Northern New Brunswick?

Mr. McKenna: We already have one. We only need one more.

Mr. Breau: But do you think the other one could live?

Mr. McKenna: Sure it could live. When we supported EPA to go into Charlo we supported them for several reasons which were selfish because we felt that the farther north the air base was, the better chance they would have of using the Chatham base. So if you take the province and part of Quebec and you take the Charlo base, it handles services in the northern part of the province and part of the Quebec province.

[*Interpretation*]

sonnable pourrait être trouvé avec Bathurst, pour avoir une seule ligne aérienne.

Campbellton se trouverait à environ 65 ou 70 milles de Bathurst et la côte de Caraquet, la côte extrême, disons l'île Miscou, d'où il ne viendrait pas grand chose se trouverait à moins de 60 milles de Bathurst.

M. McKenna: Permettez-moi de répondre à cette question et je répondrai de façon très claire. Comme je l'ai dit dans mon mémoire, pourquoi dépenser encore des fonds pour un aéroport alors que vous en avez déjà un qui est l'un des meilleurs du monde? C'est le premier point. Deuxième point, vous en avez un à Charlottetown pour le frêt et les passagers. En ce qui concerne les gens de Miramichi qui se rende à Bathurst, en raison des conditions climatiques vers le Nord, et c'est dans ce mémoire que nous avons présenté au comité du transport aérien, nous ne sommes pas intéressés.

Je vous le dis sincèrement; nos gens ne conduiront pas 50 ou 60 milles jusqu'à l'aéroport de Bathurst en hiver, alors que vous ne savez même pas si vous pouvez partir. Cela arrive tellement souvent pendant l'hiver qu'il vaut mieux vous rendre vers le sud où les conditions atmosphériques sont meilleures et prendre l'avion à Moncton ou vous rendre vers l'ouest et le prendre à Fredericton.

M. Breau: Oui, monsieur le président, comme je l'ai dit auparavant, le fait que vous ayez déjà l'aéroport est très favorable pour la région de Miramichi et je suis tout à fait d'accord. Cela donnerait un meilleur service, car ayant une meilleure piste d'atterrissage vous pourriez avoir de plus gros avions. Mais croyez-vous que deux services aériens seraient rentables pour le nord du Nouveau-Brunswick?

M. McKenna: Nous en avons déjà un. Nous avons seulement besoin d'un autre.

M. Breau: Mais pensez-vous qu'un deuxième serait rentable?

M. McKenna: Certainement, quand nous vons appuyé EPA pour qu'elle desserve Charlo, il y avait plusieurs raisons pour cela. Tout d'abord, des raisons égoïstes parce que nous considérions que plus l'aéroport se trouvait au nord, plus ils auraient de chance d'employer la base de Chatham. Donc, si vous prener la province et une partie du Québec et la base de Charlottetown, elle dessert le nord de la province et une partie du Québec.

[*Texte*]

The next one is down in Moncton, which handles part of Nova Scotia, Moncton and the southern part of the province. If you put an air service into Chatham you service the middle of the east coast without spending five cents. You do not have to spend five cents—not millions, or $65,000 to extend the runway or anything like that; not a nickle.

Mr. Breau: So in other words what you are advocating is to have two services on the north shore.

Mr. McKenna: Sure.

The Chairman: Mr. Allmand.

Mr. Allmand: Sir, were you here when Commuter Air Services gave their brief?

Mr. McKenna: Yes, I was.

Mr. Allmand: If your discussions with EPA do not work out, what do you think about the proposals of Commuter Air Services as a possible link with Chatham? I notice on their map they propose a feeder service from Chatham.

Mr. McKenna: As far as the scheduled service is concerned, sir, my personal opinion is that Commuter Air Services will not be used, with the exception of maybe going to Saint John or this type of thing. My feeling is—and this is the feeling of most people—that if I am going to go to Montreal or to Halifax, I am going to drive to Moncton, as it is now. I am not going to get on any small aircraft with five or six or seven passengers—and this is the feeling of most people—because I am scared, the same as you are, of flying in anything but proper and big aircraft. I will speak for myself but that is exactly the reason. I am just as nervous about flying as most people are and I want to fly in a good sized aircraft.

Mr. Allmand: What sort of schedule had you in mind with a service into Chatham? Chatham to where?

Mr. McKenna: I would like to answer this gentlemen's question. He asked me about politicians a little while ago, sir, and I would like to answer his question. He is needling me now.

The Chairman: I do not think we should introduce politics here. We have been doing very well so let us continue.

[*Interprétation*]

Le suivant se trouve à Moncton qui dessert un peu la Nouvelle-Écosse, Moncton et la partie sud de la province. Si vous mettez un service aérien maintenant à Chatham, vous desservez le milieu du littoral Est sans dépenser un sous. Il n'est pas nécessaire de dépenser un seul sou, non pas des millions, non pas $65,000 pour allonger la piste d'envol, rien.

M. Breau: En d'autres termes, ce que vous préconisez c'est que nous ayons deux services aériens sur la côte Nord.

M. McKenna: Bien sûr.

Le président: Monsieur Allmand.

M. Allmand: Étiez-vous ici quand *Commuter Air Services* a présenté son mémoire?

M. McKenna: Oui, j'étais là.

M. Allmand: Si vos discussions avec EPA n'aboutissent à rien, qu'est-ce que vous pensez des propositions de *Commuter Air Services* comme étant un lien possible avec Chatham? J'ai constaté que sur leur carte on voudrait qu'ils proposent un embranchement vers Chatham.

M. McKenna: En ce qui concerne les services à horaires fixes, je ne pense pas que nous puissions utiliser *Commuter Air Services* sauf peut-être pour aller à Saint-Jean ou quelque chose comme ça. Mon impression et c'est l'impression de la plupart des gens, est que si je dois me rendre à Montréal ou à Halifax, je devrais me rendre en automobile à Moncton, comme je le fais à l'heure actuelle. Je ne prendrai pas un petit avion de cinq, six ou sept passagers, et c'est le sentiment de la plupart des gens, tout simplement parce que j'ai peur dans un petit avion, tout comme vous. Je suis tout aussi nerveux que la plupart des gens quand il s'agit de voler. J'aime un avion de taille raisonnable.

M. Allmand: Quel genre d'horaires aviez-vous en vue avec le service de Chatham? De Chatham à quel endroit?

M. McKenna: J'aimerais bien répondre à la question de ce monsieur. Il m'a posé une question tout à l'heure au sujet des hommes politiques et je voudrais lui répondre.

Le président: Je ne crois pas que nous devions introduire la politique dans cette question. Continuons comme nous avons commencé.

[*Text*]

Mr. McKenna: There is a flight twice a week now going from Moncton to Charlo to Seven Islands. We would like to see this increased to seven times a week—daily service.

This would be from Moncton to Charlo to Seven Islands on our present schedule twice a week, and then from Moncton to Chatham to Charlo back and forth on the other five days. This would be two flights a day, one each way.

Mr. Allmand: Excuse me. In other words, you would like EPA to stop maybe on alternating days in Charlo, and other days in Chatham on their trip northward from Moncton and back and forth.

Mr. McKenna: No, I think I am...

Mr. Allmand: You do not want the plane to stop both in Chatham and Charlo, do you?

Mr. McKenna: Sure, why not?

Mr. Allmand: You do?

Mr. McKenna: It is stopping in Charlo now. Mr. Harris over here could explain it a little better.

Mr. Allmand: I do not want you to go into details. I just want to know what sort of service you have in mind and I have my answer.

Mr. McKenna: One flight a day in and one flight a day out.

The Chairman: Mr. Skoberg.

Mr. Skoberg: The brief mentions 100 ships standing there with 50 per cent of the cargo. How deep is your harbour at that particular location?

Mr. McKenna: Where the ships are tied up?

Mr. Skoberg: Yes, the sand bars you referred to.

Mr. McKenna: It is over 30 feet deep where you saw the ships, but when you get to the mouth of the harbour you run into I think two sand bars, which drop the draught of the river to 21 feet rather than 30. This is where the trouble is—at the mouth of the river.

Mr. Skoberg: Has representation been made to the National Harbours Board in this regard?

Mr. McKenna: It is not a National Harbours Board problem, sir. The National Har-

[*Interpretation*]

M. McKenna: Il y a un bi-hebdomadaire à l'heure actuelle qui va de Moncton à Charlottetown et Sept-Îles. Nous aimerions que ça devienne un quotidien.

De Moncton à Charlo et Sept-Iles, selon l'horaire actuel, deux fois par semaine, et ensuite de Moncton à Chatham et Charlo les cinq autres jours de la semaine. Nous aurions donc deux vols par jour, un dans chaque sens.

M. Allmand: Excusez-moi. En d'autres termes, vous voudriez que EPA s'arrête peut-être tous les deux jours à Charlo et les autres jours à Chatham sur le vol qu'ils ont vers le nord de Moncton dans les deux sens.

M. McKenna: Non, je pense que je suis ...

M. Allmand: Vous ne voulez pas que l'avion s'arrête aux deux endroits, n'est-ce pas, à Charlo et Chatham?

M. McKenna: Oui, pourquoi pas.

M. Allmand: Vraiment?

M. McKenna: Il s'arrête à Charlo à l'heure actuelle. M. Harris, ici, pourrait vous expliquer cela peut-être un peu mieux.

M. Allmand: Je ne veux pas que vous entriez dans les détails. Je veux seulement savoir quel genre de service vous aviez en vue. J'ai eu la réponse.

M. McKenna: Un départ et une arrivée par jour.

Le président: Monsieur Skoberg.

M. Skoberg: Le mémoire mentionne 100 navires qui sont là, chargés à 50 p. 100. Quelle profondeur est le port à cet endroit?

M. McKenna: Là où se trouvent les navires?

M. Skoberg: Oui, à l'endroit de l'ensablement.

M. McKenna: Là où se trouvent les navires, il y a plus de trente pieds d'eau, mais lorsque vous entrez dans le port, vous avez deux bancs de sable, je crois, qui réduisent le tirant d'eau à 21 pieds au lieu de 30.

M. Skoberg: Est-ce qu'on a fait part de cet état de chose au Conseil des ports nationaux?

M. McKenna: Ce n'est pas le problème du Conseil des ports nationaux, monsieur. Le

[*Texte*]

bours Board does not have anything to do with the Miramichi. It is the Department of Transport.

Mr. Skoberg: Even for the harbour? Will representation be made to them?

Mr. McKenna: We have already made it.

Mr. Skoberg: What kind of money are you looking at? What do they suggest to you in so far as trying to do something with the harbour?

Mr. McKenna: It is in this brief.

Mr. Skoberg: Well, just roughly.

Mr. McKenna: I think it is about $3 million to dredge the river; then, although there is a big argument here about how much it is going to cost to maintain it, I think you are talking several hundred thousand dollars to begin.

Mr. Skoberg: Do you anticipate a great increase in business if this is dredged to the depth required?

Mr. McKenna: I would definitely say yes, that there would be a great increase in business. Right now because of not being able to get ships of any more draught than 21 feet up the river, you have heard me mention a $6 surcharge per ton. This is caused not only by lack of facilities in the Newcastle wharf but in some cases you have to ship out of Saint John and other areas as the ships will not come up the river because of the sand bars. This causes another $6 per ton. I might say it is a case of survival for one of our pulp mills. Either it is corrected or they close the doors.

Mr. Skoberg: Is the sand bar and the buildup continually getting worse?

Mr. Martin: No.

Mr. Skoberg: It is remaining constant.

Mr. Martin: We have used it for 45 years without spending a dollar on it.

Mr. McKenna: They never spent a dollar on the river except the bridge.

Mr. Skoberg: Thank you.

The Chairman: Thank you very much, gentlemen. We still have one brief—from the Campbellton City Council. His Worship called me at noontime and asked me if he could be heard this afternoon. He said he was sorry he could not make it this morning.

[*Interprétation*]

Conseil des ports nationaux n'a rien à voir avec Miramichi. C'est le ministère des Transports.

M. Skoberg: Même pour le port? Leur avez-vous présenté un mémoire?

M. McKenna: Oui, nous l'avons fait.

M. Skoberg: Quel argent cherchez-vous? Qu'est-ce qu'ils ont dit en ce qui concerne les travaux à accomplir?

M. McKenna: Cela figure dans le mémoire.

M. Skoberg: A peine.

M. McKenna: Je crois qu'il faut environ 3 millions de dollars pour le dragage de la rivière; ensuite il faut savoir combien coûtera l'entretien, et je crois que cela reviendrait à quelques centaines de milliers de dollars, pour commencer.

M. Skoberg: Est-ce qu'il y aurait un fort accroissement du trafic, si on faisait le dragage à la profondeur requise?

M. McKenna: Oui, il y aurait une grande augmentation du commerce. A l'heure actuelle, en raison du fait qu'on ne peut recevoir de navires ayant un tirant d'eau de plus de 21 pieds, vous m'avez entendu mentionner ici une surcharge de $6 la tonne. C'est dû non seulement au manque d'installations du quai de Newcastle, mais aussi au fait que parfois il faut expédier de Saint-Jean ou d'autres régions parce que les navires ne pourraient pas remonter la rivière, à cause des bancs de sable, ce qui coûte encore $6 la tonne. C'est une question de survie pour une de nos usines de pâte à papier. Ou bien on va corriger la situation ou bien ils vont fermer leurs portes.

M. Skoberg: Est-ce que la situation est fixe ou est-ce qu'elle empire?

M. Martin: Non.

M. Skoberg: La situation est constante.

M. Martin: Je l'ai utilisée pendant 45 ans sans dépenser un sou.

M. McKenna: On n'a jamais dépensé un seul sou pour la rivière à l'exception du pont.

M. Skoberg: Merci.

Le président: Merci beaucoup, messieurs. Il nous reste encore un mémoire du conseil municipal de Campbellton. Son Honneur le maire m'a téléphoné à midi et m'a demandé si on pourrait l'entendre cet après-midi. Il m'a dit qu'il était désolé, qu'il n'avait pu venir ce

[*Text*]

I told him if he could come this afternoon we would hear him.

His Worship Mayor J. W. MacDonald and Mr. J. M. Harquail.

Mayor J. W. MacDonald (Campbellton City Council): Mr. Chairman and members of the Committee, I am certainly very pleased to have this opportunity. I thank you, sir, for allowing us to appear before you. I am sorry we could not make the appointed time this morning.

You all have a copy of our brief. It is philosophical in nature as opposed to being in detail. We are discussing in it our geographical problems. I am sure you have heard for the past two days about the geographical problems of the Atlantic Provinces and how they put us in a difficult position to get our goods to market at a reasonable cost. If the Atlantic Provinces have a disparate economic condition, certainly we in the northern part of New Brunswick in relation to the rest of the Atlantic Provinces have an even more disparate position. We look upon Saint John, Halifax, Fredericton and Moncton with a great deal of envy. There is a lot of money spent down there on infrastructure—on transportation infrastructure. We would like to see more spent on the north shore.

We all agree that we need industrial development in the Atlantic Provinces, and in order to get industrial development we need transportation infrastructure and a rationalized transportation policy which will allow us to get our goods to market at a reasonable cost.

I have listened here this afternoon to a great amount of detail and I think it is a shame because when you talk about a corridor road, sure we need a corridor road. When you talk about Route 11, it goes without saying Route 11 is a cow trail at the moment and it is impossible to create any meaningful sort of economic development with a cow trail.

Our brief, you will notice, has mostly to do with rail and highways—the need for highways. We have dealt with rail on a philosophical basis; that is, we have examined an approach for higher subsidies to the railways and we also include in that the trucking firms. We feel that subsidies should go to the trucking firms as well. We feel that higher subsidies are in order.

The problem is how to get those subsidies to the carriers in the best possible fashion. We suggested that the CNR, for instance,

[*Interpretation*]

matin. Je lui ai dit que s'il voulait venir cet après-midi, nous l'entendrions. Son Honneur le maire J. W. MacDonald et M. J. M. Harquail.

Son Honneur le maire J. W. MacDonald (Conseil de la ville de Campbellton): Monsieur le président, messieurs les membres du comité, nous apprécions beaucoup cette occasion. Nous vous remercions de nous avoir permis de paraître devant vous.

Vous avez tous une copie de notre mémoire. Je dirais qu'il est plus philosophique que détaillé. Nous y discutons de nos problèmes géographiques. Je suis sûr que vous avez entendu depuis deux jours, tous les problèmes géographiques des provinces de l'Atlantique, et comment ces problèmes nous placent dans une situation difficile pour essayer de mettre nos produits sur les marchés à des prix raisonnables. Si la situation est disparate du point de vue économique dans les provinces de l'Atlantique, dans le nord du Nouveau-Brunswick, notre situation est encore plus disparate. Nous regardons avec envie vers Saint-Jean, Halifax, Fredericton et Moncton. Beaucoup d'argent a été dépensé sur l'infrastructure mais nous voudrions qu'on fasse plus pour le nord.

Nous sommes tous d'accord qu'il nous faut développer industriellement les provinces atlantiques et pour le faire, il nous faut une infrastructure de réseaux de communications et une politique des transports qui nous permettraient de mettre nos produits sur les marchés à un prix raisonnable.

J'ai entendu beaucoup de détails cet après-midi, et je trouve que c'est dommage. Évidemment, nous avons besoin d'un corridor routier, mais quand vous parlez de la grande route nº 11, il faut dire qu'elle est en piteux état à l'heure actuelle, et il est absolument impossible d'espérer un développement économique avec une route comme celle-là.

Notre mémoire traite principalement de grandes routes et de chemins de fer. Nous avons parlé des chemins de fer d'un point de vue philosophique; nous avons examiné la possibilité d'obtenir des subventions plus élevées pour les chemins de fer, et nous incluons là-dedans les sociétés de camionnage. Nous estimons que les sociétés de camionnage devraient être l'objet de subventions aussi. Des subventions plus élevées seraient souhaitables.

Maintenant, le problème c'est de savoir comment les remettre aux transporteurs de la façon la plus efficace? Nous avons dit, par

[*Texte*]

since Donald Gordon's time has become more autonomous. It is profit motivated.

We feel that profit motivation makes for more efficient and effective use of that transportation facility and we feel that any form of subsidization should not affect the autonomy of the railroad and the carrier—any carrier, highway carrier as well. We feel that some system, possibly financing or subsidizing the shipper, may be some answer—but that is your problem, not ours. We feel there should be more subsidies and we feel that the autonomy of the carrier should be left intact.

That, briefly, is our position on highways. Certainly a highway is extremely important for a number of different reasons. The Province of New Brunswick is a poor province and if we are to have growth centres where we can accumulate much-needed community services such as schools, educational facilities, medical facilities, recreational and various community services, we have to get growth centre concepts to work and we need highways to do that.

We also have a beautiful province for tourist development and we in the northern part of the province, in my own city of Campbellton, have many hundreds of thousands of cars travelling in the area from the Gaspe Coast. We have a built-in tourist attraction in the Gaspe Coast and when they come into New Brunswick they scoot right across the northern part of the province because they do not dare go down Route 11. As I mentioned, it is in very bad condition.

Then there is the human side of this highway situation—the high death toll in New Brunswick. In Northern New Brunswick it is the highest on the continent, and no wonder it is the highest on the continent. The roads are in terrible shape. That is our position on highways.

On air transport we would like to update our brief somewhat. I believe we said in the last couple of paragraphs that last year no airport facilities or air services existed. Indeed within the past year Charlo airport has been the beneficiary of direct air service from Charlottetown to Charlo to Montreal. That service, as has been mentioned by Mayor McKenna, is being used to a much greater degree than was thought to be possible by the air carrier, EPA. Our position with regard to air facilities is that we really need them.

We agree with Mayor McKenna that we need another air service in the northern part

[*Interprétation*]

exemple, que depuis l'arrivé de Donald Gordon, le CN est devenu plus autonome et il est plus orienté vers la rentabilité.

Cela rend beaucoup plus efficace l'emploi de leur mode de transport. Par conséquent, nous croyons que le mode de subvention ne devrait pas affecter l'autonomie du transporteur, qu'il s'agisse d'un transporteur routier ou non. Par conséquent, un système quelconque de subvention seraient peut-être la réponse, c'est votre problème et non le nôtre. Nous pensons qu'il devrait y avoir plus de subventions et que l'autonomie du transporteur devrait rester intacte.

Brièvement, voilà notre position en ce qui concerne cet aspect. Une autoroute est extrêmement importante pour beaucoup de raisons. Notre province est pauvre et si nous devons avoir des centres de croissance où nous pourrons avoir un regroupement des services nécessaires comme les écoles, les services médicaux, les services éducatifs, les services de loisirs et tous les services communautaires. Il faut absolument que cette idée des centres de croissance soit mise en vigueur et il nous faut des voies d'accès.

Nous avons une très belle province du point de vue de développement touristique, même dans ma propre ville de Campbellton, dans le nord de la province, il y a des milliers d'automobiles qui passent, venant de la côte de la Gaspésie. La côte de Gaspésie est pour nous une bénédiction, mais quand les touristes arrivent au Nouveau-Brunswick, ils coupent à travers le nord, car ils ont peur de prendre la route nº 11 qui, comme je l'ai dit, est en très mauvais état.

Ensuite, il y a l'aspect humain de cette question des grandes routes. Le taux d'accident est très élevé. Dans le nord du Nouveau-Brunswick, c'est le plus élevé du continent. La raison est très simple, c'est que les routes sont en très mauvais état. Voilà ce que nous pensons des routes.

Pour le transport aérien, nous voudrions mettre notre mémoire à jour. L'an dernier nous avions dit qu'aucun service aérien n'existait, mais depuis un an, l'aéroport de Charlo a bénéficié d'un service aérien direct de Charlottetown à Charlo et Montréal. Comme vous l'a mentionné le maire McKenna, on emploie ce service beaucoup plus que ne l'avait envisagé celui qui dessert la région, EPA. En ce qui concerne les installations de transport aérien, nous croyons qu'elles sont nécessaires.

Nous sommes du même avis que M McKenna. Il faut un autre service aérien dans

[*Text*]

of the province and in the central part of the province. Charlo very definitely looks after a very large central area including the Gaspe Coast and the Kedgwick region and comes around and picks up Bathurst on the southern part so that it is performing a very valuable function. We also believe that feeder service is also very important in the Maritime Provinces.

We feel that Air Canada should be a trunk carrier with possibly two stops and that one regional air carrier doing a very good job and being given the opportunity to make some money by virtue of the fact that it has an opportunity to carry more passengers is the answer; in other words, a very strong regional air carrier that is making money.

That is our submission, Mr. Chairman, and we will be pleased to answer any questions.

Mr. Rose: Your Worship, I am very much interested in your presentation and also sympathetic to your problems which I have heard about in my two days in the Maritimes. I am not from the Maritimes myself but I can see that you have many problems similar to those in Western Canada, especially the far west where I live. I was interested in what I feel is an internal inconsistency in what you had to say here and I would like you to clarify it for me. You said that you believe in the autonomy of a carrier or that the autonomy should not be altered of the CNR.

Autonomy to me means independence or self-direction. It seems to me that that is precisely why you are here—to alter this autonomy in the direction that would best serve you. Is that not so?

Mr. MacDonald: Not really. I feel that the CNR is the instrument of the policy which you gentlemen set and it does what is is told to do in certain basic areas. If what you ask it to do does not allow it to make a profit, then you have to subsidize it and it is at this very point that I am talking about autonomy.

It should be in the autonomous position of making profits—in other words, that when the financial statement is presented it does not show a tremendous loss because of bond interest, for instance. I feel that bond interest, the old bonds that are in the CNR's statement, should be taken right out. And if you are paying a subsidy maybe you should pay it to the shipper so that he can pay the rate that the CNR needs to operate.

[*Interpretation*]

le nord et dans le centre de la province. Charlo s'occupe certainement d'une très vaste région centrale, y compris la côte de la Gaspésie et la région de Kedgwick, il vient chercher des clients à Bathurst et dans le sud. il rend donc un très grand service. Nous croyons aussi qu'un embranchement serait très important pour les provinces Maritimes.

Nous estimons qu'Air Canada devrait être un transporteur pour la région, ayant peut-être deux escales, et le seul transporteur régional fait un excellent travail et aurait l'occasion de faire quelques profits, étant donné qu'il aurait l'occasion de transporter plus de voyageurs, voilà la réponse pour nous.

Voilà notre opinion, monsieur le président. Nous répondrons avec plaisir à vos questions.

M. Rose: Votre Honneur, j'ai été très intéressé dans votre mémoire et je compatis à vos problèmes, problèmes dont j'ai entendu parler au cours de ces deux jours dans les Maritimes. Je ne suis pas de la région, mais je peux voir que vous avez des problèmes analogues à ceux de l'ouest du Canada. Mais j'ai constaté une incohérence interne dans vos propos et je voudrais que vous précisiez. Vous dites que vous croyez dans l'autonomie d'un transporteur et qu'on ne devrait pas modifier l'autonomie du Canadien National.

L'autonomie signifie indépendance en ce qui nous concerne ou auto-gestion. C'est exactement la raison pour laquelle vous êtes ici pour modifier cette autonomie dans la direction qui vous servirait le mieux. Exact?

M. MacDonald: Non pas exactement. Je suis d'avis que le National Canadien est l'instrument de la politique que vous établissez vous-mêmes, messieurs, et il fait ce que vous lui dites de faire dans certains secteurs donnés. Ce que vous lui demandez de faire ne lui permet pas de faire un bénéfice, alors vous devez le subventionner et c'est à ce sujet-là que je parle d'autonomie. Il doit être dans la situation autonome de faire des bénéfices.

En d'autres mots, lorsque le bilan est présenté, qu'il ne montre pas une perte très grande à cause de l'intérêt sur les obligations par exemple. Les anciennes obligations du bilan du National Canadien devraient disparaître. Si vous payez une subvention, vous pourriez la payer à l'expéditeur pour que ce dernier puisse payer les tarifs exigés par le National Canadien pour continuer son exploitation.

[*Texte*]

Mr. Rose: You also mentioned that since Donald Gordon took over, the CNR was profit oriented, and you also said, if I am quoting you or paraphrasing you correctly, that this type of profit orientation brings about efficiency. Is that not exactly what you are suffering from in the northern part of New Brunswick—the efficiency of the CNR?

Mr. MacDonald: Exactly, because we do not have a national transportation policy.

Mr. Rose: Are you attempting to destroy this efficiency?

Mr. MacDonald: No, we are asking for higher subsidies. All we are saying is that in paying those higher subsidies, be careful not to interfere with the profit autonomy of the CNR.

Mr. Rose: You just want to take it out of one pocket and put it in another.

Mr. MacDonald: As I say, it is a philosophical brief.

Mr. Rose: I am also arguing on philosophical grounds.

Mr. MacDonald: Well, I am saying that we need more subsidies. And in the brief we say there should be only token freight rates.

Mr. Rose: You believe that the railroad then should serve a social policy.

Mr. MacDonald: Absolutely.

Mr. Rose: ...to bind the country together rather than be interested in a profit at all perhaps.

Mr. MacDonald: No, no, I did not say that. I said that you people have to pay the subsidy and the railway, in order to be efficient, has to make a profit. The problem is how do you pay those subisides and allow the railway to feel that it is making a profit—because you have told us it cannot in a certain area.

Mr. Chairman: Mr. Corbin.

Mr. Corbin: On page 4 you complain about the removal of the Ocean Limited from the Moncton-Campbellton-Montreal line. Naturally it was re-routed to our area from Moncton, Edmundston to Montreal. Now, do you not have other passenger trains?

Mr. MacDonald: Yes, we do.

[*Interprétation*]

M. Rose: Vous avez dit aussi que depuis le début de l'administration de M. Gordon, le National Canadien était orienté vers de plus grands bénéfices. Vous avez dit également que ce genre d'orientation entraîne une plus grande efficacité. N'est-ce pas exactement ce dont vous souffrez dans la région nord du Nouveau-Brunswick, l'efficacité du service du National Canadien?

M. MacDonald: Exactement, parce que nous n'avons pas de politique de transport national.

M. Rose: Vous voulez détruire cette efficacité?

M. MacDonald: Non, nous demandons des subventions plus élevées. Tout ce que nous avons à dire est que, en payant des subventions plus élevées, faites attention de ne pas vous ingérer dans l'autonomie des bénéfices du National Canadien.

M. Rose: Donc, vous voulez le prendre d'un côté et le mettre de l'autre.

M. MacDonald: Comme je dis, c'est un exposé philosophique.

M. Rose: Mes arguments sont également philosophiques.

M. MacDonald: Je dis que nous avons besoin de plus de subventions et nous disons dans le mémoire qu'il nous faudrait un tarif marchandise qui ne soit que symbolique.

M. Rose: Alors, vous croyez que le chemin de fer devrait être sur un plan social...

M. MacDonald: Absolument.

M. Rose: ...pour lier le pays dans son ensemble plutôt que de s'intéresser à des bénéfices, peut-être?

M. MacDonald: Non, ce n'est pas ce que j'ai dit. J'ai dit que vous devez payer les subventions, et les chemins de fer, pour être efficaces, doivent réaliser des bénéfices. Alors, comment payer ces subventions et permettent aux chemins de fer de croire qu'ils peuvent faire des bénéfices, parce que vous nous avez dit qu'ils ne pouvaient pas le faire dans certains secteurs.

Le président: Monsieur Corbin.

M. Corbin: A la page 4, vous vous plaignez du fait qu'on a fait disparaître le service de l'Océan Limitée de la ligne Moncton-Campbellton-Montréal. Naturellement, l'itinéraire a été changé vers notre région, de Moncton-Edmundston à Montréal. A présent, n'avez-vous pas d'autres services-voyageurs?

M. MacDonald: Oui.

[*Text*]

Mr. Corbin: How many?

Mr. MacDonald: I believe we have two daily.

Mr. Corbin: You have two now. Would you not agree in principle that as Edmundston did not have one before, has one now, that everyone should be happy at the results.

Mr. MacDonald: We are not nearly as unhappy, Mr. Corbin, now that we have air service. But before we had air service it was an important and integral part of our passenger service. We felt that the government should have supplied Edmundston with an alternate service, that rather than take one from one place and put it in another they should have provided another train. And they did in fact provide the Cabot which I believe they then found cost too much money and took it off the service.

Mr. Corbin: But do you not think it is a little exaggerated to have three passenger trains on that line for a day?

Mr. MacDonald: I think it is more exaggerated for us to attempt to move a lot of passengers by rail. I think we need more air traffic.

Mr. Chairman: Mr. Breau.

Mr. Breau: Mr. Chairman, first I would like to compliment the Mayor on this brief.

Do you think it would be more helpful to the Campbellton area, the northern New Brunswick area to have a transportation policy advocating transportation subsidies to provide industrial incentives rather than incentives to create jobs?

The Maritime Provinces Board of Trade wanted a subsidy so that they could get their materials to Montreal and be competitive. Do you people think that such a policy would be better than one that would create jobs?

Mr. MacDonald: I think we need both in the first instance.

Mr. Breau: But if you had a choice, which would you choose. I will refer directly to the program which gives a grant to get an industry started but does not look after the ones existing. Do you people think that this should be changed and should be taken care of by a transportation policy?

[*Interpretation*]

M. Corbin: Combien?

M. MacDonald: Deux par jour, je crois.

M. Corbin: Vous en avez deux maintenant, alors ne trouvez-vous pas, en principe, que si Edmundston n'en avait pas auparavant, et qu'elle en a un maintenant, tout le monde devrait être heureux de ce résultat?

M. MacDonald: Nous ne sommes pas si malheureux. Monsieur Corbin, maintenant que nous avons un service aérien. Mais avant que nous ayons le service aérien, cela constituait une partie importante et intégrante de notre service-voyageurs. Nous étions d'avis que le gouvernement aurait dû donner à Edmundston un autre service plutôt que d'en prendre à un endroit et le transporter dans un autre endroit. Vous auriez dû donc, nous donner un autre train. De fait, ils nous ont donné le Cabot, qui je crois, s'est révélé trop dispendieux et fut retiré du service.

M. Corbin: Ne croyez-vous pas que c'est exagéré que d'avoir trois services-voyageurs passagers par jour sur cette ligné?

M. MacDonald: Je crois que c'est plus exagéré pour nous que de tenter de déplacer bon nombre de voyageurs par rail. Nous avons besoin d'un meilleur service aérien.

Le président: Monsieur Breau.

M. Breau: Monsieur le président, tout d'abord, je désire féliciter le maire pour son exposé.

Croyez-vous que ce serait plus heureux pour la région de Campbellton, pour la région nord du Nouveau-Brunswick, d'avoir une politique en matière de transport qui préconiserait des subventions pour les transports afin d'encourager l'industrie plutôt que d'encourager la création d'emplois.

Le *Board of Trade* des provinces Maritimes voulait une subvention pour apporter leurs matériaux à Montréal et y faire concurrence. Croyez-vous que cette politique serait plus avantageuse que la politique de création d'emplois?

M. MacDonald: Je pense que nous avons besoin des deux, en tout premier lieu.

M. Breau: Mais si vous aviez le choix, lequel choisiriez-vous? Je vais parler directement du programme qui donne une subvention pour ouvrir une industrie, mais ne s'occupe pas des industries actuelles. Croyez-vous qu'on devrait être changé et qu'une politique en matière de transport devrait s'en occuper?

[*Texte*]

Mr. MacDonald: There is no question about it, you cannot put industry in an area and expect it to sustain itself and be viable unless the basic ground work is there. Transportation costs are too high. If you financed the industry 100% you still could not make a profit. So if they were a choice, obviously we would take lower transportation costs.

Mr. Breau: Now that Chatham is advocating two air services for the North shore and Bathurst is trying to get an air service—EPA intended originally to go there but because of lack of facilities it had to go to Charlo—

Mr. MacDonald: They are very happy too, I might say.

Mr. Breau:—do you not think it is time to have a good study made of regional air policy?

Mr. MacDonald: Very definitely so.

Mr. Breau: We have a problem in northern New Brunswick now—it is not really a problem but somebody has to make up their minds where they are going to stop. Would you not think it would be better to have a very good study made and a policy decided upon rather than having two or three people saying that they are speaking for the same 200,000 people.

Mr. MacDonald: Well, the biggest problem on the North shore gets right back to Route 11, the highway system. I think that if we had a good highway system between Campbellton and Bathurst, either Charlo or Bathurst would be a good spot. Then you need a study to indicate the better area. We are confident that Charlo is and you are confident that Bathurst is, so obviously we need some kind of a study.

Mr. Breau: No, no, I am not necessarily saying that. I wholeheartedly agree with Charlo, but the only problem is that south of Bathurst—like you said, it takes in Bathurst—there is nearly 100,000 people that do not have sufficient air service. So the necessity for a study is indicated.

Mr. MacDonald: I think the study will prove that there is a need for two air services...

Mr. Breau: In the North shore area.

[*Interprétation*]

M. MacDonald: C'est bien évident. On ne peut établir une industrie dans une région et s'attendre à ce qu'elle se subvienne à elle-même et soit viable à moins que le travail essentiel ait été fait. Les coûts de transport sont trop élevés. Si vous financez l'industrie à fonds 100 p. 100, vous ne pourriez toujours pas réaliser de profit. Donc, s'il y avait un choix, il est évident que nous choisirions des coûts de transport moins élevés.

M. Breau: Maintenant que Chatham préconise deux services aériens, pour la côte Nord et que Bathurst essaie d'obtenir un service aérien aussi, E.P.A. avait d'abord l'intention de s'y rendre; et comme il n'y avait pas d'installations, ils ont dû se rendre à Charlottetown.

M. MacDonald: Ils sont heureux aussi, très heureux même.

M. Breau: Ne croyez-vous pas que le moment serait venu de faire une étude de la politique aérienne régionale?

M. MacDonald: Oui, définitivement.

M. Breau: Nous avons un problème dans le nord du Nouveau-Brunswick, pas un problème, mais quelqu'un doit décider où l'on doit s'arrêter. Ne croyez-vous pas qu'il serait préférable de faire une très bonne étude plutôt que d'avoir deux ou trois personnes qui disent parler pour les mêmes 200,000 personnes.

M. MacDonald: Tout d'abord, le plus grand problème qui se pose sur la côte Nord a trait directement à la question de la route 11, au réseau routier. A mon avis, si nous avions un excellent réseau routier entre Campbellton et Bathurst, Charlo ou Bathurst serait un excellent emplacement. Ensuite, il faudrait une étude pour indiquer quelle région serait la meilleure. Nous sommes persuadés que c'est Charlo et vous êtes convaincus que c'est Bathurst. Il faut donc qu'une certaine étude se fasse.

M. Breau: Non, ce n'est pas nécessairement ce que je dis. Je suis d'accord pour ce qui est de Charlo mais le seul problème est qu'au sud de Bathurst, comme vous dites, cela comprend Bathurst, il y a environ près de 100,000 personnes qui n'ont pas un service aérien convenable. Ainsi, la nécessité de faire une étude est toute indiquée.

M. MacDonald: Je pense que c'est l'étude qui prouvera que nous avons besoin de deux services aériens.

M. Breau: Sur la rive nord?

[*Text*]

Mr. MacDonald: . . .in the North shore.

Mr. Breau: That is all.

Mr. Chairman: Mr. Rock.

Mr. Rock: Your Worship, you said a while ago that people should use aircraft more than train, that the train is more or less obsolete for passenger service. At least this is the way I interpreted your remark. Are you not aware that there is an actual breakthrough today with the invention of the Turbo jet train which can do between 120 to 175 miles an hour?

There are some bugs in it right now but, like anything that is new, this is the case. If this is an actual breakthrough there will be a different outlook completely in respect of passenger service, more competition will be provided air services on short runs and possibly even stiffer competition to the trucking industry—if ever this fast train goes into production to provide passenger and possibly even freight service in the future.

Mr. MacDonald: I do not want to leave the impression that I think all rail passenger traffic is out. In talking with Mr. Corbin in that context all I said was that there were three passenger trains operating and now that we have air service two were sufficient, and possibly if we had better air service—that is, twice daily jet service—one passenger train would be sufficient.

But I certainly would be opposed to any federal government expenditure of millions of dollars for cost of infrastructure between Montreal and Halifax for such a Turbo train. I think it would be a waste of money. The distances in-between are too long—it is a thousand miles. Turbo trains may be fine between Osaka and Tokyo and between Montreal and Toronto, but I do not think they would work between Montreal and Halifax. The cost of them would be fantastic, the rail beds and this sort of thing.

Mr. Rock: I do not think you are aware of the possibilities of the Turbo jet train. They use the same bed. It is not the same thing as they have in Japan where it cost them billions of dollars just for the bed. This is a completely different thing. You use the same tracks as there are today. The only problem you have is electronics as far as crossings are concerned.

[*Interpretation*]

M. MacDonald: Sur la rive nord.

M. Breau: C'est tout.

Le président: Monsieur Rock.

M. Rock: Votre Honneur, vous avez dit, il y a un moment, qu'on devrait avoir recours aux services aériens plutôt qu'aux services ferroviaires, que le train est plus ou moins désuet pour le service-voyageurs. Du moins, voilà l'interprétation que j'ai donnée à vos observations. Ne savez-vous pas qu'il y a une poussée qui se fait aujourd'hui à la suite de l'invention du train turbo qui peut aller de 120 à 175 milles à l'heure.

Il se pose des difficultés en ce moment mais comme dans toute chose nouvelle cela se produit. Si c'est vraiment une poussée sur le marché, il y aura là une perspective complètement différente pour le service-voyageurs, plus de concurrence à l'égard du service aérien pour les courtes distances, et même une concurrence plus serrée avec l'industrie du camionnage, si jamais ce train rapide entre en production pour fournir le service-voyageurs et même le service marchandises à l'avenir.

M. MacDonald: Je ne veux pas créer l'impression que tout le service-voyageurs ferroviaire est désuet. En parlant avec M. Corbin à ce sujet, tout ce que j'ai dit, c'est qu'il y avait trois trains desservant actuellement les voyageurs et que, maintenant que nous avons le service aérien, deux seraient suffisants, et peut-être que si nous avions un meilleur service aérien, soit un service à réacté deux fois par jour, un seul train serait suffisant.

Mais je m'opposerais sûrement à ce que le gouvernement fédéral dépense des millions de dollars pour l'infrastructure à établir entre Montréal et Halifax, en vue d'un service de l'argent gaspillé. Les distances sont trop grandes, il s'agit de 1,000 milles, et les trains turbo sont peut-être bons entre Osaka et Tokyo, et entre Montréal et Toronto, mais je ne crois pas que cela puisse aller entre Montréal et Halifax. Le coût serait fantastique, les terres-pleins de la voie ferrée et tout le reste.

M. Rock: Je ne crois pas que vous soyez au courant des possibilités de ce train turbo. On utilise le même terre-plein. Ce n'est pas comme au Japon, où cela a coûté des milliards de dollars simplement pour le terre-plein. C'est entièrement différent. On utilise les mêmes voies que celles que nous avons. Le seul problème, c'est celui de l'électronique pour ce qui est des passages à niveau.

[*Texte*]

Mr. Chairman: Mr. Perrault.

Mr. Perrault: Your Worship, do you not feel that you vastly over-simplified the question of economic development when you said, and I quote from your brief:

> Our economic problem is our geographical transport problem. It is our firm conviction the Maritime Provinces have the talents and the resources to compete providing the geographical considerations of transport are eliminated...

I suggest to you that this is a considerable over-simplication. I say this because in Western Canada we are faced with the problem of transportation as well in getting our goods to the mass markets of Canada. I think we have come to a realization that it takes more than equality on transportation rates to compete. That is my first question.

Mr. MacDonald: Obviously, in writing the brief to the Standing Committee on Transportation and Communications I might have qualified this by saying that transportation is only one of the factors in industrial development—it is only infrastructure, after all—and it does not take into account such things as entrepreneurial skills and risk capital which are indigenous to the area.

Mr. Perrault: It seems to me that the problems of the Maritimes really began when the Maritimes began to be denied access to the populated markets of the Eastern States which were their natural markets. If we had access to the 20 million people of California we would be far more prosperous in British Columbia than perhaps we are at the present time.

Mr. MacDonald: Yes, I agree with you.

Mr. Perrault: I would like to know whether you support the idea of industry by industry free trade or some form of freer trade to give you access to your natural markets instead of this obsession—and I do not mean it in a critical way—whether or not you can sell in the Toronto market—because Toronto is not the centre of the world.

Mr. MacDonald: As a matter of fact, there are more people between Boston and New York than there are in all of Canada, and I feel that is our natural market. How we get

[*Interprétation*]

Le président: Monsieur Perrault.

M. Perrault: Votre Honneur, ne croyez-vous pas que vous vous trouvez à simplifier à l'extrême le problème de développement économique, lorsque vous dites, dans votre mémoire:

> «notre problème économique est la conséquence de nos difficultés de transport. Nous avons la conviction que les provinces maritimes ont les ressources et les qualités nécessaires pour soutenir la concurrence, à condition que les problèmes dus à notre situation géographique, soient résolus.»

Je crois que vous simplifiez à l'extrême. Je dis cela, parce que dans l'ouest du Canada, nous devons faire face aux problèmes de transports et à ceux d'acheminer nos produits vers les grands débouchés canadiens. Nous nous sommes rendu compte qu'il ne faut plus simplement de l'égalité des coûts de transport pour faire la concurrence. Voilà ma première question.

M. MacDonald: Oui, de toute évidence, en rédigeant le mémoire à l'intention du Comité permanent des transports et communications, j'aurais peut-être dû préciser et ajouter que le transport n'est qu'un des aspects du développement industriel, ce n'est que l'infrastructure, après tout. On ne tient pas compte des aptitudes des entrepreneurs et des capitaux de spéculation qui sont indigènes à la région.

M. Perrault: Il semble que le problème des Maritimes a commencé lorsque les Maritimes se sont vues refuser l'accès au marché très grand des états de l'est qui était leurs débouchés naturels. Si nous avions accès à la population de 20 millions de la Californie, nous serions beaucoup plus prospères en Colombie-Britannique que nous ne le sommes en ce moment.

M. MacDonald: Je suis tout à fait d'accord avec vous.

M. Perrault: Je voudrais savoir si vous êtes en faveur de cette idée de commerce libre d'industrie par industrie ou d'une forme de commerce plus libre pour avoir accès aux débouchés tout à fait naturels plutôt que de toujours poursuivre cette idée fixe, et je ne veux pas critiquer quoi que ce soit, de savoir si vous pouvez vendre sur le marché de Toronto, parce que Toronto n'est pas le centre du monde, après tout.

M. MacDonald: De fait, il y a plus de personnes entre Boston et New York qu'il y en a dans l'ensemble du Canada, et je trouve que c'est là notre débouché naturel. La façon dont

[*Text*]

into that market depends, first, on transport because I, as a businessman, shipped to that market and transportation costs are too high for us to compete with people from Ontario, northern New York and so on. Now I feel that lower transportation costs are a must to get our products to that market.

I am talking about rail, to say nothing of the highway system that is needed to get products there cheaper. In so far as a free trade area is concerned, very definitely, and I think that we in the Maritimes have to look at this very very carefully and make sure that we do give it its proper position in our approach.

Mr. Perrault: The auto pact is now reaping benefits for Canadians. Why should it not be possible to reap benefits for the Maritimes and other areas through forest products, for example?

Mr. MacDonald: Yes, I agree.

Mr. Perrault: Do you in your own mind have a time limit on the length of time subsidy should be paid to the Maritimes or any other part of the country—because subsidy should be a temporary support until such time as an area has economically viable industry. Is that not correct?

Mr. MacDonald: But it can only have economically viable industry if the floor of transportation subsidy remains—because if you pull that floor out then you in fact take away one of the very basis of economic viability. What we are saying is that long-term subsidization is a must.

Mr. Perrault: Do you think, for example, that one industry located on the northern tip of Vancouver Island and another on the northern tip of Newfoundland should have absolute equality with industries established between those two points as far as the Toronto market is concerned? Would you eliminate all geographical differences?

Mr. MacDonald: Postage stamp rates, you mean?

Mr. Perrault: Yes, the postage stamp concept—the way we distribute power in some of the provinces.

[*Interpretation*]

nous pouvons entrer sur ce marché dépend tout d'abord du transport, parce que moi-même, à titre d'homme d'affaires, j'ai fait des expéditions vers ces marchés et les coûts du transport sont trop élevés pour que nous puissions faire concurrence à la population du nord de New York et de l'Ontario, et le reste. Je crois que des coûts de transport moins élevés sont essentiels pour pouvoir acheminer nos produits vers ces marchés.

Mais je parle du service ferroviaire sans parler du réseau routier dont nous avons besoin pour y acheminer nos produits à meilleur compte. Pour ce qui est d'une région de libre échange, sûrement, je crois que nous, des Maritimes, devons étudier cette question très attentivement et nous assurer que nous lui accordons toute l'importance qu'elle mérite.

M. Perrault: Le pacte sur les automobiles procure maintenant des bénéfices aux Canadiens. Pourquoi ne serait-il pas possible de procurer des bénéfices aux Maritimes et à d'autres régions aux moyens des produits forestiers, par exemple?

M. MacDonald: Oui, j'en conviens.

M. Perrault: A votre avis, est-ce que vous avez établi une limite quant au temps pendant lequel les subventions devraient être payés aux Maritimes ou aux autres régions du pays, parce qu'une subvention devrait être simplement un appui provisoire jusqu'à ce qu'une possède une industrie viable sur le plan économique. Est-ce exact?

M. MacDonald: On ne peut avoir des industries viables sur le plan économique que si le minimum de subventions au transport demeure, parce que si vous faites disparaître ce minimum, vous enlevez alors le fond même de la viabilité économique. Nous disons que la subvention à long terme est une nécessité.

M. Perrault: Croyez-vous qu'une industrie qui se trouve au point nord de l'Île de Vancouver et une autre au point nord de Terre-Neuve devraient avoir égalité absolue avec les industries qui se trouvent entre ces deux points par rapport au marché de Toronto? Est-ce que vous feriez disparaître tout écart sur le plan géographique?

M. MacDonald: Comme on le fait pour le courrier.

M. Perrault: Oui, comme pour le courrier et la façon dont on répartit le pouvoir dans certaines provinces.

[*Texte*]

Mr. MacDonald: I think it depends on the area. I do not have too much sympathy for the people who live in Campbell River because they live very well compared to the people in my area.

Mr. Perrault: One quarter of our B.C. people live on less than $3,000 a year. So let there be no illusions.

Mr. MacDonald: Well, we have very serious poverty in our area. I feel that industrial development is obviously the only answer. I look upon it from that basis. The ramifications of a postage stamp freight set-up...

Mr. Perrault: The cost would be considerable as well. But you are advocating, in other words, a postage stamp rate approach to the Maritime provinces...

Mr. MacDonald: Yes.

Mr. Perrault: ...and the rest of Canada, or just the Maritimes?

Mr. MacDonald: No, I am not, because I feel that the problem is more acute here than it is in the rest of the country. I am not in favor of universal programs, you spend your money where it does more good, it seems to me.

Mr. Chairman: Mr. Horner.

Mr. Horner: I have just a few questions, Your Worship. I enjoyed listening to your brief and the philosophical approach to it.

Would you not say that in joining Confederation the Maritimes were guaranteed access to central Canada markets?

Mr. MacDonald: I guess I would say it, but I would not like to say it. I think the people in this area want to do something, provided we are given an opportunity to do it, and the hell with this talk about Confederation.

Mr. Horner: Would you also say then that the government should let the MFRA expire on March 22nd of this month?

Mr. MacDonald: Absolutely not. Take our position on the North shore. We do not have competitive means of transportation. We have no highways to put trucks on. So obviously our rates are going to go sky high. Whereas between Montreal and Toronto...

[*Interprétation*]

M. MacDonald: Tout dépend de la région. Je ne sympathise pas tellement avec les gens de Campbell River qui sont très bien comparativement aux nôtres.

M. Perrault: Le quart de la population de la Colombie-Britannique vit avec moins de $3,000 par année. Ne nous faisons donc pas d'illusions.

M. MacDonald: Nous avons beaucoup de pauvreté dans notre région. Je crois que le développement industriel est, de toute évidence, la seule réponse à notre problème. Voilà donc la façon d'y penser. Les ramifications d'un système de transport des marchandises analogue à celui du courrier.

M. Perrault: Le coût serait aussi élevé. Vous préconisez un principe analogue à celui du tarif postal pour les Maritimes.

M. MacDonald: Oui.

M. Perreault: Et le reste du Canada, ou seulement les Maritimes?

M. MacDonald: Non, parce que je crois que le problème est plus aigu ici qu'il ne l'est dans le reste du pays. Et je ne suis pas en faveur de programmes universels; vous dépensez l'argent là où il donnera le plus d'avantages, il me semble.

Le président: Monsieur Horner.

M. Horner: Simplement quelques questions. J'ai écouté avec un vif intérêt votre mémoire et la pensée philosophique qui l'inspire.

En se joignant à la Confédération, croyez-vous que les Maritimes se sont garanti l'accès aux marchés du Canada central?

M. MacDonald: Je n'aimerais pas le dire, mais je crois que oui. Je pense que les gens de cette région veulent faire quelque chose, pourvu qu'on leur en donne l'occasion, et qu'importe tout ce qu'on dit au sujet de la Confédération...

M. Horner: Est-ce que vous diriez aussi que vous pouvez ou plutôt que le gouvernement devait laisser tomber le 22 mars prochain, les dispositions de la Loi sur les taux de transport des marchandises dans les provinces Maritimes?

M. MacDonald: Pas du tout. Prenez notre situation sur la côte Nord. Nous n'avons pas de moyen concurrentiel de transport, nous n'avons pas de route pour les camions. Nos taux seront donc de beaucoup augmentés. Considérant qu'entre Montréal et Toronto...

[*Text*]

Mr. Horner: The whole purpose of the MFRA is to attempt to tie the Maritimes to the rest of Canada—to make it available to the Maritimes. I think you will agree that this is part of the reason for it.

Mr. MacDonald: Right.

Mr. Horner: Now if you accept that, do you believe that this principle should follow in all three means of transportation—roads, rail and air? In other words, under the MFRA there is a 20 per cent subsidy for freight on railroads out of the Maritimes region. Do you believe that there should be a 20 per cent subsidy for the establishment of a regional air policy or a regional air line within the Maritimes?

Mr. MacDonald: That is too technical a question.

Mr. Horner: Would you believe in that principle though? I do not care whether you say 25 or 30, 15 or 10.

Mr. MacDonald: Yes, if air service is critical for the development of an area then I say if it costs 100 per cent then you must do it, in the sense that there has to be some cost benefits in these things.

Mr. Horner: But you believe that the same principle should carry on?

Mr. MacDonald: Yes.

Mr. Horner: And the same should be true with roads?

Mr. MacDonald: Yes, very definitely so.

Mr. Horner: Then, from a taxpayers point of view, where does the equalization grant fit into this scheme, particularly in reference to roads? Roads fall particularly within the jurisdiction of the provincial government. We in the Province of Alberta are told that we are wealthy and therefore we get no payments under the equalization grant while the Maritimes, particularly New Brunswick I suppose, get their share. Would it not be logical to assume that part of the equalization grant should be used to build roads in this province?

Mr. MacDonald: Well, it is a provincial responsibility and if its program has a logical approach to the federal government's plan

[*Interpretation*]

M. Horner: Les dispositions de cette Loi ont pour but d'essayer de rattacher les Maritimes au reste du Canada pour que les taux soient convenables aux Maritimes. Je pense que vous conviendrez que c'est un peu pour cette raison.

M. MacDonald: Oui.

M. Horner: Maintenant, si vous acceptez cela, croyez-vous que ce principe devrait être valable pour les trois modes de transport, routier, ferroviaire et aérien? En d'autres termes, en vertu de cette Loi sur les taux de transport des marchandises dans les provinces Maritimes, il y a 20 p. 100 de subvention pour les marchandises transportées par chemin de fer à l'extérieur des Maritimes. Croyez-vous qu'il devrait y avoir une subvention de 20 p. 100 pour l'établissement d'une politique aérienne régionale ou d'un service aérien à l'intérieur des Maritimes?

M. MacDonald: Cette question est trop technique.

M. Horner: Croyez-vous en ce principe? Cela m'importe peu si vous dites 25 ou 30, 15 ou 10.

M. MacDonald: Oui, si le service aérien est essentiel pour le développement d'une région, alors s'il en coûte 100 p. 100, vous devez le faire en ce sens qu'il y aura sûrement des bénéfices dans ce genre de choses.

M. Horner: Mais vous dites que le même principe doit être maintenu.

M. MacDonald: Oui.

M. Horner: Et la même observation vaut pour les routes?

M. MacDonald: Oui, définitivement.

M. Horner: Pour ce qui est du contribuable, alors, où vient s'inscrire la péréquation ici, surtout en ce qui concerne les routes. Les routes incombent essentiellement aux gouvernements provinciaux. Nous, dans la province de l'Alberta, passons pour être riches, donc, nous ne recevons pas de paiement en vertu de la péréquation et les Maritimes, surtout le Nouveau-Brunswick, je présume qu'elles reçoivent leur part. Ne serait-il pas logique alors d'en conclure que cette partie de la péréquation devrait être utilisée pour la construction de routes dans cette province?

M. MacDonald: Si c'est du ressort provincial, et que le programme provincial se rapproche logiquement du plan fédéral pour un

[*Texte*]

for a road system, then it should be given the money to do it—provided you are satisfied.

Mr. Horner: Much of your brief dealt with road conditions and that is why I brought this up. Do you not agree that roads are different than air in that regional air policies fall fairly well within the federal government's jurisdiction.

Mr. MacDonald: I think you have to differentiate here between subsidies that are paid to carriers on an operating basis and money that is put into the infrastructure—that is, a capital expenditure and an operating expenditure. We say that the federal government is responsible to provide airport facilities...

Mr. Horner: Yes, I agree.

Mr. MacDonald: ... at least the runways, and that is a capital expenditure, and if necessary to pay a subsidy to the air carrier. The same thing is true on highways...

Mr. Horner: No. I think equalization grants should be used for the highways within the province.

Mr. MacDonald: I do not care how they come, but they should come.

Mr. Chairman: Gentlemen, this concludes the questioning.

[*Interprétation*]

réseau routier, alors, on devrait donner à la province l'argent pour le réseau routier, pourvu que vous soyez convaincus de la chose.

M. Horner: Mais vous avez parlé de l'état des routes. C'est la raison pour laquelle je vous en parle. Ne convenez-vous pas que les routes sont différentes du service aérien du fait que les politiques aériennes régionales relèvent en grande partie du gouvernement fédéral?

M. MacDonald: Il faut établir une distinction entre les subventions payées aux transporteurs et l'argent qui est mis dans l'infrastructure, c'est-à-dire entre les dépenses en infrastructure et les dépenses d'exploitation. Nous disons que le gouvrenement fédéral doit assurer les services d'aérogare...

M. Horner: Oui, j'en conviens.

M. MacDonald: ... au moins, les pistes, et ce sont là des dépenses en immobilisations, et il est nécessaire de verser des subventions aux transporteurs aériens. La même observation va pour les routes ...

M. Horner: Je pense que la péréquation devrait être utilisée pour les routes dans la province.

M. MacDonald: Cela m'importe peu comment les subventions sont versées, mais elles devraient l'être.

Le président: Voici la fin de la période de questions.

APPPENDIX "C"

SUPPLEMENTAL SUBMISSION TO THE STANDING COMMITTEE ON TRANSPORTATION AND COMMUNICATIONS BY THE SAINT JOHN BOARD OF TRADE

Mr. Chairman and Gentlemen:

In our presentation to you of February 13, 1968, the section on air transportation referred to the growing importance of air traffic and emphasized the need for the improved movement of passengers and cargo by air within the Atlantic Region, and for proper connections with outside points.

We stated; "With the increasing importance air traffic is playing in the development of our economy, and keeping in mind the improvement in air transport that will be necessary to facilitate the proper development of this growth centre, it is deemed advisable at this time to consider long-range planning to determine the best method of providing improved service.

We think it is clear that if Saint John is ever to become an important growth centre, it is essential that there be available in this area an all weather airport facility capable of taking its place on major international air routes."

Since the preparation of that presentation to you last year, our Board has given a considerable amount of further study to this subject which warranted the need for this supplemental brief.

Major changes are taking place in all modes of transportation. Air Transportation is now entering a new era and it is important that New Brunswick prepares itself for the new jet age.

Western New Brunswick, at the present time, does not have an airport to service the next generation of aircraft that will be brought into service within the next three years. New Brunswick needs a proper airport in a location to serve its major industrial centre, Saint John, as well as the Capital of the Province, Fredericton.

The purpose of this presentation is to urge that the Government of Canada initiate an immediate technical study to establish the

APPENDICE «C»

MÉMOIRE SUPPLÉMENTAIRE PRÉSENTÉ PAR LA CHAMBRE DE COMMERCE DE SAINT-JEAN AU COMITÉ PERMANENT DES TRANSPORTS ET DES COMMUNICATIONS

Monsieur le président, Messieurs,

Dans le mémoire que nous avons présenté le 13 février 1968, la partie concernant le transport aérien signalait l'importance croissante des déplacements par avion et mettait en relief le besoin d'améliorer le transport aérien des voyageurs et des marchandises dans la région atlantique, ainsi que la nécessité de liaisons aériennes convenables avec les points situés à l'extérieur de la région.

Nous déclarions dans ce mémoire que, vu l'importance croissante du rôle joué par le transport aérien en rapport avec notre expansion économique, et compte tenu de l'amélioration qui s'impose si l'on veut favoriser un développement convenant à notre centre d'expansion, il était recommandable de songer à une planification à long terme afin de définir la méthode la plus propice au perfectionnement du service.

Il est évident, croyons-nous, que si Saint-Jean doit devenir un important centre d'expansion, la région doit absolument avoir un aéroport susceptible de fonctionner par tous les temps et capable d'être inclus au nombre des escales des grandes lignes aériennes internationales.

Depuis la rédaction du rapport qui vous fut soumis l'an dernier, notre Chambre de commerce a accordé à la question un examen beaucoup plus approfondi; c'est pourquoi il est devenu nécessaire de vous fournir ce rapport supplémentaire.

Tous les modes de transport subissent présentement des modifications profondes. Le transport par air se trouve sur le seuil d'une ère nouvelle, et il importe que le Nouveau-Brunswick se prépare au transport par réactés.

L'Ouest du Nouveau-Brunswick ne possède pas actuellement d'aéroport pouvant s'adapter à la prochaine génération d'avions, qui sont censés être mis en service d'ici trois ans. Le Nouveau-Brunswick a besoin d'un bon aéroport, situé dans un endroit d'où il pourra desservir le principal centre industriel Saint-Jean, de même que la capitale, Fredericton.

Le but du présent mémoire est de prier instamment le gouvernement du Canada d'entreprendre sans délai une étude technique en

appropriate location, easily accessible from both Saint John and Fredericton, for a new airport of international standards to serve south western New Brunswick.

Changes in Regional Air Transportation

The new aircraft entering the service of Air Canada will require the Government to establish a new air transportation policy.

In the last twenty years, airlines were equipped to serve short-haul, point-to-point service. For example, a main line carrier like Air Canada would serve Montreal, Quebec, Fredericton, Saint John, Moncton, Halifax, Yarmouth, Sydney, Gander, Stephenville and St. John's. Aircraft of that day could be economically used on short-haul routes. However, with the advent of the jets, it is generally recognized a new policy will be is uneconomic for main line carriers to serve implemented by the Government because it these short-haul routes.

It is expected a new three level policy will be created.

A. Main line carriers will be used for international and long-haul routes using large jet aircraft serving fewer communities. Perhaps only two or three such areas would be served in the Atlantic Provinces.

B. Regional carriers would serve short-haul routes with small jets or turboprop aircraft and these would link the many other centres of population in the Maritime Provinces.

C. Flying Clubs, chartered aircraft and other feeder lines would provide services for the many smaller communities.

At the present time, the Saint John and Fredericton areas are served only by Air Canada which use Viscount and Vanguard aircraft. Within three years, these aircraft will be phased out of existence and will be replaced by the jets. These jets are designed principally for flights in the vicinity of 500 miles and it will be uneconomic for them to fly into both Saint John and Fredericton.

One of the fastest growing modes of transportation is air cargo. During the past few years, air cargo has been growing at the rate of 25% per year. It is important for Saint John and Fredericton to have proper facilities for the handling of air cargo.

vue de choisir un emplacement approprié, qui soit d'accès facile à partir tant de Saint-Jean que de Fredericton, et où l'on aménagera un nouvel aéroport international qui desservira le Sud-Ouest du Nouveau-Brunswick.

Évolution du Transport Aérien Régional

Les nouveaux modèles d'avions utilisés par Air Canada obligera le gouvernement à établir une nouvelle politique de transport aérien.

Au cours des vingt dernières années, les lignes aériennes étaient équipées pour fournir un service sur étapes courtes. Ainsi, un grand réseau aérien tel que celui d'Air Canada pouvait desservir Montréal, Québec, Fredericton, Saint-Jean, Moncton, Halifax, Yarmouth, Sydney, Gander, Stephenville et Saint-Jean, (Terre-Neuve). Les avions d'alors pouvaient être employés à bon compte sur de courts trajets. A cause de l'avénement de l'avion réacté, toutefois, on admet généralement que le gouvernement mettra en œuvre une politique nouvelle, car il est contraire à l'économie d'employer des appareils de long-courrier sur ces étapes courtes.

On prévoit la création d'une politique répartie sur trois échelons.

A. Les grandes lignes aériennes ne feront que le service international et les trajets à long cours et elles emploieront de gros réactés qui desserviront un plus petit nombre d'agglomérations. Il se peut que seulement deux ou trois régions de cette importance soient desservies dans les provinces atlantiques.

B. Les lignes aériennes régionales s'occuperaient des trajets courts en y utlisant des petits réactés ou des turbopropulseurs, lesquels relieraient entre eux les nombreuses autres agglomérations des provinces Maritimes.

C. Les aéro-clubs, les avions nolisés et autres lignes secondaires fourniraient les services requis par un grand nombre de collectivités plus petites.

A l'heure actuelle, les zones de Saint-Jean et Fredericton sont desservies uniquement par Air Canada au moyen d'avions Viscount ou Vanguard. D'ici trois ans, ces aéronefs seront remplacés par des réactés qui ont été conçus principalement par des vols d'environ 500 milles, et il ne sera pas économique de desservir Saint-Jean et Fredericton.

Le transport des marchandises par air croît à un rythme accéléré: depuis quelques années, le transport aérien des marchandises dotées des installations nécessaires à ce genre augmente à raison de 25 p. 100 par année. Il importe que Saint-Jean et Fredericton soient de transport.

Air Cargo and the Jets

Just as many changes are taking place in water transportation with the advent of the super cargo ships, similar changes are taking place in air cargo transportation with the introduction of the jet airliners. The cost factors of air cargo shipping are becoming more and more competitive with other forms of transportation. The new generation of cargo aircraft are being designed with capabilities to handle containers which will further reduce the cost. Containers will be loaded and unloaded, warehoused and distributed from airports by rail, road and water. These major airports will become important distributors of goods. A portion of the traffic using container ships will be required to be transported from coastal points to inland markets by air. It is important that such a major airport be closely integrated with other modes of transportation. Such an airport near Saint John would make use of the facilities, available at the Port of Saint John. It would enable the Saint John and Fredericton areas to accommodate all forms of traffic in the fast developing transportation system, and like Rotterdam, would enable this province to become the focal point for transporting goods on Canada's eastern seaboard.

Air traffic continues to grow, and it is estimated that by 1970 air freight volume on the continent would have increased by 240% from 1965, and a further 135% by 1975. A jet facility not now available in New Brunswick would benefit from these conditions.

The alternative is, unless the Atlantic Provinces have these facilities to accommodate the new type of traffic, the region will be cut off from the major part of world commerce and its satellite role to Central Canada will be reinforced.

Other Factors

Since it is an established fact that industries locate close to transportation facilities, an airport on international trade routes would inevitably attract business to New Brunswick. With transportation to principal markets less of a factor, producers would undoubtedly take advantage of lower production costs and the availability of labour to locate in the area. Such an airport would open new markets for New Brunswick products, notably, lobsters and shrimp, now originating near Saint John.

Le transport aérien des marchandises et les réactés

Tout comme l'avènement du super-cargo a grandement modifié le transport maritime, l'apparition des réactés a occasionné des changements au transport aérien. Le coût du transport des marchandises par air permet une concurrence de plus en plus poussée avec les autres modes de transport. Les avions les plus récents transporteurs de marchandises sont conçus en prevision des conteneurs, ce qui aidera à réduire les frais. Les conteneurs seront chargés et déchargés, entreposés et distribués à partir des aéroports par train, par camion ou par bateau. Ces grands aéroports deviendront d'importants centres de distribution des marchandises. Une partie des marchandises conteneurisées devra être transportée par avion, depuis la côte jusqu'aux marchés intérieurs. Tout aéroport de cette importance devrait être relié étroitement aux autres modes de transport. Ainsi, un aéroport situé près de Saint-Jean pourrait mettre à profit les services offerts par le port de cette ville. Ceci permettrait aux régions de Saint-Jean et de Fredericton de recevoir tous les genres de trafic qui forment un réseau de transport en pleine évolution et, à l'exemple de Rotterdam, la province pourrait devenir le pivot du transport des marchandises sur la côte est du Canada.

La circulation aérienne continue à s'accroître et l'on estime qu'en 1970, le volume du transport aérien sur notre continent aura augmenté de 240 p. 100, par rapport à 1965; d'ici 1975, il se sera accru d'encore 135 p. 100. Un service de réactés, dont le Nouveau-Brunswick est actuellement privé, pourrait bénéficier de telles conditions. Par contre, si les provinces atlantiques ne jouissent pas des services requis par ce nouveau genre de trafic, elles se trouveront isolées de la majorité du monde commercial et, plus que jamais, elle demeurera un satellite de la partie centrale du Canada.

Autres facteurs

Puisqu'il est reconnu que les industries s'installent tout près des moyens de transport, un aéroport international attirerait infailliblement des affaires au Nouveau-Brunswick. Comme le transport vers les grands marchés constituerait alors un facteur de moindre importance, il ne fait pas doute que les producteurs tireraient parti des frais de production réduits et de la disponibilité de la main-d'œuvre pour s'établir dans la région. Un tel aéroport ouvrirait de nouveaux débouchés aux produits du Nouveau-Brunswick, entre autres le homard et la crevette produits typiques de la région de Saint-Jean.

The jets require a long flat approach to an air field and because of noise and safety factors, must be well cleared of built up areas. The amount of land required is something in the vicinity of 2,000 acres. Length of runways—both primary and secondary—must be in the region of 12,000 feet with good approaches from each quadrant.

Location

Both Saint John, the industrial centre of New Brunswick, and Fredericton, the capital with C.F.B. Gagetown, require the services of a main line airport.

Saint John is the largest industrial city of the Province. It has an even greater industrial future with the proposed superport and the multi-industrial complex and will generate large volumes of air cargo. Saint John is now the largest population centre in New Brunswick and, as a major growth centre, has the greatest potential future. It is now well served by both railways, has a road network geared to serve Maritime, eastern Canadian and northeastern United States market areas. The market area for Saint John-Fredericton extends from Woodstock to Sussex and St. Stephen, which includes a population in excess of 250,000 people.

Fredericton, as the capital of the Province, should be served by an international airport. Visitors from across Canada and from international points come to the capital. In addition, the proximity of C.F.B. Gagetown, Canada's largest armed forces base, would lead to its use by the armed forces in their new mobile protective role. Fredericton serves a large farming area and certain commodities could reach world markets through air freight containerization.

The present airport facility at Saint John has reached its full potential. Geographic and weather conditions are such that expansion of this facility to international standards is not practical, but it will continue to serve an important role as a regional airport.

The airport at Fredericton can not be expanded to meet the conditions of an inter-

Les réactés ne peuvent atterrir sans une longue approche libre d'aspérités et à cause du bruit et pour motifs de sécurité, ils doivent descendre à bonne distance des zones habitées. Il faut environ 2,000 acres de terrain pour aménager un aéroport. La longueur des pistes d'atterrissage, tant primaires que secondaires, doit être d'environ 12,000 pieds et les pistes doivent être munies de toutes parts d'approches convenables.

Emplacement

La ville de Saint-Jean, centre industriel du Nouveau-Branswick, et la capitale, Fredericton, ainsi que le centre militaire de Gagetown, ont besoin des services d'un aéroport de premier ordre.

Saint-Jean est la plus importante ville industrielle de la province. L'avenir de ses industries sera encore plus prometteur lorsque seront réalisés le superport et l'ensemble industriel mixte que l'on projette. Saint-Jean pourra alors fournir de grosses cargaisons au transport par air. La ville compte en outre la plus forte population du Nouveau-Brunswick et, en sa qualité de principal centre d'expansion, sa prospérité éventuelle est la plus évidente de toutes. Bénéficiant des services des deux grands réseaux ferroviaires, elle possède également un ensemble de routes conçues dans le but de desservir les provinces maritimes, l'Est du Canada et le Nord-Est des États-Unis, avec les débouchés commerciaux qui s'y trouvent. La région de Saint-Jean et de Fredericton, aux fins du commerce, s'étend de Woodstock à Sussex et Saint-Stephen, et on y dénombre une population de plus de 250,000.

Fredericton, étant la capitale de la province, devrait être desservie par un aéroport international. Elle reçoit des visiteurs venus de toutes les parties du Canada et de pays étrangers. De plus, le voisinage du centre militaire de Gagetown, la base la plus considérable des Forces armées au pays, amènera ces dernières à utiliser l'aéroport dans l'exécution de leur nouveau système de protection mobile. Fredericton dessert une région agricole très étendue et certaines denrées pourraient être expédiées vers les marchés mondiaux grâce à la conteneurisation.

Les services de l'aéroport actuel de Saint-Jean servent à pleine capacité. Les conditions géographiques et climatiques, toutefois, sont telles qu'il ne serait pas pratique de remodeler cette installation suivant les normes internationales. Il n'en continuera pas moins à jouer un rôle important sur le plan régional.

L'aéroport de Fredericton ne peut être remodelé de façon à répondre aux exigences

national airport, but likewise, will continue to serve as an important regional airport.

In conclusion, we submit that an airport of international standards must be constructed in southwestern New Brunswick. Several suitable locations exist in close proximity to both the Saint John and Fredericton areas but our committee does not feel qualified, at this time, to recommend a specific site.

We, therefore, urge the Government of Canada to initiate an immediate technical study to establish the appropriate location for a new airport of international standards to serve southwestern New Brunswick.

Endorsed by: *Fredericton Board of Trade*

d'un aéroport international mais il continuera, lui aussi, à être un important aéroport régional.

Nous recommandons, pour terminer, la construction d'un nouvel aéroport répondant aux normes internationales dans le Sud-Ouest du Nouveau-Brunswick. Plusieurs emplacements situés tout près de Saint-Jean et de Fredericton conviendraient à cette fin, mais notre comité ne se croit pas en mesure d'en recommander un en particulier, pour le moment du moins.

Nous prions donc instamment le gouvernement du Canada d'entreprendre sans délai une étude technique en vue de désigner l'emplacement d'un nouvel aéroport international qui desservira tout le Sud-Ouest du Nouveau-Brunswick.

Appuyé par la Chambre de commerce de Fredericton.

APPENDIX "D"

Summary Brief Prepared for Submission to The Standing Committee on Transport and Communications of the House of Commons—April 26, 1968

SUMMARY

1. *Freight Rates*: The Atlantic Provinces are entitled to freight rates which will enable manufacturers to operate within the province and to reach the markets of Central Canada at a competitive price. Freight rate adjustments alone will not solve our economic problems. These problems are tied to federal transportation, monetary, and tariff policies.

2. *Railway Co-operation*: There should be much more co-operation between the two railways in the use of existing rail lines in New Brunswick.

3. *Unfair Competition*:

(a) While the railways may have to operate at a loss in order to serve some isolated areas, the C.N.R. should not be able to use the taxpayers' money to cut rates for the express purpose of forcing the railway's competition out of business. There is clear evidence the C.N.R. has done just that.

(b) When faced with competition from coastal shipping or river shipping, C.N.R. rates have been reduced to meet that competition and to eliminate it. I question whether attempts to eliminate coastal and river shipping is in the public interest, especially when Canadian taxpayers, including those in the Atlantic region, must finance the C.N.R.'s deficit operation.

4. *Harbour Development*: The development of Saint John Harbour must be undertaken to assure the future importance and growth of Saint John, New Brunswick's largest city. Consideration should be given to the study of new breakwaters with the aim of greatly expanding the area of the existing harbour and providing a protected anchorage area in what is now the outer harbour. The people of New Brunswick should be assured of the development of Saint John Harbour to its fullest potential.

APPENDICE «D»

Résumé du mémoire
rédigé à l'intention du
Comité permanent des transports et
des communications de la Chambre des communes—*le 26 avril 1968.*

RÉSUMÉ

1. *Tarifs-marchandises:* Les provinces atlantiques ont droit à des tarifs-marchandises qui permettent aux fabricants de faire affaires dans la province et d'atteindre les marchés du Canada central à des prix concurrentiels. Néanmoins, le rajustement des tarifs-marchandises ne résoudra pas à lui seul nos problèmes économiques. Ces problèmes sont liés aux politiques fédérales à l'égard des transports, des finances et des tarifs.

2. *Collaboration des chemins de fer:* Il devrait y avoir beaucoup plus de collaboration entre les deux chemins de fer dans l'usage des voies actuelles au Nouveau-Brunswick.

3. *Concurrence déloyale:*

a) Il se peut que les chemins de fer doivent exploiter à perte pour desservir certaines régions isolées, mais le Canadien-National ne devrait pas pouvoir utiliser l'argent des contribuables à couper les prix dans le but même d'acculer à la faillite les concurrents du chemin de fer. Les témoignages sont probants que ce'st précisément ce qu'a fait le Canadien-National.

b) Face à la concurrence des entreprises côtières ou fluviales de transport par eau, les taux du Canadien-National ont été réduits pour affronter cette concurrence et l'éliminer. Je doute que ces tentatives d'éliminer les transports côtiers et fluviaux soient dans l'intérêt public, surtout si l'on songe que ce sont les contribuables canadiens, y compris ceux de la région atlantique, qui doivent faire les frais des opérations déficitaires du Canadien-National.

4. *Expansion portuaire:* Il faut agrandir le port de Saint-Jean afin d'assurer l'importance et la croissance futures de la ville de Saint-Jean, la plus grande du Nouveau-Brunswick. On devrait envisager la possibilité de construire de nouveaux brise-lames afin d'accroître considérablement la superficie du port actuel et d'établir un mouillage abrité dans ce qui constitue présentement les approches du port. On devrait donner à la population du Nouveau-Brunswick l'assurance du développement optimum du port de Saint-Jean.

5. *Designated Areas*: The cities of Saint John and Fredericton are not included in the government's industrial incentive program for so-called designated areas. In the Atlantic Provinces, long recognized as a depressed area of Canada, the major cities should not be deprived of this growth incentive. The City of Saint John must quickly more than double in size if it is to attain a position that would enable it, on its own, to stimulate its own growth and development and, in so doing, enhance the economy of the province.

6. *Chignecto Canal*:

(a) The Chignecto Canal—the long promised canal through the Isthmus of Chignecto close to the New Brunswick—Nova Scotia border—must be built to link the Bay of Fundy area with the St. Lawrence Seaway, creating entirely new traffic and trading patterns involving the industrial centres of central Canada and the United States on the Great Lakes and the Atlantic Seaboard. Construction of the canal should be accorded top priority.

(b) If the Chignecto Canal had been built as promised at the time of Confederation, this section of Canada would still enjoy the thriving economy it then enjoyed. The competition provided by coastal shipping would have kept the rail freight rates in line and provided an alternative means of reaching the Central Canada markets at a reasonable cost.

(c) Profits: The profit factor cannot be ignored by the railways, but we must remember that billions of dollars have been spent in Canada to build a great system of rail lines and canals. Under these circumstances the Atlantic Provinces must not be told that, because of rail costs, we cannot have access to the markets of Central Canada.

(d) Economic Climate: The economic climate of New Brunswick must be changed to encourage new industry and a growth in population which, in turn, will create more traffic for the railways and other forms of transport. That is the foundation upon which elimination of the existing disparity with Central Canada must rest.

5. *Régions désignées:* Les villes de Saint-Jean et de Fredericton ne sont pas comprises dans le programme gouvernemental de stimulation industrielle à l'intention de ce qu'on appelle les régions désignées. Dans les provinces de l'Atlantique, région du Canada reconnue depuis longtemps comme économiquement faible, les grandes villes ne devraient pas être privées de cette stimulation économique. La ville de Saint-Jean doit rapidement plus que doubler le chiffre de sa population si elle entend être en mesure de stimuler elle-même sa propre croissance et, ce faisant, donner de l'élan à l'économie de la province.

6. *Le canal de Chignectou:*

a) Le canal de Chignectou—que l'on promet depuis longtemps de creuser à travers l'isthme de Chignectou près de la frontière du Nouveau-Brunswick et de la Nouvelle-Écosse—doit être construit pour relier la région de la baie de Fundy à la voie maritime du Saint-Laurent, créant ainsi un réseau commercial entièrement nouveau ayant comme pôles les centres industriels du Canada central et des États-Unis situés sur les Grands lacs et ceux de la côte atlantique. On doit accorder la plus haute priorité à la construction du canal.

b) Si le canal de Chignectou avait été construit, comme promis, à l'époque de la Confédération, l'Est du Canada jouirait encore de l'économie florissante qu'il connaissait alors. La concurrence des entreprises côtières de transport aurait empêché la hausse des tarifs-marchandises des chemins de fer et aurait fourni un deuxième moyen d'atteindre les marchés du Canada central à des prix raisonnables.

c) *Bénéfices:* Les chemins de fer ne sauraient mettre de côté le facteur bénéfices, mais il faut se rappeler que des milliards de dollars ont été dépensés au Canada pour construire un grand réseau de chemins de fer et de canaux. Il ne faut donc pas dire aux provinces de l'Atlantique qu'en raison du coût du transport ferroviaire, elles ne peuvent avoir accès aux marchés du Canada central.

d) *Climat économique:* Il faut modifier le climat économique du Nouveau-Brunswick de manière à encourager l'industrie nouvelle et la croissance de la population, facteurs qui à leur tour créeront de plus nombreux clients pour les chemins de fer et les autres moyens de transport. C'est sur cette base que doit reposer l'élimination de l'inégalité qui règne actuellement entre l'est et le centre du Canada.

FREIGHT RATE INCREASES IN 1932 AND DECREASES IN 1937

Water Points from Halifax

Branch	Prior to June 14/32	June 14/32	% Increase	July 7/37	% Decrease
Moncton	24½	24½	—	16½	32.6
Buctouche	—	32	—	17½	45.3
Newcastle	32	32	—	18½	42.1
Bathurst	33	33	—	21	36.3
Campbellton	33	36	9	22	38.8
Fredericton	30	35	16.6	28	20
St. Stephen	—	39½	—		
Halifax	—	—	—		
Bridgewater	13	18½	42.3	12½	32.4
Liverpool	15	19½	30	12½	35.8
Shelbourne	15	19½	30	12½	35.8
Yarmouth	16½	16½	—	12½	24.2
Meteghan	16½ & ½	16½ & ½	—	—	—
Summerside	—	30	—	—	—
New Glasgow	20½	23	12.1	14½	36.9
Trenton	—	23	—	14½	36.9
Sydney	—	—	—	—	—
Charlottetown	—	30	—	18	40
Sydney River	19½	19½	—	19	2.5
Digby	16 & ½	16½ & ½	3.1	15	13.3
Lockeport	15	19½	30	12½	35.8
Lunenburg	13	18½	42.3	12½	32.4
St. John	19½	19½	—	19½	—
Charlottetown	—	30	—	17½	41.6
Summerside	—	30	—	18	40
Windsor	—	12	—	12	—

Non Water Points from Halifax

Sussex	28	30	7.1	14½	51.6
Woodstock	—	39	—	29½	24.3
Edmunston	—	39	—	34	11.5
Truro	17½	19	8.5	15½	18.4
Amherst	22	25	13.6	20½	18
Kentville	13½	13½	—	13½	—

HAUSSES DES TARIFS—MARCHANDISES EN 1932 ET DIMINUTIONS EN 1937

Points maritimes, à partir d'Halifax

Endroit	Avant le 14 juin 1932	Le 14 juin 1932	% Hausse	Le 7 juil. 1937	% Diminution
Moncton	24½	24½	—	16½	32.6
Buctouche	—	32	—	17½	45.3
Newcastle	32	32	—	18½	42.1
Bathurst	33	33	—	21	36.3
Campbellton	33	36	9	22	38.8
Fredericton	30	35	16.6	28	20
St. Stephen	—	39½	—		
Halifax	—	—	—		
Bridgewater	13	18½	42.3	12½	32.4
Liverpool	15	19½	30	12½	35.8
Shelburne	15	19½	30	12½	35.8
Yarmouth	16½	16½	—	12½	24.2
Meteghan	16½ & ½	16½ & ½	—	—	—
Summerside	—	30	—	—	—
New Glasgow	20½	23	12.1	14½	36.9
Trenton	—	23	—	14½	36.9
Sydney	—	—	—	—	—
Charlottetown	—	30	—	18	40
Sydney River	19½	19½	—	19	2.5
Digby	16 & ½	16½ & ½	3.1	15	13.3
Lockeport	15	19½	30	12½	35.8
Lunenburg	13	18½	42.3	12½	32.4
Saint-Jean	19½	19½	—	19½	—
Charlottetown	—	30	—	17½	41.6
Summerside	—	30	—	18	40
Windsor	—	12	—	12	—

Points non maritimes, à partir d'Halifax

Sussex	28	30	7.1	14½	51.6
Woodstock	—	39	—	29½	24.3
Edmundston	—	39	—	34½	11.5
Truro	17½	19	8.5	15½	18.4
Amherst	22	25	13.6	20½	18
Kentville	13½	13½	—	13½	—

FREIGHT RATE INCREASES IN 1932 AND DECREASES IN 1937

Water Points from Saint John

Branch	Prior to June 14/32	June 14/32	% Increase	July 7/37	% Decrease
Moncton	19½	19½	—	12½	35.8
Buctouche	23	23	—	14½	36.9
Newcastle	22	22	—	16	27.2
Bathurst	24½	24½	—	17½	28.5
Campbellton	29	29	—	19	34.4
Fredericton	21	21	—	12½	40.4
St. Stephen	20	20	—	12½	37.5
Halifax	19½	19½	—	19½	—
Bridgewater	36	36	—	—	—
Liverpool	38	38	—	—	—
Shelburne	39	39	—	—	—
Yarmouth	23	23	—	—	—
Meteghan	21	21	—	—	—
Summerside	29	29	—	17½	39.6
New Glasgow	28	28	—	18	35.7
Trenton	30	30	—	—	—
Sydney	35	35	—	—	—
Charlottetown	26	26	—	17½	32.6
Sydney River	—	35	—	—	—
Digby	—	—	—	—	—
Lockeport	—	—	—	—	—
Lunenburg	—	—	—	—	—
St. John	—	—	—	—	—
Charlottetown	—	26	—	17½	32.6
Summerside	—	29	—	17½	39.6
Windsor	—	37½	—	—	—

Non Water Points from Saint John

Sussex	14½	14½	—	13½	6.9
Woodstock	29	29	—	20½	29.3
Edmundston	32	32	—	24	25.0
Truro	29	29	—	23½	18.9
Amherst	22½	22½	—	20½	8.8
Kentville	28	28	—	—	—

HAUSSES DES TARIFS—MARCHANDISES EN 1932 ET DIMINUTIONS EN 1937

Points maritimes, à partir de Saint-Jean

Endroit	Avant le 14 juin 1932	Le 14 juin 1932	% Hausse	Le 7 juil. 1937	% Diminution
Moncton	19½	19½	—	12½	35.8
Buctouche	23	23	—	14½	36.9
Newcastle	22	22	—	16	27.2
Bathurst	24½	24½	—	17½	28.5
Campbellton	29	29	—	19	34.4
Fredericton	21	21	—	12½	40.4
St. Stephen	20	20	—	12½	37.5
Halifax	19½	19½	—	19½	—
Bridgewater	36	36	—	—	—
Liverpool	38	38	—	—	—
Shelburne	39	39	—	—	—
Yarmouth	23	23	—	—	—
Meteghan	21	21	—	—	—
Summerside	29	29	—	17½	39.6
New Glasgow	28	28	—	18	35.7
Trenton	30	30	—	—	—
Sydney	35	35	—	—	—
Charlottetown	26	26	—	17½	32.6
Sydney River	—	35	—	—	—
Digby	—	—	—	—	—
Lockeport	—	—	—	—	—
Lunenburg	—	—	—	—	—
Saint-Jean	—	—	—	—	—
Charlottetown	—	26	—	17½	32.6
Summerside	—	29	—	17½	39.6
Windsor	—	37½	—	—	—

Points non maritimes, à partir de Saint-Jean

Sussex	14½	14½	—	13½	6.9
Woodstock	29	29	—	20½	29.3
Edmundston	32	32	—	24	25.0
Truro	29	29	—	23½	18.9
Amherst	22½	22½	—	20½	8.8
Kentville	28	28	—	—	—

CHLORINE TRANSPORTATION

RAIL RATES—Dollars/100 Lbs

	Rates—$/100 Lbs.	
	Shawinigan to Lancaster	Shawinigan to Port Hawkesbury
Mileage	535 miles	760 miles
Rates:		
Dec. 1960	$1.26	
Oct. 26, 1961		$0.86
Feb. 12, 1962	1.04	
Feb. 4, 1963	.86	
Jan. 9, 1967	.95	.95
Current Ton-mile Rate	3.5¢	2.5¢

	Rates—$/100 Lbs.	
	Dalhousie to Lancaster	Dalhousie to Port Hawkesbury
Mileage	269 miles	429 miles
Rates:		
Nov. 8, 1963		.45
Jan. 9, 1967		.50
Apr. 11, 1968	.63	
Current Ton-mile Rate	4.7¢	2.3¢

CAUSTIC TRANSPORTATION

RAIL RATES—Dollars/100 Lbs

	Rates—$/100 Lbs.	
	Shawinigan to Lancaster	Shawinigan to Port Hawkesbury
Mileage	535 miles	760 miles
Rates:		
March 1961	.57	
August 28, 1961		.43
Jan. 1, 1967	.63	.47 (b) .52 (c)
March 21, 1968	.69 (a)	
August 30, 1968		.44 (d)
Current Ton-mile Rate	2.6¢	1.4¢

NOTE: (a) 120,000 lb cars
(b) 140,000 lb "
(c) 125,000 lb "
(d) 190,000 lb "

TRANSPORT DU CHLORE

TARIF DES CHEMINS DE FER—Dollars/100 Lbs

	Tarif—$/100 Lbs	
	Shawinigan à Lancaster	Shawinigan à Port Hawkesbury
Nombre de milles	535	760
Tarif:		
Décembre 1960	$1.26	
26 oct. 1961		$0.86
12 fév. 1962	1.04	
4 fév. 1963	.86	
9 jan. 1967	.95	.95
Tarif actuel (la tonne-mille)	3.5c.	3.5c.

	Tarif—$/100 Lbs	
	Dalhousie à Lancaster	Dalhousie à Port Hawkesbury
Nombre de milles	269	429
Tarif:		
8 nov. 1963		.45
9 jan. 1967		.50
11 avril 1968	.63	
Tarif actuel (la tonne-mille)	4.7c.	2.3c.

TRANSPORT DE LA SOUDE CAUSTIQUE

TARIF DES CHEMINS DE FER—Dollars/100 Lbs

	Tarif—$/100 Lbs	
	Shawinigan à Lancaster	Shawinigan à Port Hawkesbury
Nombre de milles	535	760
Tarif:		
Mars 1961	.57	
28 août 1961		.43
1er jan. 1967	.63	.47 (b) .52 (c)
21 mars 1968	.69(a)	
30 août 1968		.44(d)
Tarif actuel (la tonne-mille)	2.6c.	1.4c.

NOTE: (a) wagons de 120,000 lbs
(b) " 140,000 lbs
(c) " 125,000 lbs
(d) " 190,000 lbs

WOODPULP TRANSPORTATION

Rail Distances and Rates

	Rates—$/Ton	
	Saint John, N.B. to New Milford, Conn.	Abercrombie, N.S. to Chester, Penn.
Mileage	810 miles	1270 miles
Rates:		
1960	$11.50	
Dec. 13, 1965		$7.82
Nov. 16, 1966	7.75	
Aug. 19, 1967	8.15	8.22
June 24, 1968	8.39	
Nov. 28, 1968	8.56	8.63
Current Ton-mile rate	1.05¢	.68¢

TRANSPORT DU BOIS À PÂTE

Distances par chemin de fer et tarif

	Tarif—$/Tonne	
	Saint-Jean (N.-B.) à New Milford (Conn.)	Abercrombie (N.-É.) à Chester (Penn.)
Nombre de milles	810	1270
Tarif:		
1960	$11.50	
13 déc. 1965		$7.82
16 nov. 1966	7.75	
19 août 1967	8.15	8.22
24 juin 1968	8.39	
28 nov. 1968	8.56	8.63
Tarif actuel (la tonne-mille)	1.05c.	.68c.

APPENDIX "E"

SUBMISSION
TO THE
TRANSPORTATION AND
COMMUNICATIONS
COMMITTEE
BY
THE FREDERICTON BOARD OF TRADE

Mr. Chairman, we thank you and members of your Committee for the privilege of appearing before you today. Our group here represents more than three hundred and fifty members of the Fredericton Board of Trade. We are pleased to go on record in support of the Brief submitted by the Maritime Provinces Board of Trade—the voice of all Boards of Trade and Chambers of Commerce in the Atlantic Provinces—and, also, the Brief submitted by the City of Fredericton. We have studied these Briefs and we are in complete accord with their contents.

We would also wish to register our concern with recent changes in L.C.L. Freight Rate increases, which are mentioned in their Briefs, specifically that of the density rule so disastrous to those present shippers of bulky but light commodities. We feel it also gives any manufacturers pause who might be considering our area for the handling of this type of merchandise. Railway rates on valuable lightweight products were, originally, much higher than those on bulky low-valued goods—today, the opposite is true.

Worthy of mention in this Brief is the potential envisioned in the proposed "Corridor Road", which has been the subject of discussion in the Provinces of Quebec, Nova Scotia, Prince Edward Island, as well as our own Province of New Brunswick and the State of Maine.

Briefly, it is the consensus of opinion that linking the Atlantic Provinces with the Central Region of Canada by a short-cut across Maine would be beneficial to all those Provinces and the State of Maine. Such an artery cutting one hundred and forty miles off the shortest highway connection now existing between the two points, and many hours of travel between them, would break the great highway transportation bottle-neck of the

APPENDICE «E»

MÉMOIRE
DE LA CHAMBRE DE COMMERCE DE
FREDERICTON
AU COMITÉ
DES TRANSPORTS ET DES
COMMUNICATIONS

Monsieur le président, nous vous remercions, ainsi que les membres de votre Comité, du privilège qui nous est accordé de comparaître devant vous aujourd'hui. Notre groupe représente plus de 350 membres de la Chambre de commerce de Fredericton. C'est avec plaisir que nous consignons au compte rendu notre appui du mémoire soumis par la Chambre de commerce des provinces Maritimes—qui est la voix de toutes les Chambres de commerce des provinces atlantiques—de même que du mémoire présenté par la ville de Fredericton. Nous avons étudié ces mémoires et nous sommes en tous points d'accord avec leur contenu.

Nous désirons également exprimer l'inquiétude que nous causent les hausses récentes des tarifs-marchandises pour les quantités de moins d'une wagonnée, dont il est fait mention dans leurs mémoires, et en particulier la nouvelle règle de la densité, qui est si désastreuse pour les expéditeurs actuels de denrées volumineuses mais légères. Nous estimons qu'elle fait aussi réfléchir les fabricants qui pourraient songer à notre région pour la manutention de ce genre de marchandise. Le tarif ferroviaire des produits légers de grande valeur était autrefois beaucoup plus élevé que celui des marchandises volumineuses de peu de valeur; aujourd'hui, c'est le contraire qui est vrai.

Dignes de mention dans le présent mémoire sont les possibilités que laisse entrevoir le projet de la «route corridor», dont on a beaucoup parlé dans les provinces de Québec, de Nouvelle-Écosse et de l'Île du Prince-Édouard, de même que dans notre propre province du Nouveau-Brunswick et dans l'État du Maine.

En peu de mots, on est unanime à dire que relier les provinces de l'Atlantique au Canada central par un raccourci coupant le Maine serait à l'avantage de toutes ces provinces et de l'État du Maine. Une telle artère, plus courte de 140 milles que la plus courte route reliant les deux points à l'heure actuelle, et faisant épargner de nombreuses heures de voyage, éliminerait le grand embouteillage du transport routier des provinces atlantiques.

Atlantic Provinces. Besides assisting general transportation, such a highway would be a boon to the tourist trade. By studying the attached map "Appendix A", you can see construction of such a highway will provide a virtual straight line between Sydney, Nova Scotia and Montreal, Quebec.

It is not without some justification that, in the national picture, we often tend to think of ourselves as the forgotten area of Canada. Press reports of an event "to be televised nationally on C.T.V." are irritating for us to read since we have no C.T.V. in New Brunswick and we believe there is only one outlet in the Maritimes.

Apart from regional forecasts, the weather picture, described as "coast-to-coast", all too often starts in Vancouver and ends in Montreal.

Similarly, in the field of transportation, we get the impression of being on the outside looking in. Our Air Canada flights from Fredericton to other points are less than adequate and do not occur at hours convenient to businessmen. The connections by Air Canada to Eastern Provincial Airways are poor and Fredericton connections to New England are infrequent and require stopovers in Saint John of several hours.

We are the only provincial capital not served by direct passenger train service. For some years a "Toonerville Trolley" took passengers to Fredericton Junction (a misnomer as it is some thirty miles from Fredericton). Requests for equipment to allow passengers to board at Fredericton and remain on board with the cars connected at Fredericton Junction were ignored and, in fact, the "Trolley" was removed for lack of support, a condition which was natural in view of the indifferent service, the age of the equipment and the inconvenience involved. Now we are required to take a bus or a car thirty miles to catch the train to Montreal, it is hardly worth it. We believe improved direct service, properly promoted, would deserve and generate much greater patronage by the travelling public of the Fredericton Area.

We have one brief comment on the Maritime Freight Rates Act. Any move to curtail or remove the assistance afforded by the Act would be just one more step along the road to isolating the Maritime Provinces from the

En plus d'améliorer les transports en général, cette route favoriserait le commerce touristique. En étudiant la carte que nous donnons à l'appendice «A», on voit que la construction d'une telle route établira une ligne à peu près droite de communication entre Sydney (Nouvelle-Écosse,) et Montréal (Québec).

Ce n'est pas sans raison qu'au tableau national, nous tendons souvent à nous considérer comme la région oubliée du Canada. Les nouvelles de journaux annonçant qu'un événement sera «diffusé par tout le Canada sur le réseau CTV» nous irritent, car nous n'avons pas la CTV au Nouveau-Brunswick et le réseau ne compte, croyons-nous, qu'une seule station dans les Maritimes.

A part les prévisions régionales, la météo, que l'on dit «d'un océan à l'autre», commence trop souvent à Vancouver pour finir à Montréal.

De même, dans le domaine des transports, nous avons l'impression d'être le cousin éloigné. Nos envolées d'Air Canada de Fredericton vers d'autres points sont moins que suffisantes et n'ont pas lieu à des heures qui conviennent aux hommes d'affaires. Les correspondances d'Air Canada avec la société *Eastern Provincial Airways* sont piètres et les correspondances à Fredericton pour la Nouvelle-Angleterre sont peu fréquentes et exigent une escale de plusieurs heures à Saint-Jean.

Nous sommes la seule capitale provinciale qui ne soit pas desservie par un service direct de trains de voyageurs. Pendant un certain nombre d'années, un «petit train de banlieue» menait les voyageurs jusqu'à Fredericton Junction (l'endroit est mal nommé: quelque trente milles le séparent de Fredericton). On a fait la sourde oreille à la demande de matériel devant permettre aux voyageurs de monter à bord à Fredericton et d'y demeurer pendant que l'on relierait les voitures au train à Fredericton Junction et en fait, le «petit train» finit par être enlevé faute de voyageurs, chose assez naturelle si l'on songe au mauvais service fourni, au grand âge du matériel et à l'incommodité de l'affaire. Nous devons maintenant faire un trajet de trente milles en autobus ou en automobile pour attraper le train de Montréal: le jeu en vaut à peine la chandelle. Nous croyons qu'un service direct amélioré et convenablement lancé se ferait de nombreux clients parmi le public voyageur de la région de Fredericton.

Un bref commentaire à propos de la Loi sur les taux de transport des marchandises dans les provinces Maritimes. Toute mesure visant à réduire ou à éliminer l'aide accordée par la loi ne serait qu'un pas de plus vers l'isole-

rest of Canada and to push it further down the Economic Scale. We *must* attract industry, therefore we *have* to be attractive to industry. We do not have the markets of Quebec, Ontario and the West, therefore, we require some assistance to help us get to these markets. Subsidies in the national interest should not be tampered with.

The role of transportation in establishing Canada as a nation coast-to-coast is a matter of historical fact. Good transportation promotes not only commerce and social liaison between parts of Canada, but we believe has an important role to play in national unity *because* of the commerce and social liaison which results. We suggest the Committee would do well to consider these very important implications of improving transportation at a time when national unity is of vital concern to all citizens.

Signed on Behalf of the Fredericton Board of Trade.

David E. Cornish, President

F. G. Bidlake, Vice-President, Chairman, Transportation Committee

N. J. McKenzie, Secretary-Manager

ment des provinces Maritimes du reste du Canada, ce qui les ferait baisser d'un autre barreau dans l'échelle économique. Nous *devons* attirer l'industrie, nous *devons* donc présenter de l'attrait pour elle. Nous n'avons pas les marchés du Québec, de l'Ontario et de l'Ouest; nous avons donc besoin que l'on nous aide à atteindre ces marchés. Il ne faut pas toucher aux subventions accordées dans l'intérêt national.

On sait le rôle historique joué par les transports dans l'établissement du Canada comme nation d'un océan à l'autre. De bons moyens de transport favorisent non seulement le commerce et les liens humains entre les diverses régions du Canada, mais ils ont aussi, à notre avis, un rôle important à jouer sur le plan de l'unité nationale *du fait même* des rapports commerciaux et humains qui en résultent. Nous invitons donc le Comité à considérer ces très importantes répercussions de l'amélioration des transports, à un moment où l'unité nationale préoccupe si profondément tous les Canadiens.

Au nom de la Chambre de commerce de Fredericton:

Le président, David E. Cornish

Le vice-président, F.G. Bidlake, président du comité des transports

Le secrétaire-directeur, N.J. McKenzie

APPENDIX "F"

SUBMISSION
TO THE
STANDING COMMITTEE
ON
TRANSPORT AND
COMMUNICATIONS

by—J. Paul Cassidy
William D. Foster
Earl Gardner
Terry C. Lloyd
Beverly L. MacDonald

APPENDICE «F»

MÉMOIRE
PRÉSENTÉ AU
COMITÉ PERMANENT
DES
TRANSPORTS ET DES COMMUNICATIONS

par—J. Paul Cassidy
William D. Foster
Earl Gardner
Terry C. Lloyd
Beverly L. MacDonald

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We are five Business Administration students at the University of New Brunswick in Fredericton and would like to take this opportunity to explain our approach to this brief. We decided to take a general view of the problems connected with Atlantic transportation rather than assessing purely local problems. We felt that specific problems would be presented adequately in other briefs.

We also felt that a regional policy for transportation was essential and that once this was accomplished the region could build on it to solve the local difficulties. In our brief we tried to include all the broad aspects of transportation as it relates to the Atlantic Provinces. We have taken into account the conclusions and recommendations set forth in the Atlantic Provinces Transportation Study of January, 1967, prepared by the Economist Intelligence Unit Limited of London, England, as well as the recommendations of the McPherson Royal Commission on Transportation of 1961.

We begin with the Maritime Freight Rates Act, giving a brief history of its purpose and impact on the Maritime region, then move to our basic recommendations to improve its effect on transportation in the region. Next we move to a discussion of the new less-than-carload charges and their effect on the region.

Obviously any study of transportation in the Canadian nation must include an assessment of the rail facilities present in the area under discussion. Thus in the next section we have taken a look at various aspects of railways and railroads, such as operating costs, service, existing facilities. Our recommendations include suggestions for improving the railways' market position.

Highways are covered in the following section. We have discussed their financing, number, condition, and have made a few specific recommendations. From there the next logical topic seemed to be trucking. We have stressed the need for uniform regulations throughout the Atlantic Region.

With the main generalizations covered we then attempted to look at several more

Nous sommes cinq étudiants en administration des affaires à l'Université du Nouveau-Brunswick, située à Fredericton et nous aimerions profiter de cette occasion pour expliquer la façon dont nous envisageons ce mémoire. Nous avons opté pour une vue globale des problèmes se rapportant au transport dans les provinces de l'Atlantique, au lieu de nous borner à une évaluation des problèmes purement locaux. Nous avons pensé que des problèmes précis seraient exposés adéquatement dans d'autres mémoires.

En outre, nous avons cru qu'il est essentiel d'avoir une politique régionale pour le transport et, une fois cet objectif atteint, les responsables régionaux pourraient trouver les solutions aux problèmes locaux. Nous avons essayé d'inclure dans notre mémoire tous les aspects généraux du transport dans les provinces de l'Atlantique. Nous avons pris en considération les conclusions et les recommandations mises de l'avant par l'étude sur le transport dans les provinces de l'Atlantique de janvier 1967, préparée par la société *Economist Intelligence Unit Limited*, de Londres, ainsi que les recommandations de la Commission McPherson d'enquête sur le transport, de 1961.

Nous nous sommes d'abord arrêtés à la Loi sur les taux de transport des marchandises dans les provinces Maritimes, dont nous avons donné un bref historique des buts et des répercussions sur la région des provinces Maritimes, pour passer ensuite à nos principales recommandations destinées à en améliorer les effets sur le transport dans la région. Nous sommes passés ensuite à une étude des nouveaux frais relatifs aux wagonnées partielles et de leur répercussion sur la région.

Il est évident que toute étude du transport au Canada doit comprendre une évaluation des installations ferroviaires existantes dans la région sur laquelle porte l'étude. Dans la section suivante, nous nous sommes arrêtés à différents aspects des chemins de fer et des voies ferrées, comme les coûts d'exploitation, le service et les installations existantes. Nos recommandations contiennent des suggestions en vue d'améliorer la situation commerciale des chemins de fer.

Nous traiterons des routes dans la section suivante. Nous en avons étudié le financement, le nombre, l'état, et nous avons formulé quelques recommandations précises. De là, il nous a semblé que le camionnage était le sujet important qui devait suivre logiquement. Nous avons insisté sur la nécessité d'une réglementation uniforme dans toute la région de l'Atlantique.

Après avoir étudié les problèmes généraux, nous nous sommes ensuite efforcés de nous

specific problems which have plagued the Atlantic Provinces. We have made recommendations on the Corridor Road connecting the Atlantic Region to central Canada, the Prince Edward Island Causeway, ferry services, air facilities, sea ports, and lastly specific recommendations for Newfoundland. We feel that Newfoundland has transportation problems which are distinct from those of the rest of the Atlantic area.

With this short introduction we would like to start with an assessment of the Maritime Freight Rates Act.

Maritime Freight Rates Act

When discussing the Maritime Freight Rates Act one must keep in mind the fact that it was introduced as an element of National Transportation Policy to provide greater access by the Maritime Provinces to the central Canadian markets, or in the words of the Duncan Commission "to afford Maritime merchants, traders and manufacturers the larger market of the whole Canadian people instead of the restricted market of the Maritimes' themselves." A National Transportation Policy which fails to consider the regional aspects of the Maritimes is politically, socially, and economically inadequate and unacceptable. Because they lack the population (approximately two million now) and the industrial concentration (resulting in a reduced tax base) is no reason to ignore them or discriminate against them in national policy formulation.

The Maritime Freight Rates Act was passed in 1927 to combat the rise in freight rates within the Maritime Region in relation to the rest of Canada. As terms within the British North America Act sought to give the Maritimes a workable transportation system within the light of the union the then prevailing circumstances were contrary to that.

The original Act proposed a reduction in freight rates amounting to 20% which historians had interpreted, from studying the Act in

pencher sur un bon nombre des problèmes les plus précis auxquels les provinces de l'Atlantique ont dû faire face. Nous avons formulé des recommandations concernant la route-corridor reliant la région de l'Atlantique au centre du Canada, la chaussée de l'Île du-Prince-Édouard, les services de traversiers, les installations pour le transport aérien, les ports de mer et enfin les recommandations précises concernant Terre-Neuve. Nous croyons qu'il y a à Terre-Neuve des problèmes de transport différents de ceux que connaît le reste de la région de l'Atlantique.

Après cette brève introduction, nous aimerions débuter par une analyse de la Loi sur les taux de transport des marchandises dans les provinces Maritimes.

Loi sur les taux de transport des marchandises dans les provinces maritimes.

En étudiant la Loi sur les taux de transport des marchandises dans les provinces Maritimes, il faut se rappeler que cette loi a été présentée comme un élément de la politique nationale du transport, afin de fournir aux provinces Maritimes de meilleures voies d'accès au marché du Canada central, ou bien, selon les mots de la Commission Duncan «pour procurer aux commerçants, aux industriels et aux manufacturiers des Maritimes un meilleur débouché sur l'ensemble du marché canadien au lieu de les restreindre au marché des Maritimes comme tel». Une politique nationale du transport qui ne tient pas compte des conditions particulières aux provinces Maritimes est inadéquate et inacceptable aux points de vue politique, social et économique. La population peu nombreuse des provinces Maritimes, qui est d'environ deux millions actuellement, et la concentration industrielle qui entraînent une diminution des revenus provenant des taxes imposées par les gouvernements de cette région ne constituent pas des raisons pour ignorer cette partie du Canada ou pour la traiter injustement dans l'élaboration d'une politique nationale. La Loi sur les taux de transport des marchandises dans les provinces Maritimes a été adoptée en 1927 afin de pallier à l'augmentation des tarifs des marchandises dans la région de l'Atlantique par rapport au reste du Canada. Étant donné que des dispositions de l'Acte de l'Amérique du Nord Britannique visaient à doter les provinces Maritimes d'un réseau de transport adéquat dans l'esprit de l'union, les conditions qui prévalaient alors ne correspondaient pas à ce désir.

Le premier texte de la loi proposait une diminution de 20 p. 100 des tarifs des marchandises et, en étudiant cette disposition

the light of the Duncan Commission, to be a lasting and fixed subsidy. It left no provision for revision at a later date.

As changing circumstances took over the transportation field the Act has come under careful scrutiny and criticism. It has been criticized for its lack of applicability to other forms of transportation. The Act in general fails to provide the access to western markets as it had intended to do. It maintained rate differentials but they prove inadequate as the greater distances required by the Maritime shippers soon gobbled up this meager advantage. The Act has thus failed to establish and/or maintain the statutory rate advantage advocated by the Duncan Commission. We recommend that a more flexible rate be established, possibly within the structure of the Maritime Freight Rates Act, to enable the Maritime shippers wider and better access to western markets. This could hopefully be accomplished by establishing a flexible rate based on some ratio of national and/or regional transportation costs. Thus if certain economic conditions cause a fall in Ontario rates a pro rata reduction should automatically apply to the Maritimes.

The rate should not be based on an across the board reduction basis as it is now. We will attempt to show later in the brief that the relative increase in transportation costs for shippers in the Maritimes is more than in other sections of the country. This is due to the location of our markets and the horizontal percentage increases presently applied to rates. A new structure should realize this deficiency and attempt to remedy it.

As a result of the changes in the transportation systems and modes of transport since 1927 when the Maritime Freight Rates Act was introduced we recommend the extension of this Act to cover all modes of transportation. There are several reasons for this viewpoint, enumerated as follows:

dans l'esprit de la Commission Duncan, les historiens l'ont interprétée comme étant une subvention fixe et permanente. Aucune disposition ne prévoyait une revision à une date ultérieure.

Au fur et à mesure que les conditions ont évolué dans le domaine du transport, la loi a fait l'objet d'analyses attentives et de critiques. Elle a été critiquée à cause de son manque de souplesse qui empêchait de l'appliquer à d'autres modes de transport. De façon générale, la loi ne donnait pas accès aux marchés de l'Ouest, bien que ses auteurs en aient eu l'intention. Elle a maintenu des rapports constants entre les taux de transport, mais ses dispositions se sont avérées insuffisantes car les distances plus considérables que devaient parcourir les marchandises expédiées des Maritimes eurent tôt fait d'absorber ce léger avantage. La loi n'a donc pas réussi à établir ou à maintenir ou à établir et à maintenir l'avantage des tarifs préconisés par la Commission Duncan. Nous recommandons l'établissement de tarifs plus souples, peut-être dans le cadre de la Loi sur les taux de transport des marchandises dans les provinces Maritimes, afin de permettre aux expéditeurs des Maritimes d'atteindre plus facilement et plus généralement le marché de l'Ouest. Nous avons bon espoir qu'on pourrait atteindre ce but en établissant des taux souples fondés sur un certain rapport entre les coûts nationaux et les coûts régionaux du transport. De cette façon, si certaines conditions économiques entraînent une baisse des taux en Ontario, il devrait y avoir automatiquement une diminution proportionnelle des taux dans les Maritimes.

On ne devrait pas être fondés sur une réduction générale comme c'est présentement le cas. Nous tenterons de démontrer plus loin dans notre mémoire que l'augmentation proportionnelle des coûts du transport est plus considérable pour les expéditeurs des Maritimes que pour ceux d'autres régions du pays. Ceci est dû à la situation géographique de nos marchés et aux augmentations horizontales du pourcentage qui s'appliquent actuellement aux taux. En élaborant une nouvelle structure, il faudrait tenir compte de cette déficience et tâcher d'y remédier.

Étant donné les changements qu'ont subi les services et les modes de transport depuis 1927, quand la Loi sur les taux de transport des marchandises dans les provinces Maritimes a été mise en vigueur, nous recommandons qu'on élargisse cette loi afin de l'appliquer à tous les modes de transport. Voici les nombreuses raisons qui justifient cette prise de position:

(1) The Federal Government is actually subsidizing a body (railways) to the detriment of private enterprise (trucking and air service). We note the fact that the competitive tariff type of goods (outlined in the report of the Economist Intelligence Unit) are shipped by railways and trucking institutions at closely similar rates, however, these goods are subsidized for the railways benefit as a result of the extra revenue gained under the Maritime Freight Rates Act, while the other classes of goods (commodity and class) are shipped at a higher rate because railways have a monopoly on their transport. We feel the subsidies should have been applied to the non-competitive rates to reduce their costs. As the Maritime Freight Rates Act now stands the railways, not the shipper, benefit. The Act in its present form is self-defeating as it subsidizes the railways, not the shipper, for it quotes an unwise, uneconomical rate to obtain the competitive advantage over other modes of transport and then quotes unreasonable rates to remote areas not supplied with other forms of transport. (Maritime Freight Rates Act, *Atlantic Provinces Transportation Study, E.I.U., Vol. V*).

(2) Railways have become inefficient as delays and abnormal breakages are readily seen by shippers on most runs (reported by E.I.U. Study). The railways were subsidized in their construction and have continued to develop with government assistance along highly uneconomical lines. They must not continue to be treated as favored children; the subsidy must be extended to other modes of transportation so that more complete access to central Canadian markets is obtained.

(3) As the shippers seem to benefit only slightly, if at all, from the subsidies the extension to all modes of transport would better ensure the shippers that they obtained the subsidy instead of the railways. Thus the revisions in the structure of the Act should be aimed at implementing it in such a way

(1) Le gouvernement fédéral subventionne présentement un mode de transport (les chemins de fer) au détriment d'entreprises privées (le camionnage et les services de transports aérien). Nous remarquons avec l'*Economist Intelligence Unit* que certaines catégories de marchandises auxquelles sont appliqués des tarifs concurrentiels sont transportées par des compagnies de chemins de fer à des prix correspondant à peu près à ceux exigés par les compagnies de camionnage; cependant, ces marchandises sont subventionnées au profit des chemins de fer par suite du revenu supplémentaire obtenu aux termes de la Loi sur les taux de transport des marchandises dans les provinces Maritimes, alors que les autres catégories de marchandises sont transportées à un prix plus élevé, car les compagnies de chemins de fer jouissent d'un monopole pour le transport de ces dernières. Nous croyons qu'on devrait appliquer les subventions aux taux non concurrentiels afin d'en réduire les dépenses. De la façon dont elle est appliquée présentement, la Loi sur les taux de transport des marchandises dans les provinces Maritimes profite aux chemins de fer et non aux expéditeurs. De la façon dont elle est rédigée présentement, cette loi est sans effet car elle permet de subventionner les chemins de fer et non les expéditeurs, puisqu'elle établit des taux contraires au bon sens et à l'économie, afin d'obtenir l'avantage dans la concurrence avec les autres modes de transport et établit ensuite des taux déraisonnables pour les régions éloignées qui ne sont pas pourvues d'autres modes de transport. (Loi sur les taux de transport des marchandises dans les provinces Maritimes, *Étude du transport dans les provinces de l'Atlantique, E.I.U.*, vol. V.)

(2) Les chemins de fer ne sont plus efficaces si on considère les détériorations et les retards dont se plaignent fréquemment les expéditeurs sur la plupart des trajets (mentionnés dans l'étude du *E.I.U.*). Le gouvernement a subventionné la construction des chemins de fer qui ont pursuivi leur expansion suivant des principes non économiques. Il ne faut pas continuer à les traiter comme des enfants gâtés; on devrait appliquer les subventions aux autres modes de transport afin de donner un accès plus complet au marché du Canada central.

(3) Étant donné que les expéditeurs semblent ne profiter que très peu des subventions, en étendant l'application de cette loi à tous les modes de transport, on donnerait aux expéditeurs une meilleure garantie que ce serait eux et non les chemins de fer qui profiteraient des subventions. La revision de la

that the shipper benefits and not the transportation facility (in the sense that they gain extra revenue for similar service).

If one believes that regional retardation cannot be alleviated unless one has greater access to outside markets (we hold this opinion) then any integration of the Atlantic Provinces into a National Transportation Policy must hold this ideal to be of the utmost importance. We realize that the Maritime Freight Rates Act has not solved any regional disparities and we understand that its purpose was not stated in such terms, but if the Act had achieved its purpose of greater access to central Canadian markets regional disparities would hopefully have been less.

We recognize that transportation problems are not the sole or the most significant factor in the Atlantic Provinces uncompetitiveness with the central Canadian markets, but if a better structured and more suitable transportation policy can be obtained for the future possibly we can gain some insight into our many other perplexing difficulties. By establishing a flexible structure as a guidepost to future transportation facilities we can then readily adapt procedures to rapidly handle new developments as they come along.

This leads us to the proposal that raw materials originating outside of the 'select territory' destined for a Maritime manufacturing firm should come under the Maritime Freight Rates Act. For if the manufacturer has the disadvantage of having his source of raw materials outside the Maritimes, say in Ontario, and also his market he cannot compete in any reasonable form with other firms even though his manufactured goods are partially subsidized. We recognize that this statement may appear to be extreme at first glance, however, in our opinion it holds considerable weight. This fact can be seen when one realizes that the Maritimes are subsidizing the Central Canadian manufacturers on every car, every refrigerator, and every piece of machinery they buy through the existing tariff structure. Thus we do not consider that our statement lacks realism since any subsidy granted us will, in all probability, be

structure de la loi devrait donc avoir pour but de la mettre en application de façon à ce qu'elle profite aux expéditeurs et non aux transporteurs qui bénéficient de revenus supplémentaires pour un service semblable.

Si l'on croit qu'il est impossible d'améliorer la condition d'une région économiquement désavantagée à moins de lui fournir de meilleures voies d'accès aux marchés, et c'est là notre opinion, l'intégration des provinces de l'Atlantique dans une politique nationale du transport doit alors être considérée comme un but de toute première importance. Nous nous rendons compte que la Loi sur les taux de transport des marchandises dans les provinces Maritimes n'a éliminé aucune disparité régionale et nous comprenons que ce n'était pas là son but précis mais, si la loi avait atteint son but consistant à donner un meilleur accès au marché du Canada central, nous croyons que les disparités régionales auraient été moindres.

Nous admettons que les problèmes du transport ne constituent pas l'unique facteur ni le facteur le plus important de la situation d'impossibilité de concurrence dans laquelle se trouvent les provinces de l'Atlantique sur le marché du Canada central mais, si on élaborait une politique nationale du transport mieux structurée et mieux appropriée pour l'avenir, peut-être pourrions-nous entrevoir une certaine solution à nos nombreuses autres difficultés angoissantes. En cherchant à établir une structure souple pour les futurs moyens de transport, nous pourrons adapter rapidement les méthodes et tirer parti sur-le-champ des nouveaux aménagements au fur et à mesure qu'ils se présenteront.

Cela nous amène à la proposition selon laquelle les matières premières provenant de l'extérieur d'un «territoire déterminé» et destinées à une entreprise manufacturière établie dans les Maritimes devraient profiter de la Loi sur les taux de transport des marchandises dans les provinces Maritimes car, si le manufacturier se trouve dans la situation désavantageuse où sa source de matières premières est située à l'extérieur des Maritimes, en Ontario, supposons, de même que son marché, il ne peut pas raisonnablement concurrencer les autres entreprises même si les marchandises qu'il fabrique sont partiellement subventionnées. Nous convenons que cette déclaration peut sembler osée de prime abord; cependant, selon nous, elle est passablement juste. On peut se rendre compte de cela quand on considère que les provinces Maritimes subventionnent les manufacturiers établis dans le Canada central pour chaque

less than the additional cost of consumer and producer goods which the Maritimes are forced to pay.

Another aspect of the Maritime Freight Rates Act which we feel should be amended deals with exports to the United States. We feel that the subsidies should apply to those shipments as well as the ones to Central Canada. The shorter hauls involved would give the shippers the advantage originally proclaimed for the Act. Although the tariff walls erected by Washington will hinder the effects of the subsidy, it is—so to speak—better than nothing.

The Duncan Commission in the late 1920's emphasized the Confederation principle of affording the Maritime region greater access to the Central Canadian markets. This philosophy has carried through until even today many believe that the Maritimes must be offered adequate measures to gain this market. The fact that the regions are competitive and not complementary has been borne out by history; yet many officials and advocators of Maritime prosperity fail to realize this.

The members of the Commission and other policy formulators must reassess their basic assumptions concerning the Maritimes and accept the fact that their future economic prosperity does not lie in Central or Western Canada. As the recent Kennedy Round of Tariffs has or soon will open up the markets along the Eastern Seabord, we believe this is a step in the right direction. This is one further reason for applying the Maritime Freight Rates Act to exports to the United States.

The extension of the Maritime Freight Rates Act to apply to west-to-east shipping within the 'select territory' would eliminate the discriminatory aspects now present within the region, for the eastern-most points can ship products to the western-most points within the region under subsidy but the

automobile, chaque réfrigérateur ainsi que toute pièce d'outillage vendue dans ces provinces aux termes de la structure actuelle des tarifs. Nous estimons donc que notre affirmation tient compte des faits car toute subvention qui nous est accordée sera selon toute probabilité inférieure au coût additionnel que le consommateur et le producteur des Maritimes sont obligés de payer.

Un autre aspect de la Loi sur les taux de transport des marchandises dans les provinces Maritimes qui, selon nous, devrait être modifié concerne les exportations à destination des États-Unis. Nous croyons que les subventions devraient s'appliquer à ces envois tout aussi bien qu'à ceux destinés au centre du Canada. L'expéditeur obtiendrait pour les plus courtes distances de transport l'avantage qu'on a prétendu lui accorder par cette loi. Bien que les barrières tarifaires établies par Washington nuiront au but recherché par les subventions, c'est mieux que rien, somme toute.

A la fin des années 1920, la Commission Duncan a mis l'accent sur le principe de la Confédération consistant à donner à la région de l'Atlantique un meilleur accès aux marchés du Canada central. Cette idée a fait son chemin et persiste même aujourd'hui, alors que plusieurs estiment qu'il faut offrir aux provinces Maritimes les moyens adéquats pour atteindre ce marché. L'histoire nous apprend que les régions tendent à se faire concurrence et non à s'entr'aider; cependant, plusieurs hauts fonctionnaires et protagonistes de la prospérité des Maritimes ne parviennent pas à le comprendre.

Les membres de la Commission ainsi que les autres personnes qui élaborent des politiques devraient procéder à une nouvelle évaluation des premières notions qu'ils ont à l'égard des Maritimes et admettre que leur prospérité économique future ne viendra ni du centre ni de l'ouest du Canada. Comme les négociations du *Kennedy Round* sur les tarifs douaniers ont ouvert ou ouvriront sous peu les marchés le long de la côte de l'Atlantique, nous pensons que c'est là un pas dans la bonne voie. Cest une raison de plus d'appliquer la Loi sur les taux de transport des marchandises dans les provinces Maritimes aux exportations à destination des États-Unis.

L'extension de la Loi sur les taux de transport des marchandises dans les provinces Maritimes, afin de l'appliquer aux envois de l'Ouest vers l'Est à l'intérieur du territoire déterminé, éliminerait l'injustice dont souffre présentement cette région, car on peut expédier des marchandises de la plupart des

reverse is not true, unless the eastward traffic is to an ocean port.

Another important aspect of the rate structure in the Maritimes is the fact that rates are applied across Canada on a horizontal percentage increase. This adversely affects long distance shippers and as the Maritimes have a considerable distance to go to gain access to the Central Canadian market such percentage increases cause great hardship on shippers in this region. As the Maritime Freight Rates Act is fixed at 30% no alleviation is obtained from this fact.

To illustrate the foregoing point we will use a hypothetical example. Let us assume that for a given commodity X shipped from Fredericton to Port Arthur the cost is $4.00 per unit and that if it originated in Montreal the shipping cost would be $2.00 per unit. Since the shipment from Fredericton comes under the Maritime Freight Rates Act its real cost will be 70% of $4.00, or $2.80. Now if we assume a 50% rate increase the shipping costs per unit will rise to $6.00 and $3.00 respectively. However, the Maritime Freight Rates Act will apply to the former thus reducing the cost to $4.20. The increase in cost to the Maritime shipper would be $1.40 as compared to the $1.00 increase for the Montreal shipper. As illustrated the Maritime shipper is paying forty cents more than the Central Canadian shipper even with the 30% reduction. The Maritime shipper's unit costs have thus increased further injuring his competitive position.

The following is a brief summary of our recommendations concerning the Maritime Freight Rates Act:

1. A flexible rate should be established.

2. The Maritime Freight Rates Act should be extended to all modes of transport.

3. The extension the Maritime Freight Rates Act should apply to exports to the United States.

points de l'Est à destination de la plupart des points de l'Ouest au sein de la région grâce à des subventions, mais le contraire ne vaudrait pas à moins que les marchandises acheminées vers l'Est le soient par des ports de mer.

Un autre aspect important de la structure tarifaire des provinces Maritimes vient de ce qu'elle est mise en application suivant l'augmentation proportionnelle égale d'un bout à l'autre du Canada. Une telle situation défavorise les expéditeurs de marchandises à des distances considérables et, comme c'est le cas des expéditeurs des Maritimes désireux de faire affaires sur le marché central du Canada, de telles augmentations sont à leur détriment. Comme la Loi sur les taux de transport des marchandises dans les provinces Maritimes autorise une diminution fixe de 30 p. 100, elle ne procure aucun allègement.

Pour démontrer cet énoncé, nous utiliserons un exemple hypothétique. Supposons que X envoie un produit donné de Frédéricton à Port Arthur, le coût est de $4 l'unité et si le même produit était envoyé de Montréal, le coût du transport serait de $2.00 l'unité. Étant donné que la marchandise envoyée de Frédéricton profite de la Loi sur les taux de transport des marchandises dans les provinces Maritimes le prix réel sera de 70 p. 100 de $4.00, soit $2.80. A présent, si nous supposons une augmentation de 50 p. 100, le coût du transport par unité s'élèvera à $6.00 et à $3.00 respectivement. Cependant, la Loi sur les taux de transport des marchandises dans les provinces Maritimes s'appliquera dans le premier cas en réduisant ainsi le prix à $4.20. L'augmentation du prix exigé de l'expéditeur des Maritimes serait de $1.40 par rapport à $1.00 pour l'expéditeur de Montréal. Cet exemple démontre que l'expéditeur des Maritimes paie $0.40 de plus que l'expéditeur du centre du Canada, même s'il bénéficie de la réduction de 30 p. 100. Les prix exigés des expéditeurs des Maritimes pour chaque unité ont donc augmenté davantage, aggravant sa situation au point de vue de la concurrence.

Voici un bref résumé de nos recommandations concernant la Loi sur les taux de transport des marchandises dans les provinces Maritimes:

1. Il faudrait établir un taux souple.

2. Il faudrait étendre la Loi sur les taux de transport des marchandises dans les provinces Maritimes à tous les modes de transport.

3. La Loi sur les taux de transport des marchandises dans les provinces Maritimes devrait s'appliquer aux exportations à destination des États-Unis.

4. The Maritime Freight Rates Act should be extended to apply to west-to-east shipments within the 'select territory'.

Less-than-Carload Lots

One of the most important problems of the freight rate structure in the Maritimes is the less-than-carload lot charges. The purpose of this was, from the railways point of view, to encourage shippers to ship full carloads and thus reduce the unit cost of handling. This, however, discriminates against the Atlantic Region due to its lack of population and its scattered nature. The buyers cannot afford to take a full carload due to financing, storage costs, as well as limited market size. The Atlantic Provinces ship more LCL freight per capita than does any other region, or more than the national average—the national average was 192 pounds per capita in the calendar year 1966 while the Atlantic Provinces' average was 396 pounds per capita. (D.B.S., analyzed by the Maritime Transportation Commission in "Tips & Topics", October, 1967.) Calculations for the first three quarters of 1967 seem to indicate a similar trend at 118 pounds per capita nationally and 238 pounds per capita for the Atlantic Provinces (see Table 1, p. 10).

4. Il faudrait modifier la Loi sur les taux de transport des marchandises dans les provinces Maritimes, afin de l'appliquer aux envois de l'Ouest à l'Est à l'intérieur du «territoire déterminé».

Charges de marchandises de détail

Un des problèmes les plus importants posés par la structure des tarifs des marchandises dans les Maritimes concerne les frais pour les charges partielles. Cette mesure, selon les autorités des chemins de fer, avait pour but d'encourager les expéditeurs à former des charges complètes et à réduire ainsi le coût de manutention par unité. Cette mesure s'est cependant avérée injuste à l'égard de la région de l'Atlantique, à cause de la faible densité et de la dispersion de la population. Les acheteurs ne peuvent pas se permettre d'acheter une charge complète à cause du financement, du coût d'entreposage et du marché limité. Les provinces de l'Atlantique envoient des marchandises par charges partielles dans une plus grande proportion *per capita* que toute autre région et la moyenne des Maritimes est supérieure à la moyenne nationale dans ce domaine—la moyenne nationale était de 192 livres par habitant pour l'année civile 1966, alors que la moyenne des provinces de l'Atlantique était de 396 livres (données du B.F.S. analysées par la Commission des transports des Maritimes dans «*Tips & Topics*», octobre 1967). Les calculs concernant les neuf premiers mois de 1967 semblent indiquer le maintien de cette tendance à 118 livres par habitant à l'échelle nationale et à 238 livres dans les provinces de l'Atlantique (voir le tableau I, page 10).

TABLE I

USAGE OF LCL PER PROVINCIAL POPULATION
FIRST THREE QUARTERS OF 1967

Place	Tons Per Capita		Pounds Per Capita
Newfoundland	.116		
Prince Edward Island	.079		
Nova Scotia	.107	Atlantic Provinces .119	238 lbs.
New Brunswick	.142		
Quebec	.035		70 lbs.
Ontario	.050		100 lbs.
Manitoba	.086		
Saskatchewan	.132	Prairies .089	178 lbs.
Alberta	.047		
British Columbia	.055		110 lbs.
Yukon and N.W.T.	.253		516 lbs.
CANADA	.059		118 lbs.

(For further details see Table I of Appendix)

TABLEAU I

EXPÉDITION DE CHARGES DE MARCHANDISES DE DÉTAIL POUR CHAQUE PROVINCE SUIVANT LA POPULATION
NEUF PREMIERS MOIS DE 1967

Province	Tonnes Per Capita		Livres Per Capita
Terre-Neuve	.116		
Île du Prince-Édouard	.079	Provinces de l'Atlantique .119	238 lbs.
Nouvelle-Écosse	.107		
Nouveau-Brunswick	.142		
Québec	.035		70 lbs.
Ontario	.050		100 lbs.
Manitoba	.086		
Saskatchewan	.132	Prairies .089	178 lbs.
Alberta	.047		
Colombie-Britannique	.055		110 lbs.
Yukon et Territoires du Nord-Ouest	.253		516 lbs.
CANADA	.059		118 lbs.

(Pour de plus amples détails, voir le tableau I en appendice)

The new LCL provision should be eliminated immediately in the Atlantic Region as the higher rates seriously injure the manufacturers and shippers in this area.

Along with the discriminatory LCL rates the new density rule of one cubic foot equalling ten pounds adversely affects many shippers and receivers. The density rule is exceedingly high as even the airlines use only six point nine pounds per cubic foot. This increases the cost to a ridiculously high amount for such industries as the potato chips, canoe building, footwear and paper products. As the products of the Maritimes tend to be of this nature—high bulk and low weight—the new rule causes tremendous increases in shipping costs for producers. For example see Table II, p. 11, concerning the increases in rates which amount from 200% to 557%. From these figures we can see that the low weight per cubic foot adversely affects the cost of shipment by the railways. In this particular industry there is no suitable alternative for carrying their products: the trucks either haven't the available equipment or they flatly refuse to quote a contract for any length of time.

Les nouvelles dispositions concernant les charges partielles devraient être éliminées immédiatement dans la région de l'Atlantique, parce que les taux plus élevés nuisent considérablement aux manufacturiers et aux expéditeurs de cette région.

En plus des taux concernant les charges partielles, le nouveau règlement de densité selon lequel un pied cube correspond à 10 livres défavorise plusieurs expéditeurs et destinataires de marchandises. Le règlement concernant la densité est extrêmement désavantageux car même les entreprises de transport aérien n'attribuent qu'un poids de 6.9 livres par pied cube. Cette mesure augmente le coût à un montant extrêmement élevé pour des industries comme les patates «chips», la fabrication des canoës, l'industrie de la chaussure et les produits du papier. Étant donné que les produits manufacturés dans les Maritimes ont tendance à être de cette nature—un volume considérable et un poids peu élevé—ce nouveau règlement entraîne une augmentation très appréciable des frais du transport pour les producteurs. (Voir, par exemple, le tableau II, p. 11, concernant les augmentations des taux qui varient de 200 à 557 p. 100) Ces chiffres démontrent qu'un poids peu élevé par pied cube influe défavorablement sur le coût du transport par chemins de fer. Les fabricants de canoës n'ont pas de choix convenable pour le transport de leurs produits: les entreprises de camionnages ne possèdent pas l'équipement approprié ou bien elles refusent de conclure un contrat pour une période déterminée.

TABLE II

SAMPLE RATES ON "PAL" CANOES—SHIPPED FROM FREDERICTON

Code Name	Shpt. Wt.	Old Rate Per 100 lbs	New Rate Per 500 lbs.	Destination	Cu. Ft.	Old Cost	New Cost
		$	$			$	$
Pal	90 lbs.	5.13	2.54	Montreal	96	4.61	24.38
Pal	90 lbs.	7.27	3.14	Toronto	96	6.54	30.14
Pal	90 lbs.	16.07	6.05	Winnipeg	96	14.46	57.98
Pal	90 lbs.	31.50	8.16	Vancouver	96	28.35	78.33

SAMPLE RATES ON OTHER CANOE MODELS

Code Name	Shpt. Wt.	Cu. Ft.	Wt. Rate Based On
Bob's Special	85 lbs.	85	850 lbs.
20′ Ogilvy Canoes	130 lbs.	138	1,380 lbs.
17′ Prospector Vee	110 lbs.	115	1,150 lbs.
18′ Freight Vee	160 lbs.	175	1,750 lbs.
20′ Freight Flat Wide	210 lbs.	258	2,580 lbs.
22′ Freight Flat Wide	310 lbs.	360	3,600 lbs.

SOURCE: Chestnut Canoe Co. Ltd., Fredericton, N.B.

TABLEAU II

APERÇU DES TAUX POUR LES CANOËS «PAL»—EXPÉDIÉS DE FREDERICTON

Code	Poids de l'envoi	Ancien taux par 100 lbs.	Nouveau taux par 500 lbs.	Point de destination	Pi. cu.	Ancien coût	Nouveau coût
		$	$			$	$
Pal	90 lbs.	5.13	2.54	Montréal	96	4.61	24.38
Pal	90 lbs.	7.27	3.14	Toronto	96	6.54	30.14
Pal	90 lbs.	16.07	6.05	Winnipeg	96	14.46	57.98
Pal	90 lbs.	31.50	8.16	Vancouver	96	28.35	78.33

AUTRES EXEMPLES DE TAUX POUR D'AUTRES MODÈLES DE CANOËS

Code	Poids de l'envoi	Pi. cu.	Poids sur lequel le taux est fondé
Bob's Special	85 lbs.	85	850 lbs.
Canoës Ogilvy de 20 pi	130 lbs.	138	1380 lbs.
Prospector Vee de 17 pi	110 lbs.	115	1150 lbs.
Freight Vee de 18 pi	160 lbs.	175	1750 lbs.
Freight Flat Wide de 20 pi	210 lbs.	258	2580 lbs.
Freight Flat Wide de 22 pi	310 lbs.	360	3600 lbs.

SOURCE: *Chestnut Canoe Co. Ltd.*, Fredericton (N.-B.)

The new non-carload rates which came into effect on September 5, 1967, have caused rates to skyrocket for companies unable to retain their old LCL rates (See Table III, p. 13). The minimum weight requirements have deterred many shippers from using the railways, but as the trucking industry is not highly developed this option is not open to all shippers.

As stated previously a canoe company's rate will rise 200-557% and the railways have offered 20% reductions to the new rates within the Atlantic Provinces due to public opinion. The figures speak for themselves.

The cancellation of pick-up and delivery service as well as the cancellation of competitive rate structure and the establishment of the density rule have placed shippers without alternative methods of transport in a detrimental position, especially if they hope to gain greater access to the Central Canadian markets. We would like to recommend the retention of the old LCL policy (prior to September 5, 1967) with downward adjustment of rates. As the express rates are generally lower under the new non-carload structure than under the old LCL rates comparatively few use this method of shipment over the regular freight rates which have increased under the new set-up. To clear the above point, the new rates have the effect of increasing most classes of shipping except possibly express rates which may decrease slightly. However, the express class is used by the better positioned (one who requires speed and has low bulk) shippers and due to the economic conditions and type of goods the regular rates are used in the provinces.

Once again the rates hurt the small shippers of which the Maritimes are composed.

Thus our major recommendation concerning less-than-carload shipments is as follows:

> The new LCL rate structure should be cancelled and a corresponding downward adjustment of the rates should be made.

Les nouveaux taux pour les charges partielles qui ont été mis en vigueur le 5 septembre 1967 ont entraîné des augmentations astronomiques pour les compagnies incapables de conserver leurs anciens taux pour les charges partielles (voir tableau III, p. 13). Les exigences minimum quant au poids ont empêché plusieurs expéditeurs d'utiliser les chemins de fer et, comme l'industrie du camionnage n'est pas très développée, les expéditeurs ne peuvent pas tous en profiter.

Comme on l'a mentionné plus tôt, les taux exigés d'un fabricant de canoës augmenteront de 200 à 557 p. 100 et les compagnies de chemins de fer ont offert de réduire de 20 p. 100 les nouveaux taux pour les provinces de l'Atlantique à cause de l'opinion publique. Les chiffres parlent par eux-mêmes.

L'abandon du service de cueillette et de livraison, l'abolition de la structure des taux concurrentiels et l'établissement du règlement concernant la densité ont placé les expéditeurs dans une situation où ils n'ont pas de choix quant aux modes de transport, spécialement s'ils désirent faire meilleure figure sur le marché du Canada central. Nous aimerions recommander le maintien de l'ancienne mesure concernant les charges partielles, de la même façon dont elle était appliquée avant le 5 septembre 1967, ainsi qu'un ajustement des taux de façon à les diminuer. Comme les taux d'express sont généralement moins élevés suivant la nouvelle structure des charges partielles que sous l'ancien régime des taux pour les charges partielles, il y a relativement peu d'expéditeurs qui recourent à cette méthode de transport plutôt qu'aux tarifs des marchandises réguliers, qui ont été accrus suivant les nouvelles dispositions. Pour préciser ce point, les nouveaux taux ont pour effet d'augmenter la plupart des catégories d'expédition sauf peut-être les taux d'express qui peuvent diminuer légèrement. Cependant, la catégorie express est utilisée par l'expéditeur le mieux placé (celui qui veut la rapidité et a un envoi de faible volume) et étant donné les conditions économiques et la nature des marchandises, on utilise les taux réguliers à l'intérieur des provinces.

Encore une fois, les taux lèsent les intérêts des petits expéditeurs qui sont la majorité dans les Maritimes.

En conséquence, nous recommandons le changement suivant en ce qui concerne les expéditions inférieures à un wagon complet:

> Le nouveau barème pour les charges partielles devrait être aboli et remplacé par des taux plus bas.

TABLE III

MINIMUM WEIGHTS**

Explanation	Pounds						
	300	500	750	1,000	2,000	5,000	10,000
1. New Non-Carload Rates (effective Sep. 5 '67) ..	328	310	310	283	269	246	222
2. Proposed Non-Carload Rates (lowest approx.).	296	243	243	236	229	218	196
3. (a) Present LCL Class 100 Rates.....	242	242	242	242	242	242	242
(b) Present LCL Class 85 Rates.....	212	212	212	212	212	212	212
(c) Present LCL Class 70 Rates.....	183	183	183	183	183	183	183
(d) Present LCL Class 55 Rates.....	154	154	154	154	154	154	154
4. Former 1st Class Express Rates.....	450	450	450	450	450	450	450
Former 2nd Class Express Rates.....	360	360	360	360	360	360	360
5. (a) Former LCL Class 100 Rates.....	242	287	287	287	287	287	287
(b) Former LCL Class 85 Rates.....	212	257	257	257	257	257	257
(c) Former LCL Class 70 Rates.....	183	228	228	228	228	228	228
(d) Former LCL Class 55 Rates.....	154	199	199	199	199	199	199

**Figures quoted are for shipments between Saint John, N.B. and Corner Brook, Nfld., a distance of 672 miles.
SOURCE: Maritime Transportation Commission

TABLEAU III

POIDS MINIMUM**

Explications	Livres						
	300	500	750	1,000	2,000	5,000	10,000
1. Nouveau taux concernant les charges partielles (en vigueur le 5 septembre 1967).....	328	310	310	283	269	246	222
2. Taux proposés pour les charges partielles (la plus basse approximation).....	296	243	243	236	229	218	196
3. *a*) Taux actuels pour les charges partielles de la catégorie 100.....	242	242	242	242	242	242	242
b) Taux actuels pour les charges partielles de la catégorie 85.....	212	212	212	212	212	212	212
c) Taux actuels pour les charges partielles de la catégorie 70.....	183	183	183	183	183	183	183
d) Taux actuels pour les charges partielles de la catégorie 55.....	154	154	154	154	154	154	154
4. Pour l'ancienne catégorie express de première classe.....	450	450	450	450	450	450	450
Pour l'ancienne catégorie express de deuxième classe.....	360	360	360	360	360	360	360
5. *a*) Anciens taux pour les charges partielles de la catégorie 100.....	242	287	287	287	287	287	287
b) Anciens taux pour les charges partielles de la catégorie 85.....	212	257	257	257	257	257	257
c) Anciens taux pour les charges partielles de la catégorie 70.....	183	228	228	288	228	228	288
d) Anciens taux pour les charges partielles de la catégorie 55.....	154	199	199	199	199	199	199

**Les chiffres concernent les envois entre Saint Jean (N.-B.) et Corner Brook (T.-N.), soit une distance de 672 milles.

SOURCE: Commission de transport des Maritimes.

Railways

An overall development policy for the Maritime Provinces to satisfactorily meet the needs of the people and their economies is required. Transportation is only one of many fields that must be covered by such a policy. Until a program of development for Maritimes, which may or may not include Newfoundland, is set in play effectively, disadvantages in transportation rates or tariffs of any nature may have heavier results on an already weak economy and negatively affect an already worsening environment. It is in this respect that we make the following submission.

We strongly recommend the establishment of Maritime Railway Rates Board to function until that time when a development policy for the Maritime Provinces can be put into effect. There is a great deal of confusion, conflicting interests, and conflicting opinions concerning the economic needs of the Maritime region and, in the case of the railways, their role, influence and responsibility to the region. The Maritime Railway Rates Board should be made up of knowledgeable and competent Maritime economists and businessmen thoroughly familiar with the economic environment and its needs in the Maritimes. We recommend that it advise on the setting of rates within the Maritimes and to and from points outside of the Maritime region.

There may be several advantages to the implementation of this recommendation. Decisions of the Maritime Railway Rates Board would hopefully be more objective and more educated. The decisions would be based on an integrated knowledge of the Maritime economic environment, the need for competition and the needs of the people. A board established on a continuous basis is better able to make recommendations with respect to its observations of the changing economic considerations and conditions than are boards and committees whose reports are necessarily based on the observations made in a short period of time. Finally, the board could be dissolved once an overall plan for regional development, which will have to consider transportation problems and requirements, is put into effect.

In summary to this recommendation we express optimism that at some time in the future the Maritime region will be in a position of prosperity that will not necessitate

Chemins de Fer

Il importe de mettre en œuvre une politique de développement d'ensemble dans les provinces Maritimes, afin de répondre aux besoins de la population et de l'économie régionale. Les transports ne constituent qu'un élément parmi plusieurs autres qui doivent être visés par une telle politique. Aussi longtemps qu'un programme de développement des Maritimes, incluant ou non Terre-Neuve, n'aura pas été appliqué efficacement, les inconvénients des taux ou tarifs de transport de tout genre pourront avoir de mauvais résultats sur une économie déjà chancelante et influer négativement sur un environnement déjà compromis. C'est à cette fin que nous formulons les recommandations suivantes.

Nous recommandons fortement l'établissement d'un Office des taux de transport par chemin de fer dans les provinces Maritimes, en attendant la mise en vigueur d'une politique de développement pour la région. Il existe beaucoup de confusion, d'intérêts discordants et d'opinions contradictoires au sujet des besoins économiques de la région des Maritimes et, dans le cas des chemins de fer, au sujet de leur rôle, de leur influence et de leurs responsabilités envers la région. L'office des taux de transports par chemin de fer dans les provinces Maritimes devrait être formé d'économistes et d'hommes d'affaires intelligents et compétents des Maritimes, parfaitement au courant du milieu économique et des besoins des Maritimes. Nous recommandons que cet office soit habilité à établir des taux de transport à l'intérieur des Maritimes et entre des points situés dans les Maritimes et des points à l'extérieur.

Plusieurs avantages peuvent découler de la mise en vigueur de cette recommandation. Les décisions de l'office seraient plus objectives et rationnelles car elles seraient fondées sur une connaissance approfondie du milieu économique des Maritimes, sur la nécessité d'une saine concurrence et sur les besoins de la population. Un office fonctionnant de façon continue est plus en mesure de formuler des recommandations fondées sur sa propre observation des changements dans les préoccupations et les conditions économiques que ne sont les commissions et comités dont les rapports seraient nécessairements fondés sur des observations faites pendant un court laps de temps. Enfin, l'office pourrait être dissous une fois amorcé un plan d'ensemble de développement régional, qui devra prendre en considération les problèmes et besoins du transport de la région à l'étude.

Disons, pour conclure, que nous espérons sincèrement qu'un jour, la région des Maritimes connaîtra une prospérité telle qu'il ne sera plus nécessaire de subventionner le

subsidies or rate regulations to the railways. Until that time, however, the importance of the railway rate structure to the economy demands careful consideration.

Part of the difficulty rails are encountering in meeting their costs and realizing a profit may be overcome by taking a larger share of the market that is available to them. Their profit position and share of the market could conceivably improve with an increase in efficiency. Also, reductions in costs, due to an increase in efficiency or other considerations, are always a possibility in a business concern's operation. It is assumed here that an improvement in the financial state of the railways will permit the feasibility and occurrence of improvements in service that may benefit the Maritime region. In this respect we make the following recommendations.

First, we recommend a complete investigation into the cost analysis methods utilized by the railways. Poor cost analysis may be part of the reason for an apparent inability of rails to improve efficiency and service. If cost analysis computations are not indicating existing areas where a more efficient allocation of resources could reduce marginal or operating costs or improve service, then improved cost accounting methods are required.

Second, we recommend a thorough examination of how much business is presently being lost or how many customers have looked elsewhere for transportation as a result of their discontent with the record of the railways to service their needs. The Atlantic Provinces Transportation Study, January, 1967 submitted by the Economist Intelligence Unit Limited of London, England, dealt at length in part A of Volume III with dissatisfaction of railway customers on Prince Edward Island. This is meant as an example of customer dissatisfaction and the report illustrates cases of shippers preferring anything to rails due to the latter's inefficiency, poor handling procedures and other reasons. In this respect and with regard to the above examination there are many recommendations that could be made. It would be of benefit to railway revenues to investigate reports of dissatisfied customers, to minimize business lost in this way by positive measures, and to restore with customers a relationship of confidence. It would also be beneficial to the level of business to reduce

transport des marchandises par chemin de fer ni d'en réglementer les taux. En attendant, cependant, l'importance des taux de transport par chemin de fer pour l'économie de la région doit être l'objet de toute notre attention.

Les chemins de fer pourraient mettre fin à leurs difficultés à subvenir à leurs frais d'exploitation, tout en réalisant des bénéfices, s'ils prenaient une plus large part du marché qui s'offre à eux. Une amélioration de leurs services se traduirait vraisemblablement par une augmentation de leurs bénéfices et de leur part du marché. De même, la diminution des frais d'exploitation grâce à une amélioration des services et autres éléments de l'exploitation est toujours possible dans la conduite d'une entreprise commerciale. Nous prenons pour acquis, en l'occurrence, qu'une amélioration de la position financière des chemins de fer permettra d'améliorer le service pour le plus grand bien de la région des Maritimes. A cette fin, nous formulons les recommandations suivantes:

Premièrement, nous recommandons une enquête complète des méthodes d'analyses des frais qui sont en usage dans les chemins de fer. Des méthodes défectueuses d'analyse peuvent être l'une des causes de l'incapacité apparente des chemins de fer d'améliorer le rendement et le service. Si l'analyse des frais n'indique pas les secteurs où une meilleure utilisation des ressources pourrait réduire les frais marginaux ou d'exploitation ou améliorer le service, il faut introduire des méthodes améliorées de comptabilisation des frais d'exploitation.

Deuxièmement, nous recommandons un examen minutieux de la part du commerce qui est perdu pour les chemins de fer ou du nombre de clients qui ont utilisé d'autres moyens de transport parce qu'ils étaient mécontents du service que leur donnaient les chemins de fer. Le rapport intitulé «Étude de la situation des transports dans les provinces Maritimes,» déposé en janvier 1967 par la société *Economist Intelligence Unit Limited*, de Londres, (partie A, volume III) traite à fond du mécontentement des usagers des chemins de fer dans l'Île du Prince-Édouard. Nous avons voulu mentionner ce cas à titre d'exemple du mécontentement des clients des chemins de fer; le rapport signale des cas d'expéditeurs qui avaient préféré tous les autres moyens de transport aux chemins de fer, à cause de l'inefficacité de ces derniers, de la manutention négligente et pour d'autres motifs. Il y aurait beaucoup de recommandations à faire à ce sujet et à la suite de l'étude en question. Dans le but de sauvegarder ou d'augmenter les revenus des chemins de fer, il y aurait lieu de vérifier le bien-fondé des

the reportedly high rate of breakage and destruction enroute and to prevent the high rate of theft. We recommend also that handling facilities be improved and that handling procedures be studied for possible improvements in efficiency and reduced losses to the customer such that the customer may gain a greater satisfaction from the service. These are some of the factors that determine the overall quality of service and therefore the number of customers.

Finally we recommend investigation into two related areas that may result in improved revenues and a larger share of the market. First, the degree of customer or prospective customer knowledge of railway services and tariffs of the lack of information flow between parties may be a deterrent to increased revenues. Inquiries to the railways as to rates and services bring on unaggressive response, information is not sent to the inquisitor by mail and the absence of an overall sales effort is indicated by the relationship where the future customer must initiate contact or communications.

Second, we invision the public image of the railways, due to a variety of complex and historical reasons, as being less than satisfactory. We suspect that this situation affects the level of revenues. In this regard we recommend that the railways take a serious look at their relationship to the community. The impersonal nature of the railway operation, the lack of a definite and obvious interest and commitment in the individual town, city, or community, and the lack of an expressed mutual concern to the customer for the sale and transfer of goods produced are among the factors we would advise studying.

We submit that there are many ways to improve services and decrease inefficiencies in railway operations so as to increase revenues to cover costs. It is unfortunate that the approach taken by railways toward business has changed little over the years, that railway advantages have not been fully exploited, and that the evolution of an agressive customer oriented policy has not been apparent.

rapports et des plaintes des clients mécontents, en vue de réduire la perte de revenus subie de cette façon en prenant des mesures positives, et de regagner ainsi la confiance de la clientèle. Il y va aussi de l'intérêt du chiffre d'affaire des compagnies de chemins de fer de réduire le taux de casse, d'avarie et de destruction de marchandises en cours de route et de faire baisser les pertes attribuables au vol. Nous recommandons également que soient améliorés les appareils et méthodes de manutention et qu'une étude soit faite de ces méthodes, en vue d'améliorer leur efficacité et de réduire les pertes subies par le client et lui donner un meilleur service. Voilà autant de facteurs qui contribuent à l'excellence du service et, partant, à grossir la clientèle.

Enfin, nous recommandons qu'une étude soit entreprise dans deux secteurs apparentés qui sont susceptibles d'accroître les revenus et la clientèle. En premier lieu, il est probable que les revenus augmenteront ou baisseront dans la mesure où les clients actuels ou éventuels seront informés ou non des services et des taux des chemins de fer. Il ne saurait y avoir progrès si les compagnies de chemins de fer ne répondent pas de façon empressée et dynamique aux demandes de renseignements sur les services et les taux; si elles négligent d'envoyer promptement les renseignements demandés par la poste; si elles ne font pas tout leur possible pour vendre leurs services et si, enfin, le client éventuel est obligé d'établir lui-même le contact.

En deuxième lieu, nous sommes en présence d'une conception que le public s'est faite des chemins de fer, qui laisse à désirer pour des raisons à la fois complexes et historiques. A notre avis, cet état de choses influe sur les recettes. A ce sujet, nous recommandons que les chemins de fer s'interrogent sérieusement sur leurs rapports avec la communauté. Nous leur conseillons tout particulièrement de considérer divers facteurs importants, notamment la nature anonyme de l'entreprise ferroviaire, le manque d'intérêt et d'engagements précis et évidents dans un village, une ville ou une communauté, et l'absence du désir manifeste de plaire au client qui doit vendre et expédier les articles qu'il produit.

Nous prétendons qu'il existe de nombreux moyens d'améliorer les services tout en réduisant les insuffisances des opérations ferroviaires, afin d'augmenter les revenus et couvrir les frais. Malheureusement, l'attitude des chemins de fer envers l'industrie et le commerce a peu changé au cours des années, les avantages des chemins de fer n'ont pas été exploités à fond, et l'évolution d'une politique dynamique axée sur la clientèle n'a pas été à la fine pointe de l'actualité.

With respect to minimizing operating costs we suggest that the number of rural lines be reduced where there is little prospect of economic advantage accruing to either the railway or the community in the future. We suggest an investigation to seek out rail spurs within city limits that are largely out of use in order that taxes payable or other operating expenses be reduced. With the same regard to efficiency and cost reduction we suggest an investigation into the elimination of all duplications in service by two or more railway companies.

Unlike the other Maritime Provinces New Brunswick has a large number of instances of duplicated services and where they exist the reason has in the past been given that it is for the sake of competition. But the challenging competition to railways has become other modes of transportation. It may be the case that competing among themselves does not provide the public with a better service or lower charges but does create extra costs that could be reduced or eliminated. Also we recommend an investigation to include the expanded use and feasibility of shared cost programs between railway companies or, in other words, broader grounds of cooperation and pooling of resources.

It has been said that the objective of a transportation policy must complement the efforts of a region to develop its economy. It has been said that the development of policies and plans for the development of the Maritime region are not presently settled. Therefore, without knowing specifically what path development will follow we recommend that the general emphasis of any changes in the rail network be on efficient direct interurban lines to accommodate industrialization of the future rather than agricultural patterns of the past.

We accept the principle of the public's right to railway passenger service. As it is available to other communities in Canada so too it should be available to Maritime communities, especially the centres of growth and population. Additionally, this service should be available as an alternative to other modes such as bus service to provide competition. Therefore, we recommend a thorough investigation to determine the number of people moving daily between urban points

En ce qui concerne l'opportunité d'abaisser les frais d'exploitation, nous suggérons de réduire le nombre des lignes rurales lorsque, à l'avenir, on ne prévoit en tirer que peu de bienfaits économiques pour la compagnie ou la communauté. Nous recommandons qu'une enquête soit effectuée pour déterminer quels embranchements ferroviaires dans les limites d'une ville ne servent pas à plein temps, afin de réduire les impôts ou les autres frais d'exploitation. Toujours dans le but d'accroître l'efficacité du matériel roulant et de réduire les frais d'exploitation, nous recommandons qu'une étude soit entreprise en vue d'éliminer tous les cas de double emploi de service par deux ou plusieurs compagnies de chemin de fer.

A la différence des autres provinces Maritimes, le Nouveau-Brunswick présente un grand nombre de cas de services faisant double emploi et, là où cela se produit, la raison donnée dans le passé c'est qu'on voulait tenir tête à la concurrence. Mais, en fait, la concurrence vraiment dangereuse venait d'autres modes de transport. N'oublions pas que la concurrence des compagnies de chemins de fer entre elles n'assure pas un meilleur service au public ni des frais moins élevés mais, au contraire, elle occasionne des frais supplémentaires qui pourraient être réduits ou éliminés. Nous recommandons également une enquête qui portera sur l'élargissement et la praticabilité de programmes à frais partagés entre les compagnies de chemins de fer ou, en d'autres mots, dans des domaines plus vastes de coopération et de mise en commun des ressources.

On a dit qu'une politique de transport doit viser à seconder les efforts d'une région pour développer son économie. On ajoute que les politiques et plans de développement de la région des Maritimes ne sont pas encore au point. En conséquence, sans connaître l'orientation exacte que prendra le développement régional, nous recommandons que tout changement important qui se fera dans le réseau ferroviaire soit situé dans le secteur des lignes interurbaines et vise à faciliter l'industrialisation future de la région plutôt que de donner la préséance à l'industrie agricole traditionnelle.

Nous admettons le droit du public au service des voyageurs. Comme ce service ferroviaire est donné aux autres régions du Canada, il n'est que juste qu'on l'accorde aux agglomérations des Maritimes, surtout aux centres de croissance et de population. De plus, ce service devrait être offert à la population si elle le préfère aux autres modes de transport, comme l'autobus. Par conséquent, nous recommandons une étude approfondie en vue de déterminer le nombre de voyageurs

and who would consider using railway passenger service in lieu of some other service if it was available.

We emphasize the need of convenience for customers in travelling between points by railway; for example, from city centre to city centre. In the past passenger trains have not always operated to the utmost convenience of its prospective customers. For this reason it has lost customers when they were available. For example, bus lines operate profitably between Fredericton and Saint John (80 miles) from central locations in each city. The charge is $3.05. The ride by train to Saint John is much more comfortable and the charge is $3.40. However, Fredericton Junction is 26 miles from Fredericton. It costs $12.00 to get there by taxi. Without having to consider time and convenience we conclude that the prospective customer has never had an alternative but to go by bus or private automobile between these two centres and so the railways lost this source of revenue.

If in the end analysis regular rail passenger service for citizens in the Maritimes is not possible then we recommend an investigation into the feasibility of periodic passenger service. The flow of people between points is greater at different times of the week, season, and year. At present the rails make little use of this potential market while bus lines must reserve extra buses and Air Canada provide special flights. One example is the movement of people between points within the Maritimes at Christmas. Another example is the irregular flow of a large number of students within the Maritimes and to and from other parts of Canada.

In the following we set forth a new concept meant to increase railway revenues in the Maritime Provinces.

At present, procedures demand a much greater responsibility for decision making by the producer than the carrier when the former requires the service of the latter. The producer must (1) seek out a wholesaler, (2) set a price, (3) decide on the mode of transportation, and (4) arrange for transfer. It is significant that the railways act only on request and there is no sales effort.

We recommend an investigation by competent consultants into the feasibility of rail-

qui se rendent d'un endroit à un autre de la ville et qui préfèrent le service des voyageurs de la compagnie des chemins de fer à un autre mode de transport qu'ils pourraient utiliser.

Nous mettons l'accent sur la nécessité de commodité des voyageurs qui se rendent en train d'un endroit à un autre, par exemple du centre d'une ville au centre d'une autre. Dans le passé, les trains de voyageurs n'ont pas toujours donné le summum de commodité à leurs clients éventuels. C'est ce qui explique que les chemins de fer ont perdu leur clientèle à la concurrence. Par exemple, il y a des services d'autobus qui sont d'un bon rapport entre Fredericton et Saint-Jean (80 milles), à partir du cœur de la première jusqu'au cœur de la deuxième. Le prix du billet par train jusqu'à Saint-Jean est $3.40 et le trajet est beaucoup plus confortable. D'autre part, il en coûte $12 en taxi pour se rendre à Fredericton Junction, à 26 milles de Fredericton. Même en faisant abstraction du temps et de la commodité, nous concluons que le client éventuel n'a jamais eu le choix et qu'il devait voyager en autobus ou en auto pour aller d'un centre à l'autre, de sorte que les chemins de fer ont perdu cette source de revenu.

Si, en dépit de tous nos efforts, il est impossible de doter les Maritimes d'un service régulier de trains de voyageurs, nous recommandons qu'on examine la possibilité d'établir un service périodique de voyageurs. Il y a des périodes de pointe entre les divers points chaque semaine, chaque saison et chaque année. A l'heure actuelle, les chemins de fer profitent peu de ce marché possible tandis que les compagnies d'autobus doivent augmenter le nombre de leurs voitures en service et Air Canada doit faire des vols spéciaux. Un cas d'espèce est le trafic-voyageurs dans les Maritimes au temps des Fêtes. Un autre exemple est le déplacement intermittent d'étudiants au sein des Maritimes ainsi qu'en provenance et à destination d'autres parties du Canada.

Nous énonçons ci-après un nouveau moyen d'accroître les revenus des chemins de fer dans les provinces Maritimes.

A l'heure actuelle, la mise en marché d'un produit exige de la part du producteur une foule de détails et de formalités dont n'a pas à se soucier le transporteur, lorsque le producteur a besoin de ses services. Ainsi, le producteur doit (1) trouver un grossiste, (2) établir un prix, (3) choisir le mode de transport, et (4) voir au transbordement. Il y a lieu de s'étonner que les chemins de fer n'agissent que sur demande et qu'ils ne font aucune sollicitation.

Nous recommandons que des experts en la matière soient chargés d'examiner la possibi-

ways expanding their functions beyond that of carrier into other fields which might include sale of its services to producers. Another possibility would be to decrease the responsibilities outlined above that now must be assumed by the customer. Another possibility that might be investigated in particular is one where the producer and carrier coordinate their efforts and activities to sell the products that may be transported by rail.

With the continued aim in this section of making suggestions that may eventually lead to higher profits for the railways and better service to the customer we find that the role of the railways in Newfoundland demands particular attention and there are many problems related to it. As you will become aware from many briefs in this regard, the present railway from Port-aux-Basques to St. John's is inconvenient, inefficient, time consuming, difficult to maintain, and requires high operating costs. In part this is due to narrow guage tracks, rough irregular terrain, a poorly laid out rail bed, and long distances. In this respect we recommend a study into the feasibility of some other mode of transportation from the mainland directly to the Avalon Peninsula being more viable strictly on a cost basis and appropriate from the view of maintaining modern effective transportation to meet the economic needs of the province. We would point out that the Trans Canada Highway roughly parallels the railroad. Also, railway traffic may be further reduced since CN is presently considering replacing rail passenger service with buses.

In conclusion to this section we feel that there are many areas of operation that may not have been thoroughly investigated and in which improvements in services and reductions in costs can bring to the railways in the Maritime region more satisfactory profit figures and a greater number of customers. With this view we have recommended:

1. A Maritime Railway Rates Board to act in an advisory capacity should be established.

2. The railways should make a thorough assessment of their operating costs and of the services offered to the public with a view to improving their own revenue position and thus, possibly, lowering the need for subsidies.

3. Inefficient rail lines should be eliminated wherever possible.

lité d'élargir les attributions et les fonctions de simples transporteurs qu'ils exécutent présentement et de les amener à faire de la sollicitation auprès des producteurs. Un autre moyen d'accroître les revenus consisterait à simplifier les formalités imposées présentement à la clientèle. Une autre possibilité qui mérite d'être examinée consiste à amener le producteur et le transporteur à coordonner leurs efforts pour la vente des produits transportés par rail.

En poursuivant notre recherche de moyens d'augmenter les revenus des chemins de fer et d'améliorer leurs services à la clientèle, nous constatons qu'à Terre-Neuve, le rôle des chemins de fer exige une attention spéciale, car un grand nombre de problèmes s'y rattachent. Comme vous pourrez vous en rendre compte à la lecture des nombreux mémoires qui vous ont été soumis, le service actuel entre Port-aux-Basques et Saint-Jean est incommode, inefficace, trop lent, difficile à maintenir et peu rentable. Cela tient partiellement à l'étroitesse des voies, à la topographie accidentée, à la pose mal faite des rails, et aux longues distances. Dans ce cas, nous recommandons une étude de la rentabilité d'autres moyens de transport à partir de la partie nord de l'île directement jusqu'à la presqu'île Avalon, de façon à mieux répondre aux besoins économiques de la province. A ce propos, nous signalons que la route transcanadienne est à peu près parallèle au chemin de fer. De plus, il se peut que le trafic ferroviaire diminue encore davantage, étant donné que le CN songe présentement à remplacer son service de trains-voyageurs par un service d'autobus.

Disons pour conclure que nous estimons qu'il y a plusieurs secteurs de l'industrie ferroviaire qui n'ont pas été examinés en profondeur et où des améliorations des services et des réductions des frais d'exploitation pourraient se traduire pour les chemins de fer, dans la région des Maritimes, par des bénéfices plus substantiels et une clientèle plus nombreuse. A cette fin, nous avons fait les recommandations suivantes:

1. Création d'un office des taux de transport des chemins de fer dans les provinces Maritimes, faisant fonction de conseiller auprès de l'autorité compétente;

2. Les chemins de fer devraient déterminer avec précision leurs frais d'exploitation et l'utilité des services offerts au public, afin d'accroître la rentabilité de l'entreprise et de réduire, si possible, la nécessité des subventions;

3. Les lignes qui laissent à désirer devraient être abandonnées partout où la chose est possible;

4. Competent consultants should be appointed to look into the feasibility of expanding the railway functions beyond that of carrier. For instance, it may be possible for them to use modern sales techniques in getting customers to transport via train.

Highways

Much time, thought, and money has been spent on highway construction since the advent of the automobile and it is certain this will increase in the future. It is our understanding that the Provinces have admitted Briefs dealing with particular highway problems in their area and also that many figures have been prepared for your perusal so our submission will deal mainly with general issues which are of concern to all four Atlantic Provinces.

A. Finance—Finance is the major consideration in any highway undertaking as well as the main drawback. Cost sharing programs such as the Trans Canada Highway scheme and grants from the Atlantic Development Board have helped to ease the problem somewhat. However, from the standpoint of the Atlantic Provinces these schemes have not been entirely just or equitable.

Let us look at the Trans Canada Highway scheme for instance. While the Federal Government generously contributed to the main cost of the road it left the Provinces to raise ten percent of the total cost. This sum could be met more readily by the wealthier provinces such as Ontario than it could in the poorer regions such as the Atlantic Provinces. The discrepancies are magnified even more when one realizes that highway construction is generally more expensive in this region than in many other areas of Canada. This is the result of the geographical composition of the land. When setting up a national highway policy we feel that special consideration should be given to the less developed regions. The tax burden or per capita cost should be considered in each Province. If the cost-shared program had been determined on a per capita basis it would have been readily apparent that a larger grant should have been made to the Atlantic Region than to some wealther or more densely populated part of Canada. We recommend that in future cost-sharing agreements be worked out on a more equitable basis and that a

4. Des experts-conseils devraient être chargés d'examiner la possibilité d'élargir les attributions et fonctions des chemins de fer au-delà de celle de transporteur. Ainsi, il peut être possible de les amener à utiliser les techniques modernes de vente de leurs services et persuader aux clients d'expédier leurs produits par rail.

Les Routes

On a consacré beaucoup de temps, de réflexion et d'argent à la construction des grandes voies de communication depuis l'avènement de l'automobile et, à coup sûr, cette tendance va s'accentuer à l'avenir. Sauf erreur, les provinces ont présenté des mémoires exposant leurs divers problèmes de voirie, et des chiffres ont été préparés à votre intention. Dans ces circonstances, notre mémoire traitera surtout des questions générales qui intéressent les quatre provinces atlantiques.

A. Finance—Dans tout programme de construction de routes, le financement des travaux est la question la plus importante et le principal inconvénient. Des programmes à frais partagés comme la construction de la route transcanadienne et le régime de subventions accordées par l'Office d'expansion économique de la région atlantique ont contribué à atténuer un peu ce problème. Toutefois, du point de vue des provinces atlantiques, ces programmes n'ont pas été tout à fait justes et équitables.

Considérons, par exemple, la route transcanadienne. S'il est vrai que le gouvernement fédéral a assumé une partie importante du coût de la construction, les provinces ont dû payer dix pour cent du coût total. Les provinces riches comme l'Ontario ont pu facilement financer ce montant mais, pour des régions pauvres comme les provinces atlantiques, ce fut un véritable problème. L'injustice prend des proportions encore plus importantes lorsqu'on se rend compte que la construction des routes est généralement plus coûteuse dans cette région que dans plusieurs autres parties du pays. Cela tient à la topographie et à la géographique des lieux. Lorsqu'il s'agit d'élaborer une politique nationale des routes de grande communication, nous estimons qu'on devrait tenir spécialement compte des régions moins développées. Le fardeau des impôts ou du coût par tête devrait être considéré dans chaque province. Si le coût des programmes à frais partagés avait été établi au prorata de la population, on aurait vite compris que la région atlantique méritait une subvention plus élevée que les autres régions plus riches ou plus peuplées du Canada. Nous recomman-

scheme such as the foregoing should be considered.

B. Number of Roads—The members of this Brief feel that the number of miles of roads in the Atlantic Provinces, Nova Scotia and New Brunswick in particular, should be cut back. In Nova Scotia alone there are over 15,000 miles of roads only 3,738 of which are paved. In New Brunswick there are 4,435 miles of paved highway and 9,303 miles of unpaved rural highways.

Table IV, page 24, (latest figures available) clearly indicates the large sums of money which are spent annually for highway maintenance in the Atlantic Region. In 1965 Newfoundland spent $11,981,108; Prince Edward Island spent $2,789,077; Nova Scotia spent $13,957,711; and New Brunswick spent $13,496,310 on highway maintenance for a total of $42,224,206. Unfortunately we were unable to obtain separate figures for the cost of maintaining secondary roads in these Provinces. If it is assumed that one-half of this amount was used for secondary road maintenance, a very conservative estimate in view of the high proportion of secondary roads to

dons qu'à l'avenir, les programmes à frais partagés soient élaborés sur une base plus équitable et qu'on examine la possibilité d'adopter une politique du genre de celle qui est exposée ci-dessus.

B. Réseau routier—Les auteurs du présent mémoire estiment que le nombre de milles de route dans les provinces atlantiques, et tout particulièrement en Nouvelle-Écosse et au Nouveau-Brunswick, soit réduit. Dans la seule province de la Nouvelle-Écosse, il y a plus de 15,000 milles de routes, dont seulement 3,738 milles sont pavés. Le Nouveau-Brunswick compte 4,435 milles de routes nationales pavées tandis que 9,303 milles de routes rurales ne sont pas encore pavés.

Le tableau IV (les derniers chiffres publiés) indique les sommes énormes consacrées annuellement à l'entretien des grand-routes dans la seule région atlantique. En 1965, le coût d'entretien global pour l'ensemble de ces provinces s'élève à $42,224,206 réparti comme il suit: Terre-Neuve $11,981,108, Île du Prince-Édouard $2,789,077, Nouvelle-Écosse, $13,957,711, et Nouveau-Brunswick $13,496,310. Malheureusement, nous n'avons pu obtenir les chiffres relatifs aux frais d'entretien des routes secondaires dans ces provinces. En supposant que la moitié de ce montant ait été affectée à l'entretien des routes secondaires, ce qui constitue une évaluation très prudente

TABLE IV

HIGHWAY AND RURAL ROAD EXPENDITURES**

	1965	1964	1963	1962
Newfoundland	11,981,108	11,124,905	10,168,931	9,837,880
Prince Edward Island	2,789,077	2,749,377	3,880,193	2,817,859
Nova Scotia	13,957,711	13,816,348	14,767,984	12,196,139
New Brunswick	13,496,310	13,634,380	13,428,259	14,178,506
TOTAL	42,224,206	41,325,010	41,245,367	39,030,384

**Maintenance only

SOURCE: Dominion Bureau of Statistics

TABLEAU IV

COÛT D'ENTRETIEN DES GRANDES ROUTES ET DES ROUTES RURALES

	1965	1964	1963	1962
T.-N.	11,981,108	11,124,905	10,168,931	9,837,880
I. P-É.	2,789,077	2,749,377	3,880,193	2,817,859
N.-É.	13,957,711	13,816,348	14,767,984	12,196,139
N.-B.	13,496,310	13,634,380	13,428,259	14,178,506
TOTAL	42,224,206	41,325,010	41,245,367	39,030,384

SOURCE: Bureau fédéral de la statistique.

major trunk highways in these regions, a sum of $21 million would be involved annually and it must be noted that this is constantly increasing.

We will use New Brunswick for illustrative purposes. As indicated in 1965 almost $13.5 million was spent on highway maintenance in New Brunswick. If one-half of this was spent on secondary road maintenance it would involve $6.5 million, or approximately $725 for each mile of unpaved highway in the Province. If New Brunswick were able to eliminate 2,000 miles of these secondary roads it would in effect save almost $1.5 million annually in maintenance costs alone or $15 million plus interest in a ten ear period. The question which presents itself naturally is how would we go about eliminating superfluous roads. Anyone who has travelled widely on Atlantic Province roads knows that it is possible to drive anywhere from fifteen to forty miles and further on secondary roads without coming across a house. These roads are apparently used by private concerns, such as lumber companies, or else provide alternate routes from point A to point B. Yet the province or county must keep these roads plowed in winter and graded in summer. We recommend that where there are alternate routes available some roads be closed; in other cases where there are only a few subsistence farms or homes we recommend paying the owners generously to move to more populated areas. We feel that this is an area for close cooperation between the Department of Manpower and Provincial Highway Departments. Savings would accrue to the Provinces from lowered maintenance costs. Those people who are moved will be able to contribute to the labor pool which is so necessary in attracting secondary industry to the Provinces. Thus even larger benefits can be foreseen for the Provinces. There are numerous areas where this plan could be put into effect; but to pick only two specific regions we recommend that the Commission look at the Rusagonis area on the outskirts of Fredericton Junction, or the Lake Yoho vicinity of York County, N.B.

C. *Condition of Highways*—The major concern is that all main highways in the Atlantic Region be upgraded to an all-weather standard. The economy of the region can-

étant donné la forte proportion des routes secondaires, une somme de 21 millions de dollars serait consacrée à cette fin chaque année, et il ne faut pas oublier que ce montant augmente constamment.

Prenons le cas du Nouveau-Brunswick pour fins de démonstration. Cette province a dépensé en 1965, pour l'entretien des routes, près de 13.5 millions de dollars. Or, si la moitié de ce montant était affectée à l'entretien des routes secondaires, cette rubrique absorberait 6.5 millions, ou approximativement $725 par mille de route non revêtue dans la province. Si le Nouveau-Brunswick pouvait éliminer 2,000 milles de ces routes secondaires, il économiserait près de $1.5 million par année en frais d'entretien seulement, ou $15 millions plus l'intérêt au cours d'une décennie. Évidemment, la question qui se pose est de savoir comment on pourrait éliminer les routes superflues. Quiconque a parcouru les routes du Nouveau-Brunswick sait par expérience qu'il est possible de rouler n'importe où sur des routes secondaires, sur des distances variant de quinze à quarante milles, sans rencontrer une seule habitation. Ces routes servent apparemment aux entreprises industrielles, comme les compagnies d'exploitation des bois et forêts, ou encore elles servent de détour pour aller du point A au point B. Cependant, la province ou le comté doit assurer l'entretien de ces routes, à l'aide du chasse-neige l'hiver et de la niveleuse l'été. Dans les régions où il y a plus d'une route qui va d'un point à un autre, nous recommandons de fermer certaines de ces routes qui font double emploi; dans d'autres cas où des routes desservent seulement une poignée de petites fermes ou d'habitations, nous recommandons qu'on dédommage généreusement les propriétaires qui décident de s'installer dans des endroits plus peuplés. Nous estimons qu'il s'agit là d'un domaine qui exige une étroite collaboration entre le ministère de la Main-d'œuvre et les ministères provinciaux de la Voirie. La diminution des frais d'entretien signifierait une économie pour les provinces. Les gens qui sont ainsi déplacés viendront grossir l'effectif ouvrier si nécessaire pour attirer les industries secondaires dans ces provinces. On peut même prévoir des bénéfices encore plus importants pour les provinces. Il y a de nombreuses régions où ce plan pourrait être mis à exécution, mais nous nous bornerons à en désigner deux sur lesquelles la Commission pourrait se pencher, savoir: la région de Rusagonis, à la périphérie de Fredericton Junction, ou le voisinage du lac Yoho, dans le comté York (N.-B.).

C. *État des routes*—Ce qui importe le plus c'est que toutes les routes principales de la région atlantique soient maintenues ouvertes et en bon état par tous les temps. L'économie

not proceed very far unless goods can be transported readily at all times of the year. Unfortunately, due to present conditions trucking is severely hampered and yet this is one of the major modes of transportation. Included in our recommendation for all-weather roads is the request that they be of such a standard that spring closing of roads will no longer be a necessity. We do not wish to dwell on this recommendation as we feel that it has been treated very well in the Atlantic Provinces Transportation Study.

D. Specific Recommendations

1. The new Trans Canada Highway between Halifax-Truro, N.S. should be four lane and construction on additional lanes should be started immediately. This is in order to handle the volume of traffic using this road.

2. The Saint John-Fredericton highway should be upgraded immediately.

3. The Sunrise Trail between Amherst and New Glasgow, Nova Scotia, should be upgraded due to the fact that it is twenty miles shorter than the present Trans Canada Highway and will therefore continue to be used by many truckers.

The following is a brief summary of our recommendations regarding highways in the Atlantic Region:

1. In future shared-cost programs should be conducted on a more equitable basis; for example, on a per capita basis.

2. We recommend that the number of rural roads in the Atlantic Provinces be cut back.

3. We recommend that all main highways in this region be upgraded to an all weather standard.

Trucking

In order to put transportation on a stronger footing in the Atlantic Provinces we have recommended (1) eliminating as many spur lines (rural) of the railways as possible, (2) cutting down on the number of secondary roads, (3) applying the Maritime Freight Rates Act to all modes of transportation, (4) improving roads to an all-weather standard and, (5) termination of spring load restrictions on highways where possible. We have a

de la région ne peut être florissante que si les marchandises peuvent être expédiées promptement toute l'année durant. Malheureusement, à cause de l'état actuel des routes, le camionnage est devenu une opération laborieuse et, pourtant, le camion est l'un des principaux moyens de transport. Dans notre recommandation, nous insisterons pour que les routes «tous temps» soient construites de façon qu'il ne soit plus désormais nécessaire de les fermer pendant le dégel du printemps. Nous ne nous étendrons pas davantage sur ce sujet, car nous estimons que la question a été vidée dans l'Étude de la situation des transports dans les provinces atlantiques.

D. *Recommandations précises*

1. Le tronçon de la nouvelle route transcanadienne entre Halifax et Truro (N.-É.) devrait être à quatre voies et la construction des voies additionnelles devrait débuter immédiatement, afin que le trafic qui emprunte cette route ne cause pas d'embouteillages.

2. Le tronçon qui relie Saint-Jean à Fredericton devrait être amélioré immédiatement.

3. Le *Sunrise Trail,* entre Amherst et New Glasgow (N.-É.), devrait être amélioré parce qu'il a vingt milles de moins que la route transcanadienne actuelle et continuera donc d'être emprunté par plusieurs camionneurs.

Suit un résumé de nos recommandations visant les routes dans la région atlantique:

1. A l'avenir, les programmes à frais partagés devraient être exécutés de façon plus équitable, par exemple, au prorata de la population.

2. Nous recommandons que soit réduit le nombre de routes rurales dans les provinces atlantiques.

3. Nous recommandons que toutes les routes principales de grande communication soient améliorées pour être en état de servir par tous les temps.

CAMIONNAGE

Afin de permettre à l'industrie des transports de survivre dans les provinces atlantiques, nous avons recommandé (1) l'élimination d'un aussi grand nombre que possible d'embranchements ferroviaires dans les parties rurales, (2) la diminution du nombre de routes secondaires, (3) l'application de la Loi sur les taux de transport des marchandises dans les provinces Maritimes à tous les modes de transport, (4) l'amélioration des routes

few other recommendations regarding trucking which we would like to make at this point.

We strongly urge that uniform regulations regarding highways and trucking be adopted in the Atlantic Region. New Brunswick, due to its location and role as the corridor province, must play a major role in establishing uniform regulations. The first requirement is that uniform weight or axle restrictions for trucks be adopted throughout the entire region. We recommend that uniform axle weight restrictions be adopted. We consider axle weight to be the logical choice rather than overall weight restrictions as it is our understanding that it is the weight on an axle which can cause road damage. For instance, it is conceivable that a truck may be within an overall weight limit but still cause damage to a road because of the concentration of weight on a particular axle. As regulations presently stand Nova Scotian truckers, who are not permitted as large loads as their New Brunswick counterparts, sometimes unload when they cross the Nova Scotia-New Brunswick border and use New Brunswick trucks. This is a time consuming and wasteful practice. We recommend, therefore, that axle restrictions on Nova Scotia roads be brought up to the standard which would be permitted on New Brunswick roads if this suggestion is adopted.

While favoring axle weight restriction greater leeway should be permitted than the five percent overweight allowance which is permitted in Nova Scotia at present. This penalizes truckers who haul pulpwood. It is difficult to gauge the exact weight of a load of logs, due to water content, without weighing them; this would be impossible in forest conditions. The five percent overweight restriction for this type of load should be increased.

We also recommend that there be uniform licensing arrangements for all truckers in the Atlantic Region. Truckers in all four provinces should be able to license tractors and trailers under one license rather than say the separate licensing required in Nova Scotia.

pour les rendre carrossables en toute saison et, (5) la suppression de la limite de poids des camions au printemps sur les routes nationales, partout où la chose est possible. Nous formulons ci-dessous quelques autres recommandations concernant le camionnage.

Nous recommandons fortement l'adoption de règlements uniformes concernant la voirie et le camionnage dans la région atlantique. Le Nouveau-Brunswick, à cause de sa situation géographique et de sa qualité de province-couloir, doit jouer un premier rôle dans l'établissement de règlements uniformes. On devra tout d'abord adopter des restrictions uniformes concernant le poids porté par les essieux des camions dans toute la région. Nous recommandons que les restrictions visant la charge par essieu soient uniformes. Nous estimons que la charge par essieu, plutôt que le poids global du camion devrait être la norme logique pour la déterminations des limites de poids car, à notre avis, c'est la charge que porte l'essieu qui peut endommager la route. Par exemple, il peut arriver qu'un camion dont le poids global ne dépasse pas la limite permise, abîme quand même la chaussée à cause de la concentration de la charge sur un seul essieu. En raison des règlements actuellement en vigueur en Nouvelle-Écosse, certains camionneurs de cette province, à qui l'on ne permet pas de transporter des charges aussi lourdes que leurs homologues du Nouveau-Brunswick peuvent prendre, transbordent parfois leur cargaison dans des camions immatriculés au Nouveau-Brunswick lorsqu'ils arrivent à la frontière qui sépare les deux provinces. Cette pratique entraîne une perte de temps et d'argent. En conséquence, nous recommandons que les normes utilisées pour fixer la limite du poids des cargaisons en Nouvelle-Écosse soient modifiées de façon à les rendre conformes à celles qui ont cours au Nouveau-Brunswick, si notre suggestion est agréée.

Bien que nous recommandions que la charge portée par essieu serve de norme pour l'établissement des limites de charge, nous estimons que la tolérance de 5 p. 100 de surcharge devrait être augmentée en Nouvelle-Écosse. Ce règlement est injuste pour les camionneurs qui transportent du bois à pâte. Il est en effet difficile de déterminer le poids exact d'une charge de billes, à cause de leur teneur en eau, sans les peser; or, cela serait impossible en forêt. La tolérance de 5 p. 100 de surcharge pour ce genre de cargaison devrait être augmentée.

Nous recommandons aussi que les conditions exigées pour la délivrance d'un permis soient uniformisées partout dans la région atlantique. Les camionneurs des quatre provinces devraient pouvoir obtenir un seul permis pour le tracteur et la remorque plutôt

We feel that uniform licensing throughout the Atlantic Region would aid in a fuller development of the trucking industry.

It is our understanding that truckers in certain areas are charged gasoline tax even when they are using privately owned and maintained roads. This allegation has been made specifically in Nova Scotia by pulp interests. We recommend that this matter be investigated and if substantiated steps should be taken to remedy this situation by permitting the pulp interests a tax allowance for gasoline used on private roads.

Also it has been claimed that the funds of the Roads to Resources Program have been used solely to upgrade tourist roads. We feel that this matter should be investigated and steps taken to clearly define the objectives of this program.

Several of the recommendations we have made regarding highways and trucking are presently under the sole jurisdiction of each province. While we realize this we feel that one of the National Transportation Committee's roles should be to aid in the coordination of transportation facilities in the Atlantic Provinces. Our recommendations have, therefore, been made in the belief that you or an agency such as the Atlantic Development Board may be able to exert considerable influence in seeing that these suggestions are implemented. While we realize that the A.D.B. has done much that has been of value to this region we feel that it has not gone far enough. For instance their 1965-1966 Annual Report indicates that the Board granted funds to Nova Scotia for the improvement of highways such as Bedford to Upper Sackville, Hubbards to the Prospect Connector, and Enfield to Shubenacadie. We do not wish to deny the importance of these projects, however, we suggest that the funds if designated specifically for a project such as improving the standard of Nova Scotian roads to permit heavier weight allowances may have gone further in improving the economy of the Atlantic Region. Such a project may aid the development of a large Maritime based trucking firm, a recognized necessity.

que d'avoir un permis séparé pour chaque véhicule comme l'exige la Nouvelle-Écosse. Nous estimons qu'un mode uniforme d'immatriculation dans toute la région atlantique contribuerait davantage à l'expansion de l'industrie du camionnage.

Sauf erreur, les camionneurs de certaines régions doivent payer la taxe sur l'essence même s'ils circulent sur des routes qui leur appartiennent et qu'ils entretiennent eux-mêmes. Il paraît que cela se pratique notamment dans l'industrie du bois à pâte en Nouvelle-Écosse. Nous recommandons qu'une enquête soit effectuée sur cette affaire et, si nos renseignements sont exacts, on devrait remédier à cet état de choses en accordant à cette industrie une exemption de taxe sur l'essence consommée sur les routes appartenant aux particuliers.

On prétend aussi que les montants destinés à l'aménagement des routes d'accès aux ressources ont servi uniquement à l'amélioration des routes empruntées par les touristes. Or, nous estimons qu'une enquête devrait être instituée dans cette affaire et qu'on devrait définir clairement les objectifs de ce programme.

Plusieurs des recommandations qui précèdent concernant les routes et le camionnage visent des domaines qui sont du ressort exclusif de chaque province. Même s'il en est ainsi, nous estimons que le Comité national des transports devrait avoir pour mission d'aider à coordonner les moyens de transport dans les provinces atlantiques. Par conséquent, lorsque nous avons formulé nos recommandations, nous croyions que vous-mêmes ou un organisme comme l'Office d'expansion économique de la région atlantique pourriez faire peser tout le poids de votre influence pour qu'il soit donné suite à ces suggestions. Nous reconnaissons que l'Office a beaucoup fait pour le développement de cette région, mais nous croyons qu'il n'est pas allé assez loin. Par exemple, son rapport annuel pour 1965-1966 indique que l'Office a accordé des subventions à la Nouvelle-Écosse pour l'amélioration de routes comme celles de Bedford à Upper Sackville, de Hubbards à Prospect Connector, et de Enfield à Shubenacadie. Loin de nous la pensée de diminuer l'importance de ces travaux, mais nous prétendons que si ces fonds avaient été affectés à un projet comme l'amélioration de la qualité du réseau routier en Nouvelle-Écosse, afin de permettre la majoration de la tolérance de cinq pour cent de la surcharge des camions, cela aurait peut-être contribué à améliorer davantage la position économique de la région atlantique. Un tel projet serait de nature à faciliter l'expansion et le succès d'une entreprise locale de camionnage, dont les provinces atlantiques ont tellement besoin.

The Atlantic Development Board has stated that its objective is to aid regional development. This is laudable, but we suggest that its aim should be to "aid and *coordinate* the development of the *entire* Atlantic Region." Through the use of conditional grants the Board can take a giant step towards this objective. The Board has the authority at its disposal to see that uniform regulations are adopted in the Atlantic Provinces. We strongly urge that the Atlantic Development Board consider projects not by asking what will this do for Truro or Moncton, but what will this scheme do to aid overall development of the Atlantic Region. When the A.D.B. assumes its righful role perhaps then this region can begin to look towards a brighter future.

In this section on trucking we have recommended as follows:

1. Uniform weight restrictions should be adopted throughout the region.

2. Uniform licensing should be adopted for all truckers in the Atlantic Region.

3. The Atlantic Development Board or some other agency should oversee the coordination of the first two recommendations.

Corridor Road

There has been much mention of a possible Corridor Road from New Brunswick to Quebec passing through the State of Maine. Although the road would have some advantages we feel that the disadvantages far outweigh them. At the present time most goods going from the Atlantic Provinces to Central Canada and westward travel by rail. The construction of a Corridor Road would give the truckers an advantage over the railways. The road would reduce by about 125 miles the travelling distance between the Atlantic Provinces and points in Central Canada. Such a road could make up for some of the advantage which the railroads now enjoy under the Maritime Freight Rates Act. The presence of a Corridor Road would open up Central Canada for many of the trucking firms who now would be able to carry many goods cheaper than the railways.

We must also consider the fact that any increase in westbound traffic would be met by

L'Office d'expansion économique de la région atlantique a déclaré que son objectif est d'aider à la mise en valeur de la région. Voilà qui est tout à son honneur mais, à notre avis, son but devrait être de «stimuler et de *coordonner* l'expansion économique de *toute* la région atlantique». Grâce aux subventions conditionnelles, l'Office peut faire un grand pas vers la réalisation de cet objectif. Il a le pouvoir de s'assurer que les règlements sont uniformisés dans les provinces atlantiques. Nous insistons auprès de l'Office sur la nécessité des divers projets à réaliser non pas en se demandant ce qu'ils vont apporter à Truro ou Moncton, mais en songeant à ce que ce programme pourra faire pour contribuer à l'expansion économique de l'ensemble de la région atlantique. Une fois que l'Office aura assumé le rôle qui lui revient de droit, peut-être la région atlantique pourra-t-elle espérer des jours meilleurs.

Dans cette section traitant du camionnage, nous avons fait les recommandations suivantes:

1. Des restrictions uniformes visant le poids de la charge devraient être en vigueur dans toute la région.

2. Les permis devraient être délivrés aux mêmes conditions à tous les camionneurs dans la région atlantique.

3. L'Office d'expansion économique de la région atlantique ou un autre organisme semblable devrait surveiller la coordination des deux premières recommandations.

Route corridor

On a beaucoup parlé de l'aménagement possible d'une route corridor reliant le Nouveau-Brunswick et le Québec en passant par le Maine. En dépit des avantages de cette route, nous estimons qu'elle présenterait de nombreux inconvénients. A l'heure actuelle, le gros des marchandises expédiées des provinces atlantiques à destination du Canada central est acheminé par chemin de fer. La construction d'une route corridor favoriserait les camionneurs au détriment des chemins de fer, car elle réduirait d'environ 125 milles la distance qui sépare les provinces atlantiques du centre du Canada. Cette route annulerait certains des avantages dont bénéficient les chemins de fer en vertu de la Loi sur les taux de transport des marchandises dans les provinces Maritimes. Cette route corridor ouvrirait les portes du Canada central à un grand nombre de sociétés de camionnage qui pourraient alors transporter beaucoup de marchandises à un taux inférieur à celui des chemins de fer.

Nous devons aussi tenir compte du fait que toute augmentation dans le trafic-marchandi-

an equivalent amount of eastbound traffic, if not more. The Board of Transport Commissioners reported in 1965 that only 0.27 per cent of the traffic which originated in the Atlantic Provinces was intended for the Western Provinces, 23 per cent for Ontario and Quebec, and 76.6 per cent was for transportation within the Maritime region. We can readily see that at present most traffic remains within the region and it is open to speculation whether or not Corridor Road could increase the amount of traffic going west.

We must realize that any such road runs in two directions and that savings and gains will be made at both ends. If all the trucks which were to operate on this proposed road were owned in the Atlantic Provinces then we would be getting major benefits out of it, but this is not so. The lower costs of transportation to truckers might enable the Central Canadian businessman to undercut the Maritime prices and thus Maritime business would lose through decreased sales and hence profits. Any profits accrued by Central Canada's businessmen will in all likelihood return to Central Canada and will be of no benefit to us in Atlantic Canada.

It must further be pointed out that not all areas of the Atlantic Provinces would benefit by the existence of such a road. It would have little or no effect on Newfoundland since the costs of bringing trucks to the mainland by boat would eliminate any savings the road might produce. Nova Scotia has many problems with its trucking industry and few trucks from there go to Central Canada. Prince Edward Island must worry about getting their Causeway to the mainland before they can think of advantages of the Corridor Road. The northern part of New Brunswick would not be too concerned about it because of the fact that they are close to Central Canadian markets and roads at present. The only part of the Atlantic Provinces which would stand to gain at all would be southern New Brunswick. Thus we can see that the farther an industry is away from the road the smaller the benefits of such a road would be.

The Economist Intelligence Unit pointed out that in its survey no example of a market could be denied Maritime producers because of transportation costs. The principal limiting factors seemed to be production and total distributing costs. The size of Central Canadian

ses en direction ouest serait contrebalancée par une augmentation semblable dans le trafic acheminé vers l'Est. La Commission canadienne des transports signalait en 1965 que seulement 27% du trafic provenant des provinces atlantiques était destiné aux provinces de l'Ouest, 23% à l'Ontario et au Québec, et 76.6% à des endroits situés à l'intérieur des Maritimes. Nous voyons donc qu'à l'heure actuelle, le gros du trafic ne sort pas de la région atlantique et c'est à se demander si une route corridor pourrait accroître le trafic à destination de l'Ouest.

Il faut comprendre qu'une route de ce genre irait dans deux directions et qu'on réaliserait des bénéfices et des gains aux deux extrémités. Si tous les camions qui emprunteraient cette route appartenaient à des résidents des provinces atlantiques, alors nous en retirerions de gros bénéfices, mais il n'en est pas ainsi. Le coût moins élevé du transport pour les camionneurs pourrait permettre aux hommes d'affaires du Canada central de vendre leurs marchandises moins cher que dans les Maritimes, ce qui se traduirait par une baisse du chiffre d'affaires et des bénéfices des commerçants des Maritimes. Tout bénéfice réalisé par les marchands du Canada central demeurerait vraisemblablement dans le centre du Canada, ce qui signifie que la région atlantique n'en profiterait aucunement.

A noter, d'ailleurs, que les régions des provinces atlantiques ne profiteraient pas toutes de la présence d'une route corridor. Par exemple, elle n'aurait que peu ou point d'effet sur Terre-Neuve, car le coût du transport maritime des camions jusque sur le continent absorberait toute économie résultant du transport par cette route corridor. La Nouvelle-Écosse a beaucoup de problèmes avec son industrie du camionnage et rares sont les camions de cette région qui se rendent au Canada central. Quant à l'Île du Prince-Édouard, on devra construire une chaussée pour la relier à la terre ferme avant qu'elle puisse espérer bénéficier des avantages de la route corridor. La partie nord du Nouveau-Brunswick n'est pas trop inquiète à ce sujet, étant donné qu'elle est à proximité des marchés et des routes du Canada central. La seule région des provinces atlantiques qui y gagnerait vraiment est le sud du Nouveau-Brunswick. On voit donc par ce qui précède que plus une industrie est éloignée de la route, moins elle bénéficie des avantages de cette route.

L'*Economist Intelligence Unit* a signalé qu'au cours de son enquête, elle n'avait relevé aucun cas de producteur des Maritimes qui aurait été dans l'impossibilité de vendre ses produits à cause des taux élevés du transport. Les principaux facteurs limitatifs semblent

producers enable them to market their products at lower average cost levels than Maritime producers because they can work with economies of scale. We doubt that savings in transportation costs could increase the Atlantic Provinces share of the Canadian market. The presence of the Corridor Road would not reduce the transportation costs very much as the following example indicates:

> "Shoes produced in Fredericton and marketed in the Toronto region. Truck freight at $2.65 per 100 pounds between Fredericton and its Toronto warehouse works out at eight cents per pair of shoes whose average whole-value is $17.25. This means that the out-going freight is less than one-half of one percent of this commodity's value, clearly then, a freight reduction of even 25% would have a negligible effect upon this producer's competitive position in Central Canada, even if this saving were to be doubled to account for the cost savings a Corridor Road would induce on the incoming raw material from Central Canada."
>
> E.I.U. Study, Vol. X, p. 19.

This is the situation as it existed prior to September 5, 1967, before introduction of new LCL rates. Many other examples were given which showed the same thing. The reduction in cost to all the firms is almost negligible, in most cases, the transportation costs are only a small part of the products value and even a 15-20 percent reduction in transportation costs would be barely noticed.

The presence of a Corridor Road would bring all of New Brunswick and part of both Nova Scotia and Prince Edward Island within overnight trucking from Montreal. Trucks from Montreal could be within this area within twelve hours. To accomplish this though an interchange station would be required on the Corridor Road. One possible advantage here would be that stock-holding costs in the Maritimes might go down. But this over-night delivery from Montreal would mean an increase in competition in the Atlantic region by firms which cannot do this at present because of the long haul.

être la trop faible productivité et les frais globaux de distribution. Grâce à leur production massive, les producteurs du Canada central peuvent écouler leurs produits à des prix moyens inférieurs à ceux des producteurs des Maritimes, car ils peuvent produire sur une base rentable. Nous doutons que l'économie réalisée dans les coûts du transport puisse augmenter la part du marché canadien des provinces atlantiques. En fait, l'existence de la route corridor ne réduirait pas considérablement les frais de transport, ainsi que le montre l'exemple suivant:

> «Les chaussures fabriquées à Fredericton et vendues dans la région de Toronto. Le coût du transport par camion, au taux de $2.65 les 100 livres entre Fredericton et son entrepôt de Toronto, revient à huit cents par paire, dont la valeur moyenne est de $17.25. Il s'ensuit que le coût du transport est inférieur à un demi pour cent de la valeur de cet article et, évidemment, une réduction du coût du transport, même de 25 p. 100, aurait un effet négligeable sur la capacité de ce producteur de soutenir la concurrence dans le Canada central, même si cette économie était doublée grâce à la réduction du coût du transport des matières premières acheminées du Canada central vers les provinces atlantiques par la route corridor.»
>
> *Economist Intelligence Unit Study,* Vol. X, p. 19.

Telle était la situation avant le 5 septembre 1967, c.-à-d. avant l'introduction des nouveaux taux applicables aux charges partielles de wagon. On a donné beaucoup d'autres exemples de cet état de choses. La réduction du coût du transport pour toutes les compagnies est à peu près négligeable; dans la plupart des cas, ce coût ne représente qu'une petite fraction de la valeur des produits, et même une réduction de 15 à 20 p. 100 dans le coût du transport serait à peine perceptible.

L'existence de la route corridor mettrait tout le Nouveau-Brunswick et une partie de la Nouelle-Écosse et de l'Île du Prince-Édouard à une douzaine d'heures de trajet de Montréal. En effet, des camions partant de Montréal pourraient atteindre cette région en douze heures. Pour y réussir, il faudrait cependant une station de jonction quelque part sur la route corridor. Un avantage possible de cette solution serait la réduction des frais d'entreposage de la marchandise dans les Maritimes. Mais la livraison du jour au lendemain à partir de Montréal voudrait dire une concurrence plus forte de la part de compagnies qui ne peuvent le faire à l'heure actuelle à cause de la longueur du trajet.

The Economist Intelligence Unit gave a break down of the benefits likely to accrue to the Atlantic Provinces because of the Corridor Road in the Atlantic Provinces Transportation Study.

TABLE V

Benefit in 1970 when corridor road is built

1. Savings in truck operating costs	$2,520,000
2. Reduction in freight rates due to Corridor construction	702,000
3. Benefits to Intercommunity Traffic	389,500
4. Benefits to Tourist Traffic	143,000
Total	$3,754,500

E.I.U. Study, Vol. X, p. 39.

The study also states that the annual capital charges on the road would be $9 million to the Atlantic Provinces. Therefore, one can see that the benefits would amount to less than 43% of the annual capital charges on this road whose construction cost is $105 million. We can see that this road cannot be justified on economic grounds.

The Atlantic Provinces Transportation Study sums up our ideas on the Corridor Road in the following way:

> "...if the Canadian public are being asked either directly or indirectly to invest $105 million to benefit the Atlantic Provinces then there are large areas of the Atlantic Region's intrastructure in general and transportation system in particular where returns are far in excess of those to be expected from a Maine Corridor Highway can be achieved."
>
> E.I.U. Study, Vol. X, p. 40.

Thus we do not recommend the construction of a Corridor Road through Maine.

New Brunswick to Prince Edward Island Causeway

The Atlantic Provinces Transportation Study pointed out in Volume 3 that there was some question as to whether the trucking industry on Prince Edward Island could survive until 1971 which for a time was the completion date for construction of the Cause-

Le tableau V donne une projection, faite par l'*Economist Intelligence Unit*, des bénéfices résultant de la construction de la route corridor pour les provinces atlantiques.

TABLEAU V

BÉNÉFICE RÉALISÉ EN 1970 APRÈS LA CONSTRUCTION DE LA ROUTE CORRIDOR

1. Économie de frais d'exploitation des camions.....	$ 2,520,000
2. Réduction des taux de transport résultant de la construction de la route corridor..	702,000
3. Bénéfices pour le trafic interurbain.....	389,500
4. Bénéfices pour le trafic touristique.....	143,000
TOTAL.....	$ 3,754,500

E. I. U. Study, Vol. X, p. 39.

L'enquête révèle que le coût annuel en capital de cette route serait de 9 millions de dollars pour des provinces atlantiques. On voit donc que les bénéfices s'élèveraient à moins de 43% du coût en capital de la route, dont la construction est évaluée à 105 millions. En conséquence, la construction de cette route ne saurait être justifiée du point de vue économique.

L'Étude de la situation des transports dans les provinces atlantiques résume comme il suit notre opinion sur la route corridor:

> «...si l'on demande à la population canadienne d'assumer, directement ou indirectement, cette mise de fonds de 105 millions de dollars au profit des provinces atlantiques, alors il y a lieu de faire observer qu'il existe de larges secteurs de l'infrastructure en général et de l'industrie des transports en particulier, dans la région atlantique, où les bénéfices seraient beaucoup plus élevés que ceux que l'on pourrait tirer d'une route corridor passant par le Maine.»
>
> *E. I. U. Study*, Vol. X, p. 40.

Voilà pourquoi nous ne recommandons pas la construction d'une route corridor passant par le Maine.

Chaussée reliant le Nouveau-Brunswick à l'Île du Prince-Édouard

Dans le volume 3 de l'Étude de la situation des transports dans les provinces atlantiques, les auteurs se demandent si l'industrie du camionnage dans l'Île du Prince-Édouard pourra tenir jusqu'à 1971, année du parachèvement prévu de la chaussée reliant cette

way linking that Province with the mainland. This is one indication of the importance of the causeway to the people of the Island.

Construction of the causeway is a Term of Union established when Prince Edward Island joined with Canada in 1873. Therefore, construction is not only in response to a lagging economy but is to complete an agreement.

The causeway is a necessity if Prince Edward Island is to at least maintain its relative level of economic activity. The facilities now available for crossing the Northumberland Strait are inhibiting. The causeway will reduce the costs, delays, shipping wastage, spoilage and breakage, and the restrictions placed on the movements of products from the Island. Just as important is the saving in time that the causeway will mean in crossing the strait. Tourism, an important source of income is expected to see an influx. Agricultural production will benefit greatly due to its dependence on quick efficient transportation to markets. The shipment of frozen foods, for example, involves a high risk when carriers must go by ship and withstand delays in that service. Also trucks are forced to travel by day with obvious disadvantages, because the ships do not operate at night.

province à la terre ferme. Cette inquiétude reflète l'importance de cette chaussée pour les insulaires.

La construction de cette chaussée a été l'une des conditions posées par cette province pour son entrée dans la Confédération en 1873. Cela veut donc dire que la construction de cet ouvrage n'est pas seulement dans le but de ranimer une économie chancelante, mais elle est la réalisation d'une promesse.

La chaussée est indispensable si l'Île du Prince-Édouard doit au moins maintenir son niveau relatif actuel d'activité économique. Les traversiers actuels sont tout à fait insuffisants. La chaussée permettra de réduire le coût du transport, les retards, le gaspillage et les avaries, ainsi que les restrictions imposées à la sortie des produits de l'île. Cette chaussée permettra de gagner du temps pour la traversée du détroit. Le tourisme, qui représente une importante source de revenu, devrait augmenter considérablement. La production agricole bénéficiera grandement de la construction de la chaussée, car elle dépend de l'acheminement expéditif des produits vers les marchés. L'expédition d'aliments congelés, par exemple, comporte un gros risque lorsque les transporteurs doivent se rendre sur le continent par bateau et subir de longs retards en cours de route. De plus, les camions sont forcés de voyager le jour et d'en accepter tous les inconvénients, parce que les bateaux restent à quai la nuit.

Every day of delay means additional loss to the Island economy that would not be suffered were the causeway completed. It is unfortunate that in a period of relative decline the Maritime region, especially Prince Edward Island, is not able to take advantage of the increased expenditures on construction of the causeway by the Federal Government. It is illogical that this expenditure cutback could be attributed to inflation in the Maritimes. This is an anomaly in Government policy.

Chaque jour de retard augmente d'autant la perte économique subie par l'île, perte que l'on éviterait si la chaussée était construite. Il est regrettable qu'à une époque de déclin relatif, la région atlantique, l'Île du Prince-Édouard en particulier, ne puisse profiter des frais accrus de la construction de la chaussée par le gouvernement fédéral. Il est illogique que cette suppression de dépenses puisse être attribuée à l'inflation dans les provinces Maritimes. C'est une anomalie dans la politique du gouvernement.

We therefore strongly recommend that construction of the Northumberland Strait Causeway proceed without further delay.

Nous recommandons donc fortement que la construction de la chaussée du détroit de Northumberland soit reprise sans plus de délai.

Ferry Services

A review of the ferry services between Yarmouth, Nova Scotia, and Bar Harbour, Maine, and between Saint John, N.B., and Digby, Nova Scotia, has revealed that the present service is inadequate and that it is expected to worsen in the future. The C.P.R.'s "Princess Acadia", operating between Saint John and Digby, is closed to commercial vehicles and only has a capacity of 120 cars. The C.N.R. operated "M. V. Bluenose" which runs between Yarmouth and Bar Harbour has

Services de traversier

Une révision des services de traversier entre Yarmouth (Nouvelle-Écosse) et Bar-Harbour (Maine) et entre Saint-Jean (Nouveau-Brunswick) et Digby (Nouvelle-Écosse) a révélé que le service actuel est insuffisant et qu'il faut s'attendre à ce qu'il se détériore davantage. Le *Princess-Acadia* du Canadien-Pacifique, qui fait la navette entre Saint-Jean et Digby, ne transporte plus les véhicules commerciaux et n'a qu'une capacité de 120 voitures. Le *M. V. Bluenose* du Canadien-

a maximum capacity of 150 cars and 15 to 18 trucks (maximum size 48 feet long, 8 feet wide, and 12 feet high).

The number of commercial vehicles permitted to use the "M.V. Bluenose" during the tourist season is seriously curtailed. As the tourist season coincides with the busiest seasons for producers of fresh products; i.e., fish, vegetables, fruit, etc., the restrictions on commercial vehicles hamper logical development of markets for these products. The Atlantic Provinces Transportation Study noted that Central Canadian markets do not provide sufficient demand nor are they readily accessible to Maritime interests in the fresh produce area. The New England markets are, therefore, the logical focal points for Maritime interests, particularly for those of the Annapolis Valley, the southern shore of Nova Scotia, and the south eastern shore of New Brunswick. There are three main reasons for this: (1) the proximity of the New England States to the Maritimes; (2) the large demand for fresh fish in New England; and (3) the later growing seasons for fruit such as strawberries, blueberries, etc. and for vegetables in the Annapolis Valley which enables this region to compete in the New England markets under very favorable conditions.

Time is of the essence in transporting these goods to market—24 hours or less being the maximum allowable for some items. Ferry services, if available, would shorten the time required to reach the United States markets. While we realize that costs are likely to increase slightly if ferries are used it is generally noted that there is sufficient markup on fresh produce to enable the producer to meet these costs and still make a reasonable profit. In fact, sufficient ferry service becomes available producers can presumably increase their present share of the New England market and thus realize greater profit.

The members of this brief recommend that:

1. *Short run:*—More space be made available on the "M. V. Bluenose" for commercial vehicles in the summer months.

2. *Long run:*—A new ferry service should be instituted between Yarmouth,

National, qui fait le service entre Yarmouth et Bar-Harbour, a une capacité de 150 voitures et de 15 à 18 camions (dimensions maximales: 48 pieds de long, 8 pieds de large et 12 pieds de haut).

Le nombre de véhicules commerciaux autorisés à faire la traversée sur le *M. V. Bluenose* pendant la saison touristique est sérieusement diminué. Vu que la saison touristique coïncide avec les périodes de pointe des producteurs de denrées fraîches: poisson, légumes, fruits, etc., les restrictions imposées aux véhicules commerciaux empêchent le développement logique des marchés de ces produits. L'Étude des transports dans les provinces Maritimes signale que les marchés du Canada central ne fournissent pas une demande suffisante qu'ils ne sont pas facilement accessibles aux producteurs de denrées fraîches des Maritimes de sorte que les marchés de la Nouvelle-Angleterre sont les débouchés logiques pour les producteurs des Maritimes, ceux en particulier de la vallée d'Annapolis, de la côte méridionale de la Nouvelle-Écosse et du littoral sud-est du Nouveau-Brunswick. Il y a à cela trois raisons principales: (1) la proximité des États de la Nouvelle-Angleterre; (2) la forte demande de poisson frais de la Nouvelle-Angleterre, et (3) la durée plus longue des saisons de croissance des baies telles que framboises, myrtilles, etc. et de légumes dans la vallée d'Annapolis, ce qui permet à cette région de faire concurrence aux marchés de la Nouvelle-Angleterre dans des conditions très favorables.

Le temps est un facteur essentiel du transport de ces denrées au marché, 24 heures ou même moins étant le maximum permissible pour quelques-unes d'entre elles. Des services adéquats de traversier réduiraient le temps requis pour la livraison aux marchés américains. Bien que nous reconnaissions que les frais subiraient probablement une légère majoration du fait de l'utilisation des traversiers, on constate généralement un relèvement du prix des produits frais suffisant pour contrebalancer ces frais et même laisser une marge raisonnable de profit. De fait, si un service adéquat de traversier était établi, on pourrait présumer que les producteurs accroîtraient leur part actuelle du marché de la Nouvelle-Angleterre et réaliseraient ainsi des profits accrus.

Les auteurs du présent exposé recommandent que:

1. *Pour les courts trajets,* plus d'espace soit mis à la disposition des véhicules commerciaux sur le *M. V. Bluenose.*

2. *Pour les longs trajets,* un nouveau service de traversier soit établi entre

N.S. and Bar Harbour, Maine; that this ferry be designed to carry a larger number of commercial vehicles than the present "M.V. Bluenose"; that this ferry be designed to carry larger commercial vehicles than the present ferry; that regular sailings be scheduled which will enable Maritime producers to reach the New England markets in time for selling on Mondays and Fridays.

If implemented this recommendation will permit logical development and growth for producers of fresh products in the aforementioned communities. A second ferry would also relieve pressures on the "M.V. Bluenose" while at the same time permitting more tourists to come to the Atlantic Provinces via ferry.

We have also looked into the ferry service presently being operated by the C.P.R. between Saint John, N.B. and Digby, N.S. While we realize that there are inadequacies with the present system recommendations in other parts of this brief have led us to the conclusion that by upgrading the existing rail and road conditions the needs of shippers in these areas can be adequately serviced by existing modes of transportation.

Air

Air transportation, especially that of freight, has only really expanded in recent years. We take the position that the Federal Government in implementing any Federal Air Policy should seriously take into consideration the problems of this region. As the situation stands at present most planes carrying cargo into this region from Central Canada go back almost empty. This is caused by a lack of high value goods produced in this region which could economically be sent to Central Canada by air. In this brief we are going to limit ourselves to a few recommendations concerning the expansion and practicability of air transportation in the region. We feel that the various aspects of a regional air policy will be sufficiently dealt with in other submissions.

A. Gander Free-Port—We strongly recommend the establishment of a free port at Gander, Newfoundland. The problem that presently exists at Gander was caused by the introduction of jets on overseas flights. These planes no longer had to stop at Gander since they could fly directly to their mainland des-

Yarmouth (N.-É.) et Bar-Harbour (Maine); que ce traversier soit construit de façon à recevoir un plus grand nombre de véhicules commerciaux ainsi que des véhicules de plus grandes dimensions que n'en peut contenir le *M. V Bluenose,* et que des horaires de départs plus réguliers soient établis en vue de permettre aux producteurs des Maritimes d'atteindre les marchés de la Nouvelle-Angleterre à temps pour que les denrées puissent être vendues les lundis et vendredis.

L'adoption de cette recommandation permettra aux producteurs de denrées fraîches des localités susmentionnées de développer et d'accroître leur production. Un second traversier soulagerait aussi le service du *M.V. Bluenose,* tout en permettant à un plus grand nombre de touristes de venir par mer visiter les Provinces atlantiques.

Nous avons également fait enquête sur le service de traversier présentement exploité par le réseau du CP entre Saint-Jean (N.-B.) et Digby (N.-É.). Bien que nous ayons constaté des lacunes dans le système actuel, les recommandations formulées dans d'autres parties du présent mémoire nous ont permis de conclure qu'en augmentant les moyens existants de transport par rail et route, les besoins des expéditeurs de ces régions seront adéquatement servis par les modes actuels de transport.

Transport aérien

Le transport par air, des marchandises en particulier, n'a vraiment pris de l'expansion que dernièrement. Nous sommes d'avis que, dans l'application de toute politique de transport aérien, le gouvernement central devrait tenir sérieusement compte des problèmes de cette région. Dans la situation présente, la plupart des avions porteurs de fret venant du Canada central s'en retournent à peu près vides. Ceci est attribuable au fait que cette région ne produit pas de denrées de valeur pouvant être expédiées économiquement par air au Canada central. Nous nous limiterons, dans le présent mémoire, à quelques recommandations concernant l'expansion et la praticabilité du transport aérien dans la région. Nous croyons que les divers aspects de la politique aérienne régionale seront suffisamment traités dans d'autres mémoires.

A. Port franc de Gander—Nous recommandons fortement la création d'un port franc à Gander (Terre-Neuve). Le problème qui se pose actuellement à Gander est dû à l'introduction d'avions réactés dans les envolées transatlantiques. Ces avions n'avaient plus à faire escale à Gander puisqu'ils pouvaient

tination. If such a free port were established at Gander it would provide an impetus for economic growth as well as increasing the number of flights in and out of Gander.

At present we have a large international airport at Gander complete with facilities, which are not being used to the fullest extent. The Gander International Airport represents a large investment by the Canadian Government and people.

By the creation of a free port at Gander we would have the North American version of Shannon, Ireland. This would be possible because Gander is a national air gateway to North America. From Gander you are within easy reach of the major Canadian anf American markets as well as being in a good position relative to the west European market.

An airport such as Gander may almost become a necessity with the introduction of supersonic jets in the near future. It is quite possible that these aircraft may be prohibited from flying over mainland North America because of the effects created by their sonic booms. The boom effect on Gander would be very limited when compared to such airports as Montreal, Toronto and New York. A feeder service out of Gander by air to the major eastern North American points would be very feasible. It might also be pointed out that a feeder service would increase the revenue of the airport because of the great increase in flight landing fees.

We would recommend that a Federal or Provincial crown corporation be set up to administer the free port. They would attempt to create a type of industrial estate complex at the airport—through the construction of small factories of an all purpose nature designed for light industry—as well as creating sufficient warehouse facilities. There would be an area marked off and designated as a free customs duty zone. Manufactured goods and raw materials could be brought into this area without having to pay any Canadian custom duties on them. Goods not intended for Canadian markets could be flown out of Gander without incurring Canadian customs duties. To encourage industry settlement at Gander arrangements could be made with the Canadian Government to have incentives offered along the lines of the Irish Government's at Shannon.

We therefore strongly recommend the establishment of a free port at Gander.

atteindre tout d'une traite leur destination outre-mer. Si un tel port franc était établi à Gander, il pourrait donner une impulsion à l'expansion économique et accroître de ce fait le nombre d'envolées dans les deux sens.

Nous avons en ce moment à Gander un vaste aéroport international muni de toutes les installations, mais celles-ci ne sont pas utilisées à plein. L'aéroport international de Gander représente une énorme immobilisation faite par le gouvernement et le peuple canadiens.

La création d'un port franc à Gander doterait le Canada d'une version nord-américaine de Shannon, en Irlande. La chose serait possible, vu que Gander est un passage aérien national ouvert sur l'Amérique du Nord. De Gander il est facile d'atteindre les principaux marchés canadiens et américains, aussi bien que ceux de l'Europe occidentale.

Un aéroport comme celui de Gander peut devenir presque une nécessité avec l'avènement des avions supersoniques dans un avenir prochain. Il est fort possible qu'il soit interdit à ce genre d'avions de survoler le continent nord-américain à cause des effets qui résultent du bang sonique, lesquels seraient très limités sur Gander comparativement à ce qu'ils seraient à Montréal, à Toronto et à New York. Un service d'approvisionnement en essence par air, à partir de Gander, pour la desserte des principaux points de l'est de l'Amérique du Nord serait tout à fait réalisable. Il est bon de noter aussi que ce genre de service accroîtrait les recettes de l'aéroport par suite de la forte majoration des droits d'atterrissage.

Nous sommes d'avis qu'une société fédérale ou provinciale de la Couronne devrait être instituée en vue d'administrer le port franc. Elle s'efforcerait d'y organiser une sorte de complexe immobilier par la construction de petites fabriques toutes fins pour la petite industrie, ainsi que par l'aménagement de facilités suffisantes d'entreposage. Une certaine superficie serait réservée et désignée comme zone douanière franche. Les articles manufacturés et les matériaux bruts pourraient y entrer sans qu'ils soient frappés de droits douaniers canadiens. En vue d'encourager l'établissement d'industries à Gander, des ententes pourraient être conclues avec le Gouvernement canadien qui offrirait des encouragements du genre de ceux qu'a institués le gouvernement irlandais à Shannon.

Nous recommandons donc fortement la création d'un port franc à Gander.

B. Sussex Airport—There has been mention made of the possibility of having an international airport at Sussex, New Brunswick. If this were done it would become the fourth airport in southern New Brunswick and would be within 60 to 70 miles of the three other airports. These are located at Fredericton, Saint John and Moncton. We feel that there are only two ways an airport like this could be successful, both of which we feel are very unpractical. The first way would be to close down the existing airports at the other three centres. This is unfeasible. The populations of these three centres are much greater than that of Sussex and the termination of airport facilities at these centres would bring about much inconvenience and would increase shipping costs because of the longer distance required in land transportation.

The second way that a Sussex International Airport could be successful would be by having the existing facilities remain in operation, but hoping that transportation presently leaving by air from the three centres would now go to Sussex and leave from the International Airport. This we also see as being very unlikely because we cannot see Moncton, Saint John or Fredericton shippers passing up their own airports which are close by to transport their shipments 60 or 70 miles to Sussex.

Therefore, we do not recommend the establishment of an international airport at Sussex, New Brunswick.

Maritime Ports

Eastern ports can be used on a larger basis for the export of flour and grain. We feel that more use could be made of these ports for other types of commodities from Central Canada. In order to lessen the rivalry between the various ports in the Maritimes serious planning is required. A control board should be set up to plan and control the development of these ports. Due regard must be paid to technological improvements in port facilities and the trend towards larger ships. A policy without due regard for these factors would be useless. The development of these ports must be followed by the development of highway and railway systems (discussed in other sections of this Brief).

Therefore, we recommend:

1. Steps should be taken to encourage the use of Eastern ports for export of flour and grains on a larger basis.

B. *Aéroport à Sussex*—Il a été question de la possibilité d'établir un aéroport international à Sussex (Nouveau-Brunswick). Si l'idée était réalisée, ce serait le quatrième aéroport du Nouveau-Brunswick méridional, et il serait situé à moins de 60 ou 70 milles des trois autres aéroports sis respectivement à Fredericton, Saint-Jean et Moncton. Nous croyons qu'un aéroport comme celui-ci ne pourrait réussir que de deux façons, et nous sommes d'avis que les deux sont de réalisation très difficile. La première consisterait à fermer les aéroports des trois autres localités, ce qui est impossible. Les populations de ces trois centres sont plus nombreuses que celle de Sussex, et la suppression de leurs aéroports serait très incommodante et accroîtrait les frais de transport à cause des distances plus longues du transport par terre.

La seconde façon de faire réussir un aéroport international à Sussex consisterait à maintenir les facilités actuelles en exploitation, tout en espérant que le présent trafic aérien partant des trois centres serait maintenant dirigé sur Sussex et partirait du nouvel aéroport international. Cela nous paraît aussi fort peu probable, car nous croyons que les expéditeurs de Moncton, Saint-Jean et Fredericton verraient d'un mauvais œil le trafic aérien éviter leurs propres aéroports qui sont assez rapprochés pour transporter leurs marchandises à Sussex, localité distante seulement de 60 à 70 milles.

Par conséquent, nous ne recommandons pas la création d'un aéroport international à Sussex (Nouveau-Brunswick).

Ports des Maritimes

Les ports du littoral est peuvent être davantage utilisés pour l'exportation de farine et de céréales et davantage aussi pour d'autres marchandises du Canada central. Si l'on veut réduire la rivalité entre les divers ports des Maritimes, il est nécessaire de procéder à une sérieuse organisation. Une commission de contrôle devrait être créée pour prévoir et réglementer le développement de ces ports. Il faut tenir compte des perfectionnements techniques des facilités portuaires et de la tendance à construire de plus gros navires. Un programme qui négligerait ces facteurs ne serait d'aucune valeur. L'expansion de ces ports doit être suivie par celle des voies routières et ferroviaires (il en est question dans d'autres parties du présent mémoire).

Nous recommandons par conséquent:

1. Que des mesures soient prises en vue d'encourager l'utilisation accrue des ports de l'Est pour l'exportation de la farine et des grains.

2. A control board should be set up to plan and control the development of these ports.

A. Containership—The trend in port development is containership. This method of moving cargo requires more capital outlay than under the conventional method of handling cargo. Shippers and consignees of cargo stand to benefit from containership developments. Goods can be delivered in the least possible time, under the best possible conditions and in the least expensive manner. Pilferage would be reduced. Damage from weather, contamination, and other problems would be reduced.

However, this method has several problems. There will be customs and regulatory problems, the composition of trade routes, trucking, highway and rail problems abroad, and the length of the ocean haul. Will duty on the goods be assessed at port or destination? As regards foreign trade, so vital to the Canadian economy, there is a possibility that containers may be considered an integral part of the ship and therefore not be subject to duty.

The number of ports at which containerized ships will call must be limited to be effective. This will allow for quick turn-around, increase the carrying capacity of the ships and limit the dispersion of containers. The ports that have substantial cargo volumes immediately available for containership movements will benefit. This is the reason for the success of the New York port. In addition to having substantial cargo available there must be an adequate trucking system. Trucks would play a major role. In the United States difficulty was experienced in developing joint railway-water rates. Rail cars must be transported intact with undercarriage. The system must be completely integrated to eliminate the present haphazard coordination.

The Maritime ports may have a difficult time competing with ports in Central Canada. Ports in Central Canada also face competition from New York. As the Financial Post of February 10, 1968, pointed out: "The efficiency of container operations at the Port of New York has made it possible for that port to compete with Montreal and St. Lawrence Seaway ports for Canadian cargo." It can be seen from this statement that Canada lags behind the world in port development. Probably one of the major difficulties is the limited industrial development on seaboard areas. The problem of port development cannot be over-

2. Qu'une commission de contrôle soit créée en vue d'organiser et de réglementer le développement de ces ports.

A. *Conteneurisation*—La tendance en matière d'expansion portuaire est la conteneurisation. Ce mode de manutention des marchandises requiert de plus fortes mises de fonds que la manutention classique. Expéditeurs et consignataires bénéficieront de cette innovation. Les marchandises peuvent être livrées en moins de temps, dans les meilleures conditions possibles et à moins de frais. Il y aurait diminution de chapardage, de dégâts par mauvais temps, de contamination et d'autres inconvénients.

Ce mode a toutefois ses difficultés: dédouanement et réglementation, organisation des routes commerciales, camionnage, problèmes de la route et du rail à l'étranger, et longueur du transport océanique. Les droits sur les marchandises seront-ils établis au port d'expédition ou de destination? Quant au commerce étranger si essentiel à l'économie canadienne, il est possible que les conteneurs soient considérés comme partie intégrante du navire, donc non assujettis à des droits.

Le nombre de ports où les navires conteneurisés feront escale doit être limité pour que le service soit efficace. Cela permettra un rapide retour, augmentera la capacité de transport des navires et limitera la dispersion des conteneurs. Les ports qui ont d'importants volumes de fret immédiatement disponibles pour les mouvements de navires conteneurisés seront avantagés. C'est la raison du succès du port de New-York. A la disponibilité d'un volume important de fret doit s'ajouter un système adéquat de camionnage. Les camions joueraient un rôle de premier plan. Les États-Unis ont éprouvé des difficultés à élaborer des tarifs mixtes rail-eau. Les wagons doivent être transportés intacts avec leurs trains. Le système doit être complètement intégré afin d'éliminer l'actuelle coordination au petit bonheur.

Les ports des Maritimes peuvent difficilement concurrencer ceux du Canada central, et les ports du Canada central ont aussi à faire face à la concurrence de New-York. Ainsi que le *Financial Post* du 10 février 1968 le faisait observer: «L'efficacité de la manutention des conteneurs au port de New-York lui a permis de faire concurrence à Montréal et aux ports de la voie maritime du Saint-Laurent pour le fret canadien.» Cette assertion permet de constater que le Canada reste en arrière sous le rapport de l'expansion portuaire. L'une des principales difficultés est probablement le faible développement indus-

looked. Cargoes loaded and unloaded in Canadian ports were down 5% in 1967. This trend must be reversed.

> We recommend that containership facilities be provided, but we feel that they should be limited to a few ports.

B. *Deepwater Port*—Canada has the potential for the largest deepwater harbour on the Atlantic seaboard of North America. This will provide a counterpart to the Rotterdam Port. Two possibilities exist for such a port; that is, Canso, N.S. and L'Etang, N.B. Such a port would require approximately ten square miles of land space and at least 70 feet of water. This places the Maritimes at a distinct advantage over the United States' eastern seaboard. This port could be a free port to handle large ships up to 600,000 tons. For a port of this size to be successful American cooperation is imperative as the majority of goods to be handled would be destined for the United States markets. A port like this must be serviced by fast container trains. This seaport will bring certain ancillary benefits. New industries will be attracted to the area.

> We strongly urge that a deepwater port be established in the Atlantic Region, with construction to begin in the very near future.

Newfoundland

The transportation problem in Newfoundland is probably the worst in the Atlantic Region. The Gulf Ferry is unable to handle special cargoes treated as normal rail traffic elsewhere in Canada. Larger ferries are needed to meet present commitments. The frequency and quality of service must be improved if the economy of the region is to expand. The economic and geographical factors make for high transportation costs in Newfoundland. We agree with the McPherson Commission that low-cost transportation might best be achieved by limited competition, subsidies, or special treatment. This approach would be unacceptable in other parts of Canada.

Water and air traffic should be encouraged. A better system of roads and highways is needed throughout the island. This would facilitate the handling of containers arriving by ship, rail or air.

triel des régions côtières. La question de l'expansion des ports ne saurait être négligée. Les cargaisons chargées et déchargées dans les ports canadiens avaient diminué de 5 p. 100 en 1967. Cette tendance doit être renversée.

> Nous recommandons la conteneurisation mais nous sommes d'avis qu'elle soit limitée à quelques ports.

B. *Ports en eaux profondes*—Le Canada a tout ce qu'il faut pour l'aménagement de ports en eaux profondes sur le littoral atlantique. Cela servira de contrepartie au port de Rotterdam. Il existe deux endroits pour l'aménagement d'un tel port: Canso, en Nouvelle-Écosse, et l'Étang, au Nouveau-Brunswick. Il faudrait pour cela environ dix milles carrés de terrain et au moins 70 pieds de profondeur d'eau. Voilà qui donne aux Maritimes un avantage marqué sur le littoral est des États-Unis. Ce port pourrait être un port franc destiné à recevoir de grands navires jusqu'à concurrence de 600,000 tonnes. Pour que l'aménagement d'un port de cette ampleur soit avantageux, la coopération américaine est un impératif, vu que la majeure partie des marchandises manutentionnées serait destinée aux marchés des États-Unis. Un tel port doit être desservi par des trains rapides conteneurisés. Il procurera certains bénéfices accessoires. De nouvelles industries seront attirées dans la région.

> Nous recommandons instamment qu'un port en eaux profondes soit aménagé sur le littoral atlantique et que les travaux soient mis en marche dans un avenir très prochain.

Terre-Neuve

Le problème des transports de Terre-Neuve est probablement le pire de toute la région atlantique. Le traversier du Golfe est dans l'impossibilité de transporter certaines marchandises traitées partout ailleurs au Canada comme fret ferroviaire normal. De plus grands bateaux sont nécessaires pour remplir les présents engagements. La fréquence et la qualité du service doivent être améliorées pour que l'économie de la région puisse prendre de l'expansion. Les facteurs économiques et géographiques occasionnent des frais élevés à Terre-Neuve. Nous reconnaissons avec la Commission McPherson qu'une concurrence limitée, des subventions ou un traitement spécial sont les meilleurs moyens d'obtenir des transports à coût modéré. Cette façon d'aborder le problème serait inacceptable dans d'autres régions du Canada.

Les transports par eau et par air devraient être encouragés. Un meilleur réseau routier s'impose dans toute l'île; il faciliterait le transport de conteneurs arrivant par bateau, par train ou par avion.

Federal Government cooperation and assistance is needed if the island transportation is to improve toward a profitable level. Gulf shipping services already receive a subsidy. Subsidy payments for C.N. coastal services have been rising steadily and show no sign of leveling off. Subsidy payments were $3,707,654 in 1960 and $6,241,000 in 1966. There is no doubt that the system needs revising.

The weight of evidence points to the fact that the Gulf Ferry does not provide an effective continuous rail link between Newfoundland and the mainland. Privately owned steamship services experiences the same difficulties with port facilities. If an effective continuous link can be found between the mainland and Newfoundland many related problems would be solved, including such things as cargo losses and lost time.

There is also a lack of an interprovincial trucking industry. The Atlantic Provinces Transportation Study found that potential exists for such services. Efforts should be made to encourage such services.

There is a need for very heavy expenditure on roads to open up new areas. There is also a need for basic roads to improve communications and the transportation between centres of population and activity. The problem with Newfoundland is the dispersion of the population and the difficult terrain. A system of adequate road connections is hard to establish. Federal funds are needed if any major transportation system is to be set up.

The future of air cargo is uncertain. It is difficult to determine the economic trend of Newfoundland. As a result it is difficult to say whether westbound traffic will increase. In 1965, as noted by the Atlantic Provinces Transportation Study, eastbound cargo accounted for as much as 91 percent of the total load carried on these services. Shipments from Newfoundland consist of bulky and low value goods and are unsuited for air shipment. Unless the economy improves this trend will continue.

It is our opinion that with the complicated or diverse railway links and improved refrigeration service would not help Newfoundland. Fruit, vegetables and meat can be shipped by air and arrive in the market fresh. However, improved refrigeration services would be beneficial to other Maritime Provinces. The goods must be produced to make these services profitable.

La coopération et l'aide fédérales sont nécessaires pour faire monter les systèmes de transport à un niveau profitable. Les services maritimes du golfe sont déjà subventionnés. Les versements de subventions aux services côtiers du C.N. ont été constamment augmentés et rien n'indique qu'ils baisseront; ils étaient de $3,707,654 en 1960 et de $6,241,000 en 1966. Il n'y a pas de doute que le régime doit être revisé.

Les témoignages recueillis prouvent que le traversier du Golfe ne fournit pas un service ferroviaire continu et efficace entre Terre-Neuve et la terre ferme. Les services de navigation privés ont éprouvé les mêmes difficultés en ce qui concerne les aménagements portuaires. Si un service continu et efficace pouvait être établi entre le continent et Terre-Neuve bien des difficultés connexes seraient résolues, y compris des choses telles que les pertes de marchandises et de temps.

Il y a aussi un manque de services interprovinciaux de camionnage. Une enquête sur les transports dans les Provinces atlantiques a démontré que le potentiel existe pour de tels services. Des efforts devraient être faits pour en encourager l'établissement.

De très fortes dépenses sont nécessaires pour la construction de routes en vue d'ouvrir de nouvelles régions. Il est aussi besoin de routes de base pour améliorer les communications et les transports entre des centres de population et d'activité. Le problème de Terre-Neuve réside dans la dispersion de la population et la difficulté du terrain. Il est difficile d'établir un réseau routier adéquat. Tout système majeur de transport exigera des fonds de la part du gouvernement fédéral.

L'avenir du transport aérien est incertain. Il est difficile de déterminer la tendance économique de Terre-Neuve et, par conséquent, de dire si le trafic en direction ouest augmentera. En 1965, ainsi que le note l'Étude des transports dans les provinces atlantiques, le trafic-marchandises en direction est atteignait 91 p. 100 de la charge globale transportée par ces services. Les expéditions de Terre-Neuve consistent en marchandises volumineuses mais de valeur minime et ne conviennent pas au trafic aérien. Cette tendance se maintiendra à moins d'une amélioration de l'économie.

Nous sommes d'avis qu'étant donné la complexité ou diversité des communications ferroviaires, un service amélioré de réfrigération ne serait pas avantageux pour Terre-Neuve. Fruits, légumes et viandes peuvent être expédiés par avion et arriver frais sur le marché. Cependant, de meilleurs services de réfrigération seraient avantageux pour d'autres provinces maritimes, mais il faut que les denrées soient produites pour que ces services soient profitables.

Our recommendations are as follows:

1. Larger ferries should be provided.

2. Subsidies or special treatment should be given to Newfoundland.

3. The present system of subsidy payments should be revised.

4. Efforts should be made to provide a continuous transportation link between Newfoundland and the mainland.

Summary of Major Recommendations

Maritime Freight Rates Act

1. We recommend the establishment of a flexible rate structure.

2. We recommend the extension of the Maritime Freight Rates Act to all modes of transportation.

3. We recommend the extension of the subsidy under the Maritime Freight Rates Act be applied to shipments to the United States.

4. We recommend the extension of the Maritime Freight Rates Act to apply to west-to-east shipments within the 'select territory'.

Less-than-Carload Lost

We recommend the cancellation of the new LCL rate structure and a corresponding downward adjustment of rates.

Railways

1. We recommend the establishing of a Maritime Railway Rates Board to study and advise on the implementation of rate structures of railways until a regional development program is put into effect.

2. Improve efficiency and services of the railways by various suggestions

(i) to assist Maritime shippers,

(ii) to increase the number of shippers and customers using railway services,

(iii) to reduce costs and increase profit to the railways.

3. Investigate the feasibility of eliminating railway service in Newfoundland and replace it with a more viable mode of transportation.

Voici nos recommandations à cet égard:

1. Des traversiers plus grands sont nécessaires.

2. Des subventions ou un traitement spécial devraient être accordés à Terre-Neuve.

3. Il faudrait reviser le présent régime de versement de subventions.

4. Des efforts devraient être faits en vue de fournir un service continu de transport entre Terre-Neuve et la terre ferme.

Résumé des principales recommandations

Loi sur les taux de transport dans les Maritimes

1. Nous recommandons l'établissement d'une structure tarifaire souple.

2. Nous recommandons l'application de la Loi sur les taux de transport dans les Maritimes à tous les modes de transport.

3. Nous recommandons l'application de la subvention consentie sous le régime de la Loi sur les taux de transport dans les Maritimes aux expéditions destinées aux États-Unis.

4. Nous recommandons l'application de la Loi sur les taux de transport dans les Maritimes aux expéditions ouest-est faites dans les limites du «territoire choisi».

Chargements inférieurs à une wagonnée

Nous recommandons l'annulation du nouveau régime des taux pour les chargements inférieurs à une wagonnée et une baisse de ces taux.

Chemins de fer

1. Nous recommandons la création d'une commission des taux de chemins de fer des Maritimes, chargée de faire l'étude des régimes tarifaires des chemins de fer et de conseiller sur leur application jusqu'à ce que le programme de développement régional soit mis à exécution.

2. Amélioration du rendement et des services ferroviaires au moyen de diverses proportions tendant

i) à aider les expéditeurs des Maritimes,

ii) à accroître le nombre d'expéditeurs et de clients utilisant les services ferroviaires,

iii) à réduire les frais et à augmenter les profits des chemins de fer.

3. Étude de la possibilité d'éliminer le service ferroviaire de Terre-Neuve et de lui substituer un mode de transport plus viable.

Highways

1. In future shared-cost programs should be conducted on a more equitable basis; for example, on a per capita basis.

2. We recommend that the number of rural roads in the Atlantic Provinces be cut back.

3. We recommend that all main highways in this region be upgraded to an all-weather standard.

Trucking

1. Uniform weight restrictions should be adopted throughout the region.

2. Uniform licensing should be adopted for all truckers in the Atlantic Region.

3. The Atlantic Development Board or some other agency should oversee the coordination of the first two recommendations.

Corridor Road

We do not recommend the construction of a Corridor Road linking New Brunswick and Quebec through the state of Maine.

New Brunswick to Prince Edward Island Causeway

We strongly recommend that the construction of the Northumberland Strait Causeway proceed without further delay.

Ferry Services

1. *Short run:*—More space should be made available on the "M.V. Bluenose" for commercial vehicles in the summer months.

2. *Long run:*—A new ferry service should be instituted between Yarmouth, N.S. and Bar Harbour, Maine; this ferry should be designed to carry a larger number of commercial vehicles than the present "M.V. Bluenose"; this ferry should be designed to carry larger commercial vehicles than the present ferry; regular sailings should be scheduled which will enable Maritime producers to reach the New England markets in time for selling on Mondays and Fridays.

Air—A. Gander Freeport

We strongly recommand the establishment of a freeport at Gander, Newfound-

Routes

1. Les régimes de frais partagés devraient être appliqués plus équitablement à l'avenir, par exemple sur une base *per capita*.

2. Nous recommandons que soit réduit dans les provinces atlantiques le nombre de routes rurales.

3. Nous recommandons que la qualité de toutes les grandes routes de cette région soit portée à la norme toutes-saisons.

Camionnage

1. Des restrictions uniformes de poids devraient être adoptées pour toute la région.

2. Des permis uniformes devraient être délivrés à tous les camionneurs de la région atlantique.

3. La Commission de développement de la région atlantique, ou tout autre organisme, devrait veiller à la coordination des deux premières recommandations.

Route corridor

Nous ne recommandons pas l'aménagement d'une route corridor reliant le Nouveau-Brunswick et le Québec à travers l'État du Maine.

Chaussée reliant le Nouveau-Brunswick à l'Île du Prince-Édouard

Nous recommandons fortement que la construction de la chaussée du détroit de Northumberland soit mise en marche sans plus de délai.

Services de traversier

1. *Courts trajets:*—Il faudrait prévoir plus d'espace sur le *M. V. Bluenose* pour les véhicules commerciaux en été.

2. *Longs trajets:*—Un nouveau service de traversier devrait être établi entre Yarmouth (N.-É.) et Bar-Harbour (Maine); le traversier devrait être construit de façon à recevoir un plus grand nombre de véhicules commerciaux, ainsi que des véhicules de plus grandes dimensions que n'en peut accommoder l'actuel *M. V. Bluenose*, et des horaires de départs réguliers devraient être établis en vue de permettre aux producteurs des Maritimes d'atteindre les marchés de la Nouvelle-Angleterre à temps pour que les denrées puissent être vendues les lundis et vendredis.

Transport aérien

A. *Port franc à Gander*

Nous recommandons fortement la création d'un port franc à Gander (Terre-

land. Such a project would increase air traffic in and out of Gander and would be of major economic importance to Newfoundland.

B. Sussex International Airport

We do not recommend the establishment of an international airport at Sussex, New Brunswick.

Maritime Ports

1. Steps should be taken to encourage the use of Eastern ports for export of flour and grains on a larger basis.

2. A control board should be set up to plan and control the development of these ports.

A. Containership

We recommend that containership facilities be provided, but we feel that they should be limited to a few ports.

B. Deepwater Port

We stronly urge that a deepwater port be established in the Atlantic Region, with construction to begin in the very near future.

Newfoundland

1. Larger ferries should be provided.

2. Subsidies or special treatment should be given to Newfoundland.

3. The present system of subsidy payments should be revised.

4. Efforts should be made to provide a continuous transportation link between Newfoundland and the mainland.

We trust that the suggestions and recommendations brought out in this Brief will be of some value for you when considering the place of the Atlantic Region of Canada within the framework of Transportation and Regional Development policies.

All of which is respectfully submitted.

J. Paul Cassidy

William D. Foster

Earl Gardner

Terry C. Lloyd

Beverly L. MacDonald

Neuve). Une telle entreprise accroîtrait le trafic aérien dans les deux sens et aurait une grande importance économique pour Terre-Neuve.

B. *Aéroport international à Sussex*

Nous ne recommandons pas la création d'un aéroport international à Sussex (Nouveau-Brunswick).

Ports des Maritimes

1. Des mesures devraient être prises en vue d'encourager l'utilisation accrue des ports de l'Est pour l'exportation de la farine et des grains.

2. Une commission de contrôle devrait être créée en vue d'organiser et de réglementer le développement de ces ports.

A. *Conteneurisation*

Nous recommandons que des facilités de navires à conteneurs soient fournies, mais nous sommes d'avis qu'elles soient limitées à quelques ports.

B. *Ports en eau profonde*

Nous recommandons instamment qu'un port en eau profonde soit aménagé sur le littoral atlantique et que les travaux soient mis en marche dans un avenir très prochain.

Terre-Neuve

1. Des traversiers plus grands sont nécessaires.

2. Des subventions ou un traitement spécial devraient être accordés à Terre-Neuve.

3. Il faudrait reviser le présent régime de versements de subventions.

4. Des efforts devraient être faits en vue de fournir un service continu de transport entre Terre-Neuve et la terre ferme.

Nous espérons que les propositions et recommandations formulées dans le présent mémoire auront pour vous quelque utilité lorsque vous prendrez en considération la place que doit tenir la région atlantique du Canada dans le cadre des programmes de transport et de développement régional.

Le tout est respectueusement soumis.

(J. Paul Cassidy)

(William D. Foster)

(Earl Gardner)

(Terry C. Lloyd)

(Beverly L. MacDonald)

APPENDIX

We feel that one point should be raised concerning transportation in the Atlantic Region. Although we agree that adequate transportation facilities are necessary in any economy, other things much more important should be considered first. We feel that what is really needed in the Atlantic Region is directly productive activity (D.P.A.) and not a variety of social overhead capital projects (S.O.C.).

For purposes of clarity we feel that an explanation of these terms are in order. They were first brought forward by A. O. Hirschman in his book—*The Strategy of Economic Development*. Social overhead capital (SOC) consists, in any economy, of the basic services which are necessary for the economy to function. Here we find such things as power services, water supplies, and transportation facilities. Directly productive activity (DPA) is concerned with the production of commodities, rather than just supplying services. In this category we get primary and secondary manufacturing, agriculture, and mining.

We only have to look to the case of Italy to see how much SOC can be wasted. When industry was finally attracted to Southern Italy it was found that much of the money poured into SOC projects throughout the region had been wasted. It also turned out that many more SOC projects had to be built to accommodate the industrial growth of the region.

We feel that much the same thing could happen here in the Atlantic Region if the Government is not careful. It appears to us that the Government is obsessed with various SOC projects such as the building of roads, bridges, and such, and that they do not really step back and consider the value of such projects.

We would strongly recommend that the Government step back and take a hard look at the economy of the Atlantic Region. The Government should try to project just what industrial expansion will occur in this region in the next twenty years and just where this industrial expansion will take place. Then the Government can be more certain that its money put into SOC projects will do some good.

We do not feel that this Committee can limit transportation to transportation itself but must look beyond this and consider economic growth. All the SOC projects in the world will not bring industry into an area.

APPENDICE

Nous sommes d'avis qu'une question doit être soulevée au sujet des transports dans la région atlantique. Bien que nous reconnaissions que des moyens adéquats de transport soient nécessaires dans toute économie, l'étude d'autres choses plus importantes doit passer au premier plan. Nous croyons que ce dont la région atlantique a vraiment besoin, c'est d'une activité directement productive et non une diversité de services économiques fondamentaux.

Il convient ici d'expliquer ces termes. Ils ont été employés pour la première fois dans l'ouvrage de A. O. Hirschman, *The Strategy of Economic Development*. Les services économiques fondamentaux sont ceux qui sont indispensables au bon fonctionnement de toute économie. En font partie les services de distribution d'énergie, d'approvisionnement en eau et de transport. L'activité directement productive a trait à la production de denrées plutôt qu'à la fourniture de services. Font partie de cette catégorie la fabrication primaire et secondaire, l'agriculture et l'exploitation minière.

Nous n'avons qu'à examiner le cas de l'Italie pour voir combien les services économiques fondamentaux peuvent être gaspillés. Quand l'industrie fut enfin attirée dans l'Italie méridionale, on constata qu'une bonne part des fonds placés dans des entreprises de services réparties sur toute la région avaient été gaspillés. Il arrive aussi que bien d'autres entreprises de cette catégorie devaient être réalisées pour se plier à l'expansion industrielle de la région.

Nous sommes d'avis que la même chose pourrait se produire dans notre région atlantique si le gouvernement manquait de prudence. Il nous semble que le gouvernement est obsédé par divers projets de services tels que la construction de routes, de ponts et autres semblables entreprises, et qu'il ne s'arrête pas à considérer la valeur de tels projets.

Nous recommandons instamment au gouvernement de prendre l'économie de la région atlantique en sérieuse considération. Il devrait s'efforcer d'envisager la tournure que prendra au juste l'expansion industrielle dans cette région au cours des vingt prochaines années et de savoir au juste où cette expansion se produira. Il aura alors plus de certitude que les fonds qu'il affectera aux services seront avantageusement utilisés.

Nous ne croyons pas que le Comité puisse se limiter aux transports eux-mêmes; mais il doit voir plus loin et tenir compte de l'expansion économique. Tous les projets de services au monde n'attireront pas l'industrie dans

TABLE I*

USAGE OF LCL PER PROVINCIAL POPULATION
First Three Quarters of 1967

	1st Quarter		2nd Quarter		3rd Quarter		Combined Totals	Population ('000)	Tons per Capita
	L**	U***	L	U	L	U			
Nfld	5,338	10,956	7,193	14,196	7,183	13,156	58,022	500	.11
P.E.I.	317	2,122	1,086	3,233	353	1,512	8,623	109	.07
N.S.	12,827	17,911	13,970	17,030	8,567	11,275	81,580	757	.10
N.B.	18,126	14,828	15,672	16,991	10,853	11,500	87,970	620	.14
Sub Total	36,608	45,817	37,921	51,450	26,956	37,443	236,195	1,986	.11
Que.	39,500	30,415	40,816	33,112	37,096	26,155	207,094	5,868	.03
Ont.	58,399	59,353	64,761	59,654	56,544	57,542	356,253	7,149	.05
Man.	15,095	11,807	16,740	12,461	14,965	11,579	82,647	963	.08
Sask.	18,609	20,655	24,168	26,283	17,931	19,472	127,118	958	.13
Alta.	10,870	11,601	14,339	9,964	12,051	11,600	70,425	1,490	.04
B.C.	15,829	17,827	17,195	24,181	14,890	17,039	106,961	1,947	.05
N.W.T. Yukon	880	880	2,069	2,069	2,513	2,712	11,123	44	.25
Total Canada	195,790	198,358	218,009	220,174	186,946	183,352	1,202,629	20,405	.05

*Supplements Table I, p. 10 of this brief
**L = Loaded
***U = Unloaded

SOURCE: 1. Railway Freight Traffic D.B.S., Cat. No. 52-002
2. Estimated Population by Province. D.B.S., Cat. No. 91-2

TABLEAU I*

WAGONNÉES PARTIELLES PAR POPULATION PROVINCIALE
TROIS PREMIERS TRIMESTRES DE 1967

	1er Trimestre		2ème Trimestre		3ème Trimestre		Totaux Combinés	Population	Tonnes par Habitant
	C**	NC***	C	NC	C	NC		(milliers)	
T.-N.	5,338	10,956	7,193	14,196	7,183	13,156	58,022	500	.11
I.P.-É.	317	2,122	1,086	3,233	353	1,512	8,623	109	.07
N.-É.	12,827	17,911	13,970	17,030	8,657	11,275	81,580	757	.10
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TOTAL CANADA	195,790	198,358	218,009	220,174	186,946	183,352	1,202,629	20,405	.05

*Suppléments Tableau I, p. 10 du présent mémoire
**L Chargé
***D Déchargé

SOURCE: 1. Railway Freight Traffic, B.F.S., nº de cat. 52-002
2. Population estimative du Canada par province, B.F.S., nº de cat. 91-202

Also when industry does come in the necessary SOC facilities will establish themselves around these projects and many SOC projects built in anticipation of industry will have been wasted.

Once you enter an SOC project you are committed to finish it. When a road or a bridge is started you are committed to finish the project at some point in time, even if it proves unfeasible. Once an SOC project is started the only way to get *ANY* value out of it is to finish it. There is no half-way.

When SOC projects are put up in anticipation of industry there is no way one can measure just what is needed and where it is needed. The best time to go into SOC is when you have some knowledge of what the benefits will be and not with just the hope that benefits will accrue.

We also feel that many of the SOC projects undertaken today are done so because of political and not economic reasons. They are used as vote getters just before election. The people behind these projects should have more than votes in mind; they should have the economic well-being and development of a region in mind.

We do not want it to seem as if we consider transportation facilities unimportant, because they are very essential to an area, just as are any other SOC projects. Without some sort of transportation facilities available there is little hope of growing economically. What we are saying though is that a serious look should be given to the future economic development of the region and have one major SOC project built around these areas where it will do them most good. This will bring the most benefit out of the Canadian taxpayers dollar as well as avoiding unnecessary waste.

cette région. En outre, lorsque l'industrie viendra, les services indispensables s'établiront d'eux-mêmes autour de ces projets et plusieurs d'entre eux, réalisés dans l'espoir de la venue de l'industrie, seront tombés en désuétude.

Une fois commencée la réalisation d'un projet de services, vous êtes tenu de l'achever. Lorsque la construction d'une route ou d'un pont est mise en marche, vous êtes tenu de terminer l'entreprise à un moment donné, même si elle se révèle irréalisable. Lorsqu'un tel projet est commencé, la seule façon d'en tirer *QUELQUES* avantage est de le terminer. Il n'y a pas de milieu.

Quand des projets de services sont réalisés dans l'espoir de voir l'industrie s'installer, il n'y a aucun moyen de prévoir ce qui est nécessaire et où la nécessité se fait sentir. La meilleure occasion de se lancer dans ce genre de projets, c'est lorsqu'on a quelque idée de ce que seront les profits, et non simplement l'espoir d'en retirer.

Nous sommes en outre d'avis que nombre de ces projets sont entrepris aujourd'hui pour des raisons d'ordre politique et non économique. Ils servent d'appâts juste avant une élection. Ceux qui en sont les promoteurs devraient songer à d'autres choses qu'à des votes; ils devraient avoir à l'esprit le bien-être et l'expansion économique d'une région.

Nous ne voulons pas donner à entendre par là que les moyens de transport sont sans importance, car ils sont indispensables à une région, tout comme le sont tous les autres projets de services. Sans l'existence de quelque moyen de transport, il y a peu d'espoir d'expansion économique. Nous affirmons toutefois qu'il faudrait prendre en sérieuse considération le développement futur de la région et doter celle-ci de services importants où ils présenteront le plus d'avantages. C'est ainsi que les fonds versés par les contribuables canadiens produiront le plus de fruit et que nous éviterons des dépenses inutiles.

APPENDIX "G"

BRIEF ON TRANSPORTATION
BY
MONCTION AND DISTRICT LABOUR COUNCIL

INTRODUCTION

The Moncton and District Labour Council is very pleased to have this opportunity of presenting to your Parliamentary Committee on Transportation, meeting in Moncton, N.B. their views and possible suggestions in relation to problems of TRANSPORTATION in the Maritimes.

Some might ask, why is Labour presenting a brief on such a complicated subject "TRANSPORTATION".

It is because we realize that TRANSPORTATION can either make or break the Atlantic Provinces.

Labour's basic purpose is to achieve a better life for its members.

If Labour fails in this purpose it has failed utterly

This is true to-day as at the time of Confederation.

Labour is keenly aware that it cannot make progress at the expense of the community, even if the rest of the community is standing still. What is good for labour is good for the community and Canada as a whole.

At this time it might be quite appropriate to quote—Sir Walter Scott.

The race of mankind would perish, did they cease to aid each other. From the time that the mother binds the child's head till the moment that some kind assistant wipes the death-damp from the brow of the dying, we cannot exist without mutual help. All, therefore, that need aid have a right to ask it from their fellow-mortals; no one who holds the power of granting can refuse it without guilt.

Where we have just finished celebrating our Centennial it might be a good time to take into consideration what we in the Atlantic Provinces were offered at Confederation, and how successful we were in obtaining it.

Canada and the Atlantic Provinces consist of people so lets take a look at them before Confederation and the present time.

APPENDICE «G»

Mémoire sur les transports
rédigé par le
Conseil du travail de
Moncton et du district

INTRODUCTION

Le Conseil du travail de Moncton et du district est heureux de cette occasion de faire connaître à votre Comité parlementaire des transports, qui s'est réuni à Moncton (N.-B.), ses vues et ses suggestions possibles en ce qui concerne les problèmes des *TRANSPORTS* dans les Maritimes.

D'aucuns se demanderont pourquoi le Travail présente un mémoire sur un sujet aussi compliqué que les *TRANSPORTS*.

C'est parce que nous avons la conviction que les *TRANSPORTS* peuvent assurer ou compromettre l'avenir des provinces atlantiques.

Le but essentiel du Travail est d'assurer à ses membres une vie meilleure.

Si le Travail échoue sur ce plan, il aura complètement failli.

Ceci est aussi vrai aujourd'hui que ce l'était à l'époque de la Confédération.

Le Travail se rend parfaitement compte qu'il ne peut réaliser de progrès aux dépens de la collectivité, même si le reste de la collectivité se fige dans l'immobilisme. Ce qui est bon pour le Travail est bon également pour la collectivité et pour le Canada dans son ensemble.

Peut-être ne serait-il pas déplacé ici de citer . . . Sir Walter Scott.

La race humaine périrait si les hommes cessaient de s'entraider. Depuis l'instant où la mère bande la tête du nouveau-né jusqu'à celui où une main pieuse essuie la sueur d'agonie au front du mourant, nous ne pouvons exister sans aide mutuelle. C'est pourquoi tous ceux qui ont besoin d'aide ont le droit de la demander à leurs frères mortels. Il n'est personne qui, détenant le pouvoir d'accorder, peut refuser sans commettre une faute.

Alors que nous venons tout juste de célébrer notre centenaire, le moment est peut-être indiqué pour considérer ce qui nous a été offert lors de la Confédération, à nous des provinces atlantiques, et jusqu'à quel point nous avons réussi à l'obtenir.

Le Canada et les provinces de l'Atlantique sont composées d'êtres humains; jetons leur donc un coup d'œil, avant la Confédération et à l'époque actuelle.

Men desire to be equal in all respects, but they also desire to be free.

Man's desire to be equal and their desire to be free must be kept in balance. Either carried to the extreme negate the other.

At the time of Confederation 1867 we had:

3.5 Million people in Canada—¾ lived in Ontario and Quebec. Montreal's population 100,000

285,000 people in New Brunswick

While at the time of our Centennial 1967 we had:

20,334,000 people in Canada
619,000 people in New Brunswick

The average increase in Canada was 1.8% per year.

This growth figure is not applicable to individual provinces or areas within provinces.

We must think of our population as in motion.

Flowing from long settled areas to new sections.

It appears, the development of the natural resources of Canada was responsible for the ebb and flow of our population.

As fishing, farming, lumbering and mining on the Atlantic Coast becomes more mechanized, the workers will leave for Central Canada or the United States. Where much of the industry is concentrated.

A good example of this was in Prince Edward Island in 1901 the population was 103,000 and by 1931 is decreased to 88,000.

We have a consistent direction of movement away from all the older Maritime Provinces. We lost by migration during the years:

1931-41, 5,000 persons; 1941-51, 93,000 persons; 1951-56, 40,000 persons; 1956-61, 50,000 persons; 1961-66, 104,00 persons.

If this rate keeps up we will loose about 207,000 in the period 1961-71, which is equivalent to over 10 percent of the population at the midpoint in the decade and which is more than twice the level of the 1951-61 decade.

At the time of Confederation the portion of the population that was urban was very small

Les hommes désirent être égaux à tous les égards, mais ils désirent également être libres.

Le désir d'égalité et le désir de liberté qui existent au cœur de tout homme doivent être maintenus en équilibre. Chacun d'eux, poussé à l'extrême, devient la négation de l'autre.

A l'époque de la Confédération, en 1867, nous avions:

3.5 millions d'habitants au Canada—3/4 vivant en Ontario et au Québec. Population de Montréal: 100,000

285,000 personnes au Nouveau-Brunswick.

Par contre, lors de notre centenaire, en 1967, nous avions:

20,334,000 habitants au Canada
619,000 habitants au Nouveau-Brunswick

L'accroissement démographique moyen au Canada a donc été de 1.8% par an.

Ce chiffre d'expansion n'est pas applicable aux provinces prises séparément, ni à des régions à l'intérieur de ces provinces.

Nous devons penser à notre population comme à un tout en mouvement.

Allant de régions peuplées de longue date vers des sections nouvelles.

Il apparaît que la mise en valeur des ressources naturelles au Canada a joué un rôle important dans le flux et le reflux de notre population.

A mesure que les activités de la pêche, de l'agriculture, de l'exploitation forestière et de l'exploitation minière sur la côte atlantique se mécanisent, les travailleurs émigreront vers le Canada central, ou vers les États-Unis, où se trouve concentrée une grande partie de l'industrie.

Un bon exemple de cet état de choses est l'Île du Prince-Édouard, qui comptait une population de 103,000 âmes en 1901 et qui n'en avait plus que 88,000 en 1931.

Il y a un mouvement constant d'éloignement à partir des provinces Maritimes, les plus anciennes. Nous avons perdu par migration au cours des années suivantes:

1931-1941, 5,000 personnes; 1941-1951, 93,000 personnes; 1951-1956, 40,000 personnes; 1956-1961, 50,000 personnes, 1961-1966, 104,000 personnes.

Si ce rythme se maintient, nous perdrons environ 27,000 habitants au cours de la période de 1961-1971, ce qui équivaut à plus de 10 p. 100 de la population au milieu de la décennie et à plus du double du niveau de migration de la décennie 1951-1961.

A l'époque de la Confédération, la portion urbaine de la population était très faible, de

in the vicinity of 20%, in 1956 it was 58%. If this pace continues until 1980 some ⅔ of the population will be urban. Spreading out over suburban fringes, with better and better health, deaths down to the point where nearly everyone lives to an age of seventy and families determined at between two and four children each.

We will have mass produced housing areas outside of the cities with a population of very young. With no experience of home ownership. They will have used all of their savings in buying the house and its furnishings. A kind of day to day existence.

Rapid urbanization confronts community and family life with serious difficulties.

We have traced the rapid transformation of Canadian society from the simpler form on the frontier, where interdependence compelled neighbours to co-operate for survival through direct intimate contacts, into the highly industrialized life of the modern city, where interdependence, not lessened, but heightened, takes forms that are much more specialized, standarized, bureaucratized and therefore depersonalized. Personal interests have come to rest increasingly upon broadly based, pyramidal power structures notably business, labour and state—by reason of their immense size, complexity and formalization have grown more unweildly and rigid, less sensitive to moral pressure for reform and more imbued with the ideology of their own progress. In this situation, the views and interests of "ordinary" men seem to count for little. There is a tendency towards unquestioning conformity to the behaviour pattern approved by the master group, and persons have less opportunity to exercise free and reasonable choice of importance.

The process by which the ancient empires were finally dissolved has been variously described as one of urbanization.

Pope John and others in our society who preach for the common good claim, an individual voice is a voice crying in the wilderness.

The ability of the private citizen to cope with broad economic problems has shrunk and his dependence upon the state to provide for the common good has increased enormously.

l'ordre de 20 p. 100, tandis qu'en 1956 elle était de 59 p. 100. Si ce rythme se maintient jusqu'en 1980, près des deux tiers de la population vivront dans des zones urbaines. S'étendant à l'extérieur des zones marginales suburbaines, avec des conditions sanitaires toujours meilleures un taux de mortalité réduit au point où presque tout le monde a des chances d'atteindre l'âge de soixante-dix ans, et avec des familles comptant de deux à quatre enfants chacune.

Nous aurons à l'extérieur des villes des zones domiciliaires produites par des moyens de production de masse, avec une population extêmement jeune, ne disposait d'aucune expérience en matière de propriété foncière, et qui aura utilisé la totalité de ses économies pour acheter la maison et les meubles. Une espèce d'existence au jour le jour.

L'urbanisation rapide pose à la collectivité et à la vie familiale de sérieuses difficultés.

Nous avons tracé la transformation rapide de la société canadienne depuis sa forme la plus simple, sur la frontière, où l'interdépendance contraignait les voisins à coopérer pour leur survie par des contacts intimes et directs, jusqu'à la vie hautement industrialisée des villes modernes, où l'interdépendance non pas amoindrie, mais située sur un niveau beaucoup plus élevé, prend des formes bien plus spécialisées, uniformisées, bureaucratisées, et, par conséquent, dépersonnalisées. Les intérêts personnels en sont venus à reposer de plus en plus sur des structures de pouvoir pyramidales à large base, notamment l'industrie, la main-d'œuvre de l'État—du fait de leurs dimensions immenses, de leur complexité et de leur formalisation sont devenus de plus en plus rigides et immuables, moins sensibles aux pressions morales pour une réforme, et plus imbues de l'idéologie de leur propre progrès. Dans cette situation, les opinions et les intérêts de l'«homme ordinaire» paraissent plus compter beaucoup. Il y a une tendance à à la conformité de plus en plus indiscutée avec le schéma de comportement approuvé par le groupe dominant, et les individus ont moins de possibilité de faire des choix libres et raisonnables dans les domaines importants.

Le processus qui a abouti à la dissolution finale des empires du passé a souvent été décrit comme un processus d'urbanisation.

Le Pape Jean XXIII et d'autres dans notre société qui prêchent en faveur du bien public affirment qu'une voix individuelle est une voix qui crie dans le désert.

La possibilité qu'a le citoyen privé de se mesurer avec de vastes problèmes économiques s'est amenuisée, tandis que s'accroissait énormément sa dépendance à l'égard de l'État pour tout ce qui concerne le bien public.

The power to attain the common good develops ultimately upon society as a whole, and is effected through the instrumentality of the state.

There are great forces, over which the individual has no control.

Man can improve his economic status by becoming individually efficient. But—this is alone not the solution to our Social Problems. It must be done by group action.

Among the factors promoting Maritime Unanimity of outlook are the economically shaped conditions of life. Compared to other Canadians, those in the Maritime are most likely to be engaged in primary industry, they have the highest unemployment rate a below average annual growth rate, and they are least likely to be urbanized.

96% were native born in 1961, compared to 84% for the whole of Canada.

NEW BRUNSWICK

The province still depends upon the primary products of the forests, soil and sea.

Timber and its by-products are still the greatest mainstay, the gradual conversion from long lumber to pulp and paper being the greatest transition in the province's history.

We now have pulp mills at Edmundston, Campbellton, Dalhousie, Bathurst, Newcastle, St. George and two in Saint John.

We have two areas of concentration of the fishing industry, Bay of Fundy and North East Shore.

We have mixed farming in New Brunswick, the seed potato in Carleton and Victoria are quite important.

The mineral deposits in North Eastern New Brunswick are now being developed.

In 1769 Prince Edward Island made a separate province.

In 1784 Nova Scotia and New Brunswick was divided into separate provinces.

The Constitutional Act of 1791 created the provinces of Upper and Lower Canada and gave them a constitution.

Le pouvoir de parvenir au bien public se répercute finalement sur la société dans son ensemble, et s'effectue par l'instrumentalité de l'État.

Il existe des grandes forces, sur lesquelles l'individu n'a aucune maîtrise.

L'homme peut améliorer sa position économique en devenant personnellement efficace. Mais ce sont là des cas individuels, qui n'apportent pas de solution à nos problèmes sociaux. Celle-ci ne peut se faire que par une action de groupe.

Parmi les facteurs qui parlent en faveur de l'unanimité de perspectives des provinces Maritimes, il y a les conditions de vie moulées par les conditions économiques. Comparés aux autres Canadiens, ceux des Maritimes travaillent plus probablement dans l'industrie primaire, connaissent le taux de chômage le plus élevé, ont un taux annuel d'expansion économique inférieur à la moyenne, et ont le moins de probabilité de s'urbaniser.

En 1961, 96 p. 100 d'entre eux étaient autochtones, contre 84 p. 100 pour l'ensemble du Canada.

NOUVEAU-BRUNSWICK

Cette province dépend toujours des produits primaires de ses forêts, de son sol, et de la mer.

Le bois et ses sous-produits sont toujours la grande ressource, la conversion annuelle de la production de billes à celle de pâte à papier et de papier étant la plus grande transition qu'ait connue l'histoire de la province.

Nous avons maintenant des fabriques de pâte à papier à Edmundston, Campbellton, Dalhousie, Bathurst, Newcastle, St. George et deux à Saint-Jean.

Nous avons deux zones de concentration pour l'industrie de la pêche, la baie de Fundy et le littoral nord-est.

Nous avons une exploitation agricole mixte au Nouveau-Brunswick; la culture de la pomme de terre à Carleton et Victoria sont assez importantes.

Les gisements minéraux du nord-est de la province sont maintenant en cours d'exploitation.

En 1769, l'Île du Prince-Édouard s'est constituée en province indépendante.

En 1784, la Nouvelle-Écosse et le Nouveau-Brunswick ont été divisées en deux provinces séparées.

La Loi constitutionnelle de 1791 a créé les provinces du Haut-Canada et du Bas-Canada, et leur a donné une constitution.

Upper and Lower Canada were united in 1841 to form the province of Canada.

The union to Upper and Lower Canada in 1841 made it possible—the improvement of transportation on the St. Lawrence.

Le Haut-Canada et le Bas-Canada furent réunis en 1841, pour former la province du Canada.

L'union du Haut-Canada et du Bas-Canada en 1841 a rendu possible l'amélioration des transports sur le Saint-Laurent.

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TARIFF AND FREE TRADE

In 1848 Responsible government came to New Brunswick.

In 1849 Great Britain broke up the old Imperial system of protective tariff duties. This was especially in relation to timber. Some became so excited over this that they were advocating annexation to the United States.

The markets in Great Britain were held and new markets were opened up especially in the United States. They found that they could trade in the world markets.

Out of the search for new markets came the Reciprocity Treaty in 1854 with the United States. This was concluded by the British Government on behalf of all the North American Colonies.

New Brunswick's fish, wood and farm products entered the United States free of charge, and as a consequence the prosperity of the colony was greatly extended.

The Americans were permitted the use of the St. Lawrence River and the Canadian Canals.

It appeared that due to disagreement with Britain in relation to the American Civil War.

BARRIÈRES DOUANIÈRE ET LIBRE-ÉCHANGE

En 1848, un gouvernement responsable s'installa au Nouveau-Brunswick.

En 1849, la Grande-Bretagne brisa le système impérial des barrières douanières protectrices. Cela s'appliquait particulièrement au bois. D'aucuns s'en émurent tellement qu'ils prêchèrent l'annexion aux États-Unis.

On conserva les marchés de Grande-Bretagne, tandis que d'autres étaient ouverts, notamment aux États-Unis. On constata qu'il était possible de commercer sur les marchés mondiaux.

La recherche de nouveaux marchés aboutit en 1854 au Traité de réciprocité, signé avec les États-Unis. Ce Traité avait été conclu par le gouvernement britannique au nom de toutes les colonies d'Amérique du Nord.

Le poisson, le bois et les produits agricoles du Nouveau-Brunswick pouvaient entrer aux États-Unis en franchise de droits, ce qui eut pour conséquence d'augmenter grandement la prospérité de la colonie.

Les Américains se voyaient permettre l'utilisation du Saint-Laurent et des canaux canadiens.

Il apparut qu'en 1865, par suite d'un désaccord avec la Grande-Bretagne au sujet de la

In 1865 the American Congress decided that the Reciprocity Treaty of 1854 must come to an end.

The railways were inextricably linked with fiscal policy which turn was linked with industrialism. This was proved as far back in 1858 during the time Alexander Galt, the Minister of Finance of the Conservative Party, when he increased the tariff.

The tariff imposed by the Canadian government by Leonard Tilley, Minister of Finance in the Conservative Party when he increased the tariff in 1878.

The Canadian Trade Policy has traditionally been characterized by high tariff against imports of foreign goods. It was started after the election of 1878 and has been continued by successive governments.

This does not solve our problem. It causes us to misuse our resources on the production of goods, that could be purchased cheaper from abroad.

It provokes high tariff retaliation by the other countries.

Those countries are not able to obtain Canadian dollars to buy our exports.

We must have freer trade.

We almost had a tariff war between Canada and the United States in 1910 due to the tariff agreement between France and Canada. In the winter of 1910 the governments of Canada and the United States decided on a broad trade agreement. An agreement was reached on January 26, 1911, it provided for reciprocal trade in; grain, fish, fruits, vegetables, farm animals, and for lowered duties on food products, such as canned meats, canned goods, flour, biscuits, pickles, as well as agricultural implements, engines and a variety of other articles. The agreement, at the request of the Canadians was not to be embedded in a treaty, it was to be carried out by concurrent legislation in the two countries. Due to the fumbling and bungling of Prime Minister Laurier it was never passed by the Federal Government. (This helped to lead to Laurier's defeat, 21 September 1911)

The opposition to this treaty were given an opportunity to get organized, marshall its arguments and devise its emotional appeals.

guerre de Sécession, le Congrès américain décida qu'il fallait mettre fin au Traité de réciprocité de 1854.

Les chemins de fer étaient inextricablement liés à la politique fiscale, laquelle à son tour était liée à l'industrialisme. On peut en trouver les preuves à une époque aussi reculée que 1858, lorsque Alexander Galt, ministre des Finances du parti conservateur, releva les barrières douanières.

Le tarif douanier fut imposé par Léonard Tilley, ministre des Finances de l'Administration conservatrice, lorsqu'il releva les droits douaniers en 1878.

La politique commerciale canadienne a de tous temps été caractérisée par les barrières douanières élevées contre les importations de marchandises étrangères. Elle a débuté après les élections de 1878, et elle a été poursuivie par tous les gouvernements successifs.

Cela ne résout pas notre problème. Cela nous pousse à faire une mauvaise utilisation de nos ressources pour la production de certains produits que nous pourrions acheter moins cher à l'étranger.

Cela suscite, à titre de représailles, des barrières douanières élevées à notre égard dans les autres pays.

Ces pays ne sont pas en mesure de se procurer des dollars canadiens pour acheter nos exportations.

Nous devons avoir des échanges commerciaux plus libres.

En 1910, il y a presque eu une guerre douanière entre le Canada et les États-Unis par suite de l'accord douanier conclu entre la France et le Canada. Au cours de l'hiver 1910, les gouvernements du Canada et des États-Unis décidèrent de conclure un vaste accord commercial. Les pourparlers aboutirent le 26 janvier 1911, l'accord signé prévoyant des échanges commerciaux réciproques pour: les céréales, le poisson, les fruits, les légumes, les animaux de ferme; et il prévoyait également une diminution des droits douaniers sur les produits alimentaires tels que la viande en boîte, les conserves, la farine, les biscuits, les condiments ainsi que les engins agricoles, les moteurs et toute une gamme d'autres articles. A la demande des Canadiens, ces accords ne devaient pas être incorporés à un traité, mais faire l'objet d'une législation correspondante dans les deux pays. Par suite des hésitations et tergiversations du premier ministre Laurier, il ne fut jamais ratifié par le gouvernement fédéral. (Ce qui contribua à la défaite de Laurier, le 21 septembre 1911).

Les opposants à ce traité avaient eu l'occasion de s'organiser, d'ordonner leur argumentation, et de mettre au point leurs appels à l'émotivité.

This opposition came from manufacturers, bankers, railways, millers, meat packers, fruit growers, with all the power and influence that they could muster.

The Canadian Manufacturers Association did their utmost to rouse a protest against it.

It amounted to Laurier's Government continuing the economic nationalism of his predecessors.

The East-West Transport system was protected by Tariffs against the United States and concentrated on the export of staples to Great Britain.

Here again is the same old story—let's encourage capital at the public expense—let the people fend for themselves.

PRIOR TO CONFEDERATION

By 1850 the Maritime provinces had risen to fourth place in registered tonnage of shipping in the entire world.

The shipping of the Maritime Provinces had become a power in the commercial world.

All the timber New Brunswick could produce was readily sold. In 1860—$\frac{1}{5}$ of British Imports came from the province.

Markets constituted no problems.

The British North American provinces of:

Newfoundland, Prince Edward Island, Upper Canada, New Brunswick, Nova Scotia, Lower Canada.

Were not independent states but integral parts of the Empire.

They could not delegate their sovereign authority to a central government because they did not possess the sovereign authority to delegate.

The provinces of Canada proved their ability to maintain a political existence separate from the United States.

Canadian national life can almost be said to take it rise in the negative will to resist absorption in the American Republic.

They had wrestled from Britain the grant of a wide autonomy, which could be developed into complete self-government.

Cette opposition provenait des manufactures, des banques, des chemins de fer, des meuneries, des conserveries, des fruticulteurs, qui déployèrent toute la puissance et l'influence dont ils disposaient.

L'Association des manufactures canadiennes fit tout ce qui était en son pouvoir pour soulever une vague de protestation contre le projet.

Le résultat fut que le gouvernement Laurier poursuivit la politique de nationalisme économique de ses prédécesseurs.

Le système des transports d'est en ouest fut protégé contre les États-Unis dans des barrières douanières et se concentra sur l'exportation de marchandises de base vers la Grande-Bretagne.

Ici encore, nous retrouvons la même vieille histoire: favorisons le capital aux dépens du public—et que les gens se débrouillent comme ils peuvent.

AVANT LA CONFÉDÉRATION

En 1850, les provinces Maritimes s'étaient élevées à la quatrième place mondiale pour le tonnage maritime.

La flotte commerciale des provinces Maritimes était devenue une puissance dans le monde commercial.

Tout le bois que pouvait produire le Nouveau-Brunswick était vendu sans difficulté. En 1860, un cinquième des importations britanniques provenait de cette province.

La recherche des marchés ne posait pas de problème.

Les provinces britanniques d'Amérique du Nord suivantes; soit

Terre-Neuve, Île du Prince-Édouard, Haut-Canada, Nouveau-Brunswick, Nouvelle-Écosse, Bas-Canada.

n'étaient pas des états indépendants, mais des parties intégrantes de l'Empire.

Elles ne pouvaient déléguer leur autorité souveraine à un gouvernement central, parce qu'elles n'avaient pas d'autorité souveraine à déléguer.

Les provinces du Canada firent la preuve de leur aptitude à maintenir une existence politique séparée des États-Unis.

On pourrait presque dire que la vie nationale canadienne a pris naissance dans la volonté négative de résister à l'absorption par la république américaine.

Les Canadiens avaient obtenu de haute lutte, de la Grande-Bretagne, la reconnaissance d'une vaste autonomie, qui pouvoit être parachevée par une complète indépendance politique.

Canada at time of Confederation was an autonomous power in friendly relations with Great Britain.

The era prior to Confederation was known as the *Golden Age of New Brunswick.*

A balance was struck between lumbering, fishing and shipping.

The United States offered a growing market for Canada's products.

No vested interest of a commercial kind stood behind Maritime Union. Tilley and the intensely business-like members of the New Brunswick delegation were interested in political union primarily for the economic benefits it could bring.

There was painted at Charlottetown the picture of a market comparable to the United States, bound together by a federal union and extending from sea to sea, to which New Brunswick could be joined by the Intercolonial promised by the Canadians, and they claimed Maritime Union could offer nothing solid and tangible.

REASON FOR CONFEDERATION

The Canadian Government urged on by Alexander Galt, Minister of Finance in the Canadian Government that was founded in 1841, asked the Colonial Office of Great Britain for a conference on union without asking the other colonies, first.

There was fear from the colonies that there would be a union imposed upon them and dominated by the Canadian province.

Galt was merely attempting to create a new balance of power with Canadian Union by adding the lower provinces, to enlarge the area within, which the manufacturing industry of Canada would enjoy monopolistic privileges.

The Colonial Office was very anxious to be rid of the trouble of administering separate and quarrelsome men who wanted more security for Canadian investment, objected to any further delay in Union.

Business interests were a main element in bringing about Confederation.

The Act of Union of 1840 of Upper and Lower Canada into the province of Canada were each given equal representation in the provincial assembly, irrespective of population and the equality had tended to preserve their separateness and to prevent unity and stability in their government.

A l'époque de la Confédération, le Canada était une puissance autonome entretenant des rapports amicaux avec la Grande-Bretagne.

L'époque antérieure à la Confédération était connue sous le nom de l'*Âge d'or du Nouveau-Brunswick.*

Un équilibre avait été réalisé entre l'industrie forestière, la pêche et la navigation.

Les États-Unis offraient aux produits canadiens un marché en expansion.

Il n'y avait derrière l'union maritime aucun intérêt établi de type commercial. Tilley et les membres de la délégation du Nouveau-Brunswick, à orientation intensément commerciale, étaient partisans de l'union politique essentiellement pour les avantages économiques qui pourraient en découler. On a dépeint à Charlottetown l'image d'un marché comparable aux États-Unis, cimenté par une union fédérale, et s'étendant d'un océan à l'autre, auquel le Nouveau-Brunswick pourrait être réuni par l'Intercolonial promis par les Canadiens, et l'on affirmait que l'union maritime ne pourrait offrir rien de solide ni de tangible.

LES RAISONS DE LA CONFÉDÉRATION

Le gouvernement canadien, sur les instances d'Alexandre Galt, ministre des Finances du gouvernement canadien fondé en 1841, demanda au ministère des colonies de Grande-Bretagne d'instituer une conférence sur l'union sans prendre l'avis des autres colonies, pour commencer.

Les colonies craignaient la constitution d'une union qui leur serait imposée, et qui serait dominée par la présence canadienne.

Galt se bornait tout simplement à essayer de créer un nouvel équilibre de pouvoir avec l'union canadienne, en ajoutant les provinces inférieures, afin d'élargir la zone à l'intérieur de laquelle l'industrie manufacturière du Canada bénéficierait de privilèges de monopole.

Le ministère britannique des colonies était très désireux de se débarrasser des difficultés suscitées par l'administration de gens séparés et querelleurs qui souhaitaient plus de sécurité pour les investissements canadiens, et s'opposa par conséquent à tout nouveau retard pour l'Union.

Les intérêts commerciaux furent un des principaux éléments ayant contribué à la naissance de la Confédération.

La loi d'Union de 1840, qui réunissait le Haut-Canada et le Bas-Canada en la province du Canada, chacun d'entre eux se voyant accorder une représentation égale au sein de l'Assemblée provinciale, sans considération de population, avait contribué à maintenir leur caractère séparé et à empêcher toute unité et stabilité dans leur gouvernement.

Politically the province was a dualism in an uneasy state of balance. They had found that it was impossible for them to live economically apart, it was almost equally difficult for them to live politically together. Their union had never been organic.

The presence of Quebec in the Canadian Confederation represents a negative decision designed to counter the growth of liberal ideas. The ecclesiastics of Quebec, the dominant leaders of the French population after the British Conquest in 1763, did not seize the opportunity of the American Revolution to regain freedom from foreign rule, rather they feared the revolutionary Puritans of New England more than the Anglican Royalists. And after the French Revolution of 1789 resulted in the widespread dispersion of anticlerical and democratic doctrines in their mother country, the French Canadian church leadership sought to cut their people off from the twin sources of intellectual contamination, the United States and France. Participation in a union with English Canadian under a British monarchy was far more preferable.

The leaders of both English and French Canada found themselves in an independent large federal union after 1867, not because they wanted nationhood, but because they did not desire links with revolutionary countries, and Great Britain refused to continue various responsibilities for her autonomous North American Provinces.

The position of the Maritimes rather than their size or population that gave them their importance. They provided the Province of Canada with access to ice free Atlantic ports if they constructed the Intercolonial Railway, as an outlet for their goods and a route for troops in time of war.

American annexation was the inevitable alternative to confederation.

The new scheme at last offered the means of reconciling racial diversity and national unity.

CONFEDERATION

At the time of Confederation Montreal was closed about ½ year due to ice conditions (no ice breakers) and they needed a year round outlet to the seaboard. (This is why they were so anxious to build the Intercoloni-

Politiquement, cette province constituait un dualisme en état d'équilibre instable. On avait constaté qu'il leur était impossible de vivre économiquement séparés, mais il leur était également difficile de vivre politiquement réunis. Leur union n'avait jamais été organique.

La présence du Québec au sein de la Confédération canadienne représente une décision négative conçue pour porter un coup d'arrêt à l'expansion des idées libérales. Les ecclésiastiques du Québec, qui constituaient l'élément dirigeant de la population française après la conquête britannique en 1763, ne profitèrent pas de l'occation qu'offrait la guerre d'indépendance américaine pour se débarrasser d'un joug étranger, car ils craignaient davantage les puritains révolutionnaires de la Nouvelle-Angleterre que les royalistes anglicans. Et après que la révolution française de 1789 eut abouti à la diffusion intense de doctrines anticléricales et démocratiques dans la mère-patrie, le haut clergé franco-canadien s'efforça d'isoler ses ouailles de ces sources jumelles de contamination intellectuelle, les États-Unis et la France. La participation à une union avec les Canadiens anglais, dans le cadre de la monarchie britannique, leur paraissait de beaucoup préférable.

Les dirigeants du Canada anglais et du Canada français se trouvèrent donc réunis au sein d'une vaste union fédérale indépendante après 1867, non pas parce qu'ils désiraient constituer une seule nation, mais parce qu'ils désiraient éviter tout lien avec des pays révolutionnaires, et que la Grande-Bretagne se refusait à continuer d'assumer diverses responsabilités pour ses provinces autonomes de l'Amérique du Nord.

C'est la position des Maritimes plutôt que leurs dimensions ou leur population qui leur donnait leur importance. Elles donnaient à la province du Canada l'accès aux ports de l'Atlantique que ne bloquaient pas les glaces à condition de construire ce chemin de fer intercolonial, qui devait être une voie d'exportation pour les marchandises et une route militaire en cas de guerre.

Il n'y avait d'autre choix possible, à part la Confédération, que l'annexion américaine.

Cette nouvelle structure offrait enfin les moyens de concilier la diversité raciale avec l'unité nationale.

LA CONFÉDÉRATION

A l'époque de la Confédération, le port de Montréal était fermé à la navigation près de six mois par an par suite des glaces: il n'y avait pas de brise-glace) et il était nécessaire de disposer d'une voie d'accès vers la mer

al Railways and promoted Confederation, and to have more markets for their products, etc.)

The speeches of the founders of Confederation shows that there was at least equal indication the ports of Saint John and Halifax were to be guaranteed the winter import and export trade of Canada.

The Maritimes were losing in the old trade and markets of the Atlantic Seaboard. They were making few compensating gains in the vast continental area which was opened to them with Confederation.

Before 1867 they had fondly hoped that the Intercolonial Railway would pour accumulating traffic into the national ports of Saint John and Halifax; and that Maritime coal and iron would form the basis of a manufacturing industry which would supply the whole dominion.

It soon became a reality that ports of Halifax and Saint John were giving away to the Port of Montreal, which became the inlet and outlet port for the greatest part of goods for the Canadian trade.

Instead of transporting Canadian coal to the industries of Upper Canada. They should of brought the industries to the coal producing areas.

In considerable disunion and with some humility, New Brunswick entered Confederation.

In the 1880's the hope of industrial development in the Maritimes proved as vain as the hope for wider markets in the rest of Canada.

The industries of Ontario and Quebec with larger markets nearer at hand, were able to keep control in their own provinces and to compete successfully in the Maritimes.

The Maritimes felt that the balance of trade with the rest of the Dominion was distinctly to their disadvantage and that the National Policy imposed additional costs on them without compensating advantages.

The Maritimes were chronically aggrieved at their lack of progress under Confederation.

Confederation came about because the policies of MacDonald promised an expansion of

ouverte d'un bout à l'autre de l'année. (C'est pourquoi ils étaient si impatients de construire le chemin de fer intercolonial, et de mettre sur pied la Confédération, ainsi que d'avoir de nouveaux marchés pour leurs produits, etc.).

Les discours des Pères de la Confédération montrent qu'il y avait à peu près chance égale que les ports de Saint-Jean et d'Halifax se voient octroyer hiver comme été le commerce d'exportation du Canada.

Les provinces maritimes étaient en train de perdre les anciennes voies commerciales et les anciens marchés du littoral atlantique. En compensation, elles ne trouvaient que de faibles avantages dans la vaste zone continentale qui s'ouvrait à elles avec la Confédération.

Avant 1867, on avait fondé beaucoup d'espoirs sur le chemin de fer intercolonial, qui aurait assuré un traffic considérable vers les ports nationaux de Saint-Jean et d'Halifax; on espérait également que le charbon et le fer des Maritimes formeraient la base d'une industrie manufacturière qui fournirait tout le Dominion.

Mais il fallut bientôt se rendre à l'évidence: les ports de Halifax et de Saint-Jean étaient en train de perdre du terrain au profit du port de Montréal, qui devenait de plus en plus le port d'entrée et de sortie de la plupart des marchandises constituant les échanges commerciaux canadiens.

Au lieu de transporter le charbon canadien vers les industries du Haut-Canada, il aurait fallu rapprocher les industries des zones de production charbonnière.

C'est dans un état de profonde désunion, et avec une certaine humilité, que le Nouveau-Brunswick entra dans la Confédération.

Au cours des années 80, l'espoir d'un développement industriel des Maritimes s'avéra aussi vain que l'espoir de s'ouvrir des marchés plus étendus dans le reste du Canada.

Les industries de l'Ontario et du Québec, qui avaient à portée de la main des marchés plus vastes furent en mesure de garder la maîtrise de leurs propres provinces, et de concurrencer avec succès sur le marché des Maritimes.

Les Maritimes comprirent que l'équilibre commercial avec le reste du Dominion leur était nettement défavorable, et que la politique nationale leur imposait des charges supplémentaires, sans qu'elles y trouvent aucun avantage compensateur.

Les Maritimes vivaient dans un état chronique d'irritation du fait de l'absence de tout progrès au sein de la Confédération. La Confédération avait pu être réalisée parce que les

their markets and the great commercial impulse looked westward as well as eastward.

The progress of Canada came largely from the activities of great capitalists who were able to harness the energies of the country and dictate political policies.

The people in the Maritimes look on Central Canada as a region that exploited them for the benefit of concentrated financial and industrial interests.

In the 1870's the manufactures of Quebec and Ontario began to invade Nova Scotia, New Brunswick, and Prince Edward Island in force; and by the time of the general election of 1878 the Halifax Chronicle was raging that the only "slaughtering" (dumping of goods) that the Maritimes knew anything about came, not from foreign countries but from Ontario and Quebec.

From alleviating the difficulties of the economic transition which the Maritime Provinces had to face, the National Policy of the tariff probably intensified them.

"The people of Nova Scotia know the Ontario or Quebec man", declared the Halifax Chronicle bitterly in 1886, "but we knew him principally in the shape of the commercial traveller. He comes here to sell, but he buys nothing but his hotel fare." "He spreads himself periodically throughout this province, in number he equals the locust and his visit has about the same effect. He saps our resources, sucks our money and leaves a lot of shoddy behind him. He has been able—at least the people whose agent he is—to have laws passed that compel us to buy his wares or submit to a tremendrous fine if we purchase from John Bull or brother Jonathan."

Mr. E. J. Chamberlain, President of the Grand Trunk claimed (in evidence before the *Royal Commission on Transportation*—1917).

"That it was impossible to carry freight to Halifax at the same rate as to Portland or Boston, and that it had always been recognized as impossible".

The Royal Commission on Transportation (Duncan Commission) reported 23 September 1926.

"8 (11) To afford to Maritime merchants, traders and manufactures, a market to several million of people instead of their being restricted to the small and scattered population of the Maritimes themselves, particularly

politiques de MacDonald promettaient une expansion de leurs marchés et que la grande impulsion commerciale était tournée vers l'Ouest aussi bien que vers l'Est.

Les progrès du Canada furent essentiellement le fait des activités des grands capitalistes qui furent en mesure de domestiquer les ressources énergétiques du pays et d'imposer des lignes de conduite aux politiciens.

Les gens des Maritimes regardent le Canada central comme une région qui les a exploités au bénéfice d'intérêts financiers et industriels concentrés.

Au cours des années 70, les manufactures du Québec et de l'Ontario entreprirent l'invasion en force de la Nouvelle-Écosse, du Nouveau-Brunswick et de l'Île du Prince-Édouard; et à l'époque des élections générales de 1878, le *Halifax Chronicle* constatait avec fureur que le seul «matraquage» (dumping de marchandises) dont aient à souffrir les Maritimes provenait non pas de pays étrangers, mais de l'Ontario et du Québec.

Bien loin de soulager les difficultés de la transition économique que devaient affronter les provinces Maritimes, la politique nationale des barrières douanières n'a fait probablement que les intensifier.

«Les gens de la Nouvelle-Écosse connaissent l'Ontarien ou le Québecois», déclarait amèrement le *Halifax Chronicle* en 1886, «mais les connaissent principalement sous la forme des représentants de commerce. Ils viennent ici pour vendre, mais ils n'achètent rien si ce n'est une nuit d'hôtel et trois repas au restaurant.» «Ils s'abattent périodiquement sur toute la province, aussi nombreux que des essaims de sauterelles, et leurs incursions ont des effets presque similaires. Ils sapent nos ressources, épongent notre argent et laissent derrière eux de la pacotille. Ils ont même été en mesure—ou tout au moins les gens dont ils sont les représentants—de faire voter des lois qui nous obligent à acheter leurs marchandises ou à payer d'énormes amendes si nous achetons de l'Anglais ou de l'Américain».

M. E. J. Chamberlain, président du *Grand Trunk* affirmait (en témoignant devant la *Commission royale sur les transports*, en 1917)

«qu'il était impossible de transporter des marchandises vers Halifax au même tarif que vers Portland ou Boston, et que l'on avait toujours reconnu la chose comme impossible».

La Commission royale sur les transports (Commission Duncan) préconisait le 23 septembre 1926:

«8(11) de fournir aux marchands, négociants et fabricants des Maritimes un marché de plusieurs millions de consommateurs plutôt que de les confiner à la population peu nombreuse et dispersée des Maritimes elles-

in the light of the disturbance by which their trade was threatened as the result of the discontinuation by the United States of the reciprocal arrangements that had prevailed."

"(9) Intercolonial Railway was completed in 1875 and it would appear for the evidence we have received that from then until 1912 the interests of the Maritime Provinces were fairly well safeguarded.

Obligations made at Confederation to afford wider markets to the Maritime Provinces in 1867, had also provided a major consideration for the entry of Prince Edward Island in 1873.

(11) Recommendations on Freight Rates

"It is more material to notice that the President of the Canadian National Railways admitted in evidence, *that in administering the Atlantic Division (the greater portion of which is the Old Intercolonial System).*

The people were hollering for "Maritime Rights" that is the reason this commission was set-up, because the rates were too high to compete with the rest of Canada.

A Royal Commission on Transportation was set-up 29 December 1948. It reported in February 1951 with L. P. Duff as Chairman.

Page 27 of the report.

"At Confederation they were promised access to the Central Canadian market. Today, in view of the deterioration in foreign trade, particularly because of monetary and commercial restrictions, access to the Central Canadian market has become more important than ever. Isolation of the Maritime from Central Canadian area as result of distance and increased freight charges is one of the central themes put forward in this case."

Tariff prohibit North to South markets for Atlantic Province's manufactures, even by using lower cost ocean freight.

RAILWAYS

The railways supplied the first basis of industrialization, and brought manufacturing to British North America.

The intercolonial Railway, was opened in July 1876 and was constructed as one of the conditions of the Maritime provinces entering Confederation. The Atlantic provinces

mêmes, particulièrement eu égard aux perturbations qui menaçaient leurs activités à la suite de l'interruption par les États-Unis des accords de réciprocité qui avaient prévalu jusqu'ici».

«(9) Le chemin de fer intercolonial a été achevé en 1875, et il ressort des témoignages que nous avons recueillis que, depuis cette date et jusqu'en 1912, les intérêts des provinces maritimes avaient été raisonnablement sauvegardés.

L'obligation qui avait été faite à la Confédération de fournir des marchés plus vastes aux provinces maritimes en 1867 avait également été un argument majeur pour l'entrée dans la Confédération de l'Île du Prince-Édouard en 1873.

(11) Recommandations sur les tarifs de fret

«Il est plus pertinent de noter que le président du Canadien National a reconnu en témoignant que dans l'administration de la division Atlantique (dont la plus grande portion est l'ancien système intercolonial)...

Les gens réclamaient à cor et à cri les «droits maritimes» et c'est la raison pour laquelle cette Commission a été instaurée, parce que les tarifs sont trop élevés pour permettre la concurrence avec le reste du Canada.

Une Commission royale d'enquête sur les transports a été instaurée le 29 décembre 1948. Elle a soumis son rapport en février 1951, avec L. P. Duff comme président.

Page 27 du Rapport:

«Lors de la Confédération, on leur avait promis accès au marché central canadien. Aujourd'hui, du fait de la détérioration des échanges avec l'étranger, particulièrement à cause des restrictions monétaires et commerciales, l'accès au marché central canadien revêt plus d'importance que jamais. L'isolation des Maritimes à l'égard du Canada central par suite de la distance et de l'accroissement des tarifs de fret est l'un des principaux thèmes avancés dans cette affaire.»

Les tarifs interdisent aux manufactures des provinces de l'Atlantique l'accès aux marchés du nord et du sud, même si elles utilisent le transport par eau dont le coût est moins élevé.

LES CHEMINS DE FER

Les chemins de fer ont été le fondement de l'industrialisation et ont donné naissance à l'industrie de la fabrication en Amérique du Nord britannique.

Le chemin de fer intercolonial a été inauguré en juillet 1876 et sa construction constituait l'une des conditions à l'entrée des provinces Maritimes dans la Confédération. Les

demanded construction of a line to Central Canada for commercial reasons.

It was built on a round about route for military reasons which helped to make it uneconomical.

A through connection between Halifax and Montreal, was made in 1889 by acquiring additional lines.

Later the government began to acquire short branch lines connecting with the Intercolonial that had been built by private interests. The Prince Edward Island Railway also became a part of the Intercolonial System.

Some of our railways were never meant to be economic; they were built to meet national needs. For instance, the Intercolonial Railway built as part of the terms of Confederation to link the Maritimes to the rest of Canada.

The National Transcontinental Railway, which was a government line from Moncton to Winnipeg. It was completed in 1913 and became part of the C.N.R. in 1923.

The problem facing the new organization when the Canadian National Railways was formed in 1923 were almost insurmountable. Lines and rolling stock were badly in need of repair. Tremendous debts were carried over from the component companies to become a charge against the C.N.R. The average operating loss of the separate lines over the five years preceding amalgamation was 12 million annually.

Canadian railways began their transportation operations as a near monopoly because of this the Canadian Government was compelled to impose certain conditions on the railways to keep freight rates on basic commodities relatively low.

Much of Canada's economical activity centered on the production of relatively low valued, and consequently low priced, primary commodities and raw materials which had to be transported over great distances.

It was imperative then, if these basic and bulky commodities with a low selling price were to be developed at all, that the shipping rates levied on them be kept as low as possible.

In order to achieve this, it was necessary in some instances, to establish shipping rates below the full cost of transportation.

The railways recouped any such loss by charging shippers of high price commodities an excess of shipping costs.

provinces Maritimes exigeaient la construction d'une voie qui les relierait au Canada central pour des raisons commerciales.

La voie ferrée a été construite de façon à encercler le territoire pour des raisons d'ordre militaire, ce qui a contribué à réduire sa rentabilité.

Une liaison directe entre Halifax et Montréal a été obtenue en 1889 par l'acquisition de voies supplémentaires.

Par la suite, le gouvernement a entrepris l'acquisition de courtes voies secondaires reliées à l'Intercolonial et qui avaient été construites par des compagnies privées. Les Chemins de fer de l'Île du Prince-Édouard ont aussi été intégrés au système intercolonial.

Quelques-unes de nos voies ferrées n'ont pas été construites pour être rentables. On a tenu compte des besoins nationaux et l'Intercolonial qui a été construit pour relier les Maritimes au reste du Canada et comme condition au pacte fédératif en est un exemple.

Le Chemin de fer national transcontinental reliant Moncton à Winnipeg était une propriété de l'État. Il a été terminé en 1913 et, en 1923, il était intégré au réseau du C.N.

Lorsque le Canadien National a été créé en 1923, les difficultés qui se présentaient au nouvel organisme étaient presque insurmontables. Les voies et le matériel roulant avaient grandement besoin de réparation. Les dettes énormes des anciennes sociétés devaient être assumées par le C.N. La moyenne des pertes annuelles des sociétés pour les cinq années qui ont précédé leur réunion était de 12 millions de dollars.

Les Chemins de fer nationaux constituaient au début presque un monople et c'est pourquoi le gouvernement canadien a été forcé de leur imposer certaines conditions afin de maintenir relativement bas les tarifs concernant les marchandises de base.

La majeure partie de l'activité économique du pays reposait sur la production de matériaux bruts et primaires de faible valeur et de prix faibles, qui devaient être transportés sur de longues distances.

Il était donc nécessaire, pour donner de l'expansion à cette industrie de produits de base encombrants et de peu de valeur, que les tarifs d'expéditions fussent maintenus le plus bas possible.

A cette fin, il était nécessaire dans certains cas d'établir des tarifs d'expédition inférieurs au coût du transport.

Les chemins de fer compensaient ces pertes en imposant aux expéditeurs de marchandises de haute valeur des tarifs supérieurs au coût de l'expédition.

The three main groups of freight rates resulting from these conditions can be summarized as follows: In the case of low valued commodities with a low selling price, the shipping rates might be less than average shipping cost. In the case of the middle group of commodities, shipping rates would cover full costs. For a third group of commodities those with a high value and high selling price, the rates often exceeded the actual shipping cost.

The railways were satisfied since their total revenue in relation to costs appeared to be no less than if each shipping rate were directly related to cost.

But with the development of the trucking industry, however, the situation began to change. In spite of their substantially higher average operating costs, truckers found that they could compete successfully with the railways in transporting "high class commodities" especially over relatively short distances. Although average truck costs are about three times average rail costs, railways rates exceed those charged by trucks on high valued merchandise.

When the trucks take away this "high class traffic", the loss in rail revenue must be made up by increasing rates where the railway still continues to enjoy a monopoly position—long distance, low valued without the fear of having them undercut by motor or, for that matter it appears from any other form of transportation. The inevitable result is that primary producer suffer.

The trucking industry has certain major advantages which strengthen their competitive position.

The truckers have a free right of way, which constitute a considerable cost for the railways, which is no problem for the truckers.

Roadway costs for motor carriers are distributed on a "use basis" through gasoline taxes and license fees only, which means that all users of vehicles share the cost. Indeed, there is a paradoxical situation here in that operators of ordinary passenger cars pay substantially more than their share of the costs for the use of highways and in actual effect subsidize the operators of big trucks. For example, the operator of a passenger car pays approximately five or six times as much per gross ton mile for the use of the highway as does an operator of a tractor trailer (diesel). The explanation for this paradox is that gaso-

Les trois principaux groupes de tarifs de fret résultant de ces conditions peuvent être présentés de cette façon: dans le cas de marchandises de valeur inférieure, au prix de vente peu élevé, les tarifs d'expédition pouvaient être inférieurs à la moyenne du coût de transport; lorsqu'il s'agissait de marchandises de prix moyen, les tarifs d'expédition couvraient l'ensemble des frais; pour un troisième groupe de marchandises dont la valeur et le prix de vente étaient élevés, les tarifs souvent étaient supérieurs au coût réel du transport.

Les chemins de fer étaient satisfaits, puisque leur revenu total se maintenait comme si chaque tarif d'expédition s'appliquait directement aux frais.

Cependant, la situation a commencé à se modifier avec l'expansion de l'industrie du camionnage. En dépit de frais d'exploitation sensiblement plus élevés, cette industrie s'est rendu compte qu'elle pouvait avec succès faire concurrence aux chemins de fer pour le transport des marchandises de haute valeur, surtout lorsqu'il s'agissait de courtes distances. Quoique la moyenne des frais du transport routier soit trois fois supérieure à celle des frais du transport ferroviaire, les tarifs ferroviaires relatifs aux marchandises de grande valeur étaient supérieurs à ceux du transport routier.

Lorsque le transport routier s'est accaparé cette partie des marchandises, les pertes enregistrées par les chemins de fer ont dû être compensées par une augmentation des tarifs dans les domaines où ils jouissaient encore d'un monopole, comme le transport sur de longues distances, les marchandises de faible valeur, sans avoir à craindre d'être supplantés par le camionnage ou par toute autre forme de transport.

L'industrie du camionnage jouit de certains avantages qui renforcent sa position concurrentielle.

Les sociétés de transport routier n'ont pas à s'inquiéter des emprises qui occasionnent des frais considérables aux sociétés de chemins de fer.

Les frais relatifs aux routes qu'empruntent les camions sont répartis sur une «base d'utilisation» par suite des impôts sur l'essence et de la vente des plaques d'immatriculation, ce qui signifie que les frais sont partagés entre tous les propriétaires de véhicules. Il s'agit vraiment d'une situation paradoxale, puisque les propriétaires d'automobiles paient beaucoup plus que leur part des frais d'utilisation des routes et, de fait, ils subventionnent les propriétaires de gros camions. Ainsi le propriétaire d'une automobile, pour circuler sur la route, paie environ cinq ou six fois plus par tonne-mille brute que le propriétaire

line consumption does not increase in direct proportion to the increase in weight of the vehicle.

The result is, then the tax payment per gross ton mile become progressively lower as the vehicle weight increases. Consequently all light vehicles, without exception, are compelled to pay substantially more than heavy vehicle on the basis or relative use of highway facilities.

Neither are license or registration fees, the other main source of highway revenue, based on anything like an equitable tax structure. It is true that they are graduated in accordance with differences in vehicle weights. There is, however, no consideration given to highway utilization, since the very important matter of difference in annual operating mileage is entirely ignored. Thus there is a paradox here in that the greater use the truck makes of the highway the smaller is its license fee per vehicle ton mile.

There is no question but the trucking industry is heavily subsidized by the public as far as the important matter of right of way is concerned. In 1940 the governments of Canada spent $89,554,732 more than revenue received from highway users.

Here are a few pertinent facts.

A single railway track has the potential to move as much traffic as 10 to 20 lanes of express highway.

Highways have proven to be enormously expensive, and inadequate for future expected expansion in traffic.

The railways can handle vast increases in traffic with little extra capital costs.

The railways are the only form of transportation where every expenditure involved is charged against revenue.

Different capital requirements for the trucking industry as compared with the railways provide an important competitive advantage for the former. They have been well summed up by Dudley F. Pegrum, Professor of Economics at the University of California:

"The technical units (in trucking industry) are relatively small and may be very small. Operations may be started with a very small investment and expansion may be made with very small increments of investment in direct and almost immediate response to the growth in traffic."

d'un camion-remorque (diesel). L'explication de ce paradoxe repose sur le fait que la consommation d'essence ne croît pas en fonction directe de l'augmentation du poids du véhicule.

Il en résulte que l'impôt perçu par tonne-mille brute diminue à mesure que croît le poids du véhicule. En conséquence, tous les propriétaires de petits véhicules, sans exception, sont forcés de payer beaucoup plus que les propriétaires de véhicules lourds.

La vente des plaques d'immatriculation, qui constitue l'autre source principale de revenus pour les réseaux routiers, n'est pas non plus fondée sur quelque chose du genre d'une structure équitable d'imposition. Il est vrai que le tarif varie en fonction du poids du véhicule. On ne tient pas compte cependant de l'utilisation de la route puisque n'entre pas en ligne de compte le facteur très important que représente le nombre de milles parcourus en une année. Il y a donc un autre paradoxe ici. Plus souvent un camion circule sur la route, moins il en coûte en fonction du poids par mille.

Au domaine important des droits de passage il est évident que le public subventionne fortement l'industrie du transport routier. En 1940, les gouvernements canadiens ont dépensé $89,554,732 de plus qu'ils n'avaient reçu des utilisateurs de la route.

Voici quelques faits.

Une seule voie ferrée peut permettre de transporter autant de marchandises que 10 à 20 voies d'une grande route.

Il est démontré que les réseaux routiers coûtent très cher et ne pourront répondre à l'expansion prévue du trafic.

Les chemins de fer peuvent résoudre le problème de fortes augmentations du trafic tout en augmentant de très peu les immobilisations.

Les chemins de fer sont les seules formes de transport où toutes les dépenses peuvent être appliquées aux revenus.

L'industrie du transport routier, comparativement au transport ferroviaire, demande des immobilisations différentes et il en résulte un avantage concurrentiel important pour la première. Ces avantages ont été bien exposés par Dudley F. Pegrum, professeur d'économique à l'université de la Californie: «Les groupes techniques (dans l'industrie du camionnage) sont relativement petits et peuvent être très petits. L'exploitation peut débuter à l'aide de très faibles immobilisations et on peut lui donner de l'expansion par de minimes augmentations des immobilisations qui sont en réponse directe et presque immédiate à la croissance du trafic.»

(Land Economics, a quarterly journal of Planning, Housing and Public Utilities August 1952.)

What a different position railroads are in is commented upon by the same author:

"A railroad for example, has to make large initial outlays to build a single line and acquire the necessary terminal facilities to operate it. When the plant is utilized to capacity, double-tracking will require a large additional investment which cannot profitably be made unless there is prospect of a large increase in traffic. Expansion of the facilities will have to be built well in advance of market opportunities. In the meantime, the traffic which is available will have to bear the burden of keeping the railroad in operation until the new traffic has been built up...

Then there is the fact that much of the investment that has been made is specialized both as to functions and as to markets. Railroad tracks are only useful where they are laid and cannot readily be turned to other areas if the markets shift."

(Same reference as above)

The same author again contrasts the situation with the trucking industry:

"Most of the facilities (trucking) are not highly specialized or unalterably committed to a particular market for geographic area and they can readily be shifted to any other market. Physically, the highways or routes are available to all who wish to use them."

(Same reference as above)

Another very important factor which places the trucking industry in a favourable position in relation to the railways is in the matter of "turn over of capital". The turn over of capital is determined by comparing the ratio to gross revenue from operations to the total capital investment in industry.

The turn over of capital for railways in U.S.A. are about 1-3 annually, while the tricking industry is about 3 time annually.

Many truck would find it impossible to compete with the railways were it not for the heavy public subsidization in the form of a relatively free right of way. Their business has been made economic only by virtue of subsidization at the expense of tax payers.

(*Land Economics, a quarterly journal of Planning, Housing and Public Utilities*, août 1952)

Le même auteur expose la situation différente dans laquelle se trouvent les chemins de fer:

«Une société ferroviaire, par exemple, doit s'engager dans des dépenses initiales considérables pour construire une seule voie et acquérir les services nécessaires à son exploitation. Lorsque cette installation est utilisée à pleine capacité, il faut, pour doubler la voie, recourir à des immobilisations supplémentaires importantes qui ne peuvent être rentables que si l'on prévoit une forte augmentation du trafic. Il faudra que l'expansion des installations soit entreprise avant que les demandes se fassent sentir sur le marché. Entretemps, le trafic disponible devra supporter le poids de l'exploitation de la voie ferrée en attendant que le nouveau trafic s'amène...

Il y a ensuite le fait que la majeure partie des immobilisations est consacrée à des fonctions et à des marchés spécialisés. Les voies ferrées ne servent que là où elles ont été construites et ne peuvent pas facilement être dirigées vers d'autres régions si les marchés se déplacent».

(Même renvoi que ci-dessus)

Le même auteur de nouveau établit la comparaison avec l'industrie du camionnage:

> «La grande partie des installations de transport routier ne sont pas hautement spécialisées ni asservies à un marché particulier pour une région géographique donnée et elles peuvent rapidement desservir tout autre marché. Physiquement, les routes sont à la disposition de qui veut s'en servir».

(Même renvoi que ci-dessus)

Un autre facteur très important qui place l'industrie du transport routier dans une situation favorable est celui du «roulement du capital». Le roulement du capital est déterminé par la comparaison du rapport entre le revenu brut de l'exploitation et le total des immobilisations dans l'industrie.

Le roulement de capital pour les sociétés ferroviaires américaines est d'environ 1/3 par année tandis qu'il est de 3 pour l'industrie du transport routier.

Plusieurs sociétés de transport routier pourraient difficilement faire concurrence aux sociétés ferroviaires si ce n'était des fortes subventions publiques qui leur sont accordées sous forme de droits de passage à peu près gratuits. Leur commerce n'a été rendu rentable que par des subventions aux frais des contribuables.

Some claim the development of light manufacturing industry following World War II created a demand for transportation which trucks were ideally suited to provide.

In some cases trucks might be able to give faster service.

Another advantage might be their ability to adapt to the size of the shipment, enabling economically handling of less-than-car-load freight. Door to door service, less warehousing and handling, lower packing costs, are additional advantages of truck transport.

From Confederation to the end of Second World War 1945 rail and water carriers accounted for 97% of the intercity freight traffic.

Railway 72%
Water 25%

By 1953 they had dropped by 86%
Railway 57%—decreased by 15%
Water 29%—increase by 4%

By 1953 Trucks were doing:
100,000,000 Intercity Ton Miles
Air Lines 21,000,000 ton miles
Pipe Lines 6%

This was the beginning of real competition in transportation. By 1964
Railways had 42.4% Traffic
Water 27.0%
Road 9.0%

We had a study of Transportation in Canada by the MacPherson Royal Commission 1960.

And as a result of this study the government introduced the National Transportation Act 1967.

This was the first time that the railways were given the freedom to set rates to reflect costs of the services.

NEW FREIGHT RATE STRUCTURE 1967

It would appear that the C.N.R. took the second step before they took their first.

They should of held public meetings with shippers and others before they put their new rates into effect, so as to explain their system fully.

Confusion might of been cut down to a minimum.

It appears that due to this confusion a great deal of Railway traffic was grabbed by the trucking industry.

D'aucuns soutiennent que l'expansion qu'a connue après la Deuxième guerre mondiale l'industrie de la fabrication secondaire a créé une demande de transport que les camions pouvaient satisfaire de façon parfaite.

Dans certains cas, les camions pouvaient fournir un service plus rapide.

Un autre avantage pourrait être la faculté qu'ils ont de pouvoir être adaptés à l'importance de l'expédition permettant ainsi le transport rentable de quantités de marchandises inférieures à une wagonnée. Livraison à la porte, moins d'entreposage et de manutention, frais d'emballage inférieurs sont d'autres avantages du transport routier.

Depuis la Confédération jusqu'à la fin de la Deuxième guerre mondiale, en 1945, les transports par rail et par eau se partageaient 97 p. 100 du trafic interurbain.

Rail 72 p. 100
Eau 25 p. 100

En 1953 ce pourcentage avait baissé à 86
Rail 57 p. 100—fléchissement de 15 p. 100
Eau 29 p. 100—accroissement de 4 p. 100

En 1953 les camions se partageaient
100 millions de tonnes-milles, trafic interurbain, les lignes aériennes, 21 millions de tonnes-milles les pipe-lines, 6 p. 100

C'était le début de la véritable concurrence dans le secteur des transports.
En 1964 le trafic se répartissait ainsi:

Rail, 42.4 p. 100
Eau, 27 p. 100
Route, 9 p. 100

Une étude sur le transport au Canada a été entreprise en 1960 par la Commission McPherson.

A la suite de cette étude, le gouvernement a introduit en 1967 la Loi nationale sur les transports.

C'était la première fois que les sociétés ferroviaires avaient la liberté de fixer les tarifs en fonction des frais d'exploitation.

NOUVELLE STRUCTURE DES TARIFS DE FRET, 1967

Il semblerait que le C.N. a fait le deuxième pas avant de faire le premier.

Les représentants de la société auraient dû convoquer les expéditeurs à des audiences publiques avant de mettre en vigueur leurs nouveaux tarifs, afin d'expliquer leur système de façon complète.

On aurait pu réduire la confusion à un minimum.

Il semble qu'à la suite de cette confusion, une grande partie du trafic ferroviaire est allée à l'industrie du transport routier.

They found that they could not handle it as cheap as the railways formerly did and they had to increase their rates, which were just under the new C.N.R. rates.

Due to the high cost of the truckers rigs, they must be kept constantly on the move in order to pay their way. Those laying idle are a tremendous burden to the truckers.

The low wages and long hours that the drivers have to endure simply means that the workers are also subsidizing the trucking industry.

The people who use the trucking services are they adequately protected by suitable insurance to have their claims quickly and properly adjudicated.

ST. LAWRENCE SEAWAY

It was opened in 1959, it reaches from the Atlantic Ocean to the head of the Great Lakes a distance of 2,300 miles.

The power and resources development associated with the Seaway together with savings in transportation costs on grain from the Lakes to lower St. Lawrence ports, iron ore and coal.

The volume that is expected to use the seaway is estimated at:

20,000,000 tons Iron Ore.
10,000,000 tons Grain and Grain Products.
4,000,000 tons Coal.
1,500,000 tons Paper, pulpwood, Wood Pulp.
8,000,000 tons Miscellaneous Cargo.

An estimated 45 to 50 million dollars in transportation savings were expected annually by the avoidance of costly trans-shipment charges, it is supposed to be one of the cheapest methods of transportation in the world. Plow some of these savings into the Atlantic Provinces economy.

The tolls are to be sufficient to cover the cost of maintaining, operating, and of paying interest and amortizing the investment over a 50 year period, estimated at approximately $20,000,000 a year.

The St. Lawrence Seaway has been an economic benefit to Canada. It makes it possible for Canada to become a world leader in the export of grain, provided low cost transportation for the raw material needed for the industrialization of Central Canada. And to the detriment of Eastern Canada.

It appears that the Seaway from the year 1959 to the year 1964, the government subsi-

Cette dernière s'est rendu compte qu'elle ne pouvait pas effectuer ce transport à aussi bon marché que le faisaient antérieurement les sociétés ferroviaires, et elle a dû augmenter ses tarifs juste au-dessous des nouveaux tarifs du C.N.

A cause du coût élevé des flottes de camions il faut, pour être rentable, que leur utilisation soit constante. Les camions inactifs représentent un énorme fardeau pour leur propriétaire.

Les faibles salaires et les longues heures de travail qui sont le partage des chauffeurs signifient simplement que les ouvriers subventionnent eux aussi l'industrie du transport routier.

Les gens qui utilisent les services du transport routier sont bien protégés par des assurances pour que leurs réclamations puissent être réglées rapidement et correctement.

LA VOIE MARITIME DU SAINT-LAURENT

La voie a été ouverte à la navigation en 1959 et elle s'étend de l'Atlantique à la Tête des Lacs, soit une distance de 2,300 milles.

La voie maritime a permis d'économiser sur le transport des céréales des ports des Grands Lacs à ceux du bas Saint-Laurent, et aussi sur le transport du minerai de fer et du charbon, et son aménagement s'est accompagné de la mise en valeur des ressources énergétiques.

Le volume de marchandises qui devrait emprunter la voie maritime est évalué à 20 millions de tonnes de minerai de fer, 10 millions de tonnes de céréales et de leurs produits, 4 millions de tonnes de charbon, 1,500,000 tonnes de papier, de pâte et de bois à pâte, 8 millions de tonnes de cargaisons diverses.

On économiserait de 45 à 50 millions de dollars par année en frais de transbordement coûteux, ce qui en ferait un des moyens de transport les plus économique au monde. Il faudrait acheminer une partie de ces économies vers les provinces de l'Atlantique.

Les droits doivent être suffisants pour couvrir les frais d'entretien et d'exploitation, payer les intérêts et amortir le capital sur une période de 50 années, ce qui représente environ 20 millions de dollars par année.

La voie maritime du Saint-Laurent a été profitable au Canada. Elle a permis au pays de devenir l'un des principaux exportateurs mondiaux de céréales. Elle a permis aussi le transport à bon marché du matériel brut nécessaire à l'industrialisation du Canada central. Et cela au détriment de l'Est du Canada.

Il semble que de 1959 à 1964, le gouvernement ait accordé à ceux qui utilisaient la voie

dized those using the canal by $42,500,000. This is the difference between the tolls received and the annual cost of 20 million.

It is not too clear just how this 45 to 50 million dollars per year is saved. How much of this goes to foreign ships as a subsidy?

This could make a grand total of 342.5 million dollars that the people of Canada are subsidizing this monster.

LABOUR FORCE

In the early 1965 farming accounted for 7.4% of the Labour Force and is declining.

It is projected by the Atlantic Provinces Economic Council that it will be declining to:

4.2% in 1970
3.5% in 1975
3.0% in 1980

A farm in the Maritimes must gross in excess of $10,000 in order to provide the operator with a living. It would appear that we have less than 3,000 of such farms in the Maritimes that could come under this category.

It appears that the farmer in the $5,000 to $10,000 gross is in dire need of capital in the form of grants and other assistance so they will be able to increase their gross to over $10,000 mark so that they can make a living.

It appears that the Maritime farmer is not able to raise enough feed grain especially for the hog and poultry farmer, and the continuation of the freight rate assistance must be maintained and it should be increased if possible, so as to help the marginal farmer to survive.

These farmers are one of the assets of the Maritime economy and must be assisted so that he will be able to increase his returns in order to survive in our society.

maritime des subventions de l'ordre de $42,500,000, ce qui représente la différence entre les droits perçus et les frais annuels de 20 millions.

On ne sait pas trop comment sont réalisées ces économies annuelles de 45 à 50 millions de dollars. Quelle est la partie de ces économies qui vont aux navires étrangers sous forme de subsides?

Les subventions que le peuple canadien paye à ce monstre pourraient bien atteindre le grand total de $342,500,000.

MAIN-D'ŒUVRE

Au début de 1965, l'agriculture comptait 7.4 p. 100 de la main-d'œuvre, et ce pourcentage diminue.

Selon les prévisions du Conseil économique des provinces de l'Atlantique, le pourcentage fléchira à

4.2 en 1970
3.5 en 1975
3.0 en 1980

Une ferme, dans les provinces Maritimes, doit fournir un revenu brut de plus de $10,000 pour permettre à son propriétaire de vivre. Il semblerait que, dans les provinces Maritimes, moins de 3,000 fermes peuvent se classer dans cette catégorie.

Il semble que le cultivateur dont le revenu brut s'échelonne de $5,000 à $10,000 a grandement besoin de capital sous forme de subventions ou autres formes d'aide pour que son revenu brut puisse dépasser les $10,000 dont il a besoin pour vivre.

Il apparaît que le cultivateur des Maritimes ne peut pas récolter suffisamment de céréales de provende, surtout pour l'élevage des porcs et des volailles, et qu'il faut maintenir les subventions au transport et les augmenter si possible, afin de permettre à l'agriculteur marginal de survivre.

Ces agriculteurs représentent l'une des valeurs de l'économie des Maritimes et il faut les aider à accroître leurs revenus pour qu'ils puissent se maintenir dans notre société.

RURAL NON-FARM WAGES

Province	Total Male Rural Non-Farm Wage Earners	Total Earnings less than $2,000	Proportion of Low Wage Earners
Newfoundland	29,064	15,273	53
Prince Edward Island	5,690	2,935	52
Nova Scotia	51,839	20,522	40
New Brunswick	44,314	21,299	48
Atlantic Prov.	130,907	60,029	45
CANADA	630,798	203,666	32

Source: Ministry of Forestry and Rural Development 1966.

SALARIÉS RURAUX NON AGRICOLES

Province	Nombre de salariés non ruraux agricoles (hommes)	Nombre des revenus inférieurs à $2,000	Proportion de bas salariés
Terre-Neuve	29,064	15,273	53
Île du Prince-Édouard	5,690	2,935	52
Nouvelle-Écosse	51,839	20,522	40
Nouveau-Brunswick	44,314	21,299	48
Provinces de l'Atlantique	130,907	60,029	45
CANADA	630,798	203,666	32

Source: Ministère des Forêts et du Développement rural, 1966.

WAGE AND SALARY-EARNER FAMILIES LIVING ON INCOME OF LESS THAN $3,000 PER YEAR IN 1961

Province	Number of Wage and Salary Families	Percent of Total Wage and Social Families
Newfoundland	21,766	41.4
Prince Edward Island	4,502	45.6
Nova Scotia	34,623	32.8
New Brunswick	29,865	37.2
CANADA	524,176	19.1

SOURCE: Dominion Bureau of Statistics, 1961 Census of Canada Wage-Earner Families.

FAMILLES DE SALARIÉS VIVANT D'UN REVENU INFÉRIEUR À $3,000 PAR ANNÉE EN 1961

Province	Nombre de familles de salariés	Pourcentage du total des familles de salariés
Terre-Neuve	21,766	41.4
Île du Prince-Édouard	4,502	45.6
Nouvelle-Écosse	34,623	32.8
Nouveau-Brunswick	29,865	37.2
CANADA	524,176	19.1

SOURCE: Bureau fédéral de la statistique, recensement de 1961.

Total personal income increase 1961 to 1966 in Atlantic Provinces 47.2% while 50.3% in CANADA.
Personal Income per Capita
1961.....$1,079—69% of CANADA
1966.....$1,480—69.4% of CANADA

Familles de salariés

Le revenu personnel total, de 1961 à 1966, dans les provinces de l'Atlantique s'est accru de 47.2 p. 100, tandis que pour le Canada il s'est accru de 50.3 p. 100.

Revenu personnel par habitant
1961—$1,079, soit 69 p. 100 de la moyenne nationale
1966—$1,480, soit 69.4 p. 100 de la moyenne nationale

THE INCOME GAP REMAINS THE SAME

Personal Income Per Person Geographical Distribution 1963.

Province	Dollars
	$
Newfoundland	1,029
Prince Edward Island	1,075
Nova Scotia	1,283
New Brunswick	1,151
Quebec	1,504
Ontario	2,019
CANADA	1,734

SOURCE: Dominion Bureau of Statistics.

L'ÉCART DES REVENUS DEMEURE LE MÊME

Revenu personnel par personne et selon la répartition géographique, 1963

Province	Dollars
	$
Terre-Neuve	1,029
Île du Prince-Édouard	1,075
Nouvelle-Écosse	1,283
Nouveau-Brunswick	1,151
Québec	1,504
Ontario	2,019
CANADA	1,734

SOURCE: Bureau fédéral de la statistique.

Of the 39 Urban Areas surveyed, Moncton had the lowest weekly wage with $92.16 as the average. The highest was Windsor with $121.08

The Construction Industry paid the highest average wage $135.74

The Mining Industry was next $130.42.

Average Weekly Wage

B.C.	$ 116.87	Man.	$ 94.05
Ont.	107.70	Nfld.	91.52
Alb.	103.40	N.B.	86.02
Que.	103.22	N.S.	83.02
Sask.	97.14	P.E.I.	72.54

Dominion Bureau of Statistics.

Des 39 centres urbains étudiés, Moncton présente le salaire hebdomadaire moyen le plus bas, soit $92.16. Le plus élevé, $121.08 a été enregistré à Windsor.

C'est l'industrie de la construction qui paie le salaire moyen le plus élevé soit $135.74.

Vient ensuite l'industrie minière: $130.42

Moyenne hebdomadaire des salaires:

C.-B.	$ 116.87	Man.	$ 94.05
Ont.	107.70	T.-N.	91.52
Alb.	103.40	N.-B.	86.02
Qué.	103.22	N.-É.	83.02
Sask.	97.14	Î. P.-É.	72.54

Bureau fédéral de la statistique.

PERSONAL INCOME PER HEAD OF THE ATLANTIC PROVINCES AS A PERCENTAGE OF THE CANADIAN AVERAGE

1956	1957	1958	1959	1960
65.0	65.8	65.9	66.8	68.4
1961	1962	1963	1964	1965
68.9	67.4	67.1	68.5	68.7

REVENU PERSONNEL PAR HABITANT DES PROVINCES DE L'ATLANTIQUE, EN POURCENTAGE DE LA MOYENNE NATIONALE

1956	1957	1958	1959	1960
65.0	65.8	65.9	66.8	68.4
1961	1962	1963	1964	1965
68.9	67.4	67.1	68.5	68.7

PERSONAL INCOME PER PERSON
(dollars)

	1939	1945	1950	1955	1960
Atlantic Provinces...	265	569	652	820	1,051
CANADA....	381	755	979	1,257	1,535
	1961	1962	1963	1964	1965
Atlantic Provinces...	1,079	1,124	1,170	1,252	1,366
CANADA....	1,564	1,668	1,743	1,827	1,988

REVENU PERSONNEL PAR PERSONNE
(en dollars)

	1939	1945	1950	1955	1960
Provinces de l'Atlantique	265	569	652	820	1,051
CANADA.....	381	755	979	1,257	1,535
	1961	1962	1963	1964	1965
Provinces de l'Atlantique.	1,079	1,124	1,170	1,252	1,366
CANADA.....	1,564	1,668	1,743	1,827	1,988

EMPLOYMENT

Since 1961 employment in manufacturing has risen 24 per cent in the Atlantic Provinces, the National gain was 25.9 per cent.

The net employment in Canadian Manufacturing accounted for a net increase of 30 per cent between 1961 and 1966, while 18 per cent accounted for the Atlantic Provinces.

Construction rose by 54 per cent between 1961 and 1966, National increase was 36 per cent.

Construction in Atlantic Provinces accounted for 16 per cent of the increase in employment 1961-1966.

The total labour force in the Atlantic Provinces averaged 626,000 in 1966 and 571,000 in 1961, an increase of 9.6 per cent as compared to 13.8 per cent increase in all Canada.

Employment in the four primary industries remained constant at about 104,000 between 1961-1966 but proportionally, primary employment fell in the Atlantic Provinces from 21 per cent to 18 per cent of total employment. The National rate was 15 per cent to 11 per cent.

Agriculture continued to release labour at a rapid rate 19 per cent Atlantic Provinces and 15 per cent National Rate.

Employment in mining increased by 27 per cent in the Atlantic Provinces.

EMPLOI

Depuis 1961, l'emploi dans le secteur de la fabrication s'est accru de 24 p. 100 dans les provinces de l'Atlantique. Au niveau national cet accroissement a été de 25.9 p. 100.

L'emploi net dans le secteur de la fabrication au niveau national a enregistré une augmentation nette de 30 p. 100 de 1961 à 1966, et de 18 p. 100 dans les provinces de l'Atlantique.

La construction s'est accrue de 54 p. 100 de 1961 à 1966. Au niveau national l'accroissement a été de 36 p. 100.

La construction dans les provinces de l'Atlantique est responsable dans une proportion de 16 p. 100 de l'accroissement de l'emploi de 1961 à 1966.

La main-d'œuvre des provinces de l'Atlantique se chiffrait à environ 626,000 en 1966, comparativement à 571,000 en 1961, soit une augmentation de 9.6 p. 100 comparativement à 13.8 p. 100 pour l'ensemble du Canada.

Le nombre d'employés dans les quatre industries primaires est demeuré constant à environ 104,000 entre 1961 et 1966, mais ce nombre est tombé dans les provinces de l'Atlantique de 21 p. 100 à 18 p. 100 proportionnellement à l'emploi total. Le taux national est passé de 15 à 11 p. 100.

L'agriculture a continué à perdre de la main-d'œuvre au taux rapide de 19 p. 100 dans les provinces de l'Atlantique et de 15 p. 100 dans l'ensemble du pays.

L'emploi dans les mines a augmenté de 27 p. 100 dans les provinces de l'Atlantique.

Service Industries, Atlantic Provinces rose by 11 per cent while Canadian gain was 21 per cent for the years 1961-1966.

During the period 1961-1966 the primary sector continued to shrink, very little expansion in service sector. But manufacturing and construction increased considerable and should be considered for future policy.

It is an established fact that during periods of very high national growth there is a tendency for large numbers of people to move from the Atlantic Provinces in search of better opportunities elsewhere.

The net migration from the Atlantic Provinces over the years has resulted in an age structure heavily weighted by those of dependent age in comparison with Canada as a whole.

The fundamental solution is a nagging income gap that has held personal income per capita in the Atlantic Provinces 30 per cent of the national average for four decades lies in a higher rate of economic growth.

Les industries de service se sont accrues de 11 p. 100 dans les provinces de l'Atlantique, alors que le gain national était de 21 p. 100 pour les années 1961-1966.

Entre 1961 et 1966, le secteur primaire a continué de se rétracter, puisqu'il n'y a eu que très peu d'expansion dans le domaine des services. Toutefois, les industries de la fabrication et de la construction ont considérablement augmenté et devraient être étudiées dans le cadre de la politique future.

C'est un fait établi que, durant les périodes de grande prospérité nationale, un grand nombre de gens ont tendance à quitter les provinces de l'Atlantique, en quête de meilleures occasions d'emploi ailleurs.

Si on établit une comparaison avec la situation au Canada en général, on constate que la migration nette des provinces de l'Atlantique depuis des années a résulté en une structure d'âge qui est grandement alourdie du fait du nombre des personnes à charge.

La solution fondamentale à cet écart défavorable de revenu, par lequel le revenu personnel par habitant dans les provinces de l'Atlantique est, depuis quarante ans, de 30 p. 100 inférieur à la moyenne nationale, est un taux plus élevé de croissance économique.

PERCENT OF LABOUR FORCE UNEMPLOYED

Year	Canada	Atlantic Provinces
1950	3.6	7.8
1953	3.0	5.5
1956	3.4	6.0
1957	4.6	8.3
1958	7.1	12.5
1959	6.0	10.8
1960	7.0	10.6
1961	7.2	11.1
(64,000 unemployed out of a labour force of 571,000)		
1962	5.9	10.7
1963	5.5	9.5
1964	4.7	7.8
1965	3.9	7.4
1966	3.6	6.4
(40,000 unemployed out of a labour force of 626,000)		

SOURCE: Dominion Bureau of Statistics.

POURCENTAGE DE LA MAIN-D'ŒUVRE EN CHÔMAGE

Année	Canada	Provinces de l'Atlantique
1950	3.6	7.8
1953	3.0	5.5
1956	3.4	6.0
1957	4.6	8.3
1958	7.1	12.5
1959	6.0	10.8
1960	7.0	10.6
1961	7.2	10.1
(64,000 personnes en chômage par rapport à un effectif ouvrier de 571,000)		
1962	5.9	10.7
1963	5.5	9.5
1964	4.7	7.8
1965	3.9	7.4
1966	3.6	6.4
(40,000 personnes en chômage par rapport à un effectif ouvrier de 626,000)		

SOURCE: Bureau fédéral de la statistique.

The number of Canadian Forest Workers rose by about 6 per cent while Atlantic Provinces there was a 11 per cent decline.

We must make it more enticing for our people to stay in the Atlantic Provinces.

We could do this by narrowing the income gap between Canada as a whole and the Atlantic Provinces.

If we developed our natural resources and processed them in this region.

Le nombre des travailleurs forestiers canadiens a augmenté d'environ 6 p. 100, alors que les provinces de l'Atlantique ont accusé un déclin de 11 p. 100.

Nous devons encourager les gens à rester dans les provinces de l'Atlantique.

Nous pouvons le faire en resserrant l'écart de revenu qui existe entre le Canada en général et les provinces de l'Atlantique.

Nous pourrions développer nos ressources naturelles et les transformer dans cette région-là.

And to assist them in the primary industries to be able to make a decent living.

To see that manufacturing is increased in this area.

To increase employment in the service producing industries by 30%.

This will not just happen it must be planned and there should be some kind of board given the task of seeing that this whole area is developed in a proper manner, and a proper transportation policy must be tied in with the program to make it work properly.

Nous pourrions aider les exploitants d'industries primaires à bien gagner leur vie.

Nous pourrions prendre des mesures afin que l'industrie de la fabrication s'accroisse dans la région.

Nous pourrions augmenter l'emploi dans les industries des services de 30 p. 100.

Cela ne se réalisera pas sans effort. Il faut de la planification. Il faut qu'on donne à une commission la tâche de voir à ce que toute cette région soit développée d'une façon appropriée et il faut que le programme comprenne une politique à l'égard du transport dans le but d'assurer son bon fonctionnement.

LABOUR COSTS IN CANADA

Research Dept.
Canadian Labour
Congress.

CONCLUSION

In recent years wages have not been inflationary factor in the canadian economy, and have not weakened Canada's competitive position in world markets. Rather, so far as labour costs is concerned, Canada's position relative to most of the industrialized nations has been strengthening for quite some time. Labour costs in Canada have been remarkably stable, problably too stable from the point of view of equity in income distribution. Indeed, given the need to expand and sustain effective demand so that the massive increase in the labour force expected in the near future may be absorbed in productive employment, and considering the stability of Canadian Labour costs over most of the last decade, the economic health of Canada may, to an appreciable extent, depend on a steady advance in wages in the years immediately ahead.

COÛT DE LA MAIN-D'ŒUVRE AU CANADA

Département de la recherche
Congrès du travail du
Canada

CONCLUSION

Ces dernières années, les traitements n'ont pas constitué le facteur inflationnaire dans l'économie canadienne et n'ont pas affaibli la position concurrentielle du Canada sur les marchés mondiaux. Au contraire, en ce qui a trait au coût de la main-d'œuvre, la position du Canada par rapport à la plupart des pays industrialisés s'est renforcée depuis assez longtemps. Le coût de la main-d'œuvre au Canada a été remarquablement stable, probablement trop stable du point de vue de l'équité dans la distribution du revenu. En effet, si l'on considère le besoin d'expansion et si l'on veut être en mesure de répondre à la demande afin que l'augmentation massive de l'effectif ouvrier à laquelle on s'attend prochainement soit absorbée dans des emplois productifs, et si l'on considère la stabilité du coût de la main-d'œuvre canadienne au cours de la dernière décennie, le progrès économique du Canada peut, dans une mesure appréciable, dépendre de l'augmentation régulière des traitements au cours des toutes prochaines années.

GOODS—SERVICES—EXPORTS

The value of all goods and services produced in the Atlantic Provinces increased by 8%, in CANADA by 9% and the U.S.A. by 7% in the years 1961-1966.

The value of new investment was up some 14% in the Atlantic Provinces and 13% in Canada for the period 1961-1966.

MARCHANDISES—SERVICES—EXPORTATIONS

Entre 1961 et 1966, la valeur de toutes les marchandises et services produits a augmenté de 8 p. 100 dans les provinces de l'Atlantique de 9 p. 100 au Canada de 7 p. 100 aux États-Unis.

La valeur des nouveaux placements s'est accrue de 14 p. 100 dans les provinces de l'Atlantique et de 13 p. 100 au Canada entre 1961 et 1966.

ATLANTIC PROVINCES EXPORTS

	1962
Forest Products	$ 215,769,000
Percent	45.9
Fish and Fish Products	$ 87,979,000
Percent	18.7
Metallic Ores and Concentrates	$ 74,851,000
Percent	15.9
Iron and Steel Products	$ 24,840,000
Percent	5.3
Agricultural Products	$ 23,579,000
Percent	5
Total All Products	$ 469,738,000

Atlantic Provinces Research Board, Fredericton, 1965.

EXPORTATIONS DES PROVINCES DE L'ATLANTIQUE

	1962
Produits forestiers	$ 215,769,000
Pourcentage	45.9
Poisson et produits du poisson	$ 87,979,000
Pourcentage	18.7
Minerais métalliques et concentrés	$ 74,851,000
Pourcentage	15.9
Produits du fer et de l'acier	$ 24,840,000
Pourcentage	5.3
Produits agricoles	$ 23,579,000
Pourcentage	5
Total—Tous produits	$ 469,738,000

Commission des recherches des provinces de l'Atlantique—Fredericton, 1965.

THE PERCENTAGE OF MANUFACTURES IN ATLANTIC PROVINCES IN RELATION TO MANUFACTURES IN CANADA.

1955	1959	1960	1961	1962	1963
9.3	7.7	7.2	6.8	6.7	6.6*

*Gradual Decline

POURCENTAGE DES FABRIQUES DANS LES PROVINCES DE L'ATLANTIQUE PAR RAPPORT AUX FABRIQUES AU CANADA

1955	1959	1960	1961	1962	1963
9.3	7.7	7.2	6.8	6.7	6.6*

*Déclin progressif

NUMBER OF EMPLOYEES (%) WORKING IN MANUFACTURING IN ATLANTIC PROVINCES IN RELATION TO MANUFACTURES IN CANADA.

1955	1959	1960	1961	1962	1963
5.0	4.6	4.8	4.6	4.6	4.5*

*Gradual Decline
SOURCE: D.B.S. The manufacturing Industries of Canada (% calculated by APEC)

NOMBRE D'EMPLOYÉS (%) TRAVAILLANT DANS L'INDUSTRIE DE LA FABRICATION DANS LES PROVINCES DE L'ATLANTIQUE PAR RAPPORT À CE NOMBRE AU CANADA

1955	1959	1960	1961	1962	1963
5.0	4.6	4.8	4.6	4.6	4.5*

*Déclin progressif
SOURCE: B.F.S. *The Manufacturing Industries of Canada* (pourcentage calculé par l'APEC).

PASSENGER CAR SHOPS

Heavy repairs to Passenger Car shops were transferred to Montreal and Winnipeg in the year 1961. At January 1961—130 men were employed.

We were told March 13, 1961 that work would not be shipped away from Moncton to be done elsewhere.

But in May 1961, we were told the sad news that general heavy repairs to all classes of passenger car equipment would be discontinued in the Canadian National Railway Shops, Moncton.

Several of our members went to Winnipeg in September 1961, when the work was moved there from the Moncton Shops. They claimed that they liked to work there but due to family problems, which was the deciding factor. The family wanted to return to the Maritimes, and they returned in September

ATELIERS POUR VOITURES FERROVIAIRES

Les ateliers de lourdes réparations aux voitures ont été transférés à Montréal et à Winnipeg en 1961. Cent trente hommes étaient en emploi en janvier 1961.

On nous a dit le 13 mars 1961 que le travail ne serait pas envoyé de Moncton pour être effectué ailleurs.

Toutefois, en mai 1961, on nous a annoncé la triste nouvelle par laquelle les lourdes réparations générales à effectuer à toutes les classes d'équipement pour voitures seraient discontinuées dans les ateliers du Canadien-National à Moncton.

Plusieurs de nos membres se sont rendus à Winnipeg en septembre 1961, lorsque le travail y a été transféré des ateliers de Moncton. Ils ont déclaré qu'ils aimaient y travailler. Cependant, et ce fut là le facteur décisif, leurs familles voulaient retourner dans les Maritimes. Ils y sont revenus en septembre

1964, and they had to start as new men in the Moncton Shops. This is a national disgrace.

We contend that this work in the first place should not have been taken away, as it is contrary to the spirit of the terms of Confederation.

The promised construction of an Intercolonial Railway from Central Canada to the Maritimes formed an integral part of the terms of union and was written into the British North America Act of 1867.

Section 145. "Inasmuch as the Provinces of Canada, Nova Scotia, and New Brunswick have joined in a Declaration that the construction of the Intercolonial Railway is essential to the Consolidation of the Union of British North America, and to the Assent thereto of Nova Scotia and New Brunswick and have consequently agreed that Provision should be made for its immediate construction by the Government of Canada; Therefore, in order to give effect to that Agreement, it shall be the duty of the Government and Parliament of Canada to provide for the Commencement within Six Months after the Union, of a Railway connecting the River St. Lawrence with the City of Halifax in Nova Scotia and for the Construction thereof without Intermission, and the Completion thereof with all practicable speed."

Based on this promise, Nova Scotia and New Brunswick joined Confederation; however, Prince Edward Island delayed entry until 1873 when the Dominion Government agreed to absorb its railway debt and guarantee year round ferry service.

As was previously said on page 10, that the government acquired additional lines that connected with the I.C.R. and they became part of the Intercolonial Railway System. The Prince Edward Island Railway was also one of these.

A Railway Inquiry Commission in 1916 recommended that the Government absorb several of the bankrupt lines, together with certain government-owned lines, including the Grand Trunk and the Intercolonial. Thus the nucleus of the Canadian National Railway System was formed in 1923.

But the reason of taking over these railways by the C.N.R. did not nullify Section 145 of the BNA Act, it was only increased.

The Intercolonial Railway was part of the bargain for the Maritimes to enter Confederation as is reported in the Duncan Royal Com-

1964 et ils ont dû recommencer en tant que nouveaux employés dans les ateliers de Moncton. C'est une disgrâce nationale.

Nous prétendons que ce travail n'aurait pas dû être transféré, puisque cela est contraire à l'esprit de la Confédération.

La promesse de la construction d'un chemin de fer intercolonial allant du centre du Canada aux Maritimes forme une partie intégrante des conditions de l'union et fut inscrite dans l'Acte de l'Amérique du Nord britannique de 1867.

Article 145. «La province du Canada, la Nouvelle-Écosse et le Nouveau-Brunswick ayant déclaré collectivement qu'il est indispensable de construire le chemin de fer intercolonial pour raffermir l'union de l'Amérique du Nord britannique et assurer le concours de la Nouvelle-Écosse et du Nouveau-Brunswick, et étant, en conséquence, convenu que la construction immédiate de ce chemin de fer par le gouvernement du Canada devrait être décrétée, le gouvernement et le Parlement du Canada, pour donner suite à cette convention, seront tenus de prendre des mesures pour commencer, dans les six mois qui suivront l'union, les travaux de construction d'un chemin de fer reliant le fleuve Saint-Laurent à la cité d'Halifax, en Nouvelle-Écosse, pour les poursuivre sans interruption et les terminer avec toute la diligence possible.»

En se basant sur cette promesse, la Nouvelle-Écosse et le Nouveau-Brunswick sont entrés dans la Confédération. Toutefois, l'Île du Prince-Édouard a retardé son entrée jusqu'en 1873, lorsque le gouvernement du Dominion a convenu d'absorber sa dette relative aux chemins de fer et de garantir un service de traversier à l'année longue.

Comme on a déjà dit à la page 10, le gouvernement acquit de nouvelles compagnies ferroviaires qui se reliaient à l'I.C.R. et qui firent partie du réseau du chemin de fer intercolonial. Le chemin de fer de l'Île du Prince-Édouard était l'une de ces compagnies.

En 1916, une commission d'enquête sur les chemins de fer recommanda que le gouvernement absorbe plusieurs compagnies en faillite, ainsi que certaines compagnies lui appartenant, en particulier, le Grand Tronc et l'Intercolonial. Ainsi, le noyau du réseau du Canadien National fut formé en 1923.

Le fait que le Canadien National ait incorporé ces compagnies n'a pas annulé les dispositions de l'article 145 de l'Acte de l'Amérique du Nord britannique, mais a augmenté leur effet.

Le chemin de fer intercolonial a été mis en jeu dans l'entrée des Maritimes dans la Confédération, comme le mentionne la Com-

mission (11) "Recommendations on Freight Rates." It is more material to notice that the President of the Canadian National Railways admitted in evidence, *that in administering the Atlantic Division (the greater portion is the Old Colonial System).*

The people of the Maritimes accepted Section 145 of BNA act in the spirit that it was written and did not expect and will not accept any Indian Giving.

The Railways in the Maritimes must be made to work for the people of the Maritimes as was promised with the terms of Confederation.

Since Confederation statistics prove that due to the Transportation Policy, or the lack of one has not made the Railway function in the true spirit of Confederation, and if we are going to lose the work pertaining to the efficient operation of the railway (farming out of work etc.) to other provinces, and other people, it is pretty near time that we took stock of ouselves, and demand this practice cease.

We believe that it would be a very conservative estimate to say that in the vicinity of 700 employees were laid off in the Atlantic Provinces in the last 5 years, together with other people leaving the service and still others retiring from service. This total would amount to an enormous reduction in the work force. We believe that if we had a suitable Transportation Policy that many more people would be working on the railways.

THE CANADIAN NATIONAL RAILWAYS AND ITS EMPLOYEES

In 1950 the non-operating employees 115,000 in number demanded the 40 hour week.

President Donald Gordon bungled on negotiations at that time and on August 22, 1950 the railways ground to a stop.

Parliament was called into session and stopped the strike nine days after it paralyzed the system.

Again in negotiations in 1960 the government passed the Railway Operation Continuation Act in November 1960. This Act denied 170,000 Canadian Workers their democratic rights.

We again had a railway strike in 1966 in which the union went on strike August 1966. The Government passed the Bill C-230. An Act to provide for the resumption of operations of the railways and for the settlement of

mission Duncan (11) «Recommandations sur le tarif marchandises». Il est plus important de remarquer que le président du Canadien National a admis dans son témoignage que, *pour ce qui est de l'administration de la Division de l'Atlantique (la plus grande partie est le vieux système colonial).*

Les habitants des Maritimes ont accepté l'article 145 de l'Acte de l'Amérique du Nord britannique dans l'esprit dans lequel il a été écrit. Ils ne s'attendaient pas à ce qu'on donne pour ensuite enlever et n'accepteront pas ce fait.

Les chemins de fer dans les Maritimes doivent contribuer au bien-être des habitants des Maritimes, comme il a été promis lors de la Confédération.

Depuis la Confédération, les statistiques prouvent que, par suite de la politique de transport, ou du manque d'une telle politique, les chemins de fer ne fonctionnent pas d'après l'esprit de la Confédération. Si nous allons perdre du travail nécessaire à l'exploitation efficace des chemins de fer (octroyer des travaux, etc.) en faveur d'habitants d'autres provinces, il est temps que nous examinions la situation et que nous demandions que cette pratique cesse.

Nous croyons que nous pourrions dire sans crainte d'erreur qu'environ 700 employés ont été mis à pied dans les provinces de l'Atlantique au cours des cinq dernières années. Il faut ajouter à ce nombre les gens qui ont quitté le service et ceux qui ont pris leur retraite. Nous croyons qu'une politique convenable en matière de transport permettrait à beaucoup plus de gens de travailler pour le compte des chemins de fer.

LE CANADIEN-NATIONAL ET SES EMPLOYÉS

En 1950, les employés non-itinérants, au nombre de 115,000, ont exigé la semaine de 40 heures.

Le président Donald Gordon a raté les négociations et le 22 août 1959, les chemins de fer cessèrent de fonctionner.

Le Parlement fut convoqué et mit fin à la grève neuf jours après qu'elle eut paralysé le réseau.

De nouveau, au cours des négociations de 1960, le gouvernement adopta la Loi sur la continuation de l'exploitation des chemins de fer, en novembre 1960. Cette loi privait 170,000 travailleurs canadiens de leurs droits démocratiques.

Il y eut une autre grève du rail en 1966 alors que le syndicat fit la grève en août. Le gouvernement adopta le Bill C-230, loi qui prévoyait la reprise des opérations ferroviaires et le règlement des différends existants en

the existing dispute with respect to terms and conditions of employment between Railway Companies and their employees. And was passed by the House of Commons September 1, 1966.

This bill appears to be the biggest hoax in Canadian Labour Relations, because it appears that the government only wanted it to apply to the employees. It was later brought out by our M.P. for Westmorland Mrs. Margaret Rideout, and the Minister of Transport Paul Hellyer that the government was not able to interfer in terms and conditions of employment in relation to the Canadian National Railways.

We must have a suitable Transportation Policy so that we can have an honest to goodness negotiation between the railways and their employees in the future.

Every major strike brings cries that unions are endangering the public interest and the safety of the nation, and laws must be passed to curtail them, but these charges are not borne out by facts. Strikes account for less than 1% of total man days of employment lost.

The Railways were held down by fixed freight charges and their employees are forced by compulsory arbitration to accept wages and working conditions. While other forms of transportation are allowed to operate in a laissez-faire climate.

The manufactures of materials etc. necessary for the efficient operation of the railways are also given their freedom to set their prices. Why? ... do we have restrictions for some and not others?

Labour through either federal or provincial legislation has to justify wage increases while management has no restrictions. Why?

It would appear that those who decide how society is to be run, they then justify it by designing an appropriate set of morals. They then can attack anybody who challenges their way of life as being anti-social or even immoral—or gainst the public interest.

The so called moulders of our present society are trying to give us the false illusion that we are free and independent, not subject to any authority or principle of conscience—yet who are willing to be commanded, to do what is expected of them, to fit into the social machine without friction, who can be guided without force, led without leaders, prompted without aim.

Due to concentration of capital, giant enterprises were formed, we now have a powerful new force in our society, "Bureaucratic man-

ce qui concernait les conditions d'emploi entre les compagnies de chemin de fer et leurs employés. Cette loi fut adoptée par la Chambre des communes le 1er septembre 1966.

Ce bill semble être la plus grande supercherie des relations ouvrières du Canada, car il semble que le gouvernement voulait qu'il s'appliquât aux employés seulement. Plus tard, notre député de Westmorland, Mme Margaret Rideout, et le ministre des Transports, M. Paul Hellyer, signalèrent que le gouvernement ne pouvait pas intervenir dans les conditions d'emploi en ce qui concernait le Canadien National.

Nous avons un programme du transport approprié, de sorte que nous pourrons avoir de bonnes négociations entre les chemins de fer et leurs employés, à l'avenir.

De toutes les grèves importantes, il ressort que les syndicats mettent en danger l'intérêt public et la sécurité du pays et qu'il faut adopter des lois pour y mettre fin. Toutefois, ces accusations ne sont pas appuyées sur les faits. Les grèves sont responsables de moins de 1 p. 100 des journées de travail perdues.

Les chemins de fer sont tenus par des frais de transport fixes et leurs employés sont tenus par l'arbitrage obligatoire d'accepter certains salaires et certaines conditions de travail. Cependant, d'autres formes de transport peuvent fonctionner dans un climat de laissez-faire.

Les fabricants de matériel, etc., nécessaire au bon fonctionnement des chemins de fer ont aussi la faculté d'établir leurs prix. Pourquoi avons-nous des restrictions pour certains et non pas pour d'autres?

Les travailleurs, par l'intermédiaire de lois fédérales ou provinciales, doivent justifier leurs augmentations de traitement, tandis que la direction n'a pas de restrictions. Pourquoi?

Il semble que ceux qui décident comment la société doit se comporter justifient leurs actions par une morale appropriée. Ils peuvent alors attaquer quiconque prétend que leur façon d'agir est antisociale ou même immorale—ou à l'encontre de l'intérêt public.

Ceux qui, prétend-on, façonnent notre société actuelle essaient de nous leurrer en nous disant que nous sommes libres et indépendants, que nous ne sommes pas assujettis à une autorité ou à un principe de conscience—pourtant, nous devons consentir à recevoir des ordres, à faire ce qu'on attend de nous, à nous ajuster à la société sans heurts, à être guidés sans force, à être conduits sans chefs, à être dirigés sans buts.

A cause de la concentration des capitaux, des entreprises géantes ont été formées et nous avons maintenant une force nouvelle et

agers". They control the economic and to a large degree the political destiny of Canada. The democratic process has become a ritual.

The individual is forever blasted by a powerful suggestive apparatus to increase his appetite for new commodities and into the channels most profitable for industry. The individual worker had become a cog in the giant machine.

Our people are misinformed and indoctrinated rather than informed about political and social reality.

CONCLUSIONS AND POSSIBLE REMEDIES

Much in this brief has touched on what we were offered at Confederation and how Confederation failed to fulfill its function.

We discussed the problems of urbanization, the exodus of our people from the Maritimes, our high rate of unemployment, tariffs, wages, income gap, a suitable transportation policy and problems relating to the railway and their employees as they are effected by the result of a Transportation Policy.

The railways should be guided by a proper Transportation Policy so as to enable them to look outward instead of inward.

It appears, the less than car-load lot express freight cost of this railway service has created problems for the railways, shippers and others.

Would it not be possible for the railways to initiate a system in their freight handling similar to the Red-White-Blue Fares that were put into effect May 1, 1962. It has worked well with Passenger Business.

This might be worked in relation to Fast Freights, Extras etc., trains not handling full tonnage and taking into consideration the number of empty car at times carried.

It might be possible that some form of savings might be offered to the small shippers to make it worthwhile for him to take advantage of this service.

Tariffs have done nothing for the Maritimes in the past and it might be more feasible or expedient at this time to have freerer trade in the Atlantic Provinces.

Prior to Confederation—we had free trade and it was known as "The Golden Age", and due to facts that was pointed out in our brief

puissante dans notre société: «la direction bureaucratique». Celle-ci dirige la destinée économique et, dans une large mesure, la destinée politique du Canada. Le procédé démocratique est devenu un rite.

Les gens sont toujours poussés, par une publicité suggestive puissante, à satisfaire leurs désirs à l'égard de nouveaux produits et de la façon qui est la plus profitable pour l'industrie. Le travailleur est devenu un rouage dans une machine géante.

Nos gens sont mal informés et endoctrinés, au lieu d'être renseignés sur les réalités politiques et sociales.

CONCLUSIONS ET REMÈDES POSSIBLES

Une grande partie de ce mémoire a traité de ce qu'on nous a offert lors de la Confédération et mentionne comment la Confédération n'a pas rempli son but.

Nous avons souligné les problèmes relatifs à l'urbanisation, à l'exode de nos gens des Maritimes, à notre taux levé de chômage, aux tarifs, aux traitements, à l'écart dans le revenu, à une politique de transport convenable, aux chemins de fer et à leurs employés, en ce qu'ils sont touchés par les résultats d'une politique en matière de transport.

Les chemins de fer devraient être guidés par une politique de transport appropriée, afin qu'ils puissent être à même d'élargir leurs vues plutôt que de les circonscrire.

Il semble que le tarif-marchandises des chemins de fer pour des quantités inférieures à une wagonnée ait créé des problèmes aux chemins de fer, aux expéditeurs et à d'autres.

Ne serait-il pas possible que les chemins de fer établissent un système à l'égard du tarif-marchandises semblable aux taux rouge-blanc-bleu qui sont entrés en vigueur le 1er mai 1962 et qui ont donné de bons résultats en ce qui a trait aux voyageurs.

A ce sujet, on pourrait tenir compte du transport rapide des marchandises, des extras, etc., des trains qui ne transportent pas un plein tonnage, ainsi que du nombre des wagons vides.

Il serait peut-être possible d'offrir aux petits expéditeurs un plan économique afin qu'ils trouvent un avantage à profiter de ce service.

Les tarifs-marchandises n'ont rien fait pour les Maritimes dans le passé. Il serait peut-être plus pratique et opportun maintenant de commercer plus librement dans les provinces de l'Atlantique.

Antérieurement à la Confédération, nous poursuivions une politique de libre-échange et cette période fut connue comme étant «L'Âge

has shown without a shadow of doubt that the Tariff Barrier has negated our prosperity.

We should have a study made to see if it would not be more feasible to have the maximum utilization of our natural resources be fully processed in our area instead of seeing them being subsidized, as they move out of our area to be processed in another, and then returned to be purchased by our people, and at a rate much higher than is offered to the people in the province where they were processed.

THIS IS PURE AND SIMPLE DISCRIMINATION OF THE WORST KIND

We must have more secondary industries established in the Atlantic Provinces.

The Steel Crisis in Sydney has ably shown that the lack of a suitable Transportation Policy adds to Maritimes problems. Steel is not a dying industry it is a very viable industry.

Due to the stiff competition in Central Canada in transportation, the railways have to lower their rates much lower than authorized levels.

It would appear that we in the Maritimes are helping to subsidize these lower freight rates that apply in Central Canada.

It is shown that Confederation did not fulfill its promises to the people in the Atlantic Provinces.

This was ably shown by the different Railway Inquiries and Royal Commissions that was appointed over the years to study this problem. We are plagued by more unemployment, lower wages, our manufacturing is decreasing and out people are leaving the Atlantic Area in exceptionally large numbers.

Economic powers are loose in Canada whose aim is to concentrate their investment in Quebec and especially Ontario where a large portion of the population of Canada is located. They can make a larger profit by concentrating manufacturing and services in this area, it is reasonable close to raw material and the transportation costs are less.

They are after the bloody dollar, and the hell with the rest of Canada.

A former Minister of Finance in the Liberal Government advocated moving the people out of the Atlantic Provinces.

d'Or». Toutefois, les faits qui ont été signalés dans notre mémoire ont démontré sans l'ombre d'un doute que la barrière tarifaire a nui à notre prospérité.

Il faudrait qu'une étude soit faite afin de déterminer s'il ne serait pas plus pratique d'utiliser au maximum nos ressources naturelles en les faisant transformer dans notre région plutôt que de les voir bénéficier de subsides. En effet, elles partent de notre région pour être transformées dans une autre et elles nous sont ensuite retournées pour être achetées par nos gens à des prix bien plus élevés que ceux qui sont offerts aux gens des provinces où elles ont été transformées.

C'EST PUREMENT ET SIMPLEMENT UNE DISTINCTION INJUSTE DE LA PIRE ESPÈCE

Il faut qu'un plus grand nombre d'industries secondaires s'établissent dans les provinces de l'Atlantique.

La crise de l'acier à Sydney a bien démontré que le manque d'une politique convenable en matière de transport s'ajoute aux problèmes des Maritimes. L'acier n'est pas une industrie déclinante, c'est une industrie bien vivante.

Au Canada central, par suite d'une vive concurrence en matière de transport, les chemins de fer ont dû baisser leurs tarifs à des niveaux bien inférieurs à ceux qui sont autorisés.

Il semble que les Maritimes aident à subventionner les tarifs-marchandises qui s'appliquent au Canada central.

Il a été démontré que la Confédération n'a pas rempli ses promesses à l'égard des gens des provinces de l'Atlantique.

Ceci a été bien démontré par les diverses enquêtes sur les chemins de fer et par les Commissions royales nommées au cours des années pour étudier ces problèmes. Le chômage augmente, les salaires baissent, nos usines ferment leurs portes et nos gens quittent la région de l'Atlantique en très grand nombre.

La puissance économique fait faux jeu au Canada, car elle concentre ses placements au Québec et particulièrement dans l'Ontario où se trouve une grande partie de la population du Canada. Elle peut réaliser de plus grands bénéfices en concentrant les usines et les services dans cette région, où abondent les matières premières et où les frais de transport sont moindres.

On ne recherche que le dollar et au diable le reste du Canada.

Un ancien ministre des Finances libéral a préconisé de déplacer les gens des provinces de l'Atlantique.

The Department of Manpower has devised a program also along these lines. We have enough leaving on their own initiative without encouragement.

We must have a positive program to counteract this trend or we will have a population consisting of the very young and our older citizen. We will have very few people in the age limit (labour force) that would be in the position to plow something back into our economy. These people were raised, educated and moved out of the Atlantic Provinces.

This means we are subsidizing others with our brawn and our expensive educational investment.

If something is not done quickly, we will have a partial wilderness, and it will become a huge liability for the people to sustain.

At the time of Confederation 1867 we had people asking for Maritime Union. Again 100 years later 1967 we are still asking for the same thing, Maritime Union.

If there was an opportunity for some people to make great benefits by this union it would have been consummated 100 years ago. It is hard to get something done when it is only in the common good.

It appears to us, it is not the matter of the Maritimes opting out of Confederaion. It is a matter of when are we going to get in?

It now appears that the years 1867-1967 was only an exercise in futility as far as the Atlantic Provinces is concerned.

It is now imperative that we have a suitable Transportation Policy.

We therefore request that a Royal Commission be appointed immediately to inquire into all branches of TRANSPORTATION and to recommend a policy so that the Atlantic Provinces will be put in the position to grow and prosper at the rate compared to the rest of Canada.

THE EXPLOITATION OF THE MARITIMES MUST COME TO AN END.

Le ministre de la Main-d'œuvre a établi un programme en ce sens. Il y en a suffisamment qui quittent les Maritimes sans qu'on ne les encourage officiellement.

Il nous faut un programme positif pour contrecarrer cette tendance, sinon nous aurons une population composée de très jeunes et de très vieux citoyens. Nous aurons peu de gens formant la main-d'œuvre qui pourrait être en mesure de rétablir notre économie. Ces gens ont été élevés et éduqués dans les provinces de l'Atlantique, puis en ont été déplacés.

Cela veut dire que nous subventionnons les autres avec notre main-d'œuvre et notre système d'éducation dispendieux.

Si on n'agit pas vite, nous aurons une espèce de désert que les gens auront de la difficulté à soutenir.

Au temps de la Confédération, en 1867, les gens demandaient l'union des Maritimes. De nouveau en 1967, on la demande encore.

Si des gens avaient pu réaliser de gros bénéfices par cette union, celle-ci aurait été faite il y a 100 ans. Il est difficile d'accomplir quelque chose lorsque seul le bien commun est en cause.

A notre avis, il n'est pas question que les Maritimes sortent de la Confédération. Il s'agit de savoir quand nous allons y entrer.

Il semble que les années 1867-1967 aient été futiles en ce qui concerne les provinces de l'Atlantique.

Il importe maintenant que nous ayons un programme de transport approprié.

Nous demandons donc qu'une Commission royale soit nommée immédiatement pour enquêter sur tous les aspects du TRANSPORT et recommander un programme afin que les provinces de l'Atlantique soient en mesure de progresser et de prospérer au même rythme que le reste du Canada.

L'EXPLOITATION DES MARITIMES DOIT PRENDRE FIN.

APPENDIX "H"

CAMPBELLTON CITY COUNCIL BRIEF TO STANDING COMMITTEE ON TRANSPORTATION AND COMMUNICATIONS

The establishment of Canada as a Federal ssytem with a strong central government to overide and resolve geographical and economic disparate conditions, in order that the whole might become a nation made up of equal parts, has been less than successful in economic terms. It is apparent that the Maritime Provinces have lagged behind the rest of Canada in terms of personal incomes, standards of living and economic progress. We here in the northern-most part of the Maritimes, however, in many instances look upon the progress of some of the areas in the Maritimes with a great deal of envy. Indeed it may be stated that if there is to be found in the Maritimes a sense of frustration, then it is fair to say that in Northern New Brunswick that sense of frustration is compounded by the fact that we have here less industry, less educational facilities, less community services and lower standards of living than the rest of the Maritime Provinces themselves. And so it may be said that if Confederation in economic terms has seemed to be less than a success to the Maritimer, then it has seemed to us in the north to have been a complete failure.

Our problem quite simply is geography. We have three basic markets for our products: export to foreign countries by sea transport; export to Eastern United States markets by highway, sea and rail; and the Central Canadian market by highway, sea and rail. Our most successful industries are those which export to other nations by sea transport, notwithstanding the fact that our competitive position is eroded by a subsidized St. Lawrence Seaway, which allows central Canadian shippers to ship to our traditional export markets under equalized ocean transport rates. An example of the latter is the fact that ocean transport rates from Central Canada to Bermuda are the same as from Halifax to Bermuda. We do not complain too much about our transportation to our Eastern U.S. markets because, for a variety of rea-

APPENDICE «H»

MÉMOIRE DU CONSEIL MUNICIPAL DE CAMPBELLTON AU COMITÉ PERMANENT DES TRANSPORTS ET DES COMMUNICATIONS

La constitution du Canada en fédération, avec un gouvernement central fort pour surmonter les difficultés et résoudre les problèmes dus aux conditions géographiques et économiques disparates, afin que l'ensemble puisse devenir une nation composée de parties égales, n'a pas été très heureuse au point de vue économique. Il est évident que les provinces maritimes sont bien en retard sur le reste du Canada sur le plan du revenu des particuliers, du niveau de vie et du progrès économique. Toutefois, nous qui vivons dans la partie la plus septentrionale des Maritimes voyons souvent avec beaucoup d'envie les progrès réalisés dans certains autres secteurs de notre région. En effet, on peut affirmer que s'il existe dans les Maritimes un sentiment de frustration, dans le nord du Nouveau-Brunswick ce sentiment est en partie dû au fait que nous avons ici moins d'industrie, moins de possibilités d'éducation, moins de services communautaires et un niveau de vie plus bas que le reste des provinces maritimes elles-mêmes. On peut donc dire que si, pour l'habitant des provinces maritimes, la Confédération ne semble pas avoir été un succès du point de vue économique, pour nous, qui vivons dans le nord de la région, elle a été un échec complet.

Notre problème est simplement d'ordre géographique. Nous avons trois marchés principaux pour nos produits: nous exportons à l'étranger par voie maritime; vers l'est des États-Unis et vers le centre du Canada par route, par mer et par chemin de fer. Nos industries les plus prospères sont celles qui exportent vers d'autres nations par voie maritime, en dépit du fait que la voie maritime du Saint-Laurent, qui est subventionnée et permet aux affréteurs du centre du Canada d'expédier vers nos marchés d'exportation traditionnels à des tarifs maritimes compensés, nuit à notre position compétitive. Ainsi, les prix de transport par mer du centre du Canada aux Bermudes sont les mêmes que de Halifax aux Bermudes. Nous ne nous plaignons pas trop des expéditions que nous effectuons vers les marchés de l'est des États-Unis car,

sons, we are relatively competitive with Central Canada, notwithstanding the fact that our highway systems need to be greatly improved and notwithstanding the fact that Confederation requires us to buy from Central Canadian manufacturers as opposed to Eastern U.S. manufacturers. However, we do strongly submit that, in the context of Confederation and what it was meant to be and our role in it, we are unable to compete in our own country simply because of our geographical position in it. There are sound economic reasons for the development of industrialized centres in Central Canada which industrialization has led to the high standards of living and prosperity of those areas. It is our contention that we in the Maritimes, having been forced by tariff walls which exist between the U.S.A and Canada to buy from the Central Canadian market, have reinforced the growth potential of Central Canadian industry and at the same time we have been denied effective access to those central markets by a national transport policy that has not taken our geographical location into account.

If Confederation means anything and if the Federal Government is truly concerned about the establishment of economically viable industry in the Maritime Provinces with a resulting higher standard of living here, then it must take steps to alter national transport policy to overcome our geographical disadvantage. We have the human resources and the natural resources to set up economically viable industry in our Atlantic region, provided those industries are able to compete in Central Canadian markets through lower transportation costs. In other words, the business enterprise making Kleenex in Truro, N.S., should, through subsidized transportation, be in the same economic competitive position vis-à-vis transport as his competitor making the same product in Brockville, Ont., both shipping to the Toronto market. Without going into detail with regard to the Maritime Freight Rates Act of 1927, it is quite obvious that it has failed to carry out its intended role. It is our contention that it needs amending or indeed there needs to be a wholesale review of subsidies being paid to transport facilities servicing the Atlantic region.

Campbellton is the headquarters of the CNR Chaleur Area, and we are very proud of our rail facilities. This is not to say that there could not be improvements in the services which are rendered to us by the CNR. We naturally complain when the Ocean Limited

pour de nombreuses raisons, nous pouvons à peu près concurrencer le centre du Canada en dépit du fait que notre système routier a grandement besoin d'être amélioré et que la Confédération nous oblige à acheter aux fabricants du centre du Canada au lieu d'acheter à ceux de l'est américain. Toutefois, nous constatons que dans le contexte de la Confédération, de ce qu'elle devait être et du rôle que nous devions y jouer, il ne nous est pas possible de soutenir la concurrence dans notre propre pays, en raison de notre situation géographique. De solides raisons économiques ont conduit à l'industrialisation de certaines régions du centre du Canada, industrialisation qui a apporté avec elle la prospérté et un niveau de vie plus élevé. Nous estimons que nous, qui vivons dans les provinces maritimes, avons aidé à cette croissance de l'industrie du centre du Canada, ayant été forcés par les barrières tarifaires qui existent entre les États-Unis et le Canada, à acheter à ce marché; en même temps, nous nous sommes vu refuser l'accès à ces marchés centraux par une politique nationale des transports qui n'a pas tenu compte de notre situation géographique.

Si la Confédération a un sens et si le gouvernement fédéral se préoccupe vraiment de l'établissement d'une industrie économiquement viable dans les provinces maritimes, ce qui ferait monter notre niveau de vie, il doit prendre des mesures pour modifier la politique nationale des transports et nous permettre de surmonter nos difficultés géographiques. Nous avons dans notre région atlantique des ressources humaines et naturelles suffisantes pour établir une industrie rentable, à condition que cette industrie puisse faire concurrence aux marchés du centre du Canada, grâce à des coûts de transport moins élevés. En d'autres termes, l'entreprise qui fabrique les produits *Kleenex* à Truro (Nouvelle-Écosse) devrait, grâce à des subventions de transport, se trouver dans une position compétitive, au point de vue transport, par rapport à sa concurrente de Brockville (Ontario) sur le marché de Toronto. Sans entrer dans les détails de la loi de 1927 sur les taux de transport des marchandises dans les provinces maritimes, je dirai que, de toute évidence, elle n'a pas rempli le rôle qui lui était prévu. A notre avis, elle a besoin d'être modifiée ou alors il faudrait revoir l'ensemble des subventions payées aux transports desservant la région atlantique.

Campbellton est le siège du district des Chaleurs du Canadien-National et nous sommes très fiers de nos installations ferroviaires. Cela ne veut pas dire que les services du Canadien-National ne pourraient pas être améliorés. Nous nous plaignons bien entendu

is taken off its normal route through the northern part of New Brunswick because we are deprived of one of our traditional means of transport both West and East. We naturally feel there could be improvements in express and freight movement in our area. The CNR is certainly not without its problems, the same as any other corporation in our society. The difference is that it is a national public company, operating under a national transport policy. We therefore reserve our strongest criticisms for a national transport policy which has forced the CNR to restrict its services to our area; for example, which has forced the CNR to save money and reduce service by re-routing the Ocean Limited; which has forced the CNR to charge high freight rates to the detriment of the whole Atlantic region. The CNR is merely an instrument of national transport policy as it affects the Maritime region. I think it is true to say that the appointment of Donald Gordon as President of the CNR in the 1950's signalled a dramatic change in the CNR from a rather lethargic organization into one of the finest railroads on the North American Continent. From the President down to the ticket-taker, a new spirit was instilled for more efficiency, based on a single motivation—profit. This challenge to make a profit has in fact made the CNR much more efficient, but unfortunately it has also detracted from the CNR's own image of itself as a public corporation acting in the public interest. It has now become so bad that most executives of the CNR no longer have the public interest at heart, but rather the profit of their railroad. The profit motive has substantially detracted from the CNR's proper public role. We maintain that this is where national transport policy must come to bear insofar as it relates to rail facilities. It is our view that it would be dangerous to the efficiency of the railroad to destroy the motivations which have assisted in making our publicly owned corporation efficient and competitive. We do feel however, that it is important to find some form of governmental machinery that will maintain these motivations and yet allow the Atlantic Provinces to compete successfully in a central Canadian market. Whether subsidies are paid to the shipper or through some other system to the CNR is for you to decide. Our firm belief is that the CNR can indeed remain competitive and efficient and at the same time the Atlantic Provinces can also have economically viable industry, based on lower freight rates as a rational basis of national transport policy. Indeed we would even go so far as to suggest that a crash program to attract industry to the Atlantic Provinces include giving consideration to charging merely token

de ce que l'*Ocean Limited* doive modifier son itinéraire normal à travers la partie septentrionale du Nouveau-Brunswick, car nous sommes privés d'un de nos moyens de transport traditionnels tant dans l'est que dans l'ouest. Nous estimons, naturellement, que le mouvement des messageries et des marchandises pourrait être amélioré dans notre région. Le Canadien-National n'est certainement pas sans avoir ses problèmes de même que toute autre société. La différence est qu'il s'agit d'une entreprise publique nationale exploitée en application d'une politique nationale de transports qui a obligé le Canadien-critiques les plus vives à la politique nationale de transports qui a obligé le Canadien-National à réduire ses services dans notre région, qui, par exemple, a obligé le Canadien-National à économiser et à réduire son service en imposant un nouvel itinéraire à l'*Ocean Limited*; qui a obligé le Canadien-National à imposer des tarifs élevés pour le transport des marchandises, au détriment de toute la région atlantique. Le Canadien-National n'est qu'un instrument de la politique nationale des transports en ce qui concerne la région des provinces maritimes. Je pense qu'il est juste de dire que la nomination de Donald Gordon comme président du Canadien-National, dans les années 1950, a été le signal d'un changement radical; d'une organisation plutôt léthargique, le Canadien-National est devenu un des meilleurs chemins de fer du continent nord-américain. Depuis le président jusqu'au bas de la hiérarchie, tous font preuve d'une efficacité nouvelle fondée sur une motivation unique: le profit. Cette ambition—réaliser un profit—a certes rendu le Canadien-National plus efficace; malheureusement, il a aussi effacé l'image que l'on s'en faisait, soit celle d'une entreprise publique agissant dans l'intérêt public. La situation est telle qu'à l'heure actuelle, la plupart des dirigeants du Canadien-National n'ont plus à cœur l'intérêt du public, mais l'intérêt de leur chemin de fer. L'intérêt a éloigné le Canadien-National de son rôle vis-à-vis du public. Nous maintenons que c'est là que la politique nationale des transports doit intervenir en ce qui concerne les installations ferroviaires. A mon avis, il nuirait à l'efficacité du chemin de fer de détruire les motivations qui ont aidé à rendre cette entreprise efficace et compétitive. Toutefois, nous estimons qu'il est important que le gouvernement trouve un moyen de maintenir ces motivations, tout en permettant aux provinces atlantiques de soutenir la concurrence sur le marché du centre du Canada. C'est à vous de décider si les subventions doivent être payées à l'expéditeur ou au Canadien-National par quelque autre moyen. Nous croyons fermement que le Canadien-National

freight charges on goods moving into Central Canada.

We have dealt mainly with rail transport as the basis of our brief, as it is the most utilized means of transport in our region. It has this position mainly because of the fact that our highway systems are inferior and inadequate and we have no air transport facilities whatsoever. Our Chamber of Commerce Brief has indicated the importance which we attach to a Second Trunk Trans-Canada Highway, not only to improve our means of transporting our products to market and improve opportunities for our tourist industry, but also as a means of allowing for more effective urbanization. As an area of scattered population, it only makes good sense to make our investment in school, medical, commercial and cultural facilities more centralized in order to gain the most from that investment. However, in order to make this socially acceptable and indeed practical, then modern high-speed highways are a prerequisite.

Because of our remote geographical location both in relation to the rest of the Atlantic Provinces and in relation to Central Canada, our ability to grow industrially and commercially depends to a large extent on our accessibility to these other areas. It is very difficult for American or Canadian manufacturers to establish industry here even though they might like to, because of the absence of air transport facilities, both passenger and air express, to service their needs. This is to say nothing of the difficulties involved in getting to the major market places by our own business people from here. An adequate passenger and air express service linking this northern region to both Central Canada and the rest of the Maritimes is a fundamental necessity if we are to create a necessary economic activity to improve our standards of living. We are not suggesting here that Air Canada provide this service. We are suggesting, however, that our airport facilities are completely inadequate to allow for even secondary carriers to carry out this role. In this regard we feel that complete review should be made of Air Canada's policy in the Maritimes, giving full consideration to the allowance of local airlines to feed Air Canada pas-

peut demeurer efficace et compétitif et que les provinces maritimes peuvent, en même temps, avoir une industrie viable du point de vue économique, grâce à des tarifs de transport moins élevés, résultat d'une politique nationale des transports rationnelle. Nous irions même jusqu'à suggérer qu'un programme soit rapidement mis à exécution pour attirer l'industrie dans les provinces atlantiques et qu'il envisage la possibilité d'établir des prix de transport purement symboliques pour les marchandises expédiées vers le centre du Canada.

Le transport par chemin de fer a fait l'objet principal de notre mémoire, car c'est le moyen de transport le plus utilisé dans notre région. Cela est dû au fait que notre système routier est mauvais, insuffisant et que nous n'avons pas d'installations de transport aérien. Le mémoire de notre Chambre de commerce a souligné l'importance que nous attachons à une seconde route transcanadienne, non seulement pour faciliter le transport de nos marchandises vers les marchés et améliorer notre industrie touristique, mais aussi pour aider à l'urbanisation. Ayant une population très dispersée, il ne nous semble raisonnable d'investir que dans des installations scolaires, médicales, commerciales et culturelles plus centralisées, afin de retirer le plus possible de cet investissement. Mais, pour que cela puisse être acceptable du point de vue social et, en fait, possible, une route moderne à grande circulation est une condition préalable.

En raison de notre situation géographique éloignée tant du reste des provinces atlantiques que du centre du Canada, la possibilité que nous avons de nous développer au point de vue industriel et commercial dépend dans une large mesure de la commodité d'accès de ces autres régions. Il est très difficile aux fabricants américains ou canadiens de créer une industrie, dans notre région, même s'ils le désirent, étant donné l'absence de transports aériens tant pour les voyageurs que pour les marchandises. Sans parler des difficultés auxquelles doivent faire face nos hommes d'affaires lorsqu'ils veulent se rendre sur les marchés importants. Un service aérien de voyageurs et de marchandises adéquat, reliant notre région septentrionale au centre du Canada et au reste des provinces maritimes est vraiment essentiel si nous voulons créer une activité économique et améliorer notre niveau de vie. Nous ne disons pas qu'Air Canada doit rendre ce service. Mais nous disons que nos aéroports sont tout à fait insuffisants pour que des transporteurs même d'importance secondaire puissent jouer ce rôle. A cet égard, nous estimons que la politique d'Air Canada dans les provinces maritimes devrait être soigneusement examinée et

sengers from the north, at central places on Air Canada's through-route system.

In summation, we feel that national transport policy should be amended to take into consideration the difficult geographical position of the Atlantic Provinces. The economic disparity which exists here is caused by a lack of viable industry. The large volumes of Federal money which are spent on such things as designated area grants and subsidies to individual industries will never be successful until is realized that the basis of our economic problem is our geographical transport problems. It is our firm conviction that the Maritime Provinces have the talents and the resources to compete, providing the geographical considerations of transport are eliminated.

Respectfully submitted,

THE CAMPBELLTON CITY COUNCIL
CAMPBELLTON, N.B.

qu'il faudrait envisager la possibilité de permettre aux lignes aériennes locales de pourvoir Air Canada en passagers en provenance du nord, à des endroits centraux, sur le système de transit d'Air Canada.

En résumé, nous estimons que la politique nationale des transports devrait être revue pour tenir compte de la situation géographique difficile des provinces atlantiques. Les inégalités économiques existant ici sont dues à l'absence d'une industrie viable. Les sommes importantes dépensées par le gouvernement fédéral pour les subventions aux régions désignées et les subventions aux industries privées ne donneront jamais de bons résultats si l'on ne réalise pas que notre problème économique est la conséquence de nos difficultés de transport. Nous avons la ferme conviction que les provinces maritimes ont les ressources et les qualités nécessaires pour soutenir la concurrence, à condition que les problèmes de transport, dus à notre situation géographique, soient résolus.

Respectueusement,

Le Conseil Municipal de
Campbellton (Nouveau-Brunswick).

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STANDING COMMITTEE

ON

TRANSPORT AND COMMUNICATIONS

COMITÉ PERMANENT

DES

TRANSPORTS ET DES COMMUNICATIONS

Chairman H.-Pit Lessard *Président*

MINUTES OF PROCEEDINGS AND EVIDENCE

PROCÈS-VERBAUX ET TÉMOIGNAGES

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HALIFAX, N.-É.

Respecting

Transportation problems of the Atlantic Provinces.

Concernant

Problèmes de transport dans les provinces de l'Atlantique.

WITNESSES—TÉMOINS

(See Minutes of Proceedings)

(Voir procès-verbaux)

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29691—1

STANDING COMMITTEE ON
TRANSPORT AND COMMUNICATIONS

Chairman: Mr. H.-Pit Lessard

Vice-Chairman: Mr. Pat Mahoney

and Messrs.

Allmand
Breau
Carter
Corbin
Godin
Horner
McGrath
Nesbitt
Nowlan
Perrault
Portelance
Pringle
Rock
Rose
Skoberg
Thomas (*Moncton*)
Trudel
Turner (*London East*)

COMITÉ PERMANENT DES
TRANSPORTS ET DES
COMMUNICATIONS

Président: M. H.-Pit Lessard

Vice-président: M. Pat Mahoney

et MM.

[*Text*]

MINUTES OF PROCEEDINGS

WEDNESDAY, February 19, 1969.
(19)

The Standing Committee on Transport and Communications met this day at 9:30 a.m. in Halifax, Nova Scotia. The Chairman, Mr. H.-Pit Lessard, presiding.

Members present: Messrs. Allmand, Breau, Carter, Corbin, Godin, Horner, Lessard (*LaSalle*), McGrath, Mahoney, Nesbitt, Nowlan, Perrault, Portelance, Pringle, Rock, Rose, Skoberg, Thomas (*Moncton*), Trudel, Turner (*London East*)—(20).

Also present: Mr. J. M. Forrestall, M.P., Mr. Louis Comeau, M.P.

In attendance: From Canadian Transport Commission: Mr. Joseph Hanley.

Witnesses: From the Yarmouth Board of Trade: Messrs. R. B. Killam, Past President and C. R. Hurst, Past President. *From the Provincial Government of Nova Scotia:* Dr. T. J. McKeough, Minister of Trade and Industry; Mr. J. O. Millard, Executive Assistant to the Minister of Highways. *From the Sydney Regional Harbour Development Board:* Messrs. Bruce MacDonald and James J. MacDonald. *From the Society of Atlantic Initiative:* Messrs. F. M. Waller; A. J. Unsworth and T. Boswick. *From the Cape Breton Regional Planning Commission:* Messrs. Frank Hickey, Chairman; W. B. Thomson, Director of Regional Planning. *From the Sydney Steel Corporation:* Messrs. Arnold Hicks. *From Moirs Limited:* Messrs. Clarence C. Ivey, Vice-President and Ronald N. Pugsley, Solicitor.

The Chairman invited Premier Smith of Nova Scotia to make an opening statement.

Following these remarks the Chairman introduced the witnesses and requested them to summarize their respective briefs before being questioned thereon.

(*See Appendix "I"*) for Sydney Steel brief.

[*Traduction*]

PROCÈS-VERBAUX

Le MERCREDI 19 février 1969
(19)

Le Comité permanent des transports et des communications se réunit ce matin à 9 h. 30, à Halifax (N.-É.), sous la présidence de M. H.-Pit Lessard.

Présents: MM. Allmand, Breau, Carter, Corbin, Godin, Horner, Lessard (*LaSalle*), McGrath, Mahoney, Nesbitt, Nowlan, Perrault, Portelance, Pringle, Rock, Rose, Skoberg, Thomas (*Moncton*), Trudel et Turner (*London-Est*)—(20).

De même que: MM. J. M. Forrestall et Louis Comeau, députés.

Assistait à la réunion: de la Commission canadienne des Transports: M. Joseph Hanley.

Aussi présents: de la Chambre de commerce de Yarmouth: MM. R. B. Killam et C. R. Hurst, anciens présidents; *du gouvernement provincial de la Nouvelle-Écosse:* M. T. J. McKeough, ministre du Commerce et de l'Industrie, et M. J. O. Millard, directeur du cabinet du ministre de la Voirie; *du Sydney Regional Harbour Development Board:* MM. Bruce MacDonald et James J. MacDonald; *de la Society of Atlantic Initiative:* MM. F. M. Waller, A. J. Unsworth et T. Boswick; *de la Cape Breton Regional Planning Commission:* MM. Frank Hickey, président, et W. B. Thomson, directeur de la planification régionale; *de la Sydney Steel Corporation:* M. Arnold Hicks; *de la Moirs Limited:* MM. Clarence C. Ivey, vice-président, et Ronald N. Pugsley, avocat.

Le président invite le premier ministre de la Nouvelle-Écosse, M. Smith, à prononcer une déclaration liminaire.

Ensuite, le président présente les témoins et leur demande de résumer leurs mémoires respectifs avant d'être interrogés.

(*Voir l'appendice «I»*)—mémoire de la *Sydney Steel*

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(*See Appendix "J"*) for Moirs Limited brief.

At 12:35 o'clock p.m. the Committee adjourned until 2:00 p.m. this day.

AFTERNOON SITTING
(20)

The Standing Committee on Transport and Communications met this afternoon at 2:05 p.m., in Halifax, Nova Scotia. The Chairman, Mr. H.-Pit Lessard, presided.

Members present: Messrs. Allmand, Breau, Carter, Corbin, Godin, Horner, Lessard (*LaSalle*), Mahoney, Nesbitt, Nowlan, Perrault, Portelance, Pringle, Rock, Rose, Skoberg, Thomas (*Moncton*), Trudel, Turner (*London East*)—(19).

Witnesses: From the Port of Halifax Commission: Messsr. Ray March, secretary; J. L. Grice, Traffic Analyst and Peter Dorrington, Assistant Executive Secretary. *From the Annapolis Valley Food Processors:* Messrs. A. E. Calkin; R. J. McGrath; L. Javorek; John Egan; and Vlad Fejtek. Mr. L. B. Sellick, *Private Citizen.*

The Chairman introduced the witnesses and asked them to summarize their respective briefs before being questioned thereon.

At 4:00 p.m. the Committee adjourned until 8:00 o'clock p.m. this evening.

EVENING SITTING
(21)

The Standing Committee on Transport and Communications met this day at 8:05 p.m. in Halifax, Nova Scotia. The Chairman, Mr. H.-Pit Lessard, presided.

Members present: Messrs. Allmand, Breau, Carter, Corbin, Godin, Lessard (*LaSalle*), Mahoney, Nesbitt, Nowlan, Perrault, Portelance, Pringle, Rock, Rose, Skoberg, Thomas (*Moncton*), Trudel, Turner (*London East*)—(18).

Also present: Mr. Louis Comeau, M.P.

Witnesses: From the Halifax Board of Trade: Mr. George B. Robertson, Vice-President. *From the City of Dartmouth:*

(*Voir l'appendice «J»*)—mémoire de la *Moirs Limited*

A midi et 35 minutes, la séance est levée jusqu'à 14 heures.

SÉANCE DE L'APRÈS-MIDI
(20)

Le Comité permanent des transports e des communications se réunit à 14 h. 05 à Halifax (N.-É.), sous la présidence d M. H.-Pit Lessard.

Présents: MM. Allmand, Breau, Carter Corbin, Godin, Horner, Lessard (*LaSalle*) Mahoney, Nesbitt, Nowlan, Perrault, Portelance, Pringle, Rock, Rose, Skoberg Thomas (*Moncton*), Trudel et Turner (*London-Est*)—(19).

Témoins: du Conseil du port de Halifax MM. Ray March, secrétaire, J. L. Grice analyste du trafic, et Peter Dorrington secrétaire exécutif adjoint; *de l'Annapolis Valley Food Processors:* MM. A. E. Calkin R. J. McGrath, L. Javorek, John Egan Vlad Fejtek; *à titre de simple citoyen:* M. L. B. Sellick.

Le président présente les témoins et leur demande de résumer leurs mémoires respectifs avant d'être interrogés.

A 16 heures, la séance est levée jusqu'à 20 heures.

SÉANCE DU SOIR
(21)

Le Comité permanent des transports et des communications se réunit ce soir à 8 h. 05 à Halifax (N.-É.), sous la présidence de M. H.-Pit Lessard.

Présents: MM. Allmand, Breau, Carter, Corbin, Godin, Lessard (*LaSalle*), Mahoney, Nesbitt, Nowlan, Perrault, Portelance, Pringle, Rock, Rose, Skoberg Thomas (*Moncton*), Trudel et Turner (*London-Est*)—(18).

De même que: M. Louis Comeau, député.

Aussi présents: de la Chambre de commerce de Halifax: M. George B. Robertson, vice-président; *de la ville de Dar*

Mayor Roland J. Thornhill and Messrs. M. E. Lloyd, Director of Planning, and Paul Morash, President of Dartmouth Chamber of Commerce. *From the Voluntary Planning Board of Nova Scotia:* Messrs. J. R. Mills, Director; D. A. Ford, Secretary. *From the Atlantic Provinces Economic Council:* Messrs. Nelson Mann, Executive Vice-President and Arthur Parks, Chief Economist. *From Guilfords Limited:* Messrs. A. D. Guilford, President and G. S. Graham. *From Annapolis Valley Affiliated Boards of Trade (AVABT):* Mr. Edwin Elliott, President; Mr. C. D. Snow, Chairman, Transportation Committee; Major J. G. Mimms, Executive Manager AVABT; Mr. Leonard Small, member. *From Industrial Estates Limited:* Messrs. R. S. Brookfield; R. S. Shephard, and R. N. Pugsley.

The Chairman introduced the witnesses and asked them to summarize their respective briefs before being questioned thereon.

(*See Appendix "K"*) for the brief of Annapolis Valley Affiliated Boards of Trade.

(*See Appendix "L"*) for the brief of Industrial Estates.

At 10:50 o'clock p.m. the Committee adjourned until 9:30 a.m. on Thursday, February 20, 1969.

mouth: le maire, M. Roland J. Thornhill, M. M. E. Lloyd, directeur de la planification, et M. Paul Morash, président de la Chambre de commerce de Dartmouth; *de la Voluntary Planning Board of Nova Scotia:* MM. J. R. Mills, directeur et D. A. Ford, secrétaire; *du Conseil économique des provinces de l'Atlantique:* MM. Nelson Mann, vice-président exécutif, et Arthur Parks, économiste en chef; *de la Guilfords Limited:* MM. A. D. Guilford, président, et G. S. Graham; *des Chambres de commerce affiliées de la vallée d'Annapolis (AVABT):* M. Edwin Elliott, président, M. C. D. Snow, président du Comité des transports; le major J. G. Mimms, directeur exécutif de l'*AVABT*, et M. Leonard Small, membre; *de l'Industrial Estates Limited:* MM. R. S. Brookfield, R. S. Shephard et R. N. Pugsley.

Le président présente les témoins et leur demande de résumer leurs mémoires respectifs avant d'être interrogés.

(*Voir l'appendice «K»*)—mémoire des chambres de commerce affiliées de la vallée d'Annapolis.

(*Voir l'appendice "L"*)—mémoire de l'*Industrial Estates*.

A 22 heures, le Comité s'ajourne jusqu'au jeudi, le 20 février, à 9 heures 30 du matin.

Le secrétaire du Comité,
Robert Normand,
Clerk of the Committee.

[*Text*]

THURSDAY, February 20, 1969.
(22)

The Standing Committee on Transport and Communications met this day in Halifax, Nova Scotia at 9:30 a.m. this day, the Chairman, Mr. H.-Pit Lessard, presiding.

Members present: Messrs. Allmand, Breau, Carter, Corbin, Godin, Horner, Lessard (*LaSalle*), McGrath, Mahoney, Nesbitt, Nowlan, Perrault, Portelance, Pringle, Rock, Rose, Skoberg, Thomas (*Moncton*), Trudel, Turner (*London East*)—(20).

Also present: Mr. R. J. McCleave, M.P.

[*Traduction*]

Le JEUDI 20 février 1969
(22)

Le Comité permanent des transports et des communications se réunit à Halifax (N.-É.), à 9 heures 30 ce matin, sous la présidence de M. H.-Pit Lessard.

Présents: MM. Allmand, Breau, Carter, Corbin, Godin, Horner, Lessard (*LaSalle*), McGrath, Mahoney, Nesbitt, Nowlan, Perrault, Portelance, Pringle, Rock, Rose, Skoberg, Thomas (*Moncton*), Trudel et Turner (*London-Est*)—(20).

De même que: M. R. J. McCleave, député.

Witnesses: From the Nova Scotia Fish Packers Association: Messrs. R. G. Smith, President; Ian Dunbar; A. Cunningham; R. F. Johnson and J. A. Tupper. *From the Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland Federations of Labour:* Messrs. A. B. Carew, Director of Research; J. K. Bell and L. K. Abbott. *From Stanfield's Limited:* Mr. Thomas Stanfield, President. *From Truro Area Industrial Commission:* Mr. J. M. Murphy, Secretary.

The Committee agreed to permit the filming of the Committee during its deliberations.

The Chairman introduced the witnesses and asked them to summarize their respective briefs before being questioned thereon.

The Chairman thanked the witnesses and at 12:05 p.m., the Committee adjourned until 2:00 p.m. this afternoon.

Aussi présents: de la Nova Scotia Fish Packers Association: MM. R. G. Smith, président, Ian Dunbar, A. Cunningham, R. F. Johnson et J. A. Tupper; *des fédérations ouvrières de Nouvelle-Écosse, du Nouveau-Brunswick et de l'Île du Prince-Édouard:* MM. A. B. Carew, directeur de la recherche, J. K. Bell et L. K. Abbott; *de la Stanfield's Limited:* M. Thomas Stanfield, président; *de la Commission industrielle de la région de Truro:* M. J. M. Murphy, secrétaire.

Le Comité convient que ses délibérations soient filmées.

Le président présente les témoins et leur demande de résumer leurs mémoires respectifs avant d'être interrogés.

Le président remercie les témoins et, à 12 h. 05, la séance est levée jusqu'à 2 heures de l'après-midi.

AFTERNOON SITTING
(23)

The Standing Committee on Transport and Communications met this day at 2:10 p.m. in Halifax. The Chairman, Mr. H.-Pit Lessard, presided.

Members present: Messrs. Allmand, Breau, Carter, Corbin, Horner, Lessard (*LaSalle*), McGrath, Mahoney, Nesbitt, Nowlan, Perrault, Portelance, Pringle, Rock, Rose, Thomas (*Moncton*), Trudel, Turner (*London East*)—(18).

Also present: Mr. R. J. McCleave, M.P.

Witnesses: From the Maritime Lumber Bureau: Messrs. C. E. Bragg, Past Chairman, Transportation Committee; C. H. Sproule, Chairman, and A. F. Myers, Secretary-Manager. *From Simpsons-Sears Limited:* Messrs. R. Mossman, Assistant to the Operating Superintendent and C. A. MacDonald, Traffic and Customs Manager. *From the Canadian Keyes Fibre Company:* Messrs. R. E. Pugsley, Solicitor; E. L. Dillman, Traffic Manager, and C. C. Holmes, Treasurer. *From Anil Canada Limited:* Mr. L. H. Coffin, General Manager. *From the*

SÉANCE DE L'APRÈS-MIDI
(23)

Le Comité permanent des transports et des communications se réunit aujourd'hui à Halifax à 14 h. 10, sous la présidence de M. H.-Pit Lessard.

Présents: MM. Allmand, Breau, Carter, Corbin, Horner, Lessard (*LaSalle*), McGrath, Mahoney, Nesbitt, Nowlan, Perrault, Portelance, Pringle, Rock, Rose, Thomas (*Moncton*), Trudel et Turner (*London-Est*)—(18).

Aussi présent: M. R. J. McCleave, député.

Témoins: du Maritime Lumber Bureau: M. C. E. Bragg, président sortant, Comité des transports; M. C. H. Sproule, président, et M. A. F. Myers, secrétaire et directeur; *de Simpsons-Sears Limited:* MM. R. Mossman, adjoint du surintendant de l'exploitation, et C. A. MacDonald, directeur du traffic et de la douane; *de la Canadian Keyes Fibre Company:* MM. R. E. Pugsley, conseiller juridique, E. L. Dillman, directeur du traffic et C. C. Holmes, trésorier; *de l'Anil Canada Limited:* M. L. H. Coffin, directeur général; *de l*

Schubenacadie River Crossing Committee: Messrs. H. MacDuffie; John Murphy; Clarence Johnston and J. A. Ettinger, M.L.A.

The Chairman introduced the witnesses and requested them to summarize their respective briefs before being questioned thereon.

(*See Appendix "M"*) for brief of Canadian Keyes Fibre Company.

(*See Appendix "N"*) for brief of Anil Canada Limited.

(*See Appendix "O"*) for brief of Shubenacadie River Crossing.

(*See Appendix "P"*) for brief of Surrette Battery Company Limited.

The Chairman thanked the witnesses and at 3:45 p.m., the Committee adjourned to the call of the Chair.

Shubenacadie River Crossing Committee: MM. H. MacDuffie, John Murphy, Clarence Johnston et J. A. Ettinger, membre de l'Assemblée législative.

Le président présente les témoins et leur demande de résumer leurs mémoires respectifs avant d'être interrogés.

(*Voir l'appendice «M»*)—mémoire de la *Canadian Keyes Fibre Company.*

(*Voir l'appendice «N»*)—mémoire de l'*Anil Canada Limited.*

(*Voir l'appendice «O»*)—mémoire de la *Shubenacadie River Crossing.*

(*Voir l'appendice «P»*)—mémoire de la *Surrette Battery Company.*

Le président remercie les témoins et, à 15 h. 45, le Comité s'ajourne jusqu'à nouvelle convocation du président.

Le secrétaire du Comité,
Robert Normand,
Clerk of the Committee.

[*Texte*]

EVIDENCE

(*Recorded by Electronic Apparatus*)

The Chairman: Ladies and gentlemen, I welcome you all to this first sitting this morning in Nova Scotia of the Transport Committee. Before going any further I would like to call upon a man most of you know, the Premier of this province, the Hon. Mr. G. I. Smith, to come forward to say a few words to you.

Hon. G. I. Smith (Premier, Nova Scotia): Mr. Chairman, gentlemen, it is an honour to have this Committee with us and to be allowed a moment to say a word or two to you.

I want to offer you the very warmest welcome to Nova Scotia. We are very encouraged to have the House of Commons sufficiently concerned with the transportation problems in this region to arrange for your mission here, and we remember, of course, it is the second mission. We think it is particularly a mark of interest to renew the expedition which was not quite finished on another occasion. I want to say that we down here believe that transportation is one of the fundamental keys to our hope of making faster progress than heretofore has been our fortune. We are, therefore, particularly delighted that the House of Commons is taking it so seriously.

The Minister of Trade and Industry of the province, Dr. T. J. McKeough, will seek an opportunity to say just a word or two to you. All I want to say now is that we are glad to have you here. I am glad to see so many people from so many different parts of the province here and I expect many of them will have things they want to place before you. I want to assure you that if there is any way in which we can be helpful, whether in small matters or larger ones, you have but to let us know and what we can do we will do cheerfully and gladly. May your deliberations be very successful, and you have our warmest wishes. Thank you.

The Chairman: Thank you very much, Premier Smith for your kind words. I will have to repeat what I have said every day since we started this tour and I hate to do it because I must ask everybody who has a

[*Interprétation*]

TÉMOIGNAGES

(*Enregistrement électronique*)

Le président: Mesdames et messieurs, j'aimerais vous souhaiter à tous la bienvenue à la première réunion ici ce matin du Comité permanent des transports et des communications. Avant d'aller plus loin je demanderai à quelqu'un qui est connu de la plupart d'entre vous, en l'occurence le premier ministre de la province, l'honorable G. I. Smith, de venir vous dire quelques mots.

Hon. G. I. Smith (premier ministre de la Nouvelle-Écosse): Monsieur le président, messieurs. Je suis heureux de voir le Comité parmi nous et de pouvoir vous adresser quelques mots.

Je voudrais vous souhaiter la plus cordiale bienvenue ici en Nouvelle-Écosse. Nous sommes très encouragés de voir la Chambre des communes se préoccuper suffisamment du problème des transports dans notre région pour que vous veniez ici. Évidemment nous nous souvenons que c'est la deuxième mission qui vient ici. Nous considérons comme une preuve d'intérêt le fait que le Comité fasse un nouveau voyage pour terminer ce qui avait été interrompu à une autre occasion. J'aimerais dire que nous croyons ici que les problèmes du transport sont la clé vraiment essentielle si nous voulons pouvoir faire plus de progrès que nous n'en avons fait par le passé. En conséquence nous sommes tout particulièrement heureux du fait que la Chambre des communes étudie ce problème de façon aussi sérieuse.

Le ministre du Commerce et de l'Industrie de la province, M. T. J. McKeough, essaiera de vous dire quelques mots. Tout ce que je veux vous dire pour le moment c'est que nous sommes très heureux de vous accueillir. Je suis très heureux de voir tant de gens des diverses régions de la province ici ce matin, et j'imagine qu'on aura plusieurs problèmes à vous poser. Je veux vous assurer que s'il y a le moindrement moyen de vous être utile en de petits détails ou en d'autres choses, veuillez nous l'indiquer, et nous le ferons volontiers. Et j'espère que vos délibérations seront couronnées de succès et vous avez nos meilleurs vœux. Je vous remercie.

Le président: Je vous remercie, monsieur le premier ministre de ces paroles bienveillantes. J'aimerais répéter encore une fois ce que j'ai dit à tous les jours depuis que nous avons commencé la tournée. Je n'aime pas le faire,

[*Text*]

brief to present this morning to try to be as brief as they can, because we have about 40 briefs to hear between now and tomorrow at six o'clock. I would hate to leave Halifax not having heard some of the briefs.

Once again I ask those people who are going to present briefs to be as brief as you can on your presentation. As you know, we have had most of these briefs for about a year in Ottawa. Most of them were studied by the Committee and I believe this will give the members of the Committee the opportunity of putting more questions to you, and I believe this will be a great help to us in making our report.

Our first brief this morning is from The Yarmouth Board of Trade and I will call upon the gentlemen to come forward. Page 661 of the Minutes of Proceedings. Mr. Killam is going to give us a brief summary before you ask questions.

Mr. R. B. Killam (Past President, The Yarmouth Board of Trade): Mr. Chairman, ladies and gentlemen, on behalf of the Board of Trade I want to thank the Transportation Committee for the acceptance of our brief and for the arrangements for us to appear here this morning. I just propose to read the resolution which was presented, touch on one or two items in the brief and then I would be prepared to answer questions either at this meeting, or if any member of the staff that is here wishes to ask me any questions afterwards, I will be prepared to stay and do what I can.

WHEREAS the greatest potential for future development in Western Nova Scotia is associated with the fishing industry, the tourist industry, and the agricultural and industrial products industries;

AND WHEREAS the markets for the fishing and agricultural and industrial products industries are largely the United States and Central Canada;

AND WHEREAS the tourist potential is also largely in the United United States and Central Canada;

AND WHEREAS adequate water transportation is essential to the development of all these industries;

AND WHEREAS existing water transportation is grossly inadequate to service these needs;

[*Interpretation*]

mais c'est nécessaire. J'aimerais demander à tous ceux qui ont des mémoires à présenter ce matin, d'être aussi brefs que possible car nous avons environ quarante mémoires à entendre ici, de ce matin à demain soir six heures. Je n'aimerais pas devoir quitter Halifax sans avoir entendu certains mémoires.

Encore une fois je demanderais à tous ceux qui doivent présenter des mémoires d'être aussi rapides et aussi brefs que possible dans la présentation. Comme vous le savez, nous avons ces mémoires depuis un an environ, la plupart ont été étudiés par les membres du comité et j'ai l'impression que cela donnera l'occasion aux membres du comité qui sont ici, de vous poser encore plus de questions. C'est en fait en vous posant plus de questions que cela nous aidera beaucoup à faire notre rapport.

La première présentation de mémoires ce matin nous vient de la Chambre de commerce de Yarmouth. Et je demanderais donc aux messieurs de se présenter. Page 661 du procès verbal. M. Killam va nous donner un bref résumé avant la période de questions.

M. R. B. Killam (ex-président de la Chambre de commerce de Yarmouth): Monsieur le président, mesdames et messieurs. J'aimerais remercier, au nom de la Chambre de commerce, le Comité des transports d'avoir accepté notre mémoire et d'avoir pris les dispositions voulues pour que nous puissions comparaître devant vous ce matin. Je propose tout simplement de vous lire la résolution qui a été présentée et traiter d'une ou deux choses dans le mémoire et ensuite je pourrais répondre à des questions, soit à la présente réunion, ou s'il y a un autre membre du personnel qui est ici et désire me poser des questions, je serais prêt à faire tout ce que je peux.

ATTENDU que le développement futur de l'ouest de la Nouvelle-Écosse dépend principalement de la pêche, du tourisme et des produits de l'agriculture et de l'industrie;

ATTENDU que les États-Unis et le centre du Canada constituent pour une grande part les marchés de la pêche, de l'agriculture et de l'industrie;

ATTENDU que les touristes viennent aussi en grande partie des États-Unis et du centre du Canada;

ATTENDU qu'il faut des transports maritimes convenables pour que ces industries prennent de l'expansion;

ATTENDU que les transports maritimes actuels ne satisfont absolument pas aux exigences de ces industries;

[*Texte*]

BE IT RESOLVED that the Yarmouth Board of Trade earnestly petitions the House of Commons Standing Committee on Transport and Communications to consider and report on means of improvement of the water transportation

(1) between Yarmouth and New England

(2) between Digby, Nova Scotia and Saint John, New Brunswick

In the literature or information which accompanied this resolution, there are two points to which I want to refer. One is the question of the replacement of the motor vessel Bluenose. The last time, in the process of getting the Bluenose for Western Nova Scotia, which, as I think all of you know, runs between Bar Harbour, Maine, and Yarmouth, Nova Scotia, I think the various stages of discussion took some six to seven years to obtain the Bluenose. It is now 13 or 14 years old. I do not know what the life of a diesel-powered boat is, but in the foreseeable future we will have to think about replacing it.

The other item which we found in the process of gathering our information is that we asked the public travelling in cars coming off the Bluenose, where they were going up Route 1 through the Annapolis Valley, or Route 3 down the South shore. We did not ask them how far up Route 1, or how far down Route 3 they were going; we only asked them if they were going by Route 1 or Route 3.

We asked this question during the month of July until the middle of August and we found that it was of the order of fifty per cent of the people going by Route 1 and fifty per cent going down Route 3. As I said, I do not know how far down either road they were going.

The Board of Trade is also very much concerned with all transportation problems, such as the air facilities in and out of Yarmouth, the rail facilities, the cost of rail freight, and so on. So, we feel that our particular contribution to this Committee should be strongly concerned with times which very basically affect the Western Nova Scotia in particular, rather than the whole of the Maritimes. That is why we have concentrated our brief on water transportation problems between Yarmouth, or Western Nova Scotia as far as Digby is concerned, and we consider that a Western Nova Scotia problem.

If there is any member of the Committee who would like to ask a question, I will do

[*Interprétation*]

IL EST RÉSOLU que la Chambre de Commerce de Yarmouth prie instamment le Comité permanent de la Chambre des Communes sur les transports et les communications de mener une étude et de faire rapport sur les moyens d'améliorer les transports maritimes

(1) entre Yarmouth et la Nouvelle-Angleterre,

(2) entre Digby (Nouvelle-Écosse) et St-Jean (Nouveau-Brunswick).

Dans la documentation qui se trouvait avec la résolution il y a deux points auxquels je voudrais me reporter. Tout d'abord la question du remplacement du navire à moteur Bluenose. La dernière fois qu'on a parlé d'obtenir le Bluenose pour l'ouest de la Nouvelle-Écosse, dont le parcours va de Bar Harbour (Maine) et Yarmouth (Nouvelle-Écosse) je crois que cela a pris six ou sept ans pour l'obtenir. Il a maintenant 13 ou 14 ans. Je ne sais pas quelle est la vie ou la durée d'un navire à moteur, mais ce serait maintenant le moment de songer à son remplacement.

La deuxième chose que nous avons trouvée en réunissant notre documentation, c'est que nous avons demandé aux gens débarquant du Bluenose s'ils empruntaient la route numéro 1 à travers la vallée de l'Annapolis ou la route numéro 3 sur la rive sud. Nous n'avons pas demandé jusqu'où ils se rendaient sur la route numéro 1 ou 3, on leur demandait tout simplement quelle route ils devaient emprunter.

Nous avons posé la question à partir du mois de juillet jusqu'au milieu d'août, et quand nous avons terminé nous avons trouvé qu'il y en avait la moitié qui empruntait la route numéro 1, et l'autre qui empruntait la route numéro 3. Comme je vous dis je ne sais pas jusqu'à quel point ils se rendaient sur chacune des routes.

La Chambre de commerce se préoccupe aussi de tous les autres problèmes de transport, comme le service aérien à partir de Yarmouth, le service ferroviaire et le service de marchandises aussi. Mais nous croyons que notre contribution a votre comité devrait porter surtout sur les aspects qui touchent à l'ouest de la Nouvelle-Écosse en particulier plutôt que toutes les provinces des maritimes. La seule raison pour laquelle nous avons insisté surtout sur les problèmes de transport maritime entre Yarmouth, ou l'ouest de la Nouvelle-Écosse et Digby. Nous considérons cela comme un problème de l'ouest de la Nouvelle-Écosse.

S'il y a un membre du comité qui désire poser une question, je répondrai dans la

[*Text*]

my best to answer it. I have a great amount of material here. Whether I do it now or after the meeting, I will be glad to try.

The Chairman: Are there any questions? Mr. McGrath?

Mr. McGrath: Are you satisfied with the rates on the Bluenose? Do you think they should be changed or modified—decreased?

Mr. Killam: We hear a great deal about this question of whether the rates for trucks are too high. I believe in that rate structure it is generally down in the winter time and up in the summertime. In other words, they try to encourage the truck traffic when the number of cars available is at a reduced quantity. However, I hear quite a lot from the trucking industry that they wish the rates were consistent the year round, and I do not think that is the case.

Mr. McGrath: As the Board of Trade, do you think the rates are fair?

Mr. Killam: I do not know just how to answer that sir. So long as the water rates are such that the traffic is encouraged to use it, and our experience has been that at the low rate in the winter time, it is not a dead certainty that it pays. The rates are just at the limit: I would put it that way. If they were higher, I think that a lot of the traffic would go by road, if the roads were not a problem.

Mr. Corbin: What is the normal life expectancy of a ferry of the type of the Bluenose?

Mr. Killam: I have heard the figure 20 years, but I am not in the shipping business and I am afraid I could not give an adequate answer.

Mr. Corbin: You said the Bluenose so far has been 17 years in service?

Mr. Killam: I think that is high. I think it is 13 or 14.

Mr. Corbin: Thirteen, I believe.

Mr. Killam: I believe that is right.

Mr. Corbin: Is there much traffic on the Bluenose going on from Bar Harbour to Central Canada, to Montreal or Toronto, through the American States?

Mr. Killam: I have no figures with me at the present time showing the number of Canadian cars coming across in the Bluenose. I am sure it is available. I could say this, I think without fear of being wrong, that there

[*Interpretation*]

mesure du possible. J'ai beaucoup de documentation ici, et si je puis faire soit maintenant ou soit après la réunion, je serai heureux de le faire.

Le président: Y a-t-il des questions à poser? M. McGrath?

M. McGrath: Êtes-vous satisfait des taux pour le Bluenose? Croyez-vous qu'on devrait les diminuer ou les changer?

M. Killam: Nous entendons parler beaucoup de la question de savoir si les taux pour les camions sont trop élevés. J'ai l'impression que les taux varient, qu'ils sont plus bas en hiver et plus élevés en été. Par conséquent on essaie d'obtenir plus de camions quand le nombre d'automobiles est réduit. Mais, d'après ce que l'industrie du camionnage nous dit, on voudrait que les taux soient uniformes à longueur d'année et je ne crois pas que ce soit le cas.

M. McGrath: Tout comme la Chambre de commerce assumez-vous que les taux soient justes?

M. Killam: Je ne sais pas exactement comment répondre, monsieur. Aussi longtemps que les taux de transport par eau sont tels qu'on encourage les gens à emprunter ce moyen de transport—et surtout en hiver, ce n'est pas surement rentable. Les taux sont presque rendus à la limite. Mais s'ils étaient plus élevés, je crois que plusieurs emprunteraient les routes à condition évidemment que les routes ne posent pas de problèmes.

M. Corbin: Quelle serait la durée normale d'un transporteur du genre du Bluenose?

M. Killam: J'ai entendu parler de 20 ans, mais je ne connais pas le transport maritime. Alors, je ne suis pas en mesure de vous donner de réponse exacte.

M. Corbin: Le Bluenose est en service depuis 17 ans?

M. Killam: Je crois que c'est 13 ou 14 ans.

M. Corbin: Treize, je crois.

M. Killam: Je crois que c'est exact.

M. Corbin: Y a-t-il beaucoup de voyageurs ou de traffic qui débarquent du Bluenose et poursuivent leur route jusqu'au centre du Canada, à travers les États-Unis?

M. Killam: Je n'ai pas les chiffres en main qui vous indiqueraient le nombre d'automobiles qui pourront traverser sur le Bluenose Je crois toutefois que je pourrais vous dire sans me tromper qu'il y a un certain nombre

[*Texte*]

is a substantial number of Quebec and Ontario cars using the Bluenose.

Mr. Corbin: Besides cars what percentage of vehicles using the ferry would be heavy transports.

Mr. Killam: You mean trucks? I am afraid I could not answer that question at all sir.

Mr. Corbin: Thank you.

Mr. Thomas (Moncton): Mr. Chairman, I want to ask the witness two questions. I noticed in your original brief you made reference to the Digby-Saint John run, but you did not say too much about it this morning. Is that because you are satisfied now with the announcement of the new ferry service that is to come on; this is a twice daily run, is it not?

Mr. Killam: I was speaking to Mr. Benoit of the CPR yesterday, just to thank him for his announcement regarding the new ferry. Our Board is in what you might almost call the unfortunate position of having their two main requests almost assured from the time the brief was written until today.

As you know, the CPR announced this new ferry a couple of weeks ago, which we are very pleased to see and it is one of our strong recommendations. We had two: Yarmouth or Digby to Saint John, Yarmouth to New England. The Digby one has been assured and we are very pleased about that, and there is reasonable indication we can look forward to one between Yarmouth and New England.

Mr. Thomas (Moncton): With this increased service on the Digby run and also the fact that this boat will carry large transports, I believe, are you satisfied that your highway network, that is from Digby to Yarmouth and from Yarmouth to, say, the South shore, will be able to carry the increased traffic, or will your road transportation have to be improved?

Mr. Killam: There is no doubt about that. The provincial government is in the process of upgrading the value of the road—Route 1 and Route 3. They have done the biggest improvement from the Halifax end on both of them and they are in the process of continuing that improvement. The sooner it is done, of course, the more value this increased water transportation will have. Right now the roads are not adequate for that particular service.

Mr. Thomas (Moncton): I have one further short question. Have you, or are you contemplating making representations to the CPR regarding rates on the ferries so that trans-

[*Interprétation*]

de Québécois et d'Ontariens qui empruntent le Bluenose.

M. Corbin: A part les automobiles, quel serait le pourcentage de transport lourd.

M. Killam: Si vous parlez des camions je regrette je ne peux pas vous répondre.

M. Corbin: Merci.

M. Thomas (Moncton): J'aimerais demander au témoin juste deux questions. J'ai remarqué que dans votre présentation originale vous avez mentionné la route de Digby à Saint-Jean. Mais, vous n'en avez pas parlé ce matin. Est-ce parce que vous êtes satisfait maintenant que nous avons annoncé les nouveaux services de transporteurs qui auront lieu deux fois par jour, n'est-ce pas?

M. Killam: Je parlais à M. Benoit du CPR hier, pour le remercier de cette annonce d'un nouveau transporteur. Les deux demandes principales de notre Chambre de commerce ont été acceptées presque dès le début.

Comme vous le savez le CPR a annoncé il y a quelques semaines de nouveaux services du traversier. Nous en aurons deux: Yarmouth ou Digby à Saint-Jean, et Yarmouth vers la Nouvelle-Angleterre. Celui de Digby nous est maintenant assuré, et nous en sommes très heureux; nous espérons avoir bientôt celui de Yarmouth à la Nouvelle-Angleterre.

M. Thomas (Moncton): Vu l'augmentation du service sur le parcours de Digby et compte tenu du fait que le traversier doit aussi pouvoir prendre les gros camions, croyez-vous que votre réseau routier c'est-à-dire de Digby à Yarmouth et de Yarmouth vers la rive sud, pourra absorber l'augmentation de la circulation, ou est-ce que vous aurez à améliorer les services routiers?

M. Killam: Il n'y a aucun doute à ce sujet. Le gouvernement provincial à l'heure actuelle améliore la route numéro 1 et la route numéro 3. On a déjà effectué la plus grande amélioration à partir d'Halifax dans les deux sens et on continue les améliorations. Évidemment, le plus tôt on en finira, plus grande sera la valeur du transport par eau. A l'heure actuelle les routes ne suffisent pas.

M. Thomas (Moncton): Une dernière question très brève. Est-ce que vous songez à faire des représentations auprès du CPR à l'égard des taux du traversier afin que les camion-

[*Text*]

port will be able to use it economically? Is there some representation from the Board?

Mr. Killam: The Board has made quite a study on trying to assess the Margison Report. We have not given information to the CPR to show them that the route from Digby to Saint John become very competitive if rates are proportional to mileage based on the present Yarmouth-Bar Harbour mileage. If you could do that rate schedule, you would really have a good competitive service, but we have not conveyed that to the CPR as yet because they only made the announcement, of course, last week.

Mr. Thomas (Moncton): Thank you.

Mr. Comeau: Mr. Chairman, may I ask the witness if he feels that air transport, or the schedule of the flights as it is now, could be improved, and if this is a handicap to the area? I say this because one flight comes in at 12 o'clock in the morning, but the other leaves an hour before, so it is not possible to make a connection.

Do you feel this is a handicap to the shipment of fresh fish, to Upper Canada and so on?

Mr. Killam: Mr. Chairman, I do not think the schedule at the present time is a great handicap regarding transportation of merchandise. What may affect merchandise is the number of flights, rather than the schedule. I would like to suggest that the schedule now used does not meet the needs of people who want to make round trips per day anywhere, and get back within a reasonable length of time. It is not set really for people the way it might otherwise be. It would be a much greater help if it were arranged so that you could go somewhere and get back in a shorter time. The way it is right now you cannot go to Montreal and back without taking three days. You cannot even go to Halifax and back unless you take two days. I think you can get here in the afternoon if you are lucky; you can do a little work and then you have to leave in the morning. So you are almost three days Yarmouth to Halifax, not timewise but schedulewise.

The Chairman: Mr. Skoberg, do you have a question?

Mr. Skoberg: Mr. Chairman, which railroad do you have in your city?

The Chairman: We have a terminus for both of them.

Mr. Skoberg: Do you have any containerization traffic in Yarmouth?

[*Interpretation*]

neurs puissent l'utiliser de façon rentable?

M. Killam: La Chambre a effectué toute une étude lorsqu'elle a voulu évaluer le rapport Margison. Nous n'avons pas encore remis ce rapport au CPR pour indiquer que la route de Digby à Saint-Jean deviendra très concurrentielle si les taux sont en proportions du nombre de milles qui séparent Yarmouth et Bar Harbour. Si vous pouviez établir un tel tarif vous auriez vraiment un service concurrentiel, mais nous n'avons pas encore communiqué ces renseignements au CPR, car évidemment ce n'est que la semaine dernière qu'on a fait l'annonce.

M. Thomas (Moncton): Merci.

M. Comeau: Monsieur le président, est-ce que je pourrais demander au témoin s'il croit que le transport aérien, ou l'horaire des vols à l'heure actuelle, pourrait être amélioré, si c'est là un handicap pour la région? Et je le dis parce que, à l'heure actuelle, il y a un vol qui arrive à minuit, et un autre qui part une heure avant.

Par conséquent, il est impossible d'assurer la liaison et le transport du poisson frais pour le centre du Canada.

M. Killam: Je ne crois pas que l'horaire, monsieur le président, soit un gros handicap pour le transport des marchandises. Ce qui pourrait nuire à ce transport serait plutôt le nombre de vols plutôt que l'horaire, toutefois pour ceux qui veulent faire un voyage aller et retour dans une seule journée l'horaire ne suffit pas à l'heure actuelle. Ce n'est vraiment pas organisé de façon à pouvoir assurer ce genre de transport, cela aiderait beaucoup plus si vous étiez capables de revenir chez vous dans un court délai. A l'heure actuelle, il est impossible d'aller à Montréal et revenir sans prendre trois jours. C'est ce genre de chose dont je parlais. Même à Halifax, il est impossible d'aller à Halifax à moins de prendre deux jours. En fait, vous pouvez vous y rendre dans l'après-midi et faire un peu de travail mais il vous faut partir le lendemain matin, non pas en ce qui concerne le temps mais en ce qui concerne l'horaire.

Le président: Monsieur Skoberg, avez-vous une question à poser?

M. Skoberg: Oui, monsieur le président. Quel chemin de fer dessert votre ville?

M. Killam: Nous avons un terminus de deux.

M. Skoberg: Est-ce que vous avez du transport par cadres?

[*Texte*]

Mr. Killam: There is no containerization traffic that originates there. The CPR have started a piggyback service in which they can put the whole truck on. I do not think there is any facility in Yarmouth to put a container on such as there is in Saint John where the truck drives up and the container goes on. However, you can put a piggyback on the CP.

Mr. Skoberg: There is no demand for it, then?

Mr. Killam: I would not know that sir, but there has not been any great demand so far.

Mr. Skoberg: Are you quite satisfied with the rail traffic into your city?

Mr. Killam: We have adequate transportation to bring all the freight in. The passenger service is lacking. Down the south shore there is a train one day and none the next, but of course there are not many people who use it. Whether they do not use it because the service is bad, or whether they do not use it because they would not use it anyway, I would not know. The CPR coming up the valley has a dayliner service that is quite adequate. It is not patronized as well, of course, as they would like it to be.

The Chairman: I would like to thank you two gentlemen.

Gentlemen if you will allow me to go off the schedule this morning I would like to call on the Province of Nova Scotia. I have on my right Dr. McKeough, who, I believe, has a short brief.

Dr. T. J. McKeough (Minister of Trade and Industry, Provincial Government of Nova Scotia): Mr. Chairman, it is a pleasure for us from the Department of Trade and Industry representing the province to welcome you and your Committee here in Halifax and to Nova Scotia. We realize that you have a very busy schedule in Ottawa and this certainly must have caused you a great deal of difficulty in reorganization to be able to take this time away from your duties in Ottawa.

As you are aware and were likely informed in New Brunswick yesterday and the day before, the four Atlantic Provinces have for the past year been working with a task force to formulate some common policy for the four Atlantic Provinces. We had a meeting as late as last week in Ottawa with the Atlantic Premiers and at that time the task force representative of the four Atlantic Provinces presented their progress up to date.

[*Interprétation*]

M. Killam: Non, il n'y en a pas. A l'origine le CPR a commencé un service rail-route où on peut évidemment mettre tout le camion sur le wagon. Mais je ne crois pas qu'on ait les dispositions voulues pour un conteneur tout comme on en trouve à Saint-Jean. Il n'y a pas de cela à l'heure actuelle, mais c'est possible d'avoir un service rail-route du CP.

M. Skoberg: Il n'y a pas de demande?

M. Killam: Je ne sais pas, monsieur, mais pas une très grande demande jusqu'ici.

M. Skoberg: Êtes-vous satisfait du service ferroviaire pour votre ville à l'heure actuelle?

M. Killam: Nous avons suffisamment de transport pour assurer le service de marchandise. Évidemment, en ce qui concerne les voyageurs, il y a un train une journée et il n'y en a pas le lendemain, mais il n'y a pas tellement de passagers. Est-ce que c'est parce que le service est mauvais ou parce qu'ils n'auraient pas l'intention de l'employer de toute façon, je ne le sais pas. Pour ce qui est du CPR qui remonte la vallée, il y a évidemment un autorail qui vient à tous les jours, mais il n'y a pas tellement de clientèle.

Le président: Je voudrais vous remercier tous les deux, messieurs.

Messieurs, si vous voulez me permettre maintenant de vous faire part de l'horaire prévu, je voudrais demander maintenant aux représentants de la Nouvelle-Écosse de présenter leur mémoire. A ma droite, j'ai M. McKeough et il a un court mémoire, je crois.

M. T. J. McKeough (ministre du Commerce et de l'Industrie de la Nouvelle-Écosse): Monsieur le président, c'est un plaisir pour nous du ministère du Commerce et de l'Industrie de vous souhaiter la bienvenue ici à Halifax et en Nouvelle-Écosse. Nous comprenons que vous avez beaucoup d'affaires à Ottawa et nous vous savons gré d'avoir pris le temps de vous éloigner d'Ottawa pour venir ici.

On vous a appris au Nouveau-Brunswick hier et avant-hier que depuis un an les quatre provinces de l'Atlantique travaillent en collaboration avec un groupe de travailleurs pour essayer d'établir une ligne de conduite uniforme pour les quatre provinces de l'Atlantique. Nous avons eu une réunion la semaine dernière à Ottawa avec les premiers ministres des provinces de l'Atlantique, à ce moment-là le groupe de travailleurs qui représentaient les provinces de l'Atlantique nous ont fait rapport du progrès accompli jusqu'à date.

[*Text*]

We have almost completed our findings and we are supposed to have them completed within a period of another two weeks. At that time we will be prepared to present to the federal government our recommendations, our thoughts on transportation, and we hope this will be a unified report representative of the four Atlantic areas.

We trust this report will be available to your Committee when it is ready and because of it we will not be making any specific representations on behalf of the Province of Nova Scotia, other than to say that our highway requirements of Nova Scotia are very vital to growth and to development of those parts of the province which are away from the main centres.

As you are well aware the Trans-Canada Highway does not touch the western end of our province at all and because of this we have a large expenditure of funds to try to upgrade the highway system and have all-weather roads into the Yarmouth and Digby areas. These roads become much more vital with two ferries, one into Yarmouth and one into Digby. If people are going to ship their goods during the winter months, they certainly need roads which will carry traffic similar to that carried in the summer months. This transport has to be rapid, it has to be fast and it has to be economical.

I wish to emphasize, however, that an adequate and efficient transportation system is essential to development anywhere in Canada and it is absolutely vital here in Nova Scotia. If we are to overcome the problems of distance from the markets in central Canada and if we are to take advantage of our coastal location for international trade, large scale investment in transportation facilities is required. This should be the first priority for a regional development policy.

The chairman of the Maritime transportation Commission has advised you that a report on transportation policy for the Atlantic region is being prepared, as mentioned to you previously. We propose to make a joint presentation to the Hon. Paul Hellyer, because he was the one who requested this report of the Atlantic Premiers a little over a year ago.

One thing we would urge upon you is that the present freeze in noncompetitive freight rates be continued until such time as we have had an opportunity to present this report to the federal government. The freeze is due to be removed on March 23 this year, a little more than one month from now. If this freeze is removed, we feel that there will be a great

[*Interpretation*]

Nous avons presque terminé nos conclusions et nous nous proposons de les terminer d'ici deux semaines. A ce moment-là, nous serons prêts à présenter au gouvernement fédéral nos recommandations, nos idées sur les transports et nous espérons que cela fera un rapport unifié qui sera représentatif de la région de l'Atlantique.

Nous espérons que le rapport sera mis à la disposition de votre Comité quand il sera prêt. En raison de ceci, nous n'avons pas l'intention de formuler des représentations spéciales au nom de la province de la Nouvelle-Écosse, sauf que nous avons des nécessités vitales en matière de transport routier, pour la croissance et le développement de ces régions de la province qui sont éloignées des grands centres.

Comme vous le savez très bien, la route transcanadienne ne touche aucunement à la partie ouest de la province et en raison de cela nous avons dû dépenser beaucoup de fonds pour essayer d'améliorer les routes dans la région de Yarmouth et de Digby. Avec les deux traversiers, l'un à Digby l'autre à Yarmouth, les routes sont d'autant plus essentielles car si les gens veulent expédier leurs produits au cours des mois d'hiver ils doivent nécessairement avoir des routes qui pourront permettre le trafic comme pendant les mois d'été. Ce genre de transport doit être rapide et économique.

Je voudrais insister toutefois sur le fait qu'un réseau de transport adéquat et efficace est essentiel n'importe où au Canada et c'est vraiment vital ici en Nouvelle-Écosse. Si nous voulons éliminer les problèmes de la distance à nos débouchés au centre du Canada et si nous voulons profiter justement de l'avantage de notre emplacement pour obtenir des marchés ailleurs, il nous faut absolument des moyens de transport. Voilà la première priorité pour une politique de développement régional.

Le président de la Commission des transports des Maritimes vous a indiqué qu'on prépare un rapport sur une politique des transports pour la région de l'Atlantique. Nous nous proposons de faire une présentation conjointe à l'honorable Paul Hellyer, car c'est lui qui avait demandé ce rapport de la part des premiers ministres des provinces de l'Atlantique il y a un an.

Nous vous prions de voir à ce que le gel actuel des taux non concurrentiels du transport des marchandises soient maintenus jusqu'au moment où nous aurons eu l'occasion de présenter ce rapport au gouvernement fédéral. Le gel doit être suprimé le 23 mars de cette année, dans un peu plus d'un mois. Si on l'enlève, nous estimons qu'il y aura une

[*Texte*]

increase in freight charges as occurred with the competitive rates in September 1957 when we know that the LCL rates increased quite remarkably.

I am sure that the individual businesses who are appearing before you today can make their case more effectively than any general statement that I could make. However, I would point out that these increases in noncarload rates bear heavily on secondary industries in this province and these industries must be developed if we are to narrow the income gap between ourselves and other parts of Canada.

You will be hearing today from the Voluntary Planning Board which, while appointed by the Government of Nova Scotia, is an autonomous group reflecting the views of the various sectors of the economy and of the general public. As such its submission will be, I am sure, of great interest to this Committee.

Finally, sir, may I repeat that we welcome your visit most warmly. We trust that you will obtain a good understanding of the particular problems that we face and that we shall be afforded a further opportunity to contribute to your deliberations at a later date. I might say, Mr. Chairman, that if there is anything the Department of Trade and Industry could do to facilitate your Committee today please do not hesitate to call upon us.

The Chairman: Thank you very much. You will find the brief on page 571. Mr. Nowlan.

Mr. Nowlan: Thank you very much, Mr. Chairman. The brief at page 571 is exclusively on roads. Is this because your recommendations on general transportation policy are in that task force that is making this report?

Dr. McKeough: The task force, as Mr. Higgins likely told you yesterday, is dealing specifically in detail with railways. We have not done too much on shipment by water. We felt that the four Atlantic provinces had made their submission in relation to roads quite in detail without any cost factors to it and that we should not interfere with it.

Mr. Nowlan: I was glad to hear that you obviously wanted to extend the freeze on

[*Interprétation*]

grande augmentation dans les taux du transport des marchandises comme cela se produit avec les taux concurrentiels depuis septembre 1957 alors que les taux pour les marchandises à chargement incomplet ont augmenté considérablement.

Je suis sûr que les industries individuelles qui comparaissent devant vous aujourd'hui pourront vous présenter de plus forts arguments que je ne saurais le faire. Toutefois, j'aimerais bien dire que ces augmentations dans les taux de transport à chargement incomplet ont influencé de beaucoup les industries secondaires de nore province. Il faut absolument que nous développions ces industries si nous voulons éliminer l'écart qui existe entre nous et les autres parties du Canada.

Vous aurez un mémoire aujourd'hui de l'Office indépendant de planification de Nouvelle-Écosse. Bien que nommé par le gouvernement de la Nouvelle-Écosse, c'est un groupe autonome qui reflète les opinions des divers secteurs de l'économie et du grand public. Cette soumission sera d'autant plus intéressante pour les membres de votre Comité.

En fin de compte, permettez-moi de vous dire que nous vous souhaitons la bienvenue ici. Nous osons croire que vous pourrez comprendre les problèmes particuliers que nous avons ici et que nous aurons une meilleure occasion de contribuer aux délibérations un peu plus tard. S'il y a quoi que ce soit que le ministère de l'Industrie et du Commerce puisse faire pour faciliter votre tâche aujourd'hui, veuillez ne pas hésiter à faire appel à nous.

Le président: Je vous remercie monsieur. Vous trouverez le mémoire en question à la page 571. Monsieur Nowlan.

M. Nowlan: Merci, monsieur le président. Le mémoire qui se trouve à la page 571 traite exclusivement des routes. Est-ce parce que les recommandations sur la politique générale en matière de transport se trouvent devant le groupe de travail qui doit faire rapport?

M. McKeough: Comme M. Higgins vous l'a probablement dit hier, le groupe travaille particulièrement et en détail sur les chemins de fer. Nous n'avons pas fait grand-chose en ce qui concerne le transport par eau, mais nous croyons que les quatre provinces de l'Atlantique avaient déjà fait leur présentation en ce qui concerne les routes en détail et sans frais et nous n'avions pas l'intention de nous ingérer dans ce domaine.

M. Nowlan: Je suis heureux de savoir que vous voulez étendre ou prolonger le gel sur

[*Text*]

LCL rates. Has there been a formal request from the province to Mr. Hellyer to maintain the freeze that is going to expire on March 23?

Dr. McKeough: There was a formal request over the signature of Premier Robichaud which was concurred in by Premier Smith, by Premier Campbell and a representative of Premier Smallwood. The four of them agreed at one time to send this request and they did. They have had no formal response, other than a press release, but it is our understanding that it has been received.

Mr. Nowlan: Dealing with your submission, I have one question on roads which are basically a provincial responsibility. In your experience, has the federal government participated more generously in a road to resources program, or in a road building program under the ADB? In other words, for the Atlantic area does it help more to be a participant in a national program in the sense of roads to resources, or does it actually receive more beneficial treatment if it is in a specific program like the ADB joint road project?

Dr. McKeough: Mr. Millard, who is the Executive Assistant to the Minister of Highways is here and he could likely answer that more effectively than I could. However, I will say that the roads to resources policy was a policy designed to open roads to certain areas, and in Nova Scotia this resource was considered to be the tourist industry as well.

Mr. Nowlan: Or the fish in Digby Neck.

Dr. McKeough: The fish in Digby Neck and extending to tourists. This served a very good basis, because we were dealing with roads that we could never begin to undertake with the resources we have in the province.

The ADB policy was a different policy. There were three different agreements. The first agreement built roads somewhat of the calibre of roads to resources. Then there was a second agreement which increased the quality of the road and the third agreement as well. We are now in the position in Nova Scotia where we have no assistance forthcoming this year, other than to use up the remainder of the three agreements.

Mr. Nowlan: I have only two other questions, Mr. Chairman, because there are a lot of briefs. As the Minister responsible for development of the economy, you mentioned

[*Interpretation*]

les taux de transport par chargement incomplet. Est-ce qu'il y a eu une demande officielle de la province auprès de M. Hellyer pour prolonger ce gel qui doit expirer le 23 mars?

M. McKeough: Il y a une demande officielle qui a été faite par M. Robichaud, le premier ministre du Nouveau-Brunswick, agréée par le premier ministre Smith, le premier ministre Campbell et le représentant du premier ministre Smallwood, mais ils n'ont pas eu de réponse officielle, sauf un communiqué de presse, mais la demande a été reçue.

M. Nowlan: Pour ce qui a trait à la présentation, étant donné que cela traite des routes qui relèvent surtout du domaine provincial ou de la compétence provinciale, d'après votre expérience est-ce que le gouvernement fédéral a participé de façon plus généreuse aux routes vers les ressources ou pour la construction des routes pour l'Office d'expansion économique de la région de l'Atlantique? En d'autres termes, pour la région de l'Atlantique est-ce que cela aide plus de participer à un programme national dans le sens des routes vers les ressources, ou est-ce qu'il est plus avantageux de participer à un programme particulier comme le programme conjoint de routes de l'OEERA?

M. McKeough: M. Millard est ici, mais je pourrais peut-être ajouter que la politique des routes vers les ressources visait la construction de routes vers certaines régions et, en Nouvelle-Écosse, cela visait aussi l'industrie du tourisme.

M. Nowlan: Et la pêche dans la baie de Digby aussi.

M. McKeough: Oui et toute autre industrie aussi. Ce qui est une base essentielle, car il s'agit de routes que l'on ne pourrait jamais entreprendre grâce aux ressources que nous avons ici dans la province.

Mais la politique de l'OEERA était tout à fait différente. Il y a eu trois accords. Le premier concernait les routes comme celle d'accès aux ressources, le deuxième, la qualité des routes, ainsi que le troisième accord. Maintenant, en Nouvelle-Écosse, nous n'avons pas aucune aide cette année sauf ce qui reste des fonds accordés en vertu des trois accords.

M. Nowlan: Deux autres questions, monsieur le président, car il y a beaucoup de mémoires. A titre de ministre responsable du développement de l'économie, vous avez men

Texte]

n your brief about utilizing our geographic osition. This brings to mind the following uestion. Has there been any pressure from ne Atlantic provinces, particularly Nova cotia, to try to get some beneficial rate treatent for the port of Halifax. Now, it does not natter where you land Halifax or Montreal, ne rates are just about the same under the nternational cartel. I wonder if there has een any submission or pressure from the overnment of Nova Scotia to try to take dvantage of the position of Halifax as the harf of the Atlantic?

Dr. McKeough: Well today you will be earing a submission from the port of Halifax eople who recently, with the province of ova Scotia formed a Crown corporation into hich we have put about $800,000. I think ey will be able to answer that question.

Mr. Nowlan: You, as the Minister responsie for the department, might be able to swer my next question then. Has there en any consideration given at all to having free port in Nova Scotia, be it Halifax, armouth or some other one, a free port like otterdam?

Dr. McKeough: That has been discussed for good many years. I think the port of Halix submission will bring you up to date on at.

The Chairman: Mr. Thomas.

Mr. Thomas (Moncton): Mr. Chairman, Mr. wlan has already asked most of the quesns I had in mind. There is just one thing t I would like to ask the witness. Your ef is obviously orientated mainly towards all highway improvement program which a long-range program and may take a few rs to develop an alternative method of nsportation, which is something we need in Maritimes to provide competitive rates l encourage secondary industry.

As this will take some years, in the meanie—I was glad to hear you mention the eze on the car lot rates and that the freeze uld be extended—how do you feel about porary assistance under either the MFRA some other form of subsidy to shippers? In er words, a long-range program is fine, what do we do about the immediate gram.

Dr. McKeough: I think it will be coming ward from the joint Atlantic presentation

[*Interprétation*]

tionné dans votre mémoire que nous devrions profiter de notre situation géographique. C'est ce qui me fait poser cette question. Est-ce qu'il y a eu des pressions de la part des provinces de l'Atlantique et surtout de la Nouvelle-Écosse pour essayer d'obtenir un meilleur traitement du point de vue des taux pour le port d'Halifax. Que l'on arrive n'importe où, Halifax ou Montréal, les taux sont à peu près les mêmes, vu le monopole international. Je me demande s'il y a eu des représentations ou des pressions exercées par le gouvernement de la Nouvelle-Écosse pour essayer de profiter de la situation géographique d'Halifax comme port de l'Atlantique?

M. McKeough: Vous aurez aujourd'hui des présentations des représentants du port d'Halifax qui, tout récemment, ont créé une société de la Couronne ayant des fonds de $800,000. Ils pourront peut-être vous répondre à ce sujet.

M. Nowlan: A titre de ministre responsable, vous pourrez peut-être répondre à la question suivante: y a-t-il eu des représentations pour essayer d'obtenir un port libre, que ce soit à Halifax, Yarmouth ou ailleurs, un port libre comme à Rotterdam?

M. McKeough: On en parle depuis un certain nombre d'années, mais je crois que les commissaires du port d'Halifax pourront vous répondre et vous mettre à jour à ce sujet.

Le président: Monsieur Thomas.

M. Thomas (Moncton): Monsieur le président, M. Nowlan a déjà posé les questions que j'avais en vue. Mais il y a une seule chose: votre mémoire est essentiellement et évidemment orienté vers un programme d'amélioration de toutes les routes, ce qui se trouve à être un programme à long terme et il faudra du temps pour trouver une solution de rechange aux problèmes des transports, ce dont nous avons besoin ici pour obtenir des taux concurrentiels et encourager l'industrie secondaire.

Mais comme cela va prendre plusieurs années—j'ai été heureux de vous entendre parler du gel sur les taux des marchandises, quel est votre point de vue en ce qui concerne une assistance temporaire, soit en vertu de la Loi sur les taux de transport des marchandises dans les provinces Maritimes ou sous forme de subventions aux expéditeurs? En d'autres termes, un programme à long terme est très bien, mais qu'est-ce qu'on fait pour l'avenir immédiat?

M. McKeough: Je crois qu'il ressortira de la présentation conjointe de l'Atlantique qu'on a

[*Text*]

that perhaps your assistance is required within the Atlantic area itself—the infrastructure—and also for transportation outside (inaudible).

Mr. Thomas (Moncton): That is all; thank you.

Mr. Mahoney: Mr. McKeough, were you the member of the Nova Scotia Cabinet involved in the task force along with the Maritimes Transportation Commission?

Dr. McKeough: Yes, for the past six months. Prior to that it was the Minister of Finance.

Mr. Mahoney: We heard some rather pointed criticisms from a couple of municipalities in New Brunswick over the last two days on the fact that they were not called upon to appear before that task force to make representations to it or anything else. I wonder if perhaps you could take this opportunity to explain the approach and philosophy of the task force and why municipal governments were not consulted while it was conducting its study.

Dr. McKeough: The task force basically—number one—was to get facts, details and suggestions in chronological fashion that would give the over-all picture for the Atlantic Provinces. They were to project and estimate what type of assistance was, in fact, required for the movement of various goods into our area, within our area and out of our area.

We, in Nova Scotia, did not—our members of the task force from Nova Scotia—work on the basis that we should be contacting the various municipal units, not that we did not want to, but we had between us—between the four Atlantic Provinces—employed the Maritimes Transportation Commission to undertake to do this job for us. We felt that they were the body who had experience over the years to undertake this type of work. We have worked with them and we have received the report, but they were the ones who were doing the interrogating and looking around.

They contacted a tremendous number of businesses in each of the Atlantic Provinces and questioned them on the implications of tariff rates and on what type of assistance that was required to enable these businesses to be competitive. They have tabulated a good deal of this information and presented it to the Minister.

[*Interpretation*]

besoin de votre aide au sein de la région de l'Atlantique, en matière d'infrastructure et de transport vers l'extérieur.

M. Thomas: Merci.

M. Mahoney: Monsieur McKeough, étiez-vous le membre du cabinet de la Nouvelle-Écosse qui a fait partie du groupe de travail de la Commission des transports des Maritimes?

M. McKeough: Oui, depuis six mois. C'était le ministre des Finances avant.

M. Mahoney: Nous avons entendu quelques critiques acerbes de la part de certaines municipalités du Nouveau-Brunswick depuis deux jours en raison du fait que le groupe de travail ne les a pas convoquées pour formuler leurs recommandations. Je me demande si vous ne pourriez peut-être pas profiter de cette occasion pour nous expliquer la philosophie et l'attitude du groupe de travail et nous dire peut-être pourquoi les administrations municipales n'ont pas été consultées alors que le groupe faisait son travail.

M. McKeough: Le groupe du travail, au fond, devait obtenir les faits, les détails, les propositions par ordre chronologique, de façon d'avoir une vue d'ensemble pour toutes les provinces de l'Atlantique. Ils devaient faire l'interpolation et une estimation du genre d'aide nécessaire pour le transport et le mouvement des marchandises vers notre région, dans notre région et de notre région.

Les membres du groupe de travail qui venaient de la Nouvelle-Écosse ne sont pas partis du principe qu'ils devaient se mettre en contact avec les diverses municipalités, non pas qu'ils ne voulaient pas le faire, mais les quatre provinces atlantiques avaient chargé la Commission des transports Maritimes de le faire pour nous. Nous estimions qu'il s'agissait de l'organisme ayant le plus d'expérience pour entreprendre ce genre de travail. Nous avons travaillé avec eux et nous avons reçu leur rapport, mais ce sont eux qui ont interrogé les gens et examiné la situation.

En fait, la commission s'est mise en communication avec un très grand nombre d'industries ou de commerces dans chacune des provinces de l'Atlantique. Ils leur ont posé des questions sur les conséquences des tarifs et le genre d'assistance qui permettait à ces industries d'être concurrentielles. Ils ont compilé tous ces renseignements pour les présenter au ministre.

[*Texte*]

Mr. Mahoney: Thank you. I have one final more of a request than a question. I wonder, sir, if it would be possible for you or someone in your government through the Chairman within the next two or three weeks to indicate on this long schedule of highway improvement programs that you visualize for your province, the priorities you might set on those from the point of view of regional development as opposed to local improvement programs?

Dr. McKeough: Yes, I think the Department of Highways will be prepared to do that for you.

Mr. Forrestall: Mr. Chairman, I have a few supplementary questions. The first one is going back to roads again and it might more properly be answered by someone from the Department of Highways. In the liquidation of the Atlantic Development Board, in what position does the province now finds itself with regard to financial aid that it has been receiving from year to year? It was my understanding that it was to continue during this construction year. Has that imposed a hardship on you?

Mr. McKeough: The only money that will be available from the ADB sources this construction year will be those moneys which have not been used up in Votes 1, 2 and 3, which will not be very large. It certainly will mean that the people of Nova Scotia will have to dig a little deeper into their pockets if we are going to keep the impetus going—the momentum going—for our road construction. It is almost vital to our economy that those roads into Yarmouth and Digby are improved as the CPR has announced a new ferry. They are going to use large trucks—roll on, roll off. It is going to be a tremendous job to get those trucks from the docks in Digby down to this end of the province before they start to hit new roads. It is going to be a very difficult problem.

Mr. Forrestall: Our program in recent years has been split pretty generally between what we have been able to sustain ourselves and what has been made possible through ADB's co-operation.

Mr. McKeough: That ends this year.

Mr. Forrestall: Thank you, Mr. McKeough. My second question, again a supplementary, is further to Mr. Nowlan's question. You indicated that a formal request had gone for-

[*Interprétation*]

M. Mahoney: Merci beaucoup. Une dernière question qui est plutôt une demande. Est-ce qu'il serait possible, monsieur, pour vous ou pour quelqu'un de votre gouvernement, par l'entremise du président de nous indiquer d'ici deux ou trois semaines, en ce qui concerne le programme à long terme d'amélioration des grandes routes que vous envisagez pour votre province, quelles sont les priorités que vous pourriez établir du point de vue du développement régional par opposition au programme de développement local.

M. McKeough: Je crois que le ministère des Voieries pourrait le faire pour vous.

M. Forrestall: J'aimerais poser quelques questions supplémentaires si je le puis. La première concerne de nouveau les routes et le ministère de la Voierie pourrait peut-être nous donner une meilleure réponse. Vue la liquidation de l'Office d'expansion économique de la région Atlantique, quelle est la situation de la province à l'heure actuelle quant à l'aide financière qu'elle recevait chaque année? Si j'ai bien compris l'aide devait être maintenue durant cette année de construction. Est-ce qu'il s'en est suivi des temps difficiles?

M. McKeough: Les seuls fonds dont l'Office disposera cette année sont ceux des crédits 1, 2 et 3 qui n'ont pas été dépensés, et ils ne seront pas considérables. Ce qui veut dire que les gens de la Nouvelle-Écosse devront trouver l'argent dans leurs propres poches si nous voulons continuer le programme de construction des routes au même rythme. Il est presque vital pour notre économie que ces routes à Yarmouth et Digby, soient améliorées, étant donné que le Pacifique-Canadien annonce un nouveau transbordeur. Ils se serviront de gros camions. Il sera très difficile de faire passer les camions des quais de Dibgy jusqu'à cette partie de la province avant d'atteindre les nouvelles routes. C'est un problème très difficile.

M. Forrestall: Depuis quelques années le programme a été divisé entre ce que nous pouvions défrayer nous-mêmes et ce qui a été rendu possible grâce à la collaboration de l'Office.

M. McKeough: Elle qui prend fin cette année.

M. Forrestall: Merci. Une autre question qui fait suite à celle de M. Nowlan. Vous avez indiqué qu'une demande officielle a été faite auprès du gouvernement, à M. Hellyer, pour

[*Text*]

ward to the government—to Mr. Hellyer—for an extension of the freight rates freeze. Has that been acknowledged?

Mr. McKeough: There has been a press release, but our Premier, as late as this morning, has had no formal communication. However, as I pointed out, the request went forward under the signature of Mr. Robichaud and it could be that Mr. Robichaud has received the official communication.

Mr. Forrestall: But it has not come to your attention as the Minister of Transport?

Mr. McKeough: No.

Mr. McGrath: Mr. Chairman, Mr. McKeough, I note striking similarities between your brief and a written brief submitted by the Government of Newfoundland in that they both deal specifically with trunk roads. They differ only in the amounts. The Government of Newfoundland, in their submission, are looking for $400 million and you seek $583 million. They also differ in one other respect. The Newfoundland submission requests that the federal government pick up 75 per cent of the tab, but you do not state what kind of cost sharing arrangement you would like. Would you answer that for me?

Mr. McKeough: I do not think that I am capable of answering that, Mr. McGrath.

Mr. Nesbitt: Mr. McKeough, I notice in your brief—I mean your comments—that you place a great deal of emphasis—the most emphasis perhaps—on freight rates and on further development of highways in the Province of Nova Scotia, but there is no particular mention of increasing air services to regional carriers, in addition to services provided, of course, by Air Canada, which is a main line carrier, and Eastern Provincial Airways. Are you aware of any other regional airlines either in existence at the present time or contemplated?

Mr. McKeough: Are there any other airlines contemplated?

Mr. Nesbitt: Regional carriers?

Mr. McKeough: But there are discussions going on at the moment on a quiet basis, not on a formal basis, on the logic of increasing the strength of local carriers such as Eastern Provincial Airways to have them do the small flying within our province and throughout the other Atlantic Provinces and let Air Canada and Canadian Pacific Airlines do the long hauls. It would appear to some of us that this would be a much more logical approach than to have Air Canada jumping

[*Interpretation*]

prolonger le gel du tarif-marchandises. Est-ce qu'on en a accusé réception?

M. McKeough: Il y a eu un communiqué de presse, mais jusqu'à ce matin notre premier ministre n'avait eu aucune communication officielle. Toutefois, comme je l'ai dit, la demande a été envoyée et signée par M. Robichaud, et peut donc que ce soit M Robichaud qui ait reçu la communication officielle.

M. Forrestall: Mais vous n'êtes pas au courant en tant que ministre du Transport.

M. McKeough: Non.

M. McGrath: Monsieur le président, monsieur McKeough je remarque des similarités étonnantes entre votre mémoire et celui qui a été présenté par le gouvernement de Terre-Neuve, en ce sens qu'ils traitent tous les deux des routes principales. Ils diffèrent tout simplement dans les montants: Terre-Neuve demande $400 millions alors que vous cherchez $583 millions. Il y a une autre différence aussi. Dans le mémoire de Terre-Neuve, on demande que le gouvernement fédéral en paye 75 p. 100 alors que vous ne le précisez pas. Pourriez-vous me répondre à ce sujet?

M. McKeough: Je ne crois pas être en mesure de vous répondre, monsieur McGrath.

M. Nesbitt: Dans votre mémoire ou plutôt dans votre exposé, vous avez insisté peut-être le plus sur le tarif-marchandises et le développement des routes dans la province de la Nouvelle-Écosse, mais on n'y parle pas d'augmenter le transport aérien grâce aux transporteurs régionaux, en plus des services offerts, à l'heure actuelle, par Air Canada qui est le transporteur principal et par la *Eastern Provincial Airways*. Est-ce que vous connaissez d'autres sociétés aériennes régionales qui existent à l'heure actuelle ou qui sont envisagées?

M. McKeough: D'autres transporteurs aériens envisagés?

M. Nesbitt: Des transporteurs régionaux?

M. McKeough: Non, mais on discute à l'heure actuelle non pas de façon officielle, mais des discussions officieuses, quant à la logique qu'il y aurait à augmenter la capacité de nos transporteurs locaux, comme la *Eastern Provincial* pour qu'ils puissent desservir la province et les autres provinces de l'Atlantique et permettre à Air Canada et CPA de desservir les trajets plus longs. Il semble pour certains d'entre nous qu'il serait beaucoup logique de demander à Air Canada de s'arrê

[*Texte*]

into each little port as it comes along. We feel if we have a regional carrier it could service us more effectively both in cargo and in air transport.

Mr. Nesbitt: Yes, I very much agree with you, Mr. McKeough. I wonder if there are any other regional carriers contemplated at the present time that you know of other than Eastern Provincial.

The Chairman: Would you repeat your question please, Mr. Nesbitt?

Mr. Nesbitt: Yes. Are there any other regional air carriers either in the process of formation or contemplated other than Eastern Provincial Airways?

Mr. McKeough: Not that I know of, sir.

Mr. Nesbitt: Are there any practical difficulties in the Province of Nova Scotia, chiefly because of weather, that would make extensive regional air carrier work a practical impossibility in some cases?

Mr. McKeough: I could not hear you, sir.

Mr. Nesbitt: Are there any practical difficulties such as weather in many parts of the province that might cause some difficulties for the expansion of regional air service particularly for freight.

Mr. McKeough: I do not think any more so than in other parts of the country. I think that flying over the Atlantic Provinces, other than some coastal fog, is a relatively easier flight with less bump and what-not.

Mr. Nesbitt: Coastal fog is quite formidable sometimes, though, as I recall.

Mr. McKeough: Sometimes, but they do have a bit of fog in Montreal and Ottawa as I have noticed when I have tried to fly in there.

Mr. Rock: Mr. McKeough, in your brief—

The Chairman: Will you talk a little louder, Mr. Rock, please?

Mr. Rock: In your brief you have set out the amount of money needed for the next so many years. Would you be able to tell the members of this Committee the amount of federal contributions toward highways from the federal government in the past 10 or 15 years.

[*Interprétation*]

ter à chaque petite ville sur son trajet. Si nous avions un transporteur régional, le service serait bien meilleur pour nous, tant pour les voyageurs que pour les marchandises.

M. Nesbitt: Oui, je suis tout à fait d'accord, mais je me demandais si on envisageait de créer d'autres transporteurs régionaux à l'heure actuelle, à part le *Eastern Provincial.*

Le président: Pourriez-vous répéter votre question s'il vous plaît, monsieur Nesbitt.

M. Nesbitt: Oui, est-ce que vous envisagez de créer d'autres transporteurs régionaux ou qui sont en voie de formation, autre que *Eastern Provincial Airlines*?

M. McKeough: Pas à ma connaissance, monsieur.

M. Nesbitt: Est-ce qu'il y a des difficultés pratiques dans la province de la Nouvelle-Écosse, surtout à cause du temps, qui rendrait le transport aérien régional moins pratique en certains cas?

M. McKeough: Je m'excuse, je n'ai pas compris cette question.

M. Nesbitt: Y a-t-il des difficultés pratiques, surtout du point de vue du climat, dans certaines parties de la province qui pourraient causer des difficultés pour l'expansion du service aérien régional, surtout pour ce qui est des marchandises?

M. McKeough: Je ne crois pas, pas plus que dans les autres parties du pays. Je crois que les vols au-dessus des provinces de l'Atlantique, sauf pour un peu de brume le long de la côte, sont plus faciles et calmes.

M. Nesbitt: Parfois, la brume côtière est assez épaisse, si je me souviens bien.

M. McKeough: Oui, mais de temps à autre il y a aussi de la brume à Montréal et à Ottawa, comme je l'ai constaté quand j'ai essayé de m'y rendre.

M. Rock: Monsieur McKeough, dans votre mémoire ...

Le président: Un peu plus fort, s'il vous plaît.

M. Rock: Vous avez indiqué la somme qui serait requise d'ici quelques années. Pourriez-vous dire au Comité quelle a été la contribution fédérale pour les routes depuis dix ou quinze ans?

[*Text*]

Mr. McKeough: What has been the proportion?

Mr. Rock: Yes.

Mr. McKeough: It has been anywhere from 50 per cent to 90 per cent.

Mr. Rock: Could you tell me in figures. Was that actually in millions of dollars?

Mr. McKeough: Mr. Millard is here; he would have the figures. Do you have the figures in millions of dollars, Mr. Millard, over the last several years?

The Chairman: Will you repeat your question, please?

Mr. Rock: Yes, Mr. Millard, I would like to know the amount of federal contributions toward your highways in dollars over the past 10 or 15 years.

Mr. Millard: In dollars?

Mr. Rock: Yes.

Mr. Millard: No, I cannot answer that sort of question, Mr. Rock.

Mr. Rock: Do you mean you do not know the amount of money the federal government contributed toward the building of your highways in the past 10 years?

Mr. Millard: No, I can get the information for you or you can obtain it in Ottawa, but nobody has that information in their mind as readily as that.

Mr. Rock: Can you tell us how much it was last year or the year before?

Mr. Millard: No, Mr. Chairman, I do not think it is fair to be asked to answer a question like that. It is not that I object, it is just the detail...

The Chairman: I think this answer could be supplied later on.

Mr. Rock: Mr. Chairman, the reason I asked is because we know the amount they would like to have for the future, after 1969, and I would like to know what they had in the past. If they do not have these figures then that is all right.

Mr. Millard: Mr. Chairman, I could provide this information later on in the day.

The Chairman: That will be fine, thank you.

[*Interpretation*]

M. McKeough: La proportion?

M. Rock: Oui.

M. McKeough: Entre 50 p. 100 et 90 p. 100.

M. Rock: Pourriez-vous me donner les chiffres? Est-ce que vous parliez de millions de dollars?

M. McKeough: M. Millard pourrait peut-être vous donner les chiffres. Connaissez-vous les chiffres pour les dernières années?

Le président: Est-ce que vous pourriez répéter votre question?

M. Rock: Monsieur Millard, je voudrais savoir quelle est la somme des contributions fédérales à votre programme de grandes routes depuis dix ou quinze ans.

M. Millard: En dollars?

M. Rock: Oui.

M. Millard: Non, je ne saurais vous répondre, monsieur Rock.

M. Rock: En d'autres termes, vous ne connaissez pas la somme que le gouvernement fédéral a contribuée à la construction de vos grandes routes depuis dix ans?

M. Millard: Non. Je pourrais vous obtenir ces renseignements ou vous pourrez les obtenir à Ottawa, mais personne n'a ces renseignements à portée de la main.

M. Rock: Est-ce que vous pourriez nous dire quelles étaient les contributions l'an dernier ou l'année précédente?

M. Millard: Non. Monsieur le président, je ne crois pas que ce soit juste de nous demander de répondre à une telle question. Ce n'est pas que je m'y oppose, mais il s'agit de détails.

Le président: Vous pourriez peut-être nous fournir les renseignements plus tard.

M. Rock: La raison pour laquelle je pose la question, c'est que nous savons quel montant ils voudraient obtenir à l'avenir, après 1969, et je voudrais savoir combien ils ont reçu dans le passé. S'ils n'ont pas les chiffres en main, c'est très bien.

M. Millard: Monsieur le président, je pourrais vous fournir les chiffres plus tard dans la journée.

Le président: Oui. Très bien. Merci.

[*Texte*]

Mr. Corbin: Mr. Chairman, I wonder if either of these gentlemen could state the Province of Nova Scotia's position in relation to the development of (a) the Fundy Trail and (b) of the Maine Corridor Road for easy access into Central Canada?

Dr. McKeough: The Fundy Trail, I think, in our justification, must be thought of in conjunction with the Fleur de Lys Trail in Cape Breton. I do not think we could divide the two. I think if we are going to do something on them we have to do them at the same time. I think they are both important to Nova Scotia. In relation to the Corridor Road, we have had several meetings with people from the State of Maine and from the Province of Quebec in relation to the feasibility of this road and in relation to the possible type of financing of this road. Nova Scotia's position is that we endorse very highly this Corridor road and we are prepared to sit down and do very serious negotiations.

Mr. Corbin: I have a supplementary, Mr. Chairman. Have you also studied the other alternative for getting into Central Canada by cutting across New Brunswick through a route which is commonly known as the Plaster Rock—Renous Highway, but which, at this time, has not been upgraded to Trans-Canada standards? However, I understand the Province of New Brunswick is working on it and the saving in mileage when compared with the Maine Corridor route is not more than 15 miles.

Mr. McKeough: Yes, we have been looking into this possibility as well.

Mr. Corbin: Would not that proposition be just as acceptable to Nova Scotia as the Maine Corridor route?

Mr. McKeough: It certainly would, but it would put a lot of financial responsibility on the Province of New Brunswick.

Mr. Corbin: Do you feel that the people in the State of Maine are willing to spend millions of dollars to give easy access into Central Canada to Maritimers. They seem to be showing some indication, but to what degree? Up to now I have only known of opposition from the government.

Dr. McKeough: We have had representatives from the State of Maine here to speak with us and there has been an indication that we should adopt the financing.

[*Interprétation*]

M. Corbin: Monsieur le président, je me demande si l'un ou l'autre de ces messieurs pourrait nous indiquer l'attitude de la province de la Nouvelle-Écosse en ce qui a trait au développement tout d'abord de la route de Fundy et de la route corridor via l'État du Maine qui constitueraient un accès plus facile au centre du Canada.

M. McKeough: Je crois que, en ce qui concerne le *Fundy Trail*, pour justifier il faut absolument tenir compte du *Fleur de Lys Trail* dans l'île du Cap-Breton. Je ne crois pas qu'on puisse séparer les deux. Il faudrait que les deux se fassent en même temps. Les deux sont importantes pour la Nouvelle-Écosse. En ce qui a trait à la route corridor, nous avons eu plusieurs rencontres avec les gens de l'état du Maine et de la province de Québec quant aux possibilités de construire la route ainsi que les possibilités de financement. L'attitude de la Nouvelle-Écosse est que nous appuyons le principe de cette route. Nous serions prêts à négocier de façon très sérieuse en ce sens.

M. Corbin: Une question supplémentaire, monsieur le président. Avez-vous aussi étudié l'autre possibilité qui existe pour atteindre la partie centrale du Canada en traversant le Nouveau-Brunswick par la route Plaster Rock-Renous, qui n'a pas encore été améliorée aux normes de la route transcanadienne? Mais la province du Nouveau-Brunswick y travaille, mais au point de vue distance, on n'épargnerait pas plus de quinze milles effectivement par rapport à la route corridor via le Maine.

M. McKeough: Oui, nous avons examiné cette possibilité.

M. Corbin: Est-ce que cette proposition ne serait pas aussi acceptable à la Nouvelle-Écosse que le corridor du Maine?

M. McKeough: Certainement, mais cette solution entraîne beaucoup de responsabilités financières pour le Nouveau-Brunswick.

M. Corbin: Croyez-vous que les gens du Maine sont prêts à dépenser des millions de dollars pour donner, aux provinces Maritimes un meilleur accès au centre du Canada? Il semble qu'il y a un indice en ce sens jusqu'à quel point? Je n'y connais que des objections de la part du gouvernement.

M. McKeough: Nous avons eu des représentants de l'État du Maine qui sont venus s'entretenir avec nous de ce problème. Il y a eu des indices tout de même que nous devrions endosser le financement.

[*Text*]

Mr. Corbin: In one word, the whole scheme is conditional on the participation of the State of Maine and we have nothing to say until they decide to do something. Is that not right?

Dr. McKeough: Absolutely.

The Chairman: Mr. Nesbitt, do you have a supplementary question?

Mr. Nesbitt: Just a brief supplementary to the Minister. Other than the big international airport at Halifax and airports at Sydney and Yarmouth, are there any other airports in the province that would have suitable facilities at the present time to accommodate small aircraft for passenger and freight service on a commercial basis?

Dr. McKeough: What are you referring to, sir, as "small"?

Mr. Nesbitt: I was referring to airports that could accommodate aircraft that would carry up to perhaps 20 passengers. They would accommodate aircraft of the type of the old DC-3.

Dr. McKeough: If we are talking about DC-3's, there are quite a few airports in the province that could accommodate them. They need servicing, but we have some local airports and we are encouraging the development of small airports for rapid communication with these isolated areas.

Mr. Nesbitt: Could you give us some idea how many of these airports are now in existence and where they are located?

Dr. McKeough: I cannot give you the figures, sir, but they are pretty well oriented throughout the province. There is one in Digby—you have already mentioned Yarmouth—there is one outside of Truro, there is one in the Margaree Valley, Shelburne and Liverpool. We can get these figures. We had them because we have been doing a fair amount of work on this.

Mr. Nesbitt: If you could get them for me I would certainly appreciate it.

The Chairman: Mr. Minister, I think we have completed our inquiry and I would like to thank you very, very much.

Returning to the agenda once more, I will now call upon the Sydney Harbour Regional Development Board.

We have with us this morning two Mr. MacDonalds, Mr. Bruce MacDonald and Mr. James J. MacDonald. They look like brothers. I will ask Mr. Bruce MacDonald to give us a

[*Interpretation*]

M. Corbin: En un mot, le projet est conditionné par la participation de l'État du Maine et nous ne pouvons rien faire sans leur décision.

M. McKeough: C'est exact.

Le président: Monsieur Nesbitt, avez-vous une question à poser?

M. Nesbitt: Une brève question supplémentaire au Ministre. Outre le grand aéroport international d'Halifax, et les aéroports à Sydney et à Yarmouth, y a-t-il d'autres aéroports dans la province qui auraient des installations adéquates à l'heure actuelle pour les petits avions commerciaux pour les services de passagers et de fret?

M. McKeough: Qu'est-ce que vous voulez dire par petits?

M. Nesbitt: Des aéroports qui pourraient accommoder des avions de capacité allant, mettons jusqu'à vingt passagers, un avion du genre de l'ancien DC-3.

M. McKeough: S'il s'agit des DC-3, il y a plusieurs aéroports dans la province qui peuvent les recevoir. Nous avons des aéroports locaux. Nous encourageons le développement des petits aéroports pour le développement de communication rapides avec les régions isolées.

M. Nesbitt: Pourriez-vous me donner une idée du nombre de ces aéroports et de leur emplacement?

M. McKeough: Je ne saurais vous donner les chiffres, monsieur, mais il sont disséminés partout dans la province. Il y en a un à Digby. Vous avez déjà mentionné Yarmouth. Il y en a un dans la banlieue de Truro, il y en a un dans la vallée de *Margaree*, à Shelbourne et à Liverpool. Nous pourrions obtenir ces chiffres. Nous les avons parce que nous avons travaillé abondamment dans ce sens.

M. Nesbitt: Oui, si vous pouvez me les donner plus tard, très bien.

Le président: Monsieur le ministre, je crois que cela termine notre enquête. Nous vous remercions beaucoup, monsieur le ministre. Si vous me permettez de revenir à l'ordre du jour, je demanderais maintenant à la Chambre du commerce de Sydney de se présenter.

Nous avons ici avec moi, M. Bruce MacDonald et M. James J. MacDonald. Ils se ressemblent comme deux frères. Je demanderai à M. Bruce MacDonald de nous donner u

[*Texte*]

short briefing and then I will allow the members to ask questions.

Mr. B. MacDonald (Sydney Harbour Regional Development Board): Thank you very much, Mr. Chairman. It is a great pleasure to be here this morning and to have a chance to address the Parliamentary Committee on Transport and Communications. I would certainly like to reiterate what Dr. McKeough has said. We are very pleased that you have seen fit to come to Nova Scotia to investigate this matter because transportation is a particularly important factor in our development.

Mr. Chairman, with your permission and as it is a full year since our original brief was prepared and things have changed since then in some ways, and a few other matters have come forward since that submission, I ask your indulgence in allowing us to present a short supplementary submission to our previous brief.

Mr. Chairman, we wish to thank your Committee for giving us this opportunity of presenting a supplementary brief to that already submitted by the Containerization Committee of the Sydney Board of Trade. Since this time last year when the Committee was originally scheduled to hear our submission, the Containerization Committee has expanded its scope and now is known as the Sydney Harbor Regional Development Board, which comprises representation from the three communities surrounding Sydney Harbor, namely, the City of Sydney, Town of North Sydney and the County of Cape Breton. This is an example of co-operation among these communities for the common good since it is felt that Sydney Harbor should be developed as a unit, with each section having something to contribute which is unique and complementary to the others. The object of the board is to carry on the promotion and development of Sydney Harbor to the status of a major Atlantic port and the members of the Board comprise representation from the shipping industry, the business community and municipal government.

In most countries of the world that portion of the nation which borders a major ocean is considered to be one of the most valuable assets that the country has. We have evidence in many countries where the importance of an outlet to the sea is very jealously guarded.

[*Interprétation*]

bref résumé, et je permettrais ensuite aux membres du Comité de poser leurs questions.

M. B. MacDonald (Sydney Regional Harbour Development Board): Merci beaucoup, monsieur le président. C'est un véritable plaisir d'être ici avec vous ce matin, et d'avoir l'occasion de prendre la parole devant le comité des Transports de la Chambre des communes. Une fois de plus, je voudrais reprendre la parole de M. McKeough pour vous dire que nous sommes très heureux de voir que vous ayez jugé bon de venir en Nouvelle-Écosse pour étudier cette question parce que les transports sont tout particulièrement importants comme facteur de développement.

Monsieur le président, il y a un an que notre mémoire a été préparé, et depuis, la situation a évolué. Je vous saurais gré d'écouter quelques remarques supplémentaires.

Monsieur le président, nous aimerions vous remercier pour nous donner cette opportunité de présenter un mémoire supplémentaire à celui déjà soumis au Comité par le Comité sur les transports par cadre de la Chambre de commerce de Sydney. Depuis l'année dernière, lorsque le Comité devait à l'époque recevoir nos mémoires, le Comité sur les transports par cadre a élargi ses objectifs et il est connu actuellement sous le nom de l'Office régional de développement du port de Sydney, qui comprend des représentants de trois municipalités entourant le port de Sydney, soit la ville de Sydney, la ville de Nord Sydney et le comté du Cap-Breton. C'est ici un exemple de la coopération entre ces municipalités pour le bien commun depuis que l'on ressent que le port de Sydney devrait se développer comme une entité propre, dont chaque section peut contribuer d'une façon unique et complémentaire dans l'ensemble. L'objectif de l'Office est de prendre en charge la promotion et le développement du port de Sydney afin d'en faire un port majeur de l'Atlantique et les membres de cet Office comptent parmi eux des représentants de l'industrie du transport maritime, du milieu des affaires et du gouvernement municipal.

Dans plusieurs pays du monde la partie d'un pays qui borde un océan d'importance majeure est considérée comme l'un des actifs les plus intéressants que cette contrée possède. Nous avons l'exemple dans plusieurs pays où l'importance d'un débouché sur la mer est très jalousement conservée.

[*Text*]

In Canada, however, we find a very different approach to the value of our coastal area, particulary the East Coast area. The development of the shipping facilities in the coastal areas has been minimal and the development of the transportation links between the Canadian Atlantic ports and the centre of the continent have been far behind developments in other parts of the country in both facilities and competitive rate structure. An example of this is the supposed inability of the railway to provide twenty-four hour service from Nova Scotia to Montreal over many, many years.

It was not until the passenger train Cabot, which was specially put on for the Expo traffic, showed that it could be done, that changes have been made in the transportation time factor, which in the past was rated as a very significant factor in development of the Atlantic Provinces. We are pleased to see that the Canadian National Railways has this past week announced a new train which will ensure twenty-four hour freight service between Cape Breton and Montreal.

This announcement has virtually eliminated the time element as a detrimental factor and leaves only the rate structure to be modernized in order to provide the type of transportation facility that is required.

Our board sees the Canadian National Railways as a very important development tool as far as the proper use of our natural transportation facilities is concerned. From personal experience I can tell you that the greatest control factor in reducing freight rates or in keeping freight rates from rising is competition. In other areas of Canada, because of shorter distances and greater concentration of population, there is great competition between railways and other forms of transportation for the traffic that is offering. This tends to keep rates competitive and works to the advantage of those persons doing business in these particular areas. In the Atlantic Provinces we have no such heavy concentration of population, nor short distances, and consequently the natural forces of commerce are not here to exert these modifying pressures on the rate structure. This means that other measures must be adopted if we are to have equal status with shippers in other parts of the country, which as Canadians we have a right to expect.

[*Interpretation*]

Au Canada, cependant, on se trouve aux prises avec une évaluation très différente de notre région côtière particulièrement en ce qui concerne la Côte Est. Les développements des installations portuaires dans les régions côtières ont été minimes et les développements des liaisons de transport entre les ports de la Côte de l'Atlantique du Canada et le centre du pays ont été bien en dessous du développement des autres régions du pays tant en installations qu'au point de vue concurrentiel. Un exemple de ces faits est la supposée impossibilité des chemins de fer de pourvoir un service de 24 heures de la Nouvelle-Écosse jusqu'à Montréal, pendant plusieurs années.

Il a fallu attendre le train de passagers Cabot, qui incidemment avait été mis en vigueur pour le trafic destiné à l'Expo, pour démontrer que cela pouvait se faire, et que des changements avaient été enfin effectués dans le facteur temps du transport. Ce qui dans le passé était considéré comme un facteur très très important dans le développement des provinces de l'Atlantique. Nous sommes heureux de voir que le National-Canadien a annoncé la semaine passée un nouveau train qui assurera un trafic en 24 heures pour les marchandises entre le Cap-Breton et Montréal.

Cette annonce a virtuellement éliminé le facteur temps en tant que facteur négatif et ne laisse uniquement à la structure des taux la dernière étape à être modernisée afin de pourvoir un type de transport qui répondrait aux besoins actuels.

L'Office considère le CN comme un très important outil de développement en tant que notre transport habituel est concerné. Selon mon expérience personnelle je peux vous dire que le plus grand facteur de contrôle en ce qui concerne l'abaissement des taux de transport ou la conservation des taux de transport actuels est la concurrence. Dans d'autres régions du Canada, à cause des distances plus courtes et de la concentration démographique plus importante, il y a une grande compétition entre les chemins de fer et les autres systèmes de transport qui sont offerts au public. Ceci tend à conserver les taux concurrentiels et travaille pour l'avantage des personnes qui ont recours à ces moyens dans ces régions particulières. Dans les provinces atlantiques, nous n'avons pas une aussi grande concentration de population et non plus de distances relativement courtes. Conséquemment, les forces naturelles du commerce n'exercent pas ici une pression modificatrice de l'échelle des taux. Ceci veut dire que d'autres mesures doivent être prises si nous devons arriver à un statut égal avec les expé-

[*Texte*]

This also means that until the traffic builds to the type of volume which we feel it can if we use our seaports as they should be used, special transportation policies must be adopted to provide a rate structure which will encourage a high volume of traffic over the Atlantic Provinces rail lines as a result of greatly expanded activity at our seaports.

This must be a matter of government policy and the railway system in the Atlantic Provinces must be operated and its rates set, as if it were operating in the most highly competitive atmosphere possible, such as between Toronto and Montreal. In saying this I am proposing logical business practices in suggesting that high volume rates be implemented immediately in order to attract the traffic which would very shortly build to the volumes on which the rates are predicated, since we know the traffic is there.

There is no question that previous government policies and policies of shipping companies have operated against the Atlantic ports, as witness the conference rates which make little or no difference in the ocean freight charges to Atlantic ports and Quebec and Montreal, in spite of the fact that there is a minimum of a day and a half sailing time as between these ports. Add to this the high cost of rail transportation between the Atlantic ports and Montreal and its is no wonder that our seacoast has not developed as it should.

This fact was further aggravated by the construction, at Canadian public expense, of the St. Lawrence Seaway. Records of its volume of traffic in specific categories will document that it is really a private transportation link between the iron ore resources in Quebec and Labrador and the steel companies of Ontario and the United States, plus an additional competitive factor and transportation system between Toronto and Montreal and an additional means of shipping grain in seagoing ships. Compared to these categories, regular international overseas shipping, for which it was supposedly built, is a very small percentage.

[*Interprétation*]

diteurs des autres parties du pays, ce à quoi nous avons droit en tant que Canadiens.

Ceci veut aussi dire que tant que le trafic n'atteint pas le genre de volume auquel nous pensons qu'il peut arriver, si nous utilisons nos ports de mer de la façon dont ils devraient l'être, des politiques spéciales concernant le transport devraient être adoptées afin de pourvoir à une échelle de taux qui pourrait encourager un haut volume de trafic à destination des provinces atlantiques ce qui correspondrait à une activité accrue de nos ports de mer.

Ceci devrait être du ressort d'une politique du gouvernement que le système de chemins de fer dans les provinces atlantiques devrait être exploité et ses taux fixés comme s'il était exploité dans une atmosphère la plus compétitive possible telle que celle entre Toronto et Montréal. En disant ceci je propose des pratiques de commerce logiques en suggérant qu'un taux adapté au haut volume soit mis en vigueur immédiatement afin d'attirer le trafic qui pourrait être rapidement atteint avec les taux dont j'ai parlé, vu que nous sommes persuadés que ce trafic existe.

Il est hors de doute que les précédentes politiques du gouvernement et les politiques des compagnies maritimes ont agi contre l'intérêt des ports de l'Atlantique, ainsi qu'on le voit dans les taux unifiés qui ne font qu'une petite et même aucune différence entre les taux du transport à destination des ports de l'Atlantique ou des ports de Québec et de Montréal, en dépit du fait qu'il y a un minimum d'un jour et demi de navigation entre ces ports. Il faut ajouter à cela le coût élevé du transport par rail entre les ports de l'Atlantique et Montréal et vous découvrirez pourquoi les ports de la Côte de l'Atlantique ne se sont pas développés tel qu'ils auraient dû.

Ces faits ont été aggravés plus tard par la construction, avec les deniers publics, de la Voie maritime du Saint-Laurent. Les données concernant son volume de transport dans les différentes catégories indiqueront que cette Voie maritime est réellement un moyen de transport privé entre les ressources minières du Québec et du Labrador et les compagnies et les aciéries de l'Ontario et des États-Unis, plus un facteur concurrentiel additionnel et un système de transport supplémentaire entre Toronto et Montréal ainsi qu'un autre moyen d'expédition du grain par le moyen de navires océaniques. Vis-à-vis de ces catégories de transport international à destination de l'outre-mer pour lesquelles normalement la Voie maritime avait été construite est un pourcentage très faible.

[*Text*]

We are not asking for special treatment for the Atlantic coastal area, we are asking for equal treatment as far as government policy is concerned. There is no question that the operation of the Seaway at a substantial loss artificially provides a reduction in transportation costs for all who use it.

There is no question then that there is existing government policy regarding the setting of rates in order to attract business, regardless of the profitability of such rates, and with the development of the resources of the country as one of the primary motivations. We feel that in a country as large as Canada this type of thing is justified, but should be equally applied in all sections.

We are confident that containerization has opened up as revolutionary a concept in transportation as air travel did in the 1930s. At that time the government had sufficient forethought to set up the government operated transportation system which is now known as Air Canada, at a time when there was no question that it could not pay its way. Added to this, they embarked on a system of airfields at public expense, which today provides a very fine transportation network across the country. In the new transportation concept brought on by containerization we are in the same position in regard to the development of facilities. The present situation calls for bold new policies on the part of government in providing the type of facilities required in order to have Canada develop its full potential under this new system.

We urgently request that immediate steps be taken to adopt policies on the rail transportation facilities in the Atlantic Provinces which will encourage the development of the Atlantic Coast of Canada as the major North American transportation terminal for international traffic.

We would urge that immediate action be taken to build proper wharf facilities to handle this type of traffic through the excellent natural harbors on the Atlantic coast, of which Sydney is one, when these proposals are received during the next few weeks.

Implementation of these policies will tend to assist the federal government's regional

[*Interpretation*]

Nous ne demandons pas pas un traitement de faveur pour la région côtière de l'Atlantique, nous demandons simplement un traitement égal en ce qui concerne la politique du gouvernement. Sans doute les opérations de la voie maritime qui sont faites avec une perte substantielle provoquent artificiellement une réduction des coûts de transport pour tous ceux qui en ont l'utilité.

Et sans doute, aussi, lorsqu'il existe dans les politiques du gouvernement visant la fixation de taux afin d'attirer l'expansion du commerce, sans tenir compte de la rentabilité de tels taux, et avec le développement des ressources d'un pays comme motivation première. Nous pensons que dans un pays aussi grand que le Canada ce genre de chose est justifié mais devrait être appliqué également dans tous les secteurs.

Nous sommes confiants que le transport par cadre a ouvert un concept révolutionnaire dans le domaine du transport comme l'avait fait le transport aérien en 1930. A cette époque le gouvernement avait prévu suffisamment à l'avance l'organisation d'un système de transport aérien exploité par le gouvernement qui est maintenant connu comme la Société Air Canada, et à l'époque il ne s'agissait pas du tout que cette opération soit rentable. De plus, à l'époque le gouvernement s'était engagé à la construction d'aérodromes aux frais du contribuable, qui aujourd'hui pourvoient à un réseau de transport très complet à travers tout le pays. Dans ce nouveau concept du transport ouvert par le transport par cadre, nous sommes dans la même position en ce qui concerne le développement des installations. La situation actuelle appelle des politiques nouvelles, hardies de la part du gouvernement afin de pourvoir au genre d'installations qui sont requises afin que le Canada puisse développer son plein potentiel en vertu de ce système.

Nous demandons instamment que des mesures soient prises afin d'adopter une politique concernant le transport par chemin de fer dans les provinces de l'Atlantique qui encouragerai le développement de la région côtière de l'Atlantique du Canada comme point majeur du transport nord américain pour le trafic international.

Nous demandons qu'une action immédiate soit prise pour construire les installations portuaires adéquates afin de pouvoir prendre en charge ce genre de trafic au moyen des ports naturels excellents de la Côte atlantique dont Sydney en est un, lorsque ces recommandations seront reçues au cours des prochaines semaines.

La mise en vigueur de telles politiques tendera à aider le Plan de développement régio-

[*Texte*]

development plan which was announced just this week to be carried out under the direction of the Hon. John Marchand and his new department. One of the best development tools that could be used would be to have the Atlantic Provinces as the intake for a major volume of commercial traffic. This would provide excellent facilities which industries established in this area could use as a means of getting their goods to market, whether it be on the North American continent or in international trade.

Sydney Harbor has all of the natural qualifications to become a major world port and proved this point as a major convoy collection harbor during the Second World War.

Your favorable consideration to accelerating its development to major port status is urgently requested.

Mr. Chairman, in connection with our original brief, there is one paragraph which I would like to mention. I do not know how it is printed in your book, gentlemen, but it is on page 6 of our brief. It reads:

> Mr. Chairman and gentlemen, your concern and responsibility as members of the Parliament of Canada is to initiate and implement those policies and developments which operate in the best interests of the citizens in the country as a whole. We submit that the successful implementation of a Trans-Canada Transportation System embodying east coast and west coast major containerization port facilities in Canada, with a Trans-Continental Railway Land Bridge System joining them at a reasonable transportation rate per container mile would be the most constructive project which could be recommended to Parliament to promote the proper development of industry and resources in our country. We urge you to use every effort to bring together the parties concerned immediately to begin to have this plan implemented, and we offer our services in whatever way they may be used to bring this about.

Thank you very much, Mr. Chairman.

The Chairman: Thank you very much. I do not have enough briefs for everyone. Would you have them delivered, please. Mr. McGrath.

[*Interprétation*]

nal du gouvernement fédéral qui a été annoncé cette semaine et qui sera entrepris sous la direction de l'honorable Jean Marchand et de son nouveau ministère. L'un des meilleurs outils de développement qui pourrait être utilisé serait que les provinces atlantiques soient considérées comme le port d'entrée d'un volume considérable de trafic commercial. Ceci permettrait de procurer des installations excellentes avec lesquelles les industries établies dans cette région pourraient compter en tant que moyen de mettre en marché leurs produits sur les marchés du continent nord américain ou internationaux.

Le port de Sydney a toutes les qualifications naturelles pour devenir un port mondial important et a prouvé ce point au cours de la dernière guerre mondiale où le port de Sydney a servi comme point majeur de ralliement des convois.

Nous vous demandons instamment que votre étude visant à l'accélération du développement du statut de ce port nous soit accordée.

Monsieur le président, pour ce qui est du premier mémoire que nous avions présenté, il y a un alinéa que je voudrais vous citer et je ne sais pas comment il est imprimé dans votre compte rendu. Messieurs, c'est à la page 6 de notre mémoire. Il se lit comme suit:

> Monsieur le président et messieurs, à titre de membres du Parlement canadien, il vous incombe de mettre en œuvre les politiques et les initiatives qui tendent à sauvegarder les intérêts des citoyens de l'ensemble du pays. Nous estimons que l'implantation d'un réseau de transport transcanadien englobant sur les côtes est et ouest des installations portuaires pour «*containers*», reliées par un réseau transcontinental fer-terre-pont, selon un taux raisonnable le mille-container, constituerait le projet le plus constructif qui pourrait être recommandé au Parlement en vue de promouvoir l'expansion de l'industrie et des ressources de notre pays. Nous vous incitons à ne pas ménager vos efforts en vue de réunir immédiatement les parties intéressées pour mettre ce plan en œuvre, et nous vous offrons notre collaboration entière à cet égard.

Merci beaucoup, monsieur le président.

Le président: Merci beaucoup. Je n'ai pas suffisamment de copies de votre mémoire. Pouvez-vous les distribuer? Merci. M. McGrath.

[*Text*]

Mr. McGrath: May I ask one question, Mr. Chairman. I wish to compliment the Sydney Board of Trade on its submission, but I am rather intrigued about the rather interesting way in which you ignore the Province of Newfoundland and its strategic location with regard to world trade.

Mr. B. MacDonald: Mr. Chairman, I think that can be answered simply by stating the fact that by a man-made structure, the causeway across the Strait of Canso, Canada was joined to the island of Cape Breton and consequently we are one entity across the nation, but unfortunately Newfoundland is not joined directly.

Mr. McGrath: Just one supplementary, Mr. Chairman, because this is a rather important line of questioning. Does the bridge concept not envisage large bottoms being transhipping to be picked up by smaller bottoms?

Mr. B. MacDonald: Are you speaking about the land bridge concept?

Mr. McGrath: The concept of transhipment in regard. . .

Mr. B. MacDonald: Basically our brief and the supplementary is speaking really of the land-bridge concept which envisages Canada as the link between the developed countries on either side, the Far East and the West Coast of Europe, that sort of concept. Newfoundland in that context, naturally, being an island, is not tied into the trans-Canada rail system.

The Chairman: Present your question, sir, to Mr. MacDonald.

Mr. Carter: Has the harbour of Sydney, the port, been declared a national harbour under the National Harbours Board?

Mr. B. MacDonald: No, Sydney Harbour is presently operated as, I believe the term is, just a federal Department of Transport harbour under a harbour master, and so on. But it is not a national harbour. Halifax, Saint John, and St. John's are the three Atlantic National Harbours.

Mr. Carter: Has representation been made to the government, or the National Harbours Board to have Sydney Harbour declared under its jurisdiction as a national harbour?

Mr. B. MacDonald: This matter has been discussed with both the Chairman of the Na-

[*Interpretation*]

M. McGrath: J'aurais une question à poser, monsieur le président. Je félicite la Chambre de Commerce de Sydney mais je suis quelque peu intrigué de la façon fort intéressante dont vous ne tenez pas compte de la province de Terre-Neuve et de son emplacement vraiment stratégique pour ce qui est de ce commerce international.

M. B. MacDonald: Je pense, monsieur le président, que nous pouvons y répondre très facilement du fait qu'à la suite de la chaussée de Canso, le Canada a fait corps avec l'Île du Cap Breton et en conséquence nous sommes une entité à travers le pays mais malheureusement Terre-Neuve n'est pas rattachée directement au continent.

M. McGrath: Une seule question. Est-ce que le concept ne prévoit pas l'expédition transcontinentale, est-ce qu'on ne prévoit pas les transbordements de gros navires, disons dans des navires moins grands.

M. B. MacDonald: Vous parlez du concept du réseau transcontinental mer-rail-mer?

M. McGrath: Le concept de transbordement à l'égard...

M. B. MacDonald: Dans notre mémoire et ce que nous y avons ajouté, nous parlons de ce concept de transbordement transcontinental qui relierait l'Est à l'Ouest du pays. Et dans ce contexte naturellement Terre-Neuve étant une île n'est pas comprise dans le réseau ferroviaire transcanadien.

Le président: Posez votre question à M. MacDonald.

M. Carter: Le port de Sydney a-t-il été déclaré un port national d'après le Conseil des ports nationaux. . .?

M. B. MacDonald: Non, le port de Sydney est exploité actuellement comme, et je crois qu'on le nomme ainsi simplement d'un port du gouvernement fédéral relevant du ministère des transports, sous le commandement d'un capitaine de port. Mais ce n'est pas un port national, Halifax, Saint-Jean et St-Jean (Terre-Neuve) sont les trois ports du Conseil des ports nationaux de l'Atlantique.

M. Carter: A-t-on présenté des instances au gouvernement fédéral ou au Conseil des ports nationaux pour que le port de Sydney soit reconnu comme relevant de la compétence de ce dernier comme port national.

M. B. MacDonald: Nous avons parlé de cette question de temps à autre avec le pré-

[*Texte*]

tional Harbours Board and other bodies from time to time, and it was felt that, for various reasons, it might be better if Sydney at the moment were not developed as a National Harbours Board port. There are advantages and disadvantages. For instance, there are as many Commission harbours in Canada as there are National Harbours Board harbours. Toronto, for instance, is a Commission harbour under the National Harbours Board.

The Chairman: Does that answer your question, Mr. Carter? Mr. Pringle.

Mr. Pringle: Mr. Chairman, first of all I would like to declare myself as a Western member. I would like to compliment you on your brief, but especially I would like to compliment you on the apparent success that we read about in connection with your steel company which has progressed and shown a great deal of strength as related to what we were led to believe prior to this particular arrangement that you are operating under now. We have been told in the last few days that transportation is the main deterrent to the expansion of industry in the Maritimes, and I am wondering if there are also problems regarding consistent supervisory and operating staff in the Maritimes.

One of my constituents, with whom I am somewhat associated, has endeavoured to expand an industry in Prince Edward Island with apparent lower operating costs, but unit costs are still a serious problem and, of course, transportation also is a problem. I am wondering if you would be able to suggest how we might be able to, say, inspire the people of the Maritimes to become involved in the expansion of industry in this area, as you have in Sydney with such great success.

Mr. B. MacDonald: Well, I did not expect to be asked a question like this. Nevertheless, I think that the secret in the Sydney steel plant is the fact that the people feel part of the industry. They feel that they are now part of the industry, and the determination at the time of the proposed closure of the plant—the attitude was not panic but determination to succeed. They felt that it did have merit, it could be done, and they proceeded to do it. Now certainly the direction, the management direction, and so on, was a tremendous factor. The participation of the Province of Nova Scotia and the attitude of the Province was a tremendous factor. And the combination of everyone co-operating was really the answer to the turn-around at the

[*Interprétation*]

dent du Conseil des ports nationaux et d'autres organismes, et on a cru, pour diverses raisons qu'il serait peut-être préférable que Sydney ne soit pas exploité actuellement en tant que port relevant du Conseil des ports nationaux. Il y a des avantages et des désavantages. Ainsi, il y a autant de ports administrés par des Commissions au Canada que de ports administrés par le Conseil des ports nationaux. Ainsi, Toronto est un port administré par une Commission relevant du Conseil des ports nationaux.

Le président: Cela répond-il à votre question, M. Carter?

M. Pringle: Monsieur le président, tout d'abord je désire vous dire que je viens de l'ouest. Je désire vous féliciter de votre exposé et plus particulièrement de votre succès dont nous entendons parler en ce qui a trait à votre compagnie d'acier qui a fait beaucoup de progrès, et qui s'est montrée très vigoureuse en dépit de ce qu'on nous a fait croire avant cet arrangement particulier sous lequel vous êtes maintenant en exploitation. Au cours des derniers jours on nous a dit que le transport était la principale menace à l'expansion de l'industrie dans les Maritimes, et je me demande s'il y a aussi des problèmes du côté stabilité du personnel de surveillance et d'exploitation dans les Maritimes.

Un de mes commettants, avec qui je suis quelque peu associé, a essayé de donner de l'expansion à une industrie à l'Île-du-Prince-Édouard, avec des frais d'exploitation apparemment moins élevés, mais les coûts par unité sont toujours un sérieux problème à résoudre, de même que le problème des transports. Je me demande alors si vous seriez en mesure de vous dire comment nous pourrions inspirer les gens des Maritimes et les entraîner à participer à l'expansion des industries dans cette région, comme vous l'avez fait à Sydney avec beaucoup de succès.

M. B. MacDonald: Je ne m'attendais pas à ce qu'on me pose une question de ce genre. Néanmoins, je pense que le secret de l'aciérie de Sydney vient du fait que les gens ont l'impression qu'ils font partie de l'industrie. Ils sentent qu'ils sont maintenant une partie intégrante de l'industrie et leur détermination au moment où l'on projetait fermer cette usine, était une attitude de détermination à réussir, non pas de la panique. Ils ont senti qu'il avait quelque mérite, que cela pouvait être fait et c'est alors qu'ils ont décidé d'aller de l'avant. Certainement, la direction, l'administration et le reste ont joué un grand rôle. La participation de la province de la Nouvelle-Écosse de même que l'attitude de la province fut un facteur important. Et, la col-

[*Text*]

Sydney steel plant, the change of policies, progressive policies, aggressive sales, co-operative production policies, and so on.

There is one interesting point in connection with the steel industry that, I think, perhaps should be mentioned to this particular body, and that is the fact that it is not accidental that the Sydney steel plant is a basic steel plant, whereas the other steel plants in the country are highly diversified and specialized. This is a matter of transportation policy, and we are remiss in not mentioning it in our brief.

The big problem of the Sydney steel plant operation is that it has been operating at a great disadvantage with regard to finished products, in view of the fact that the minute you finish any type of production on steel products going out of Sydney, you immediately jump your transportation rates tremendously. This has operated actually as a tariff, preventing finished products from the Sydney steel plant going in any quantity into the central Canadian markets, and it means that the raw steel, the billets or that sort of thing, go in at regular rates. The minute you put in any finished product, the rate goes up to a point where it is not practical.

Mr. Pringle: Are you contemplating the further processing of steel into the secondary position so as to get into these other markets? If so, should this not be a factor with regard to our deliberations, that we should give some consideration in this regard to the tariff, tight tariff, out of your area, because is this not a vital part of your business?

Mr. B. MacDonald: I would think it is something that definitely should be considered by your Committee, because the main reason that this type of facility has not been put into the Sydney area is because of the very high costs of shipping finished products out of our area into the central Canadian markets.

Mr. Pringle: Just as a final remark I would like to say that I was very happy to hear you use the word determination, because I think it is a big factor in the expansion of industry, maybe a little more so than subsidies and transportation costs. Thank you very much.

Mr. B. MacDonald: I think you will find, Mr. Chairman, that the attitude in our area at the moment is that as a place to establish industry we can stand on our own feet, pro-

[*Interpretation*]

laboration de tous fut la véritable raison du retour de l'aciérie de Sydney, du changement de politiques des politiques progressives, des ventes agressives, des politiques de production concurrentes, et ainsi de suite.

Mais il y a un point intéressant qu'il faudrait, peut-être mentionner à cet organisme particulier et qui a trait à l'industrie de l'acier, c'est que ce n'est pas tout à fait par accident que l'aciérie de Sydney est une aciérie de base alors que les autres aciéries dans le pays sont très spécialisées, et variées. C'est là une question de politique de transport et nous sommes négligents de ne pas le mentionner dans notre mémoire.

Le grand problème de l'exploitation de l'aciérie de Sydney c'est qu'elle a fonctionné à son désavantage pour ce qui est des produits finis, dû au fait que dès que vous apportez un fini à une production quelconque dans les produits de l'acier qui sont acheminés en dehors de Sydney, immédiatement vos taux de transport augmentent beaucoup. Cela a donc joué comme tarif, empêchant que les produits finis de l'aciérie de Sydney soient acheminés vers les marchés centraux canadiens, et cela signifie que l'acier brut, les billettes ou ce genre de choses se vendent à des taux réguliers. Mais dès que c'est un produit fini le taux monte à un niveau tel que ce n'est pas pratique.

M. Pringle: Est-ce que vous envisagez une autre transformation de l'acier dans un état secondaire pour avoir accès à ces autres marchés? Si oui, cela ne devrait-il pas être un facteur dans nos délibérations, que nous devrions étudier pour ce qui est du tarif, du tarif trop juste, hors de votre secteur, car n'est-ce pas une partie essentielle de votre entreprise?

M. B. MacDonald: Oui, votre Comité devrait étudier la question, à mon avis, parce que la principale raison pour laquelle ce genre de service n'a pas été donné dans la région de Sydney est dû aux coûts très élevés d'expédition des produits finis hors de notre région vers les marchés centraux canadiens.

M. Pringle: Une dernière observation. J'étais des plus heureux de vous entendre utiliser le mot détermination, parce qu'à mon avis c'est un facteur important pour l'expansion de l'industrie, et peut-être un peu plus que les subsides et les coûts de transport. Je vous remercie.

M. B. MacDonald: Je pense que vous verrez, monsieur le président, que l'attitude dans notre région actuellement est que, en tant que place pour l'aménagement d'industries, nous

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ided that the same policies which are adopted in other parts of Canada are applied to his part.

The Chairman: Mr. Skoberg.

Mr. Skoberg: Mr. MacDonald, did you suggest that you do have facilities now to handle ontainerization traffic at the harbour?

Mr. B. MacDonald: What I am saying, Mr. hairman, is that we are presently in the rocess of developing the plan for these acilities. Within a matter of a very few eeks we hope that a full-scale plan will be resented. You notice from my supplementary brief that the Sydney Harbour Development Board was formed since our brief was resented last year, so that we are in the ormative stages in getting proper full-scale evelopment in Sydney Harbour.

Mr. Skoberg: In your opinion, Mr. Maconald, do you consider that the facilities for ontainerization traffic should be supplied by he federal government at these ports, or do ou think that this is the responsibility of the hipper or the particular port authority?

Mr. B. MacDonald: Well, Mr. Chairman, I an only say that if they are not developed as matter of public investment, it is one of the w, let us say, capital parts of the transportion system that did not develop from the ublic purse. We heard submissions on roads moment ago. This is certainly a public roposition through the arrangements with he provinces. Certainly airfields are governent developments. Certainly the railway nes, at least in this area, in the main are ublic capital expenditures. So we feel that rtainly the workage facilities which are ermanent transportation links should also be that category. The amortization of the cost y payment by private companies is the eans by which we feel that it could be done. therwise, I do not think that they would get ere because private interests, I do not ink, would make that type of capital investent on the long term.

Mr. Skoberg: Are you a strong advocate of taining the MFRA rate?

The Chairman: Mr. Skoberg, would you low Mr. Nesbitt a supplementary question?

[*Interprétation*]

pouvons tenir bon pourvu que les mêmes politiques adoptées dans d'autres parties du Canada soient appliquées à notre partie.

Le président: Monsieur Skoberg?

M. Skoberg: Monsieur MacDonald, est-ce que vous suggérez que vous avez maintenant les services voulus pour vous occuper du trafic de «containers» au port de Sydney?

M. B. MacDonald: En ce moment, Monsieur le président nous sommes en train de mettre au point un plan pour ces services. D'ici quelques semaines, nous espérons que nous aurons tous les détails. Vous remarquerez dans mon mémoire additionnel que l'Office d'expansion économique du port de Sydney a été formé depuis la présentation de notre mémoire l'année dernière; donc, nous sommes dans les premiers stages du développement du port de Sydney.

M. Skoberg: Croyez-vous que le service pour le trafic des «containers» devrait être fourni par le gouvernement fédéral dans ces ports, ou croyez-vous que la responsabilité revient à l'expéditeur ou aux autorités portuaires?

M. B. MacDonald: Monsieur le président, tout ce que je puis vous dire c'est que s'ils ne sont pas mis au point et aménagés comme faisant partie d'un investissement du secteur public, il s'agit là d'une des rares immobilisations du réseau de transport qui ne s'est pas fait à partir des deniers publics. Nous avons entendu des propositions sur les routes il y a un moment. C'est là une proposition du secteur public, certainement, suite à des dispositions prises avec les provinces. Certainement, les champs d'aviation sont des œuvres du gouvernement. Certainement les chemins de fer, du moins dans cette région, sont des dépenses d'immobilisation à partir des deniers publics. C'est pourquoi nous sommes d'avis que sûrement le service et le lien de transport devraient aussi être dans la même catégorie. L'amortissement des frais d'aménagement, en vertu d'un paiement par les sociétés privées, est le moyen qui, à notre avis, pourrait être utilisé. Autrement, je ne crois pas qu'on y parviendra, parce que les intérêts privés, à mon avis, ne pourraient faire de tels investissements à long terme.

M. Skoberg: Est-ce que vous voulez maintenir les taux de la Loi du Transport des marchandises dans les provinces Maritimes.

Le président: Monsieur Skoberg, permettez-vous à M. Nesbitt de poser une question supplémentaire?

[*Text*]

Mr. Nesbitt: Just a brief supplementary to Mr. MacDonald. It has been mentioned that the government should supply, as it did years ago for the air services of Canada, certain port facilities to facilitate container traffic and the like. Could you give the members of the Committee some specific examples of what sort of facilities you think the federal government should provide in the various ports such as Sydney?

Mr. B. MacDonald: Well, Mr. Chairman, the basic facility, of course, is the wharfage facility. This is a major expenditure and, as I said, a long-term physical asset which goes on for a long time.

Mr. Nesbitt: Excuse me, just a moment. You say wharfage facilities. Do you mean a dock? Do you mean loading cranes?

Mr. B. MacDonald: Dock facilities, it means basically, and the cranes in connection with the loading facilities. We feel that in Sydney Harbour we can justify, on a commercial basis, the initial installation, and with traffic which is presently in the Harbour and using antiquated facilities which must be replaced in the near future. We also feel that there is traffic which could be attracted. We had traffic in there last year that, we think, would be attracted in larger volume if we had the facilities.

Mr. Nesbitt: After you have had perhaps a bit of time to consider the question, I was wondering if perhaps you could forward to the Clerk of this Committee a list of the things that you feel would be helpful for the federal government to provide as wharfage facilities in Sydney Harbour.

Mr. B. MacDonald: I would be very pleased to, sir.

The Chairman: Mr. Skoberg.

Mr. Skoberg: This is the last question, Mr. Chairman. Mr. MacDonald, are you a strong advocate of the retention of the MFRA rates?

Mr. B. MacDonald: Well, Mr. Chairman, the retention of the MFRA rates as they are at the moment I do not think is really what we are advocating. What we are advocating is a whole new concept of rail transportation rates in the Maritime area, say, from the seacoast inward. And I think there is some-

[*Interpretation*]

M. Nesbitt: Une question supplémentaire très brève à l'adresse de M. MacDonald. On a dit que le gouvernement devrait donner comme il l'a fait il y a quelques années pour les services aériens certains aménagements portuaires pour faciliter le transport des containers. Pourriez-vous donner aux membres du Comité des exemples précis du genre de service qui à votre avis devrait être assuré par le gouvernement fédéral dans les différents ports, tel celui de Sydney?

M. B. MacDonald: Les services essentiels, bien entendu, monsieur le président sont les services de quais. C'est là une dépense importante et, comme je l'ai dit, c'est là un actif matériel à long terme qui durera bon nombre d'années.

M. Nesbitt: Un instant, s'il vous plaît. Vous dites services de quais. Voulez-vous parler de dock? Voulez-vous parler des grues de chargement.

M. B. MacDonald: Les services de dock, essentiellement et les grues pour ce qui est de services de chargement. Nous sommes d'avis que dans le port de Sydney nous pouvons vraiment justifier sur le plan commercial une première installation, avec le trafic que nous avons actuellement dans le port de Sydney, et les services désuets qui doivent être remplacés très bientôt. Nous sommes aussi d'avis qu'il y a un trafic qui pourrait être encouragé à venir chez-nous. Nous en avions l'année dernière et nous croyons qu'il pourrait être plus grand si nous avions les services adéquats.

M. Nesbitt: Après avoir peut-être eu le temps de considérer la question, je me demandais si vous ne pourriez pas faire parvenir au greffier de ce Comité la liste des éléments qui, à votre avis, pourraient être fournis par le gouvernement fédéral au service de quais du port de Sydney.

M. B. MacDonald: J'en serais très heureux, monsieur.

Le président: Monsieur Skoberg?

M. Skoberg: Une dernière question, s'il vous plaît. Monsieur MacDonald, est-ce que vous êtes en faveur du maintien des taux de la Loi du transport des marchandises dans les Maritimes?

M. B. MacDonald: Monsieur le président, quant au maintien de ces taux tels qu'ils présentent maintenant, je ne crois pas que ce soit vraiment ce que nous proposons. Ce que nous proposons en réalité, c'est un tout nouveau concept de la structure des taux pour le transport dans les régions des Maritimes,

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ning which some of you gentlemen may now but some of you may not know, and nat is that the payments, let us say the contribution, from the federal government under ne MFRA per ton mile were considerably less or many years than the per-ton mile payments that were made under the so-called ridge subsidy over the Northern Ontario rea of the railway.

We hear a great deal about what a marvelous thing the MFRA has been across the ears, and there is no question that it has een of assistance. But, once again, we are alking about equal treatment across the ountry, and it is not the only case where the ederal government has assisted a transportaon facility, and in the Northern Ontario case was a greater contribution than the contriution to the Maritimes.

The Chairman: Mr. Allmand.

Mr. Allmand: Mr. MacDonald, how many hips used Sydney Harbour last year, cargo hips?

Mr. B. MacDonald: I am afraid I could not ve this to you offhand, but Sydney Harbour as consistently, across the years, been heavi- on the domestic side in tonnage than has alifax Harbour. On the international side, of ourse, Halifax Harbour is away ahead. But ere is a substantial tonnage handled in Sydey Harbour at the moment, through coal, eel shipments, inland traffic, and general rgo operations.

Mr. Allmand: I was going to ask you a rther question which you have already parally answered. I wanted to know what the estinations of the ships in and out of Sydney arbour would be, and you seem to say that is domestic. Would that mean that the ships ainly go up the St. Lawrence towards Montal and also to Newfoundland?

Mr. B. MacDonald: There is considerable affic to other countries, Newfoundland affic of course, and we have recently had ipping, in connection with some of the new dustries in the area, from Australia. These st few weeks we have had ships in from pan doing, as was mentioned, a transshipent operation from one ship to the other. ne ship was going back to Japan and offaded its cargo to another Japanese ship oing in another direction, and this is an area here we feel we have great potential.

[*Interprétation*]

disons, du littoral Atlantique, vers l'intérieur. Et, je pense que peut-être certains d'entre vous le savez, d'autres ne le savent peut-être pas, mais les paiements, les contributions venant du gouvernement fédéral en vertu de la Loi sur le transport des marchandises dans les Maritimes, par tonne-mille, étaient beaucoup moins pour un bon nombre d'années que les paiements par tonne-mille qui furent effectués en vertu des prétendus subsides pour combler les lacunes du chemin de fer dans la région du nord de l'Ontario.

Nous avons beaucoup entendu parler des éléments merveilleux de cette Loi pour le transport des marchandises dans les Maritimes et cela fut vraiment une aide précieuse. Une fois de plus, nous parlons de traitement égal à travers le pays et ce n'est pas le seul cas où le gouvernement fédéral a vraiment aidé au service des transports et dans le nord de l'Ontario, la contribution était plus importante que la contribution aux Maritimes.

Le président: Monsieur Allmand?

M. Allmand : Monsieur MacDonald, combien de navires sont allés au port de Sydney l'année dernière?

M. B. MacDonald: Je ne pourrais vous le dire, sur le champ mais le port de Sydney a toujours eu au cours des années passées un tonnage plus élevé en tonnage domestique que le port de Halifax. Sur le plan international,le port de Halifax est loin devant, mais il y a un tonnage frot élevé qui passe par Sydney en ce moment, des expéditions de charbon, d'acier et les opérations de cargos habituels.

M. Allmand: Je voulais vous poser une autre question sur laquelle vous avez en partie répondu. Je voulais savoir quelles étaient les destinations des navires du port de Sydney, vous semblez dire qu'elles sont domestiques. Est-ce que cela veut dire que les navires se dirigent principalement vers le Saint-Laurent, jusqu'à Montréal et aussi Terre-Neuve?

M. B. MacDonald: Il y a beaucoup de trafic vers les autres pays, vers Terre-Neuve évidemment et nous avons eu récemment des expéditions, en regard des nouvelles industries de la région, venant de l'Australie. Il y a à peine quelques semaines, nous avons eu des navires qui venaient du Japon, effectuant comme on l'a dit ici, des opérations de transfert d'un navire à un autre, un navire qui allait au Japon et qui a donné sa cargaison à un autre navire qui s'en allait dans une autre direction, et voilà un secteur où les possibilités sont très grandes.

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One of the things mentioned particularly was the fact that they would like to investigate shipping into Sydney Harbour during the approximate three-month period when Montreal is frozen up, and this is an area where they felt that Sydney Harbour could be of use to them as well.

Mr. Allmand: Are the basic products that are shipped in and out of Sydney steel and coal? Are these the two main products or do you have other freights that go out of that harbour as well?

Mr. B. MacDonald: These are the two main products at the moment. There is an industry which is now located in Sydney Harbour which brings in bauxite from Australia's process, but basically at the moment the major traffic is in steel and coal. Of course, involved in steel are all the raw materials for steel, which may come from various parts of the world.

Mr. Allmand: You suggest in your brief that Sydney be made a major containerization port and a major port on the East Coast. I know you speak from the Sydney point of view, but do you feel that Nova Scotia could afford two major containerized ports if the federal government were to assist in the development of increased containerization facilities? As you know, that is the attitude of the Nova Scotia government.

Mr. B. MacDonald: I am afraid I cannot answer for the Nova Scotia government, Mr. Chairman, but with regard to Sydney being a major containerization port, if you first of all look at containerization operations in Canada, by process of elimination it would appear that the major port should be in Nova Scotia because it is the closest landfall and it does not have any of the, let us say, natural difficulties that some of the New Brunswick ports have. The major harbours in Nova Scotia are at Halifax, Port Hawkesbury and Sydney. If we look at major containerization facilities we find there are certain natural requirements, one of which is availability of land. Once you mention availability of land, you have to have availability of suitable land.

Looking at Halifax, in spite of the fact that there is a containerization operation going in here—and there will always be a containerization operation in Halifax Harbour, otherwise it will not be a harbour—the extent of

[*Interpretation*]

Une chose dont je voudrais parler tout particulièrement, c'est le fait qu'on aimerait savoir ce qu'il en est pour les expéditions vers le port de Sydney pendant cette période de trois mois où le port de Montréal est fermé par les glaces. C'est là un secteur où l'on croyait que le port de Sydney pourrait leur être utile.

M. Allmand: Est-ce que les produits de base qui sont expédiés en passant par Sydney, l'acier et le charbon? Sont-ce les deux principaux produits ou est-ce qu'il y a d'autres cargos qui partent aussi de ce port?

M. B. MacDonald: Ce sont les deux produits principaux en ce moment. Il y a une industrie qui se trouve dans le port de Sydney et qui importe de la bauxite de l'Australie. En ce moment, il y a surtout de l'acier et du charbon. Bien entendu, il y a d'autres matières premières pour l'acier qui peuvent nous venir de différentes régions du monde.

M. Allmand: Dans votre mémoire, vous proposez que Sydney devienne un port principal pour le service des «containers» et un port essentiel sur la côte est. Je sais que vous parlez du point de vue de Sydney, mais êtes-vous d'avis que la Nouvelle-Écosse peut se permettre deux ports importants pour le service des «containers» si le gouvernement fédéral aidait au développement et à l'augmentation des aménagements pour «containers»? Comme vous le savez, telle est l'attitude du gouvernement de la Nouvelle-Écosse.

M. B. MacDonald: Je crains fort que je ne saurais répondre au nom du gouvernement de la Nouvelle-Écosse, monsieur le président, mais pour ce qui est de la transformation de Sydney en un port important pour le service des «containers», si vous examinez tout d'abord les opérations des «containers» au Canada, et par processus d'élimination, il me semble que le principal port devrait se trouver en Nouvelle-Écosse parce que c'est là la terre la plus rapprochée, et n'a pas de difficultés naturelles que connaissent certains ports du Nouveau-Brunswick. Les principaux ports de la Nouvelle-Écosse sont à Halifax, Port Hawkesbury et Sydney. Si nous voyons le service des «containers» nous voyons qu'il y a certaines exigences naturelles, dont la disponibilité de terrains. Une fois que vous parlez de disponibilité de terrains, il faut avoir disponibilité de terrains adéquats.

Pour ce qui concerne Halifax, malgré le fait qu'il y a des opérations «containers» en cours, et il y en aura toujours dans le port de Halifax, autrement ce ne serait plus un port, l'ampleur des aménagements est une questi

[*Texte*]

the facility is a matter of policy. Port Hawkesbury has a lot of things which are very good, such as very deep water, but there are difficulties in the topography of the adjoining land as far as a containerization port is concerned. This means that you come down to Sydney.

Mr. Allmand: You know that only certain types of freight are suitable for containerization, and neither steel nor coal is the type of freight that is suitable for a container.

Mr. B. MacDonald: Yes, but we are not looking at Sydney Harbour as a point of origin for freight, we are looking at Sydney Harbour as a terminal between ocean and land transportation. In other words, we are the junction point, we are not the originating point for traffic.

Mr. Allmand: Has there been a clamour for shipping companies to, let us say, use Sydney as opposed to Halifax? As you know, the shipper is the one that will eventually determine this—the shipping companies, the steamship lines, and so forth. If we were to put a development into Sydney Harbour and the shipping companies continued to show a preference for Halifax, we would not be spending our money too well.

Mr. B. MacDonald: Mr. Chairman, I think we would have to answer this by saying that at the moment we do not have the type of facility to offer the shipping companies that would even be the nucleus of an operation. Our proposal will be to propose the nucleus of the operation and if we can get the shipping companies—as we know we can, we have had indications of this from some of the shipping companies—and if we can have the facilities there to bring in the traffic, we know we can attract it, and we have enough traffic in the harbour at the moment to justify the initial installation.

The Chairman: Mr. Rose.

Mr. Rose: Thank you. A number of my questions have been answered, at least in part, by the line of questioning that Mr. Allmand pursued. I would first like to say that I was very interested in the brief presented by Messrs. McDonald. It seems to me that every second person in the Maritimes is named McDonald. This may not be so. I would like to comment that this is the last place I expected to hear anyone singing the praises of public ownership of a large industry, and I was wondering if the gentleman thought—I was going to pose a question but I will not—

[*Interprétation*]

de politique. Port Hawkesbury a de nombreux avantages, tels l'eau très profonde, mais la topographie des terrains avoisinants crée des problèmes quant à l'aménagement d'un port pour «containers». Donc vous en arrivez à Sydney.

M. Allmand: Vous savez que le service des «containers» ne peut convenir qu'à certains types de fret dont ne font pas partie le charbon et l'acier.

M. B. MacDonald: Oui, mais on ne considère pas le port de Sydney comme le point de départ du fret mais plutôt comme un terminus entre les services océaniques et continentaux. Autrement dit, nous sommes un point de jonction, nous ne sommes pas le point d'origine pour le traffic.

M. Allmand: Est-ce qu'on a demandé que les armateurs utilisent Sydney plutôt que Halifax? Comme vous le savez, les expéditeurs sont ceux qui éventuellement le détermineront, les sociétés d'expéditions, les compagnies maritimes et ainsi de suite. Si on développait le port de Sydney, et que les sociétés d'expédition préfèrent toujours Halifax ce ne serait pas une bonne façon de dépenser notre argent.

M. B. MacDonald: Monsieur le président, je pense qu'il nous faut y répondre en disant qu'en ce moment, nous ne pouvons pas offrir aux sociétés d'expédition le genre de services qui serait même le noyau des opérations. Nous proposons un noyau d'activité et si nous pouvons avoir les sociétés, nous savons que nous pouvons le faire parce que certaines sociétés nous l'ont indiqué déjà, et si nous pouvons avoir ces aménagements pour y amener le traffic, nous savons que nous pouvons l'attirer, et nous avons suffisamment de traffic dans le port maintenant pour justifier ces premières installations.

Le président: Monsieur Rose.

M. Rose: J'aurais un certain nombre de questions à poser, mais on y a répondu en partie, à la suite de l'ensemble des questions posées par M. Allmand. D'abord je voudrais vous dire, que je suis fort intéressé au mémoire présenté par M. MacDonald. Il me semble que presque tout le monde s'appelle MacDonald ici dans les Maritimes, peut-être pas. Je voudrais vous dire que c'est le dernier endroit où je m'attendais à entendre quiconque faire les louanges de la propriété publique d'une industrie importante, et je me demandais si vous aviez pensé, enfin j'allais

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that the solution to further Maritime problems might be solved in a similar manner.

Nevertheless, I would like to pursue the concept of the land bridge with the witness. It seems to me that the land bridge concept follows this line of reasoning somewhat, that it is cheaper or just as cheap to transship by rail from the East Coast to the West Coast for transshipment to the Orient as it is to go into the harbour of Montreal, for instance, where I am told you have a great deal of congestion, and this sort of thing. I do not know whether that is true or not. You would agree with that?

Mr. B. MacDonald: Yes.

Mr. Rose: We are in the infancy of this land bridge concept, are we not, sir?

Mr. B. MacDonald: Yes, that is right.

Mr. Rose: My question is very similar to Mr. Allmand's. How do you feel about the idea of duplication? We are only beginning the industry now so why do we need two types of containerization ports at Halifax and Sydney, for instance? I realize you represent that particular part of the country and you are naturally anxious to have these things, but it is somewhat similar to the situation we ran into in New Brunswick in the last two days where every community wanted a major international airport. Why do you feel that Sydney has anything particular to offer in this regard?

Mr. B. MacDonald: Mr. Chairman, people may not agree with it, but this is our concept in any event. I detailed the three Nova Scotia ports a moment ago but I did not quite finish the part about Sydney being a suitable major containerization port. It is because we have vacant available land which is government-owned and which is immediately adjacent to 40-foot water, and this depth is consistent throughout the harbour. As I understand it, the present containerization facility which has been set up in Halifax is approximately 55 acres. This is a very good stopgap operation but Halifax Harbour as the site for a major containerization facility—if we are talking about major North American international trade—presents great problems. I think this was pointed out in a study which was done of Halifax Harbour by ADB. It just does not have the backup waterfront land for a major facility. There is one section on the Dartmouth side which the study showed—I am

[*Interpretation*]
poser une question mais je ne le ferai pas, que la solution à d'autres problèmes des Maritimes pourraient être réglés de la même façon.

Néanmoins, je voudrais reprendre ce concept «fer-terre-pont» avec le témoin. Il me semble que ce concept suit cette ligne de pensée qu'il est moins coûteux ou tout aussi peu coûteux de faire ces expéditions par rail de l'est à l'ouest vers l'Orient plutôt que d'aller dans le port de Montréal, par exemple, où vous avez beaucoup de congestion, me dit-on. Je ne sais pas si c'est vrai ou pas. Êtes-vous d'accord à ce sujet?

M. B. MacDonald: Oui.

M. Rose: Nous en sommes au début de ce concept «fer-terre-pont», n'est-ce pas?

M. B. MacDonald: Oui, c'est juste.

M. Rose: Ma question est bien semblable à celle de M. Allmand. Quels sont vos sentiments quant à cette idée de duplication? Nous débutons seulement l'industrie, donc pourquoi faut-il deux genres de port pour containers, soit Halifax et Sydney? Je me rends compte que vous représentez cette partie du pays et que vous désirez avoir ces choses mais c'est tout comme ce que nous avons connu au Nouveau-Brunswick, au cours des deux derniers jours où chaque collectivité veut un aéroport international. A votre avis, est-ce que Sydney a quelque chose de particulier à offrir à cet égard?

M. B. MacDonald: Monsieur le président, les gens ne seront peut-être pas d'accord, mais de toute façon voilà notre concept. J'ai décrit il y a un instant, les trois ports de la Nouvelle-Écosse, mais je n'avais pas tout à fait terminé ce qu'il en était de Sydney comme un port principal pour les «containers». C'est parce que nous avons les terrains vacants en disponibilité qui sont la propriété du gouvernement, et avoisinant une eau de 40 pieds de profondeur, et cette profondeur est constante dans tout le port. Comme je l'entends, les aménagements actuels pour «containers» établis à Halifax couvrent une superficie de quelques 55 acres. C'est une excellente opération bouche-trou, mais le port de Halifax comme l'emplacement d'importantes installations pour «containers», si nous parlons du commerce international nord-américain présente de très grands problèmes. Le problème fut signalé par une étude faite par l'Office d'expansion économique de la région atlantique sur le port de Halifax. Ce port n'a pa

[*Texte*]

talking about suitable topographical sites and . . .

[*Interprétation*]

tous les éléments voulus d'eau et de terre pour ces services. Il y a une partie du côté de Dartmouth que l'étude a démontré, je parle d'emplacement topographique convenable, et. . .

Mr. Rose: Sir, would you compare the potential of Port Hawkesbury in the Bedford Basin with the potential facilities that Sydney has to offer?

M. Rose: Alors, est-ce que vous compareriez les possibilités de Port Hawkesbury dans le bassin de Bedford avec les services éventuels que peut offrir Sydney?

Mr. B. MacDonald: Once again we are into a topographical problem. I think if you look around Halifax Harbour and the Bedford Basin you will see what I mean. The backup land is just not available and the study pointed this out. On the opposite side there is one section which I believe is called Navy Island. Is that correct? There is one area there, but except for that area there just is not any. Even the present facility—well, that is a matter of opinion.

M. B. MacDonald: Une fois de plus, nous sommes aux prises avec le problème d'ordre topographique. Si vous regardez le port de Halifax et le bassin de Bedford, vous verrez ce que je veux dire. Le terrain d'appui n'est pas disponible et c'est l'étude qui nous l'a démontré. De l'autre côté, il y a une partie qui s'appelle l'île *Navy*, je crois. Est-ce correct? Je pense qu'il y a là une région, mais sauf celle-là, il n'y en a pas. Même pour les services actuels, c'est une question d'opinion.

Mr. Rose: This is my final question, Mr. Chairman, of the witness. You mentioned the difficulty of exporting finished steel products to Central Canada because the Maritimes Freight Rates Act has a kind of tariff. Am I paraphrasing you correctly?

M. Rose: Ma dernière question. Vous parlez des difficultés d'exporter vers le Canada central des produits finis de l'acier parce que la Loi sur les taux de transport des marchandises dans les provinces maritimes prévoit un genre de tarif. Est-ce que je résume bien votre pensée?

Mr. B. MacDonald: Right.

M. B. MacDonald: Oui.

Mr. Rose: In this area there seems to be a preoccupation with sales to Central Canada. I believe it is historic, it has something to do with the terms of the union, and this sort of thing. Have there been explorations concerning the export of finished steel to countries other than Canada, which many other countries in the world do?

M. Rose: Il semblait y avoir une certaine préoccupation pour ce qui est des ventes vers le Canada central. Je pense que c'est sur le plan historique, que cela a quelque chose à voir avec les conditions du syndicat, et autres choses du genre. Est-ce qu'on a examiné la possibilité d'exporter les produits finis de l'acier, ce que bon nombre d'autres pays font déjà dans le monde.

Mr. B. MacDonald: Mr. Chairman, I think the answer to that is that to put in finished steel facilities any steel plant must have a fair sized domestic market which it can count on for its base of operations in this field. If that is absent, then it is a very dangerous business practice to go into the export field and set up facilities to go into the finished product market and the export field primarily. The major steel companies in Canada certainly could not and would not have their finished steel—

M. B. MacDonald: Je pense que la réponse, est que toute aciérie qui veut faire des aménagements pour une production d'acier fini doit avoir un marché domestique sur lequel elle puisse compter comme base d'opération dans ce domaine. Si on n'a pas cet élément, alors c'est une pratique commerciale très dangereuse que de se lancer dans le secteur des exportations, et d'établir les aménagements pour se lancer surtout sur le marché des produits finis et les exportations. Les principales aciéries du Canada, certainement ne pourraient pas et ne voudraient pas que leur acier fini. . .

Mr. Rose: Do you have a precise recommendation to put on the record as far as the rates on finished steel products from Sydney are concerned?

M. Rose: Est-ce que vous avez une recommandation précise que vous pourriez consigner aux comptes rendus pour ce qui est des taux pour les produits finis de l'acier de Sydney?

[*Text*]

Mr. B. MacDonald: Yes, Mr. Chairman. I would say that it would be the rare case that a carload of finished products destined for a Central Canadian market would go in less that carload lots. It may happen, but I would think it would be a rare case. If this is the case, then what is the difference between hauling a carload of raw or semifinished steel and a carload of finished steel? Why not apply the same yardstick to both? That would mean that the transportation tariff would not operate against the finished products of a steel company.

The Chairman: Thank you. The next questioner is Mr. Thomas.

Mr. Thomas (Moncton): Mr. Chairman, in the interests of time—and I also see there are two other briefs from the Cape Breton area coming up—I will save my questions for the next witness from the Cape Breton area. Perhaps you would put me on the list then.

The Chairman: Thank you, Mr. Thomas. Do you have one last question, Mr. Rock?

Mr. Rock: Yes. Is there any shipment of coal from Sydney to any coal-driven electric generators in your province? Is there any coal movement from Sydney to places where there are coal-driven electric generators?

Mr. B. MacDonald: Yes, very definitely.

Mr. Rock: Do you have any coal-driven generators in Sydney?

Mr. B. MacDonald: Oh yes, it is entirely thermal.

Mr. Rock: At the coal mines or close to them?

Mr. B. MacDonald: Close to them, yes. The main electric power source for the Isle of Cape Breton is a matter of a few miles from the coal mines.

Mr. Rock: Thank you.

The Chairman: This completes the questioning, Mr. MacDonald.

Our next brief will be from the Society of Atlantic Initiative of Halifax, and I will call on Messrs. Waller, Unsworth and Boswick. Mr. Waller is sitting on my right. You will find the brief on page 636.

Mr. F. M. Waller (Society of Atlantic Initiative): Mr. Chairman, members, ladies and

[*Interpretation*]

M. B. MacDonald: Oui, monsieur le président, je dirais qu'il serait exceptionnel d'expédier le produit fini vers les marchés centraux si la wagonnée n'est pas complète. La chose est possible mais rare. S'il en est ainsi, alors quelle différence y a-t-il entre le transport d'une wagonnée d'acier brut ou semi-fini et une wagonnée d'acier fini? Alors, pourquoi ne pas appliquer les mêmes normes dans les deux cas? Cela signifierait que le tarif des transports n'irait pas à l'encontre des produits finis de l'acier.

Le président: Merci. La prochaine question, M. Thomas.

M. Thomas (Moncton): Monsieur le président, par égard au temps, car je vois qu'il y a deux autres mémoires qui nous viennent de l'Île du Cap Breton, donc j'attendrai que l'on soit saisi de la présentation de l'Île du Cap Breton. Pourriez-vous m'inscrire sur la liste alors?

Le président: Merci, monsieur Thomas. Une dernière question, monsieur Rock?

M. Rock: Est-ce qu'on fait des expéditions de charbon à partir de Sydney vers des centres de production d'électricité où l'on utilise le charbon? Est-ce qu'on fait des expéditions de charbon à partir de Sydney vers des centres de production d'électricité par le charbon?

M. B. MacDonald: Oui.

M. Rock: Est-ce que vous en avez à Sydney?

M. B. MacDonald: Oui, il s'agit seulement de centrales thermiques.

M. Rock: A la mine ou tout près?

M. B. MacDonald: Oui, tout près. La principale source d'énergie pour l'Île du Cap Breton se trouve à peine à quelques milles des mines de charbon.

M. Rock: Merci.

Le président: Ceci met fin à la période de questions, monsieur MacDonald.

Nous entendrons maintenant le mémoire de la *Society of Atlantic Initiative* de Halifax. J'demande donc à MM. Waller, Unsworth et Boswick de prendre la parole.

M. Waller est assis ici à ma droite. Vous trouverez le mémoire ici à la page 636.

M. F. M. Waller (Society of Atlantic Initiative): Monsieur le président, messieu

[*Texte*]

gentlemen, as we have been requested to be brief I will do my best to be just that. The members of the Society for Atlantic Initiative do not have research capability so they are relying on current studies which were made by others as well as logic and reason as a basis for their conclusions and recommendations.

In the case of the Atlantic Provinces transportation situation the study used was that of the Economist Intelligence Unit, which was published in 1967. As individuals and as a group, we also have our own opinions of Maritime attitudes of the significance of the transportation problem in the total spectrum of problems and of the results that have been achieved so far.

We cannot accept the justification for an economy, or part of an economy, that relies on continuing subsidy in order to exist. A transportation subsidy has apparently been paid in one form or another since about 1875. We also recognize that the Maritime Freight Rates Act subsidy may not be an Atlantic subsidy at all but, in fact, just part of the total railway subsidy. We deplore the attitudes that apparent hand-outs may generate. The frequent demands for subsidies, capital grants and tax concessions indicate our reliance on government help. There is even a proposal that because the railways are subsidised the trucking industry should be subsidised. To us this would be a disastrous direction to follow and one that would probably deny forever the removal of subsidies.

We recognize that we are trying to compete with other parts of Canada. We believe that the money which is being spent in Upper Canada on improved port facilities and through traffic is wasted because the trend in the shipment of goods has established itself in the opposite direction; that is, massive volume via water to the ports that can handle superships, modern disbursal facilities and high-speed railway systems.

The money being spent to refurbish an outdated system, instead of building a totally integrated system, prolongs regional disparities in Canada and does not allow each sector of Canada to fulfil its role in a proper and economically viable manner. Similarly, it would seem reasonable to encourage the development of north-south trade by improv-

[*Interprétation*]

les membres, mesdames et messieurs, comme on nous a demandé d'être brefs, je ferai de mon mieux. Les membres de la *Society of Atlantic Intiative* n'ont pas les services de recherches; ils doivent donc compter sur les études faites par d'autres de même que sur la logique et le raisonnement comme base de leurs conclusions et de leurs recommandations que nous énonçons.

Dans le cas de la situation du transport dans les provinces de l'Atlantique, on a employé l'étude de l'*Economist Intelligence Unit*, publiée en 1967. Nous avons aussi, en tant que groupe et que personnes, nos opinions de l'attitude des Maritimes quant à l'importance du problème du transport dans l'ensemble des problèmes et les résultats qui ont été obtenus jusqu'ici.

On ne peut accepter la justification d'une économie, ou d'une partie d'une économie, qui doit compter toujours sur les subventions pour se maintenir. Les subventions pour le transport, apparemment, ont été payées sous une forme ou sous une autre, depuis 1875. Nous reconnaissons aussi que les subventions en vertu de la Loi sur les taux de transport des marchandises dans les provinces maritimes ne sont peut-être une subvention pour la région de l'Atlantique, mais, en fait, ne sont qu'une partie de l'ensemble des subventions ferroviaires. Nous déplorons l'attitude que ces dons peuvent créer. Les demandes fréquentes de subsides, de dégrèvements fiscaux et de subventions montrent notre dépendance de l'aide du gouvernement. Il a été proposé que puisque les chemins de fer sont subventionnés, le camionnage devrait l'être. Pour nous, ce serait vraiment une orientation vraiment désastreuse à suivre qui nous refuserait peut-être pour toujours une disparition des subventions.

Nous nous rendons compte que nous essayons de concurrencer avec d'autres régions du Canada. Nous croyons que l'argent dépensé dans le Haut-Canada pour les aménagements portuaires et le transit est un gaspillage vu que les tendances dans l'expédition des denrées se sont établies dans une direction opposée; c'est-à-dire le transport par eau de grands volumes vers les ports qui peuvent recevoir les navires géants, les installations modernes de déchargement et les systèmes de transport ferroviaire très rapide.

L'argent dépensé pour moderniser un système désuet plutôt que d'établir un système entièrement intégré permet le maintien des disparités régionales au Canada et ne permet pas à chacune des régions du Canada, d'assumer son rôle d'une façon économique, viable et appropriée. De même, il semblerait raisonnable d'encourager le développement du com-

[*Text*]

ing the links between U.S. highway No. 95 in Maine and the main arterial highways of New Brunswick and Nova Scotia.

It does not seem illogical to say that the Maritimes relative to other parts of North America can be compared to under privileged and uneducated countries who have the opportunity to profit by the technological advances of other countries without the burden of the capital expenditures or the personnel to develop them. We must recognize that a giant leap forward is necessary to place the Maritimes on line again with the use of these technological advancements.

With that much preamble, let me offer you a summary of our brief which has been filed with you. It deals only with policy and subsidies, not with recent rate changes, and its principal points are:

1. The remedy for the many economic ills besetting the Atlantic Region requires action by the Atlantic Provinces as well as the Federal Government. Transportation is but one of those ills, even though one of vital importance.

2. The Atlantic Provinces cannot continue to demand the perpetuation of Confederation promises, when the environment of today is completely different from that of 1867, 1927 or, but to a lesser degree, 1949.

3. Transportation subsidies which may have helped the shipper at one time, today cannot be proven as being much more than revenue to the carriers, with very little real benefit accruing to the Atlantic shipper.

4. The accomplishment of the objective of National Transportation Policy can best be achieved by creating conditions which will assist the maximum development of non-subsidized competitive modes of transport in the Atlantic Region.

5. Provincial and Federal Governments should work together in such fields as all-weather highways, uniform trucking regulations and rates to develop truck competition.

6. Should abolition of subsidies result in a demand by subsidized carriers for increased rates, consideration should be given to provi-

[*Interpretation*]

merce nord-sud en améliorant les liens routiers entre la route 95 dans le Maine et les grandes routes du Nouveau-Brunswick et de la Nouvelle-Écosse.

Il ne semble pas du tout logique de dire que les Maritimes, par rapport aux autres régions de l'Amérique du Nord, peuvent être comparées aux pays sous-évolués qui ont pu bénéficier du progrès technologique des autres pays, sans faire de dépenses en immobilisation du personnel pour le développement. On doit reconnaître qu'il faudra un immense progrès pour que les Maritimes puissent combler leur retard dans l'utilisation de ces avances technologiques.

Permettez-moi maintenant de vous donner un résumé de notre mémoire que nous avons déposé. On y parle de politiques et de subventions, non pas de modifications récentes des tarifs. Voici un résumé des principaux points soulevés:

1. Les solutions à apporter aux problèmes d'ordre économique auxquels fait face la région de l'Atlantique exigent l'intervention des gouvernements des provinces Maritimes ainsi que celle du gouvernement fédéral. La situation des transports n'est que l'un de ces problèmes, encore qu'il aît une importance capitale.

2. Les provinces de l'Atlantique ne peuvent continuer d'exiger que soient respectées pour toujours les promesses faites à l'époque de la Confédération, alors que la conjoncture actuelle est entièrement différente de celles de 1867, de 1927, et, à un moindre degré, de celle de 1949.

3. Les subventions aux transports qui, à un moment donné, a eu pour effet d'aider l'expéditeur, n'est plus guère qu'une source de revenus pour les transporteurs et, de fait, ne bénéficie que très peu à l'expéditeur.

4. Le moyen le plus sûr de réaliser les objectifs de la politique nationale des transports est de créer un climat qui favorise au maximum le développement de moyens de transport compétitifs subventionnés dans la région de l'Atlantique.

5. Les gouvernements fédéral et provinciaux doivent unir leurs efforts dans des domaines tels que l'aménagement de grandes routes ouvertes en toute saison et l'établissement d'une réglementation et de taux uniformes en vue de stimuler la concurrence au sein de l'industrie du camionnage.

6. Si la suppression des subventions devait entraîner une demande d'augmentation des taux de la part des transporteurs subven-

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sion of temporary assistance to shippers who would be genuinely injured.

7. While distance from the major markets causes a transportation problem, it cannot be shortened. The penalty it creates can be overcome by transportation improvements, competitive modes of transport, and improvements in productivity, management techniques, efficiency, development of industry and local markets. Continued reliance on subsidies, particularly those of doubtful benefit, will not inspire maximum effort in these other equally critical areas.

8. Finally, these recommendations should be considered in total. It is not recommended that the subsidy be abolished unless simultaneous action is taken in the other fields.

That, gentlemen, is a summary of our brief. Thank you very much.

The Chairman: Thank you very much. Mr. Nowlan?

Mr. Nowlan: Mr. Chairman, I have a few questions, but in any of the questions I certainly do not want to be considered to be against any initiative in the Atlantic area, and the fact that we need some new looks at some old problems to help perhaps pave a way for a new future.

But I was disappointed, Mr. Chairman, in this brief and the misrepresentation in certainly one or two of your recommendations in relying on the Economist Intelligence Unit report and suggesting that that Report came out against subsidies or special treatment for the Atlantic area.

I am all for initiative, but I feel that your brief from young, energetic, and responsible individuals could create a misrepresentation to this Committee because already there are many members of this Committee who feel that this is just another trip to find out if we are going to have another handout to the East, and why the handout?

I am going to come back to your misrepresentation, but the question I am going to ask you, to put this thing in proper focus, you say you do not relay on pre-Confederation promises. I challenge that statement categorically. This country was founded on some con-

[*Interprétation*]

tionnés, il y aurait lieu alors de songer à aider les expéditeurs qui seraient vraiment lésés.

7. L'éloignement des grands marchés constitue un problème majeur, mais il est impossible de réduire les distances. Les contraintes que cet éloignement impose pourraient être surmontées par l'amélioration des transports, la mise en place de moyens de transport compétitifs, l'augmentation de la productivité, des techniques de gestion, de l'efficacité et par le développement d'industries et de marchés locaux. Le maintien de subventions, surtout compte tenu du fait que les avantages en sont incertains, n'est pas de nature à susciter le maximum d'effort dans d'autres domaines qui en sont au même point critique.

8. Ces recommandations, enfin doivent être considérés globalement. La suppression des subventions n'est pas recommandée à moins que des mesures soient prises en même temps dans les autres domaines.

Voilà donc, messieurs, le résumé de notre mémoire.

Le président: Merci beaucoup. Monsieur Nowlan?

M. Nowlan: Monsieur le président, j'aurais quelques questions à poser. Tout d'abord, je ne voudrais pas qu'on croit que je m'oppose à toute initiative dans la région de l'Atlantique. Nous avons vraiment besoin de nouvelles perspectives, de nouvelles études des anciens problèmes qui nous permettraient d'entrevoir un avenir meilleur.

Je suis quelque peu déçu, monsieur le président, par ce mémoire et par la mauvaise présentation d'au moins une ou deux de vos recommandations qui reposent sur le rapport du *Economist Intelligence Unit Report* et prétendent que ce rapport s'est prononcé contre les subventions ou un traitement particulier pour la région de l'Atlantique.

Je suis tout en faveur des initiatives, mais je pense que votre mémoire venant de personnes jeunes, responsables et énergiques, pourrait créer une fausse représentation à ce comité. Un bon nombre des membres de ce comité pensent déjà qu'il s'agit tout simplement d'une autre étude pour voir si l'on va faire un autre don à l'Est. Mais pourquoi de telles charités?

Je reviendrai à votre fausse représentation. Je vous demanderais de mettre le tout au point. Vous dites qu'on ne peut pas toujours compter sur les promesses du temps de la Confédération. Je m'oppose catégoriquement à cette déclaration. Ce pays fut fondé en vertu

[*Text*]

ditions. Now, you have mentioned transport. I am going to ask you if Canada today should rely on any pre-Confederation promises about bilingual rights? What do you think? Canada today in 1969 is a heck of a lot different than in 1867.

There are six million new Canadians who have no relation to either the English or French-speaking groups. Now, my first question is, if you are not relying on pre-Confederation promises, where do they begin? What is your feeling, to put this thing in proper prospective, about the bilingual claim based on 1867 and before, of the French-speaking Canadians in this country?

Mr. Waller: Well, Mr. Nowlan and Mr. Chairman, I think that...

Mr. Nowlan: I apologize for my voice. It is not because I have been talking a lot; I have laryngitis.

Mr. Waller: Do not apologize for your voice. Maybe I can ask you to apologize later for what you said.

What you are attempting to do is to draw an analogy between promises made at Confederation on a linguistic or cultural basis, and promises made for an access to a market. I do not think that there is a true analogy there. Certainly Confederation promises on linguistic and cultural rights are beyond the scope of this inquiry, and my opinion on that is not really relevant.

Mr. Nowlan: No, it is only relevant because your spokesman mentioned do not rely on pre-Confederation promises.

Mr. Waller: Correct, in the field of transportation.

Mr. Nowlan: So that is the only reason I put the question.

Mr. Waller: Mr. Chairman, the statement of the Society is to not rely on pre-Confederation promises in the field of transportation. We say this because it is just not realistic to do so. We recognize that we are in competition with Upper Canada, if you want to call it that, for business. Now, if we have to rely on the charity of our competitors to ensure our own prosperity, it is very obvious that we will be kept in a subservient position. We want to see built up here an economy that functions by itself without having to rely on these promises.

If we consider these promises to be binding—there is no way we can enforce them.

[*Interpretation*]

de certaines conditions. Maintenant vous parlez des transports. Je vous demande si le Canada, aujourd'hui, devrait compter sur les promesses pré-confédératives au sujet des droits du bilinguisme? Croyez-vous que le Canada d'aujourd'hui, en 1969, soit bien différent du Canada de 1867?

Il y a six millions de nouveaux Canadiens qui n'ont pas de rapport avec les groupes francophones ou anglophones. Voici ma première question. Si vous ne devez pas vous reporter aux promesses pré-confédératives, alors dans quelle perspective pourriez-vous placer les réclamations en matière de bilinguisme que les francophones du Canada font en se basant sur 1867 et avant?

M. Waller: M. Nowlan et M. le président, je pense que...

M. Nowlan: Je m'excuse de ma voix. Ce n'est pas que j'ai beaucoup parlé, mais je souffre de laryngite.

M. Waller: Ne vous excusez pas de voix mais de vos paroles.

Tout ce que vous essayez de faire, c'est d'établir une comparaison entre les promesses faites avant la Confédération, sur le plan linguistique, et les promesses garantissant l'accès à un marché. Je ne crois pas que la comparaison soit valable ici. Sûrement les promesses de la Confédération sur les droits culturels et linguistiques dépassent le cadre de cette enquête, et mon avis là-dessus n'est pas vraiment pertinent.

M. Nowlan: Ce n'est vraiment pertinent que parce que votre porte-parole s'appuie sur les promesses pré-confédératives.

M. Waller: C'est exact dans le domaine des transports.

M. Nowlan: C'est la seule raison pour laquelle je pose la question.

M. Waller: La société déclare qu'elle ne veut pas s'appuyer sur les promesses pré-confédératives dans le domaine des transports parce qu'il n'est pas réaliste de le faire. Nous sommes en concurrence avec le Haut-Canada, si vous voulez utiliser cette expression, pour le monde des affaires. Si nous devons compter sur la charité de nos concurrents pour assurer notre propre prospérité, il est bien évident que nous nous trouverons toujours dans une position d'esclavage. Nous voulons établir ici une économie qui fonctionne d'elle-même, sans avoir à compter sur ces promesses.

Même si nous considérons que ces promesses doivent être respectées, nous ne pouvons

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We rely strictly on persuasion. We have got to go to Upper Canada and say, "Look, you promised, now deliver". But if they do not deliver, so what. If we can take some part of the prosperity away from Upper Canada, and if it is going to injure them, where are we?

Mr. Nowlan: Mr. Chairman, would this committee advocate the closing of the St. Lawrence Seaway because it is being subsidized by the Canadian taxpayer?

Mr. Waller: Well, we feel, as we said, that if you want to spend money on the St. Lawrence Seaway, go ahead, spend it, but you are really fighting against an inevitable fact. The St. Lawrence Seaway is not suitable for the transportation needs of tomorrow; it never will be. Any money you put into it is lost. The trade routes on an international basis will not require the use of the St. Lawrence Seaway.

We have our markets in Europe, South America, the United States. The land-bridge concept is a realistic approach to the problem and will eventually make the St. Lawrence Seaway suitable for nothing more than domestic traffic. Now, it may have a great value there, I do not know. I just say it does not really apply here.

Mr. McGrath: I would like to supplement that.

The Chairman: Mr. McGrath?

Mr. McGrath: The witness referred, in his reply, to the Society and they sign their brief "The Society for Atlantic Initiative". Could you tell us what this Society is, what they represent, what provinces you have representatives in, and just exactly who you are?

An hon. Member: That is a new question.

Mr. McGrath: Actually, he keeps referring to the Society and he makes some pretty wild...

Mr. Nowlan: Mr. Chairman, I still have the floor, so I will put a positive question to the gentleman. You would obviously be in favour of an Atlantic Union, and an Atlantic free trade area, north-south rather than east-west, is that correct?

Mr. Waller: Yes.

Mr. Nowlan: You are expressing the viewpoint, I know, of a number of Nova Scotians, but would you follow further with an assumption that the whole Confederation of

[*Interprétation*]

forcer leur mise en vigueur. Nous comptons strictement sur la persuasion. Nous devons nous rendre au Haut-Canada et dire: «Donnez-nous ce que vous nous avez promis.» Mais s'ils ne le font pas, que pouvons-nous faire? Et si pour avoir une certaine prospérité, nous devions nuire au Haut-Canada, qu'arrivera-t-il?

M. Nowlan: Est-ce que ce comité proposerait la fermeture de la Voie maritime parce qu'elle est subventionnée par le contribuable canadien?

M. Waller: Nous vous disons: Si vous voulez dépenser de l'argent pour la Voie maritime, faites-le, mais seulement vous luttez contre des faits inévitables. La Voie maritime n'est pas adéquate pour le transport et les besoins de demain. Elle ne le sera jamais. Tout argent qui y est investi est une perte. Les réseaux commerciaux sur le plan international n'exigeront pas l'utilisation de la Voie maritime.

Nos débouchés sont en Europe, en Amérique du Sud, et aux États-Unis. Le concept fer-terre-pont est l'approche souhaitable au problème et éventuellement, la Voie maritime ne servira plus qu'au trafic domestique. Elle a peut-être une grande valeur à cette fin, je n'en sais rien, mais je crois que cette question ne s'applique pas ici.

M. McGrath: Je voudrais poser une question complémentaire.

Le président: Monsieur McGrath?

M. McGrath: Le témoin, dans sa réponse, a parlé de la Société. Son mémoire est signé «Société d'initiative de l'Atlantique.» Pourriez-vous nous dire ce qu'est votre société, ce que vous représentez, quelles sont les provinces qui y sont représentées et qui vous êtes.

Une voix: C'est une nouvelle question.

M. McGrath: De fait, il continue à parler de la Société et il fait des. . .

M. Nowlan: Monsieur le président, j'ai toujours la parole. Je vais poser une question positive au témoin. Vous êtes en faveur d'une union de l'Atlantique, une zone de libre échange nord-sud plutôt qu'est-ouest pour l'Atlantique. C'est juste?

M. Waller: Oui.

M. Nowlan: Vous formulez là le point de vue, je sais, d'un certain nombre de gens de la Nouvelle-Écosse. Mais iriez-vous jusqu'à dire que toute la Confédération du Canada a

[*Text*]

Canada has been a great big mistake as far as the Atlantic area is concerned?

Mr. Waller: No, absolutely not.

The Chairman: I would withdraw that question, Mr. Nowlan. I think we should stick to transport.

Mr. Nowlan: I will come to the misrepresentation. Where, gentlemen, in the EIU Report, can you point to a suggestion that there should not be the continuance of some type of subsidies for the Atlantic area?

Mr. Waller: In the brief we were not against subsidies in that sense. It is hard to know what a subsidy is. When is a subsidy a transport payment? When is it a handout, and what have you? We are talking here specifically of the Maritime Freight Rates Act subsidy, and we feel along with the Economist Intelligence Unit that the Maritime Freight Rates Act subsidy looks like a subsidy to the Atlantic Provinces, but in effect it is not at least 100 per cent effective.

Mr. Nowlan: That is a different—I quite agree with that as far as the EIU suggestion, but that is far different from what you set out in your brief. On page 67 of the document we have, in following the EIU you say that one recommendation of the Society:

> ... the abandonment of any further attempts to maintain a statutory rate advantage for Maritime shippers ...

Now, I would suggest—and I have the copy of the EIU Report, but no summary of it—I suggest that the conclusions about the Maritime Freight Rates Act and the subsidy situation say that it may not be achieving what it was initially intended to do, and it should perhaps be reviewed. But it certainly does not say that the original concept of Confederation and the promise as supported by all the commissions that have ever investigated transportation since 1867, including the Duncan Royal Commission which I imagine you are aware of, the Turgeon Royal Commission, the MacPherson Royal Commission—it says there should be some help for access to the central Canadian market as a condition of Confederation.

And the only reason I am so rather strong, and do not apologize for my language, is that I am afraid this brief, while it is done with the best of purposes, and provokes thought and I am all in favour of initiative, can distort the views of several members of this

[*Interpretation*]

été une grande erreur pour la région de l'Atlantique.

M. Waller: Non, certainement pas.

Le président: Je ne reconnais pas cette question, monsieur Nowlan. Nous devons nous en tenir aux transports.

M. Nowlan: J'en viens à la fausse interprétation. Messieurs, pouvez-vous me signaler dans le rapport de EIU, un passage suggérant qu'on ne devrait pas maintenir certains subsides pour la région de l'Atlantique.

M. Waller: Dans le mémoire, nous n'étions pas opposés aux subventions dans ce sens. Il serait difficile de savoir ce qu'est un subside. Quand est-ce un transfert de paiement? Quand est-ce de la charité ou quoi? Nous parlons des subventions de la loi des tarifs-marchandises pour les Maritimes. Nous sommes d'avis, de concert avec les économistes du EIU, que les subventions données en vertu de cette loi, sont vraiment une subvention pour les provinces de l'Atlantique, mais elle n'est pas vraiment efficace.

M. Nowlan: C'est différent. Je suis d'accord pour ce qui est de la suggestion du EIU, mais c'est bien différent de ce que vous avez dit dans votre mémoire. A la page 67 du document, vous dites qu'une des recommandations de la Société, c'est

> .. l'abandon de toute tentative visant à maintenir un tarif statutaire à l'avantage des expéditeurs des Maritimes ...

J'ai une copie du rapport EIU mais je n'en ai pas le sommaire. Les conclusions concernant la Loi sur les taux de transport des marchandises dans les provinces Maritimes et la situation des subventions démontrent qu'elle ne réalise pas le but visé et qu'elle devrait être revisée. Seulement le rapport ne dit pas que le concept original de la Confédération et les promesses qui nous furent faites à ce moment-là et qui furent appuyées par toutes les commissions qui ont étudié le transports depuis 1867, y compris la Commission royale Duncan, que vous connaissez sans doute, la Commission royale Turgeon, et la Commission McPherson sont périmées. Elles ont dit qu'on devrait subventionner l'accès au marché du centre du Canada comme condition à la Confédération.

La seule raison pour laquelle j'insiste, et je n'ai pas à m'excuser pour les paroles que j'ai utilisées, c'est que je crains que ce mémoire même s'il est bien intentionné, donne une mauvaise perspective aux membres du comité qui croient déjà qu'il n'y a eu aucune pro-

[*Texte*]

Committee who already feel there is no pre-Confederation promise here and no initiative.

So this is the only reason why I think it is a harmful brief.

Mr. Waller: I think we would have to agree with you on lack of initiative. Insofar as the Confederation promise is concerned, Mr. Nowlan, as far as we can find out, Canada promised the Maritime Provinces—and I hesitate to draw that distinction because the Maritime Provinces became a part of the Canada that made the promises—but all it promised was access to the wider Canadian markets.

That access was provided by the building of the Intercolonial Railway finished in 1867 between Quebec and Halifax. And as nearly as we can determine the only reason that a statutory rate advantage was provided was because that railway was required to take the area as far away from the unfriendly American border as it could, and the additional distance created greater cost. Hence the ICR was subsidized, presumably to the extent of those greater costs. And to us, that became the root of the statutory rate advantage. It was interpreted by the Duncan Royal Commission that a statutory rate advantage was a part of providing access to the markets, a slightly different interpretation from what we conceived of the Confederation promise.

Mr. Nowlan: And the preamble of the Maritime Freight Rates Act sets out that there is a right to access to the central Canadian markets.

Mr. Waller: Yes, but I would point out, sir, that this does not have to necessarily be accomplished by a statutory rate advantage which creates a nasty impression, for use of a quick word. This can be accomplished with railway rate schedules, perhaps along the methods suggested by the Sydney Board of Trade. But certainly Confederation was intended to make the whole country grow, not a part of it. And the transportation policy, and hence the rate objectives of the national railroad at least should have that as its purpose in rate-making.

The Chairman: Mr. Perrault?

Mr. Perrault: Mr. Chairman, I think this is one of the most challenging and refreshing briefs we have heard so far on this tour. That is what I think. And I think the brief is a very courageous one, and I think it has the courage to utter a few home truths which are not only applicable to the Maritimes, but to just about every other section of this country.

[*Interprétation*]

messe pré-confédérative et qu'il n'y a aucune initiative.

C'est la seule raison pour laquelle je dis que ce mémoire peut être nuisible.

M. Waller: Je pense que nous pouvons être d'accord avec vous pour ce qui est du manque d'initiative. Pour ce qui est des promesses pré-confédératives, monsieur Nowlan, tout ce que nous pouvons constater, c'est que le Canada a promis aux provinces Maritimes—mais j'hésite à faire cette distinction parce que les provinces Maritimes sont devenues partie du Canada qui a fait ces promesses—le Canada, dis-je, a promis accès au marché du Canada central.

Cet accès a été assuré en vertu de l'aménagement du chemin de fer intercolonial terminé en 1867 entre Québec et Halifax. En autant qu'on puisse voir, la seule raison pour laquelle il y a l'avantage du tarif statutaire, c'est que ce chemin de fer était requis pour s'éloigner de la frontière peu amicale des États-Unis le plus possible. Comme le parcours était plus long, ce qui entraînait des coûts plus élevés, on l'a subventionné. C'est ainsi qu'on a créé le tarif statutaire. La Commission Duncan a décrété que cet avantage fait partie de l'accessibilité aux marchés, une interprétation quelque peu différente de ce que nous considérons comme promesse de la Confédération.

M. Nowlan: Et le préambule de la loi sur le transport dans les Maritimes définit bien clairement dans le préambule qu'il y a un droit à l'accessibilité du marché du Canada central.

M. Waller: Je vous signalerai que cela ne doit pas être nécessairement réalisé par un avantage des tarifs statutaires qui créent une mauvaise impression. Cela peut être fait avec un tarif ferroviaire suivant la méthode proposée par le *Board of Trade* de Sydney. Mais sûrement la Confédération a été conçue pour que tout le pays puisse connaître la croissance, et non pas simplement une région. La politique des transports et les objectifs des chemins de fer nationaux devraient toujours viser cet objectif en établissant les tarifs.

Le président: Monsieur Perrault.

M. Perrault: Monsieur le président, je pense que c'est un des mémoires des plus intéressants et des plus stimulants parmi ceux que nous avons entendus depuis le début de notre tournée. Il a le courage d'énoncer certaines vérités qui ne s'appliquent pas seulement dans les Maritimes, mais aussi à tout le reste du pays. Il ne propose pas essentielle-

[*Text*]

Now, this brief does not suggest the utter abolition of subsidies, am I correct?

Mr. Waller: This is true.

Mr. Perrault: It merely suggests...

Mr. Nowlan: On a point of order.

Mr. Perrault: Let me ask the questions.

The Chairman: Order, please.

Mr. Perrault: Mr. Chairman, I have the floor now. I would like to finish with my questions.

Mr. Nowlan: I asked for a point of order. Mr. Perrault, I am only asking, have you read the brief, and can you tell me right now what page it is on?

Mr. Perrault: That is not a point of order. I am asking a series of questions of the witness and we can discuss this later, perhaps even on the floor of the House of Commons, but I do not like the way an attempt has been made to attack this witness and suggest that this is a worthless damaging brief, because it is a breath of fresh air in the hearings we have had so far. Now, Mr. Chairman, there is not a member of this Committee uninterested in advancing the interest of the Maritime Provinces and providing economic prosperity.

It is not a question so much of subsidies or not, or whether or not they are going to be cancelled—and this brief does not suggest they be cancelled—but whether M.F.R.A. subsidies should not be replaced by subsidies that would be productive to economic growth in this area. This is the question. I am suggesting that the Committee members not dismiss this brief but give it some serious consideration. The question of asking this witness, Mr. Chairman, about his attitude towards bilingual rights and saying, "Is it not a fact...

The Chairman: Order please.

Mr. Perrault: I think this is a valid point I am raising because it was raised spuriously by this other member of the Committee.

The Chairman: Would you ask your question, Mr. Perrault? We are not here to make politics or anything like that.

Mr. Perrault: Mr. Chairman, I am not attempting to make politics but I suggest this

[*Interpretation*]

ment l'abolition des subsides; il en démontre simplement le bien fondé.

M. Waller: C'est vrai.

M. Perrault: Il suggère simplement...

M. Nowlan: Je fais appel au Règlement.

M. Perrault: Est-ce que je peux poser des questions?

Le président: A l'ordre.

M. Perrault: Monsieur le président, j'ai la parole maintenant et j'aimerais compléter mes questions.

M. Nowlan: Un rappel au Règlement, M. Perrault, avez-vous lu le mémoire et pouvez-vous me dire à quelle page il se trouve?

M. Perrault: Ceci n'est pas un rappel au Règlement. Je pose un ensemble de questions pour que nous puissions y revenir plus tard même à la Chambre des communes, mais je n'aime pas la façon dont on a essayé de s'en prendre à ce témoin, de laisser entendre que c'est un mémoire nuisible, sans valeur, car c'est vraiment un peu d'air frais dans les audiences jusqu'ici. Monsieur le président, il n'y a aucun membre de ce Comité qui ne s'intéresse pas au progrès, aux intérêts des provinces Maritimes et à leur prospérité économique.

Ce n'est pas tellement une question de subventions ou pas, ou de voir si elles vont être maintenues ou annulées,—et le présent mémoire ne propose pas de les annuler,—mais il s'agit de voir si les subventions prévues par la Loi sur les taux de transport de marchandises dans les Maritimes ne devraient pas être remplacées par des subventions qui pourraient engendrer la croissance économique de cette région. Voilà la question. Je dis que les membres du Comité devraient étudier sérieusement la question. Demander à ce témoin quelle est son attitude à l'égard des droits du bilinguisme et dire «n'est-ce pas un fait...

Le président: A l'ordre, s'il vous plaît.

M. Perrault: Je pense que c'est valable ce que je dis, parce que cela a été soulevé par cet autre membre du Comité.

Le président: Veuillez poser votre question monsieur Perrault. Nous ne sommes pas ici pour faire de la politique.

M. Perrault: Monsieur le président, ce n'est pas ce que j'essaie de faire, mais je vous dis

Texte]

ther witness was unfair to the people we ave at this Committee.

An hon. Member: Mr. Chairman, may I nterject a comment here. Who has the point f order?

The Chairman: I do not think there is a oint of order. I am going to ask the mem- ers to ask questions, not to make speeches. Ve are not here to argue.

Mr. Perrault: Mr. Chairman, I am asking hat these witnesses not be browbeaten by ny member of this Committee. That is what am asking.

Mr. Nowlan: On a point of privilege. No. 1, was not a spurious attack. No. 2, it was not rowbeating. I know two of these men very ell and any suggestion from that member ver there from Burnaby-Seymour about rowbeating is erroneous. He better read the ecord. I want to state categorically what the rief says. He has not even read it. The brief ays:

> ...one recommendation of the SAI is the abandonment of any further attempts to maintain a statutory rate advantage for Maritime shippers and the total abolition of the subsidy paid to the Railways pursuant to the Maritime Freight Rates Act, both on movements within the select territory and from the select territory west.

ow if that is not abandonment...

The Chairman: Order.

Mr. Perrault: Mr. Chairman, I want to ask ie witness, is it not a fact that you have not alled for immediate abolition of subsidies ntil such time as action is taken in a number f other areas such as education, productivi- , management, and encouragement for econdary manufacturing? This is my ques- on to you, and I think we should explore is for a while.

The Chairman: I will let the witness an- ver your question.

Mr. Waller: To repeat the final point in the mmary that we gave:

> Finally, these recommendations should be considered in total. It is not recommended that the subsidy be abolished unless simultaneous action is taken in the other fields.

[*Interprétation*]

que cet autre témoin a été injuste auprès de nos témoins.

Une voix: Monsieur le président, je voudrais vous dire, nous voulions voir ce qu'il en est quant au rappel au Règlement.

Le président: Je ne crois pas qu'il y ait de rappel au Règlement, mais je vais demander aux députés de poser des questions, non pas de faire des discours. Nous ne sommes pas ici pour discuter.

M. Perrault: Monsieur le président, je demande que ces témoins ne soient pas ainsi bousculés par des membres du Comité. Voilà ce que je demande.

M. Nowlan: Une question de privilège. Tout d'abord, ce n'était pas une attaque que je voulais faire. Puis, je ne veux bousculer personne. Je connais très bien deux de ces témoins et tout ce que j'ai entendu de cet honorable député de Burnaby-Seymour quant à cette façon de procéder est faux. Il devrait lire le compte rendu. Je veux vraiment voir ce qui se trouve dans le mémoire. Il ne l'a même pas lu. Le mémoire dit:

> ...une recommandation de la *Society for Atlantic Initiative* est d'abandonner tout autre essai pour maintenir un avantage de tarif statutaire pour les expéditeurs des Maritimes, et l'abolition des subventions payées aux chemins de fer en vertu de la Loi sur les taux de transport des marchandises dans les Maritimes, pour les mouvements au sein du territoire choisi, et du territoire à l'Ouest.

Alors, si cela n'est pas un abandon ..

Le président: A l'ordre.

M. Perrault: Monsieur le président, je veux demander au témoin: n'est-il pas vrai que vous n'avez pas demandé l'abolition immédiate des subventions, jusqu'à ce que des dispositions soient prises dans d'autres secteurs, tels que l'éducation, la productivité, l'administration et l'encouragement pour les industries secondaires? Voilà la question que je vous pose, et c'est la ligne de pensée que nous devrions étudier maintenant.

Le président: Je laisse le témoin répondre à votre question.

M. Waller: Pour reprendre le dernier point du résumé que nous avons donné:

> Ces recommandations, enfin, doivent être considérées globalement. La suppression des subventions n'est pas recommandée, à moins que des mesures soient prises en même temps dans les autres domaines.

[*Text*]

We believe that simultaneous action taken in the other fields—effective action—will eliminate the need for statutory rate advantages, subsidies or what you have, because it will put the Atlantic Provinces in a properly competitive position with the rest of Canada so that we can grow along with the rest of Canada.

Mr. Perrault: Mr. Chairman, I suggest that is precisely what the brief says and it does not call for absolute utter abandonment of subsidies without some alternative program to stimulate economic growth in this area. This is the reason I suggest there has been a measure of distortion here and I think these witnesses should be given a chance to be heard.

Mr. Chairman: Are you through, Mr. Perrault?

Mr. Perrault: I am through for the time being but I am going to ask more questions later on.

Mr. Breau: Mr. Chairman, I would like to refer to the point in the brief where they say that assistance should be given in the fields of education, productivity and management instead of by transportation subsidies. It says that in the summary here and it said that in the brief.

I would like to ask the witness how he thinks he is going to have sufficient productivity without education and how he expects that to put the Atlantic Provinces in a more competitive position? Is he advocating higher productivity and better management in the Maritimes than exists in Toronto, Montreal or in Central Canada—because it seems to me no matter how good productivity is in the Atlantic Provinces you would have to bring your material to Central Canada to sell it. Now if you are not going to have a transportation subsidy then you must be saying that better productivity and better management can exist in the Atlantic Provinces. Is that what you are suggesting?

Mr. Waller: Excuse me, Mr. Chairman, for the delay but that is a rather deep question. If I might be facetious just for a moment, I do not think it would be hard for us to better the managements in the other parts of Canada because a great many of them have emigrated from the Maritimes up there anyway.

[*Interpretation*]

Nous croyons que des dispositions prises conjointement, des dispositions efficaces, feront disparaître la nécessité des avantages du tarif statutaire parce qu'ainsi les provinces de l'Atlantique se trouveront dans une situation vraiment concurrentielle avec le reste du Canada, pour que nous puissions croître de concert avec le reste du Canada.

M. Perrault: Monsieur le président, je dirais que c'est évidemment ce qu'on trouve dans le mémoire, et donc on ne demande pas l'abolition et l'abandon des subventions sans d'autre programme de rechange pour stimuler et encourager la croissance économique de cette région. Et c'est la raison pour laquelle j'ai dit qu'on a quelque peu mal présenté les faits, et c'est la raison pour laquelle j'ai demandé que l'on puisse entendre ces témoins.

Le président: Avez-vous terminé, monsieur Perrault?

M. Perrault: J'ai terminé pour l'instant mais je vais poser d'autres questions plus tard.

M. Breau: Monsieur le président, je voudrais revenir sur ce point du mémoire où on dit qu'on devrait fournir de l'aide dans le domaine de l'éducation, de la productivité et de l'administration, plutôt que des subventions en matière de transport. C'est ce qu'on dit dans le résumé et aussi dans le mémoire.

Donc, je voudrais demander au témoin comment exactement croit-il avoir une productivité suffisante avec, disons, l'éducation comment s'attend-il à ce que les provinces de l'Atlantique se trouvent dans une situation beaucoup plus concurrentielle; est-ce qu'il propose alors que vous puissiez avoir une productivité accrue et une meilleure administration dans les Maritimes que ce qu'on peut avoir à Toronto, à Montréal ou au Canada central, parce qu'il me semble qu'avec une productivité aussi bonne que celle que vous avez dans les provinces de l'Atlantique, ce qu'il faut faire c'est apporter les produits au Canada central pour les vendre. S'il n'y avait pas de subventions au transport, aussi bien dire que vous pouvez avoir une meilleure productivité, une meilleure administration dans les provinces de l'Atlantique que dans le Canada central. Est-ce cela votre proposition?

M. Waller: Je m'excuse, monsieur le président, du retard, mais il s'agit là d'une question assez importante. Il nous serait assez facile d'améliorer l'administration dans le reste du Canada, car plusieurs ont émigré des Maritimes vers ces régions. Enfin peut-être devrions-nous leur envoyer des billets de

[Texte]

erhaps we should send them return tickets—at might help us. I am going to turn this er to Mr. Unsworth because he has an djustment assistance board and so on.

Mr. Breau: Mr. Chairman, would you ease ask the witness to speak louder. We ve a hard time hearing him.

Mr. Boswick: Can you hear me all right ow?

Mr. Breau: Yes.

Mr. Boswick: We view subsidies and statury rate advantages almost in the same category as I think a nation would view a tariff. is an equalizing device—a protective or fensive device. We looked therefore at the tion that the federal government has taken, en it recently concluded negotiations in the nnedy Round tariff arrangement, and we t the establishment of a board similar to an justment assistant board would be of nefit to the Atlantic Provinces.

Perhaps this board would have a term of ice of five years, for example, it would ve a certain stated sum of money, and its nctions would be to assist industries in the lantic Provinces injured, if any actually re injured, as the subsidy is phased out. eir assistance could take the form of couraging the development of pooling rangements for freight movement, a forrding agency, co-operative arrangements ch as that between manufacturers and oducers. It could also take the form I believe of providing guidance in the development of north-south trade.

To be frank, Mr. Chairman, we see the velopment of the Atlantic Provinces more the north-south direction than in an eastst direction. The market in New England, th 18 million people, is just too big to be erlooked any longer by the Atlantic Provnces and we have been fighting natural stacles in trying to trade east-west. I am saying we just discontinue trading eastst, I am saying that we could put better phasis on north-south trade. We need a ghway link to the U.S. 95 in Maine. We nk it would be surprising just how many nues would be opened.

Mr. Breau: Then you are saying you would need any transportation assistance to mpete with industry in the New England or United States?

Mr. Boswick: No.

[*Interprétation*]

retour, cela pourrait nous aider. Je laisse cela à M. Unsworth, car il a un Conseil d'aide de transition, etc.

M. Breau: Monsieur le président, pourrions-nous demander au témoin de parler plus fort, on l'entend mal.

M. Boswick: Pouvez-vous m'entendre maintenant?

M. Breau: Oui.

M. Boswick: Nous trouvons que ces subventions et ces avantages du tarif statutaire sont de la même catégorie, disons, que ce que sont habituellement les tarifs. C'est une mesure protectrice, défensive et, par conséquent, nous avons tenu compte des dispositions prises par le gouvernement fédéral, lorsqu'il a terminé les négociations du *Kennedy Round*, et nous sommes d'avis que l'établissement d'une commission semblable au Conseil d'aide de transition serait à l'avantage des provinces de l'Atlantique.

Cette commission aurait peut-être un mandat de cinq ans, par exemple. Elle aurait un certain budget, et elle aurait pour rôle d'aider les industries de la région de l'Atlantique qui se trouvent dans une situation désavantageuse à la suite du fait qu'une subvention disparaît. Cette aide pourrait se présenter sous forme d'encouragement pour le développement des dispositions mises en commun pour les expéditions des agences, les dispositions coopératives ou de collaboration entre le fabricant et le producteur. Elle pourrait se présenter aussi sous forme de principe directeur pour l'expansion du commerce nord-sud.

Je serai sincère, monsieur le président, et je dirai que nous voyons le développement des provinces de l'Atlantique plus dans une voie nord-sud que est-ouest. Le marché de la Nouvelle-Angleterre, avec ses 18 millions de personnes, est trop grand pour que les provinces de l'Atlantique n'en tiennent pas compte. Et nous devons lutter contre des obstacles naturels pour essayer d'établir un commerce est-ouest. Nous ne disons pas que nous discontinuons le commerce est-ouest, mais nous pouvons apporter beaucoup d'importance au commerce nord-sud. Nous avons besoin d'un lien routier avec la route U.S. 95 du Maine, et il serait étonnant de voir les nouveaux débouchés que nous aurions alors.

M. Breau: Alors, vous dites que vous n'auriez pas besoin d'aide en matière de transport pour concurrencer les industries de la Nouvelle-Angleterre ou des États-Unis?

M. Boswick: Non.

[*Text*]

Mr. Breau: You are saying that you can produce in the Atlantic Provinces and compete with, say, the State of New York.

Mr. Boswick: We do not think we need any statutory rate advantages or any subsidies of that nature. We might need some assistance in building the highways and roads.

Mr. Breau: This would be a transportation subsidy, I would suggest.

Mr. Boswick: There have already been a substantial number of capital grants to ADB and there is a regional development board.

Mr. Breau: If you are advocating assistance for construction of roads for transportation then it is in fact a transportation subsidy?

Mr. Boswick: I am not so sure that we are asking the federal government to do this. At this stage certainly the construction of roads seems to be a matter of negotiation between the provinces and the federal government, as it is now. I would not want to interfere in that or intervene in what they are doing, but I would like to see the Atlantic Provinces themselves lay greater emphasis on north-south trade and work towards it. I think we need faster and more efficient movement via train to hook up with our ports for our east-west flow of traffic. That is a matter of technology and involves a very great expense, and certainly we would need federal government assistance. Even if we have to buy the land and build our own tracks, we have to have a fast moving train.

Mr. Breau: You have not answered my question. Can you compete with the New England states without transportation subsidies—without any transportation assistance?

Mr. Boswick: Would you define what you mean by "subsidy". If you mean assistance, no we cannot, we need assistance.

Mr. Breau: You differentiate between assistance and subsidy.

Mr. Boswick: Certainly.

Mr. Breau: Would you make that clear? What is the difference?

Mr. Boswick: I tried to when I explained the adjustment assistance board set up under the trade and industry department in Ottawa.

[*Interpretation*]

M. Breau: Vous dites que vous pouvez produire dans les provinces de l'Atlantique e concurrencer avec, disons, l'État de New York.

M. Boswick: Nous ne croyons pas avoi besoin d'avantages de tarif statutaire, o autres subventions de ce genre. Nous avon peut-être besoin d'aide pour la construction de routes.

M. Breau: C'est une subvention en matièr de transport, d'après moi.

M. Boswick: Il y a déjà eu un bon nombr de subventions d'équipement accordées a Conseil d'aide de transition, et il y a un Conseil d'expansion régionale.

M. Breau: Mais si vous demandez de l'aid pour la construction d'une route pour fins d transport, alors c'est une subvention e matière de transport.

M. Boswick: Nous ne le demandons pa nécessairement au gouvernement fédéral. A cette étape-ci sûrement, la construction de routes semble être une question de négocia tions entre les provinces et le gouvernemer fédéral et nous ne voudrions pas interveni dans ce qu'ils font. Mais je voudrais que le provinces de l'Atlantique elles-mêmes accor dent assez d'importance au commerce nord sud et travaillent à cette fin. Il nous font don un mouvement par train assez rapide pou relier nos ports à ce trafic est-ouest. C'est un question de technologie très coûteuse, et nous faut de l'aide du gouvernement fédéra Même s'il nous faut acheter les terres et ame nager nos voies, il nous faut des trains trè rapides.

M. Breau: Mais vous n'avez pas encor répondu à ma question. Est-ce que vous pou vez encore faire concurrence aux États de l Nouvelle-Angleterre sans avoir des subven tions ou une aide pour le transport.

M. Boswick: Définissez-moi ce que vou entendez par «subvention». Si vous avez d aide, non évidemment pas, nous avons besoi d'aide.

M. Breau: Alors, vous distinguez entre aid et subvention.

M. Boswick: Certainement.

M. Breau: Pouvez-vous nous éclairer l dessus? Quelle est la différence?

M. Boswick: J'ai essayé, quant j'ai parlé d Conseil d'aide de transition établi par ministère du Commerce, à Ottawa. Je r

[*Texte*]

I would not call it a subsidy—I suppose it is, they are very much alike. But one is set up and designed to firm up your infrastructure and the basic manufacturer so that he can compete efficiently eventually and the other is the continuing thing which perpetuates. The subsidy is the continuing goal which perpetuates the very arrangement that it is set up to aid.

Mr. Breau: In other words, you are saying that the assistance that is needed is not financial. Would it be technical?

Mr. Boswick: Money buys everything. If you are going to need advice, you have to buy it.

Mr. Breau: Well, if you have financial assistance it is a subsidy.

Mr. Mahoney: I think it would be very helpful to the Committee in evaluating both the brief and the answers we are getting if Mr. McGrath would be permitted to put his question so we can find out just who these people really are.

The Chairman: Is it agreed that Mr. McGrath be allowed to put his question?

Mr. McGrath: I know there is a brief explanation at the beginning of your brief as to who you are, but you purport to speak for the Atlantic Provinces. You say that you have two dozen men. Are these two dozen members from the City of Halifax?

Mr. Boswick: Yes, they are.

Mr. McGrath: What experience have you had with problems of the region? Have your members had any dealings with the Province of Newfoundland, for example? You make some pretty sweeping statements.

Mr. Boswick: We did not look at the Province of Newfoundland in the same context as we looked at the other three provinces. We did not look at Newfoundland.

Mr. McGrath: Why then did you not refer to the Maritime Provinces? As a matter of fact, I find it difficult to understand how you could purport to speak for the Maritime Provinces on a matter as serious as this because, with great respect, I think that this is a very irresponsible presentation. I say this with respect, Mr. Chairman.

Are there any industrialists amongst you? Are there any shippers amongst you? Just who are you?

Mr. Boswick: I am not going to read off the names of the members. We have representa-

[*Interprétation*]

dirais pas que c'est une subvention. J'imagine que c'est pratiquement la même chose qu'une subvention, mais il y en a une qui est destinée à aider à raffermir l'infrastructure, et l'industrie de base, afin qu'on puisse concurrencer d'une façon efficace; et une autre chose, c'est que la subvention est un don continuel ou continu, si vous le voulez, qui perpétue justement les moyens d'assistance.

M. Breau: En d'autres termes, l'assistance dont on a besoin n'est pas une assistance financière, mais plutôt technique?

M. Boswick: L'argent achète tout. Si vous avez besoin de conseils, vous devez les acheter.

M. Breau: Mais, si vous avez une assistance financière, il s'agit d'une subvention alors.

M. Mahoney: Monsieur le président, je crois que ce serait très utile pour le Comité, afin d'évaluer le mémoire et les réponses, si l'on pouvait laisser à M. McGrath le soin de poser sa question, afin de savoir exactement de qui il s'agit.

Le président: Est-on d'accord pour que M. McGrath pose sa question?

M. McGrath: Je sais qu'il y a une brève explication au début du mémoire quant à savoir qui vous êtes, mais vous semblez parler au nom des provinces de l'Atlantique. Vous dites que vous êtes deux douzaines en nombre. Est-ce que ces deux douzaines viennent de la ville d'Halifax?

M. Boswick: Oui, monsieur.

M. McGrath: Quelle est votre expérience pour ce qui est des problèmes de la région? Est-ce que vos membres ont eu à traiter avec la province de Terre-Neuve, par exemple? Vous faites des déclarations assez générales.

M. Boswick: Nous n'avons pas examiné la province de Terre-Neuve dans le même contexte que les trois autres provinces. Nous n'avons pas examiné Terre-Neuve.

M. McGrath: Pourquoi alors ne parlez-vous pas des provinces Maritimes. En fait, je me demande pourquoi vous pouvez parler au nom des provinces Maritimes sur une question aussi sérieuse, car, sauf votre respect, je crois que le mémoire dénote un manque de responsabilité. Et je le dis en toute déférence, monsieur le président.

Est-ce qu'il y a des industriels parmi vous? Y a-t-il des expéditeurs parmi vous? Qui êtes-vous au juste?

M. Boswick: Je n'ai pas l'intention de vous donner la liste des membres. Je peux vous

[*Text*]

tion from the business world—from various types of businesses, we have a number of people from the academic and the professional field. These people have had a wide variety of experience. We have taken advice and interviewed specialists in the field. We have had consultations with the Maritimes Transportation Commission and have talked and had discussion with others.

I can appreciate the fact that you might not agree with what we said but to say that we are irresponsible is perhaps an act of irresponsibility on your part.

The Chairman: Order.

Mr. McGrath: Mr. Chairman, I was just about to substantiate what I said. You have no representatives from outside the City of Halifax, yet you present yourself as speaking for the Atlantic region and I contend that that is irresponsible.

The Chairman: Order.

Mr. Skoberg: Further to that, I presume from your brief that you are not purporting to speak for the majority of the people in this area. This is the individual brief from your Society.

Mr. Boswick: That is right.

Mr. Skoberg: Would you look at your brief —and I realize this is March 7, 1968 that we are looking at. You said here that your society takes the view that the Atlantic area needs a strong, efficient, reliable and effective alternative mode of transport. Are you referring there to the inclusion of the present facilities —air, sea and rail, or do you have an alternative mode of transport in mind?

Mr. Boswick: A competitive mode of transport which currently at the moment is primarily trucking. Now I cannot speak in any great depth, but our trucking people will say that they operate under great difficulties due to differing regulations which require changing tractors at borders, different weight limitations and this sort of thing. I may say that I understand the Atlantic Provinces are moving towards the elimination of these differences. The faster they move the better we will be. But, for instance, the economist Intelligence Unit states that as of 1964, 47 per cent of traffic handled by the railways in the Atlantic region moved at competitive rates as compared with 69 per cent moving at competitive rates in the Eastern region. This in itself creates a downward pressure to a great-

[*Interpretation*]

dire que nous avons des représentants du monde des affaires, de divers genres de commerces. Nous avons un certain nombre de représentants du domaine de l'éducation, des professions libérales. Ces gens possèdent une vaste expérience. Nous avons pris conseil et nous avons rencontré des experts dans ce domaine. Nous avons eu des consultations avec la Commission des transports des Maritimes, et avec d'autres organismes.

Évidemment, vous n'êtes peut-être pas d'accord avec ce que nous disons, mais dire que nous ne sommes pas responsables, c'est un geste d'irresponsabilité que vous venez de poser vous-mêmes.

Le président: A l'ordre, s'il vous plaît.

M. McGrath: Monsieur le président, justement pour prouver ce que je viens de dire, vous n'avez aucun représentant de l'extérieur de la ville d'Halifax, mais vous prétendez parler au nom de la région de l'Atlantique et je prétends que c'est irresponsable de votre part.

Le président: A l'ordre.

M. Skoberg: Pour faire suite à cela, vous ne prétendez pas parler au nom de la majorité de la population de cette région n'est-ce pas? Il s'agit du mémoire de votre Société.

M. Boswick: En effet.

M. Skoberg: Évidemment, votre mémoire date du 7 mars 1968. Vous dites que votre Société croit que les provinces de l'Atlantique auraient besoin d'un autre mode efficace de transport. Est-ce que vous parlez là de l'amélioration des services existants, par air, par mer, ou par chemin de fer, ou avez-vous un autre moyen à suggérer?

M. Boswick: Un moyen concurrentiel de transport qui, pour le moment, est avant tout le camionnage. Évidemment, je ne peux pas parler avec une connaissance profonde, mais nos camionneurs nous diront qu'ils ont beaucoup de difficultés à cause des différences de règlements qui les forcent à changer de remorque aux frontières des limites de poids, etc. Je peux dire que je crois comprendre que les provinces de l'Atlantique veulent éliminer ces disparités, et plus rapidement elles le feront, mieux ce sera. Mais, par exemple, l'*Economist Intelligence Unit* a déclaré qu'en 1964, 47 p. 100 du trafic des chemins de fer de la région de l'Atlantique étaient aux taux concurrentiels, comparativement à 69 p. 100 aux taux concurrentiels dans la région de l'Est. Par conséquent, cela cause une pression

[*Texte*]

r extent on rates in the Eastern region than t does in the Atlantic region.

Mr. Skoberg: In your society you have epresentatives of the trucking and rail ndustry. Are they participants in the society hat you now have formed?

Mr. Waller: We have representation from ndustries that do use a lot of transportation.

Mr. Skoberg: Just one other question, Mr. hairman, and gentlemen. You suggested a hile ago that we may have to buy the land nd build our own track. When you said we", did you mean the people of the coun-y, the people of the maritimes, or...

Mr. Waller: It was principally a statement f enthusiasm, but I will pass it over to him.

Mr. Unsworth: I would like to pass it back.

Mr. Skoberg: You were referring to the ople of the maritimes were you, when you id "We may have to buy the land to build r own tracks"?

Mr. Waller: Yes. For instance, in the sense at the province of Nova Scotia took an tive financial interest in the remedy of the dney Steel Company's ills. There is no ason, perhaps, why similar action could not taken in the other areas that are affected.

Mr. Skoberg: In other words, you would ve a nationalized transportation system in at particular case?

Mr. Waller: We have it now.

Mr. Skoberg: Thank you.

Mr. Boswick: We feel that you will proba- find when you hear all these briefs that in final analysis that it will come out we are petuating our own existence. I think a re sweeping change is necessary in terms finding our place in Canada. Certainly the t of Canada is playing an integral part it instead of saying we need this to keep selves going.

When we talk about a transportation sys- in today's world we do not talk about ail system or a port system or an airways tem; we speak about the whole ball of wax it has to click right through the piece, so t when you talk about world economy n Chicago to Rotterdam you speak about a sportation system that fills the need and n one of these has to tie in. Unless we

[*Interprétation*]

vers la baisse dans la région de l'Est, plus que dans la région de l'Atlantique.

M. Skoberg: Vous avez dans votre Société des représentants de l'industrie des chemins de fer, et du transport routier. Est-ce qu'ils sont membres de la société que vous avez formée?

M. Waller: Nous avons des représentants d'industries qui utilisent beaucoup les transports.

M. Skoberg: Une dernière question. Vous avez suggéré tout à l'heure qu'il faudrait peut-être acheter le terrain et mettre en place nos propres rails. Quand vous dites «nous» est-ce que vous parlez des Canadiens ou des gens des Maritimes?

M. Waller: C'était surtout une déclaration enthousiaste, mais je vais laisser la parole à M. Unsworth.

M. Unsworth: Je vous la remet.

M. Skoberg: Est-ce que vous parliez des gens des Maritimes quand vous avez dit «nous devrons peut-être acheter le terrain et mettre en place nos rails»?

M. Waller: Oui, eeffctivement, en ce sens que la province de la Nouvelle-Écosse a pris un intérêt financier actif dans les problèmes de la sidérurgie de Sydney. Il n'y a aucune raison pour ne pas le faire dans d'autres domaines qui nous intéressent.

M. Skoberg: En d'autres termes, vous auriez un chemin de fer étatisé dans ce cas-là?

M. Waller: Nous l'avons à l'heure actuelle.

M. Skoberg: Merci.

M. Boswick: Nous croyons que vous trouverez probablement dans ces mémoires, qu'en fin de compte que les choses s'arrangeront et qu'on perpétue notre propre existence. Je crois qu'on n'aurait besoin de grands changements si nous voulons trouver notre place au Canada. Il est évident que le reste du pays y joue une rôle intégral au lieu de dire qu'il nous faut telle chose pour continuer.

Quand nous parlons d'un réseau de transport de nos jours, nous ne parlons pas nécessairement d'un réseau de rail ou de ports, ou un réseau aérien, mais d'un tout intégré. Il faut absolument que tout marche ensemble, de sorte que si vous parlez d'une économie mondiale de Chicago à Rotterdam vous parlez d'un réseau de transport qui répond aux besoins et chaque mode de transport doit

[*Text*]

have that, the maritimes is not fulfilling the role that it can fulfill in Canada.

Mr. Skoberg: They are not changing the whole transportation. . .

Mr. Boswick: We are changing the speed of the transportation network. We are changing the efficiency. We are changing the dispersal units and we are changing our ability to compete in the world market and I think that unless we take an entirely fresh viewpoint on this we will just wind up making a very, very small change to pacify the people in the Maritimes and perpetuate our own problems.

Mr. Thomas (Moncton): I have only one comment to make, Mr. Chairman. It appears to me that this brief represents a very long-range plan. I feel that we, in this Committee, must hear some suggestions for a short-range plan. I would just like to ask the witness what proposals you have to ease our immediate problem? For example, do you agree that the freeze on carload rates should be extended? Do you feel that there should be some change made in the upward revision in the ETA-100, the tariff on the LCL rates?

It is fine to dream dreams and grand plans, but what about the immediate future? What are your suggestions for that?

Mr. Waller: First, sir, we would say, I think, that a short-range plan should be such that it moves us toward the objectives of the long-range plan rather than away from those objectives. Specifically, we do not believe that the freight rate freeze which is currently in existence should be changed until something definite, something constructive is available in a direction in which we can move. Then perhaps it will not be a case of cancelling the freight rate freeze but rather a case of tempering it, modifying it, changing it to something else. We agree with you that it is going to take a while. We hope it will take as short a time as possible to achieve those plans which are for the maximum good of this area in Canada as a whole.

Mr. Thomas (Moncton): What about some of the opinions expressed in the many briefs? For example, in the anomalies in freight rates, higher freight rates for shipments going from the Maritimes to the west as compared from west to east, and also anomalies brought out by the Cape Breton Bottlers of Soft Drinks that they can ship cases of full bottles of beverages from Montreal to the Maritimes at a much less rate than they can ship empty

[*Interpretation*]

apporter sa contribution. Sans cela, les provinces maritimes ne remplissent pas le rôle qu'elles pourraient remplir au Canada.

M. Skoberg: Vous ne changez pas tout le système de transport . .

M. Boswick: Nous changeons la rapidité du réseau de transport, nous changeons l'efficacité, les unités de dispersion des réseaux de transport, notre capacité pour concurrencer sur les marchés mondiaux. Je crois que, à moins de prendre une attitude complètement nouvelle à ce sujet, nous allons tout simplement effectuer ce petit changement pour pacifier les gens des Maritimes et perpétuer nos propres problèmes.

M. Thomas (Moncton): Je n'ai qu'un seul commentaire à faire, monsieur le président. Il me semble que le mémoire représente un programme à très longue échéance. Et, j'ai l'impression que le Comité devrait entendre des propositions relatives à un programme à court terme. J'aimerais donc demander au témoin ce qu'il proposerait pour soulager nos problèmes immédiats. Par exemple, est-ce que à votre avis, il faut maintenir le gel sur le tarif-marchandises? Est-ce qu'il devrait y avoir une agumentation du tarif 100 et le tarif des chargements incomplets?

C'est très beau de rêver, mais qu'est-ce qui en est pour l'avenir immédiat? Quelles sont vos suggestions à cet égard?

M. Waller: Tout d'abord, monsieur, nous dirions qu'un programme à court terme devrait nous acheminer vers l'objectif du programme à long terme plutôt que de nous en éloigner. De façon plus précise, nous ne croyons pas que le gel actuel du tarif-marchandises soit levé à moins de le remplacer par quelque chose de définitif ou de concret dans un sens acceptable. Ce ne serait pas une question de lever le gel mais plutôt une question de le modifier et de changer pour autre chose. Évidemment, cela va prendre du temps. Nous espérons que cela prendra le moins de temps possible pour mettre en vigueur les projets qui sont dans les meilleurs intérêts de l'ensemble du Canada.

M. Thomas (Moncton): Et qu'est-ce qui en est des opinions soumises dans plusieurs mémoires? Par exemple, les anomalies dans le tarif-marchandises, les tarifs de transport plus élevé pour les expéditions des Maritimes vers l'Ouest par rapport aux expéditions de l'ouest vers l'est, et aussi des anomalies signalées par la *Cape Breton Bottlers of Soft Drink* en vertu desquelles il leur est possible d'expédier des caises de bouteilles pleines de Mo

[*Texte*]

bottles down. How do you feel about these? These are things that have to be straightened out immediately.

Mr. Waller: I think the greatest frustration that we experience in this particular area of our operation is a complete inability to gain knowledge of and to understand the objectives and the practices of railway rate-making. Now, I guess we are not alone in that. I understand that there are very few people who really do understand railway rate-making. However, to us, one of the primary objectives of railway rate-making should be such that it will encourage the movement of traffic in all parts of Canada and will also, because this is a reasonable objective, particularly for the national railroad, encourage the development of all of Canada rather than parts.

Mr. Thomas (Moncton): And you would also agree that some form of subsidy is necessary until we can fulfil your dream which may take years?

Mr. Waller: I do not think a railway rate practice, for instance, which on the basis of cost separations would indicate that the revenues earned in the Atlantic Provinces are not carrying the cost allocated to the Atlantic Provinces necessarily means that this is a subsidy to the Atlantic Provinces. I think we have to recognize that the traffic generated in the Atlantic Provinces which perhaps flows beyond the select area which is roughly Levis, Quebec, contributes to the volume traffic on routes in Upper Canada which thereby decreases the unit cost of handling Upper Canada traffic. All of these things become involved in it and the railway operation must be treated as a national unit rather than separate geographical units.

Mr. Thomas (Moncton): In other words, is it fair to say you advocate a national transportation policy along with a national policy?

Mr. Waller: Yes.

Mr. Nesbitt: Mr. Chairman, I have one or two very specific questions I would like to ask the witness and one or two brief comments I would like to make which will lead to a question.

First of all, I think what you have said certainly is a very interesting and different approach and whether one agrees or not is, of course, a matter of opinion.

Has your group any specific recommendations on how to make the railways, and this

[*Interprétation*]

tréal aux Maritimes à un taux bien moins élevé—que le retour des bouteilles vides. Voilà des problèmes qu'il faut régler immédiatement.

M. Waller: Je crois que la plus grande frustration dans ce domaine a été l'impossibilité de connaître et de comprendre les objectifs et la pratique suivie pour établir les taux de chemin de fer. Et je crois que nous ne sommes pas les seuls. Il y en a très peu qui comprennent les méthodes utilisées pour établir les tarifs des chemins de fer, mais, d'après nous, ils devraient encourager le transport partout au Canada et aussi, comme c'est un objectif raisonnable, surtout pour le chemin de fer national, il devrait encourager le développement de tout le Canada et non pas de certaines parties.

M. Thomas (Moncton): Vous seriez donc d'accord sur la nécessité d'une subvention quelconque en attendant que nous puissions réaliser votre rêve, ce qui pourra prendre plusieurs années.

M. Waller: Je ne crois pas qu'une pratique de tarif ferroviaire qui, dans une comptabilité de coûts séparés, indiquerait que les recettes tirées des provinces de l'Atlantique, ne couvre pas les frais encourus veut nécessairement dire qu'il s'agit d'une subvention aux provinces de l'Atlantique. Je crois qu'il faut reconnaître que les marchandises et les passagers provenant des Provinces de l'Atlantique débordent peut-être la région désignée qui serait, en gros Lévis (Québec) et contribue au volume du trafic au Haut-Canada, ce qui contribue à diminuer les frais unitaires du transport des marchandises. Tout ses aspects doivent entrer en lignes de compte et il faut considérer l'exploitation ferroviaire comme un tout national plutôt que par réseaux géographiques distincts.

M. Thomas (Moncton): En d'autres termes, vous êtes en faveur d'une politique nationale en matière de transport?

M. Waller: Oui.

M. Nesbitt: Monsieur le président, j'aurais une ou deux questions très précises à poser au témoin, et un ou deux commentaires très brefs qui mèneront à une question.

Tout d'abord, ce que vous avez dit était très intéressant; votre attitude est très différente que l'on soit d'accord ou non, c'est une question d'opinion.

Est-ce que votre groupe aurait des propositions précises à faire aux chemins de fer pour

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applies to railways only, increase their efficiency in the Atlantic area?

Mr. Waller: Well, we are stick-handling questions here. I think it would be safe to say that we would not have specific recommendations. We believe this is up to the experts in the transportation field and admittedly we are not experts.

Mr. Nesbitt: Secondly, I gather the heart of your report is that really you are intending to substitute one variety of subsidy, if I may use the term in a broad sense, for another, and that you are suggesting that by getting rid of the freight rates assistance some sort of adjustment should be made to industries that are injured or perhaps need assistance as a result. Then the second thing I notice you have in your brief, is that uniform and more appropriate trucking regulations and rates should be made. In that regard, first of all I see a slight inconsistency here, if I may say so, because you refer to the trucking rates. Do you feel that railway rate advantages should be removed but the trucking rate advantages should be added to, perhaps?

Mr. Boswick: No, we do not feel that there should be any subsidy paid to truckers. I think that is your question.

Mr. Nesbitt: Have you given consideration to, perhaps, constitutional difficulties at the present time, thinking of Canada as a whole, in having uniform trucking regulations across the country?

Mr. Boswick: We have only looked at Part III of the National Transportation Act. I am not even sure whether that is proclaimed yet. I do not know that it is necessary. I think in the Atlantic Provinces, the two that are concerned most, New Brunswick and Nova Scotia, could well do this themselves through co-operative effort. The public utility boards have basically control on regulation and weight restrictions. The Departments of Highways and the public utility boards could easily arrange some form of uniformity, or at least work toward it. We have talked to the public utility boards about this.

Mr. Nesbitt: I see. Perhaps by this brief observation all of us would agree that all parts of Canada at one time or another have benefited from some form of subsidy, and, being a wicked upper Canadian, I know that Upper Canada, so-called, has benefited from tariffs very much to the detriment of other parts of Canada in the past. While

[*Interpretation*]

que les compagnies puissent augmenter leur efficacité dans la région de l'Atlantique?

M. Waller: Eh bien, nous nous passons la balle ici. Je pense qu'il serait juste de dire que nous ne ferions pas de propositions précises. Nous croyons que cela relève des experts dans le domaine des transports et nous n'en sommes pas.

M. Nesbitt: Deuxièmement, si j'ai bien compris, le nœud de votre rapport c'est que vous voulez substituer un genre de subvention, dans son sens le plus large, pour un autre et que vous suggérez plutôt que si nous éliminons l'aide consentie au tarif-marchandises on devrait accorder une certaines assistance aux industries qui en seraient lésées ou qui auraient besoin d'aide. La deuxième chose que je constate dans votre mémoire, c'est qu'on devrait mettre en vigueur une réglementation ou un tarif plus uniforme du camionnage. A cet égard, je vois une certaine inconséquence ici, car vous parlez du tarif du camionnage. Est-ce que, selon vous, on devrait éliminer les avantages consentis aux chemins de fer et consentir des avantages au taux du camionnage?

M. Boswick: Non, nous ne croyons pas qu'il faille verser une subvention aux camionneurs. Est-ce que c'est là votre question?

M. Nesbitt: Alors, avez-vous songé aux difficultés constitutionnelles possibles à l'heure actuelle de parler de l'ensemble du Canada pour uniformiser les règlements du camionnage pour tout le Canada?

M. Boswick: Nous n'avons étudié que la Partie trois de la Loi nationale sur les transports et je ne suis même pas sûr qu'elle soit en vigueur à l'heure actuelle. Je ne sais pas si c'est nécessaire. Les deux provinces de l'Atlantique qui sont les plus en cause, le Nouveau-Brunswick et la Nouvelle-Écosse, pourraient fort bien le faire elles mêmes, grâce à un effort de collaboration. Les offices des services d'utilité publique sont chargés de contrôler les règlements et les limites de poids. Les ministères de la Voierie et les Offices des services d'utilité publique pourraient assurer une certaine uniformité ou du moins travailler en ce sens. Nous en avons parlé aux Offices des services d'utilité publique.

M. Nesbitt: Je vois. Je crois que nous sommes tous d'accord pour dire que toutes les parties du Canada, à un moment ou l'autre, ont profité des subventions. Comme je suis du Haut-Canada, je sais que cette région a bénéficié des avantages tarifaires au grand détriment d'autres régions du Canada. Bien que les marchés et les concentrations de popula-

[*Texte*]

markets and populations have greatly changed in Canada since Confederation, for instance in Ontario and Quebec, there are two things that have remained constant vis-à-vis the Atlantic Provinces: one is the population of the Atlantic Provinces, which means markets, which has not changed that much relative to the rest of Canada; and secondly, the distance still remains the same. Distance, regardless of the mode of transportation, that has changed over the years, is still a cost factor. Is it your suggestion or is it your intention that the Atlantic Provinces region should still be able to sell goods at competitive prices in the major population markets of Canada, namely Ontario, Quebec and, no doubt, the West in the near future?

Mr. Boswick: Yes. I guess to sum it up in a very short sentence, we believe the primary objective of a subsidy should be to eliminate itself in time.

Some hon. Members: Hear, hear.

Mr. Nesbitt: How can you eliminate automatically the distance which is a constant factor between the Atlantic regions and western Canada or central Canada where the markets principally are for products?

Mr. Waller: Mr. Chairman, when you speak of elimination of distance as a cost factor I would state that the best way to do that is the very efficient system which uses volume and high speed in order to get the goods that are going to be transported to what you call the market, and we agree with that no matter what part of Canada you are talking about. If British Columbia finds that the market is in Upper Canada and they can get the goods there at high speed and in high volume they drastically cut their costs.

Mr. Nesbitt: But do you cut those costs relative to the manufacturing industries in Ontario, let us say, which are 100 miles from the Toronto area, or even 500 miles whereas it is still 1,500 miles from Nova Scotia, because the same rapid, volume transport is going to take place everywhere.

Mr. Waller: Many of our comments made here are in respect of the port of Halifax and we are talking about it acting as a terminal for both import and export between other markets in the world and the great market of the interior of North America. We think, with a proper integrated system, we can get this. I find it very interesting that, British Columbia, being by far the most advanced

[*Interprétation*]

tions aient changé beaucoup au Canada depuis la Confédération, par exemple dans l'Ontario et au Québec, il y a deux choses qui sont demeurées inchangées, par rapport aux provinces de l'Atlantique, soit la population des provinces de l'Atlantique, ce qui veut dire que les débouchés n'ont pas tellement changé par rapport au reste du Canada; et deuxièmement, la distance demeure toujours la même. Peu importe les moyens de transport, qui ont changé au cours des années, la distance demeure toute de même un élément du coût. Est-ce que vous proposez ou vous souhaitez que les provinces de l'Atlantique soient toujours capables de vendre leurs produits à des prix concurrentiels dans les principaux marchés du Canada, soit l'Ontario et le Québec, et sans doute dans l'Ouest d'ici peu?

M. Boswick: Oui, je crois que, pour résumer très brièvement, il nous semble que le principal objectif d'une subvention devrait être de s'éliminer par elle-même, à la longue.

Des voix: Bravo.

M. Nesbitt: Comment voulez-vous éliminer automatiquement la distance qui est un facteur constant entre les régions de l'Atlantique, l'ouest et la partie centrale du Canada, où se trouvent les principaux débouchés?

M. Waller: Monsieur le président, quand vous parlez d'éliminer la distance comme élément du coût, je dirais que la meilleure façon de le faire serait de trouver un moyen très efficace qui par le volume et la rapidité transporte les marchandises à ce que vous appelez le débouché, et nous sommes d'accord, peu importe la partie du Canada à laquelle vous vous référez. Si la Colombie-Britannique constate que son marché se trouve au Haut-Canada et qu'ils puissent transporter les produits rapidement et en grand volume, leurs frais seront réduits énormément.

M. Nesbitt: Mais est-ce que vous réduisez ces frais pour les industries manufacturières de l'Ontario qui se trouvent à 100 ou à 500 milles de Toronto, Bien qu'elles soient toujours à 1500 milles de la Nouvelle-Écosse, parce que le transport rapide et volumineux se fera partout?

M. Waller: Plusieurs de nos commentaires ont trait au port d'Halifax et nous voudrions que ce soit un terminus pour les importations et les exportations entre les autres marchés du monde et le grand marché du centre de l'Amérique du Nord. Nous croyons qu'avec un système intégré nous pourrions le réaliser. Il est très intéressant de noter que la Colombie-Britannique qui est la partie la plus dynami-

[*Text*]

and dynamic part of Canada, the member from Burnaby, B.C., if that is where he is from, is the only person who really understands what we are saying.

The Chairman: Order please. Mr. Horner.

Mr. Horner: Yes, Mr. Chairman. I find the brief quite thought-provoking, but it makes no firm or concrete recommendations. Therefore, I suggest to you that we get on and hear other briefs, that this brief should be considered whenever we are drafting our report to the government, but because it makes no firm or concrete recommendations and because we have many more briefs to hear, we should get on with it and I will forego any questions to the witnesses if we are prepared to get on with other briefs.

The Chairman: I agree, Mr. Horner. Mr. Rock, the last question.

Mr. Rock: Do you believe that your proposals, and I believe that they are good proposals, would halt to a great extent the migration of the youth of the Atlantic Provinces to central Canada?

Mr. Waller: You are asking if we believe that if our proposals and our thinking in the brief were brought to reality, would it stop the immigration of younger people to the upper Canadian provinces?

Mr. Rock: That is right.

Mr. Waller: We most assuredly believe it will because it will remedy the disparity that now exists in per capita income. It will not be a 100 per cent remedy, because I do not think we will ever completely eliminate regional disparity in income. I will say however, and I am not being entirely facetious, that if a young fellow can live here and make as much money and attain the same standard of living as he can anywhere else he would be crazy to leave—if you will forgive this.

The Chairman: I think that completes the questioning, and I want to thank the three gentlemen for their brief.

The briefs of the Federal Products Limited, and Steel Furnishing Company of New Glasgow will stand.

Cape Breton Regional Planning Commission. I will ask Mr. Hickey of the Sydney Regional Harbour Development Board to give us a short briefing. It is not quite the same brief as the Sydney Steel Corporation.

[*Interpretation*]

que et la plus progressive du Canada, le député de Burnaby, je crois, est le seul qui comprenne ce que nous essayons de dire.

Le président: A l'ordre, s'il vous plaît. Monsieur Horner.

M. Horner: Oui, monsieur le président. Je trouve le mémoire très stimulant, mais il ne formule pas de recommandations concrètes et fermes. Alors, je propose que nous étudions d'autres mémoires, et que nous tenions compte de ce mémoire en formulant notre rapport. Mais, étant donné qu'on n'y trouve pas de recommandations fermes et que nous avons beaucoup d'autres mémoires à entendre, je serais prêt, par conséquent, à m'abstenir de poser des questions, à condition de pouvoir passer à d'autres mémoires.

Le président: Je suis de votre avis, monsieur Horner. Monsieur Rock, une dernière question.

M. Rock: Croyez-vous que vos propositions, et j'estime que ce sont de bonnes propositions, élimineraient en grande partie la migration des jeunes des provinces de l'Atlantique vers le centre du Canada?

M. Waller: Vous nous demandez si on éliminerait la migration de nos jeunes vers les provinces du Haut-Canada si notre proposition et notre ligne de pensée étaient mises en vigueur.

M. Rock: C'est exact.

M. Waller: Nous le croyons, car on remédierait ainsi à la disparité qui existe à l'heure actuelle entre le revenu par habitant. On n'y remédiera pas complètement, car nous n'éliminerons jamais totalement la disparité régionale qui existe dans les revenus. Mais, pour parler sérieusement, si un jeune homme peut faire autant d'argent et avoir le même niveau de vie ici, il serait fou de partir.

Le président: Je crois que nous allons mettre fin aux questions. Je veux remercier les trois messieurs qui nous ont présenté leur mémoire.

Nos prochains mémoires sont ceux de la *Federal Products Limited* et de la *Steel Furnishing Company of New Glasgow*, qui sont réservé.

Cape Breton Regional Planning Commission.

Je demanderais à M. Hickey de l'Office d'expansion économique régional du port de Sydney de nous donner un résumé de leur mémoire. Ce n'est pas tout à fait le même

[*Texte*]

Mr. Frank Hickey (Chairman, Cape Breton Regional Planning Commission): The brief I am going to submit to you at the present time has been set up by the Cape Breton Regional Planning Commission and the brief was designed to consolidate the concern of individuals, commerce and regional officials over what appeared to be a steady erosion of transportation facilities in the Cape Breton industrial region. This erosion appeared to directly oppose strenuous endeavours presently being made to improve industrial capacity and the environment of the region and to work against the provision of adequate and suitable modes of conveyance between the Sydney area and other parts of Canada.

The representatives present will endeavour to answer questions to the best of their knowledge and ability. However, we would ask the Committee to bear in mind the fact that this is a regional brief and the planning representatives supporting this regional presentation may not always be able to reply in detail to questions concerning the specific issues.

During 1968 the Cape Breton Regional Planning Commission which represents the towns of Glace Bay, New Waterford, Dominion, Sydney Mines, North Sydney, Louisbourg, the City of Sydney and County of Cape Breton, all within the area known as the Industrial Region, became concerned at the apparent steady erosion of the transportation facilities in the area.

Their concern was directed at changes in passenger train schedules, condition of railbeds and highways, the tourist industry, delays in shipments from the area, delays in arrivals and departures of passenger trains, and ultimately to some extent the carload Freight Rate Structure recently established by the Canadian National Railways. Their concern was not so much with the fact that the changes caused inconvenience to local residents, but also with the fact that at this particular time in the life of the Cape Breton Industrial Area such changes were obviously not to the general advantage of the region in that communication apparently became more difficult, and the accumulation of changes in the region were such that at this time of constant endeavour to improve facilities and the environment, and to promote industry, they would be working against the very positive endeavours being made by the many agencies.

[*Interprétation*]

mémoire qui a été présenté par la *Sydney Steel Corporation.*

M. Frank Hickey (président, Cape Breton Regional Planning Commission): Le mémoire que je vais vous présenter a été rédigé par la Commission régionale de planification du Cap-Breton pour consolider l'intérêt des individus, du commerce, des autorités régionales pour ce qui semblait une érosion totale des facilités de transport dans la région industrielle du Cap-Breton. Cette érosion semblait contrecarrer les efforts considérables que l'on fait à l'heure actuelle pour améliorer la capacité industrielle et le milieu et œuvrait contre l'amélioration des moyens de transport entre la région de Sydney et le reste du Canada.

Nous allons essayer de répondre à vos questions du meilleur de nos connaissances, mais nous vous demandons de bien tenir compte du fait qu'il s'agit d'un mémoire régional et que les représentants du service de planification ne seront peut-être pas en mesure de répondre en détail aux questions portant sur des problèmes particuliers.

Au cours de l'année 1968, la Commission de la planification régionale du Cap-Breton qui représente les villes de Glace Bay, New Waterford, Dominion, Sydney Mines, North Sydney, Louisbourg, la Cité de Sydney et le comté de Cap-Breton, lesquelles font toutes partie de la région connue sous le nom de Région Industrielle, a commencé à s'inquiéter de la dégradation apparemment régulière des moyens de transport dans cette région.

Sa préoccupation visait les changements d'horaires des trains de voyageurs, l'état des voies et des grandes routes, l'industrie du tourisme, les retards subis par les expéditions en provenance de la région, les retards des trains de voyageurs tant au départ qu'à l'arrivée et enfin les nouveaux barèmes de transports récemment publiés à l'égard des expéditions en wagonnée partielle et, du moins dans une certaine mesure, des expéditions par wagons complets récemment inaugurés par le National-Canadien. Elle ne se préoccupait pas tant des inconvénients occasionnés par ces changements aux résidents locaux mais surtout du fait qu'à ce tournant particulier de la vie de la Région Industrielle du Cap-Breton, de tels changements ne sont évidemment pas dans l'intérêt général de la région, en ce sens que les communications sont apparemment devenues plus difficiles et les changements tellement nombreux qu'en un temps où l'on s'efforce tant d'améliorer les conditions et l'environnement et de stimuler

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On September 29, 1967, therefore, the Regional Planning Commission instructed its staff to investigate the situation and to prepare a Draft Resolution which would emphasize the need for another look at the transportation picture in Industrial Cape Breton, and set out the deficiencies in the facilities being offered to the general public, existing industries, and to potential industries. The Resolution was discussed by the Regional Planning Commission on October 20, 1967, prepared in its final form, and copies were sent to all Federal, Provincial, Regional and Local politicians and agencies concerned with the upgrading of the Cape Breton Industrial Region.

On January 31st. the Cape Breton Regional Planning Commission, working in conjunction with the President of the Associated Boards of Trade called a meeting in the Court House, Sydney, N.S. for the purpose of discussion and preparation of Briefs. As a result of that meeting, the Director of Regional Planning, Mr. W. B. Thomson, was instructed to prepare a Regional Brief consisting of copies of individual briefs submitted by individuals, firms or agencies. It was intended that this Regioal Brief would attempt to consolidate all Briefs, but at the same time each individual, firm or agency would be free to present a separate submission to the Committee.

Now, we have in this brief a number of submissions from different firms, different people. I will not attempt to read them to you at the present time. They are in the brief and when you are looking over the brief you will be able to see them for yourselves.

A summary of the deal is that the endeavours being made by the Cape Breton Regional Planning Commission to coordinate the discussions and briefs submitted and discussed during the past few weeks are all directed at the need to create an atmosphere and facilities necessary to induce industry to locate in the Cape Breton Industrial Area. The Commission members feel that it is completely illogical for one arm of government to take steps which work against the measures taken by other arms and agencies to create atmospheres and facilities necessary for industrial activity in the region. To achieve this they ask that much more co-ordination and co-operation be achieved. In addition, of course, this submission wishes, particularly to underline the need for improved transportation and

[*Interpretation*]

l'industrie, ces changements vont à l'encontre des efforts mêmes entrepris par ces divers organismes.

En conséquence, le 27 septembre 1967, la Commission de la planification régionale a ordonné à son état-major de faire une enquête sur la situation et de rédiger un projet de résolution qui insisterait sur la nécessité de considérer d'un œil nouveau l'ensemble des transports dans la Région Industrielle et de mettre le doigt sur les insuffisances des services offerts à l'ensemble du public, aux industries existantes et aux industries à venir. La Commission discuta de la résolution le 20 octobre 1967, en prépara la rédaction définitive et des exemplaires en furent envoyés à tous les représentants politiques provinciaux, régionaux et locaux et aux organismes chargés de l'amélioration de la région.

Le 31 janvier, la Commission, d'accord avec le président de l'Association des Chambres de Commerce convoqua une réunion au Palais de justice du comté, à Sydney, N.-É., dans le but de discuter et de préparer les Mémoires sur les transports régionaux. A la suite de cette réunion, le directeur au Plan régional, M. W. B. Thomson, fut chargé de préparer un mémoire régional qui réunirait les exemplaires de mémoires individuels soumis ou à soumettre par des particuliers, des firmes ou les organismes de la région.

Il était entendu que ce rapport régional tenterait de faire la synthèse de tous les rapports mais qu'en même temps, toute firme ou tout organisme régional serait libre de présenter au Comité un rapport séparé.

Maintenant, on trouve dans notre mémoire, plusieurs recommandations provenant de différentes personnes, différentes industries. Je ne veux pas vous le lire au long, vous pourrez les trouver par vous-même dans le mémoire.

Toutefois, on pourrait les résumer en disant que la tentative de la Commission de planification régionale de Cap-Breton de coordonner les discussions et les rapports présentés et commentés au cours des dernières semaines a été déterminée par le besoin de créer une atmosphère et des conditions propres à inciter l'industrie à se concentrer dans la zone industrielle du Cap-Breton. Les membres de la Commission estiment qu'il est totalement illogique qu'un élément du gouvernement prenne des mesures qui iraient à l'encontre de celles qu'ont prises d'autres ministères et organismes pour créer l'atmosphère et les conditions nécessaires à l'établissement d'activités industrielles dans la région. Pour réaliser ce but, ils font appel à plus de coopération et de coordination. Ce rapport souligne la nécessité

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communication between the major Maritime centres and the major populated centres.

With reference to the submission by the Cape Breton Bottlers, the argument has been used that by suggesting the increased rate for all products the regional consumer is obliged to pay more for the product.

It should be stated quite clearly that this submission does not suggest that the rate ex Montreal be increased, but rather that the rate ex Montreal for *empty* containers should be *less* than the rate being charged for *full* containers.

I have here a resolution which will wind it up. It will only take me a minute. As a result of representations made to the Commission, and of personal experiences of Commission members, and also as a result of subsequent inquiries made by Commission staff, and the Transportation Committee of the Commission, it is evident that there is a need for an effective Passenger Rail link between the two major Urban Centres of Nova Scotia, and:

WHEREAS:

(1) Industrial Cape Breton area and the Halifax-Dartmouth area each comprises a major urban area within the Province of Nova Scotia; and,

(2) Passengers wishing to travel between these two Major Urban Centres rather than by Air or Bus are unable to do so in the most comfortable and convenient manner, i.e., by Overnight Train Service; and,

(3) Frequent delays are incurred at Truro by the return rail-liner service from Halifax and frequently passengers are deposited in Sydney in the small hours of the morning and unable to obtain onward transportation to other communities; and,

(4) Coal, steel and other shipments have experienced delays due to lack of locomotives.

The Cape Breton Regional Planning Commission has given consideration to these factors and has discussed the problem with local officials of the CNR and the Board of Transport Commissioners, and now,

Resolves that:

(1) The Board of Transport Commissioners be requested to consider the replacement of overnight sleeper service by CNR between the Cape Breton Industrial Area and the City of Halifax so that

[*Interprétation*]

d'une amélioration des transports et des communications entre les principaux centres des Maritimes et les centres les plus populeux.

En ce qui concerne le rapport des metteurs en bouteilles du Cap-Breton, on a prétendu qu'en proposant un relèvement des tarifs appliqués au transport des produits finis, le consommateur régional est obligé de payer davantage pour le produit.

Il faudrait établir clairement que ce rapport ne suggère pas que le tarif des expéditions de Montréal soit augmenté; on voudrait plutôt voir diminuer le tarif des expéditions de Montréal des cadres *vides* plutôt que d'appliquer le plein tarif sur les cadres *remplis*.

J'ai ici une résolution et je vais vous la lire en conclusion.

A la suite des représentations faites à la Commission et l'expérience personnelle de ses membres, ainsi que les enquêtes ultérieures poursuivies par le personnel de la Commission et par son Comité des transports, révèlent le besoin d'un service efficace de transport des voyageurs entre les deux principaux centres urbains de la Nouvelle-Écosse, et

ATTENDU:

(1) que la région industrielle du Cap-Breton et la région d'Halifax-Dartmouth, en Nouvelle-Écosse, comprennent toutes deux une agglomération urbaine importante; et

(2) que les voyageurs qui désirent se rendre d'une de ces agglomérations urbaines à l'autre par d'autres moyens que l'avion ou l'autobus sont incapables de le faire par le train de nuit qui est le mode de locomotion le plus confortable et le plus commode; et

(3) que le rapide en provenance d'Halifax est souvent retardé à Truro et que les voyageurs sont souvent déposés à Sydney au petit matin alors qu'il leur est impossible de se rendre dans d'autres localités; et

(4) que le transport du charbon, de l'acier et d'autres produits a été retardé faute de locomotives.

La Commission de planification régionale du Cap-Breton a étudié ces facteurs et en a discuté avec les autorités locales CN et la Commission canadienne des transports et a maintenant résolu:

(1) que la Commission des transports du Canada soit priée d'étudier la possibilité de remplacer le service de wagons-lits du National-Canadien, entre la région industrielle du Cap-Breton et la ville

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a comfortable and convenient service is available, and so that members of the public who are reluctant to travel by Air or by Road are able to travel as they wish. It is suggested that this service be reinstated on a twice weekly basis, even although it may not be economically justified. It is the Commission's opinion that the public has a right to the most convenient mode of travel without regard to economics at this stage in the development of the Cape Breton Industrial Area.

(2) the attention of the Cape Breton Development Corporation be drawn to this resolution and the support of the Corporation requested to ensure that a full and satisfactory service is maintained for the benefit of the residents and industrialists of the area who may wish to travel by surface transportation to the Capital of the Province from the Industrial Area.

(3) the attention of the Cape Breton Development Corporation be drawn to the new freight structure for the LCL Shipments recently established by the Canadian National Railways and emphasize that the Commission is of the opinion that increased transportation costs caused by the recent tariff structure changes are not in the best interests of the development of the Cape Breton Industrial Area, even with the support given to the area by existing legislation e.g., Maritimes Freight Rate Act, etc.

(4) action must be taken by the Canadian National Railway and other railways concerned to remove the delays incurred through lack of adequate power in the area, and to ensure that deliveries to and from this area are made punctually and without delay.

(5) The Regional Planning Commission expresses this concern to all persons and agencies involved in any way in the stabilization and improvement of the economy of Industrial Cape Breton, and emphasizes the effect of recent changes and delays in the field of surface transportation in the region and in the Maritimes, and that copies of this Resolution expressing the Commission's concern, be forwarded to those responsible. The Commission members wish to emphasize that while they subscribe to the principal of economic justification, they do feel—Industrial Cape Breton—that this cannot be the only criteria at this time in the life

[*Interpretation*]

d'Halifax, par un service confortable e commode, afin que les personnes qui n veulent pas voyager par avion ou autobu aient un autre choix. Il est proposé qu ce service soit rétabli deux fois l semaine, même s'il n'est pas rentable. L Commission est d'avis que le public droit au mode de transport le plus com mode, indépendamment du facteur de l'é conomie, au stade actuel de développe ment de la région industrielle d Cap-Breton;

(2) que cette résolution soit portée l'attention de la Société de développe ment du Cap-Breton et qu'on obtienn son appui afin d'assurer un service com plet et satisfaisant aux résidents et indus triels de la région qui désireraient utilise un mode de transport terrestre entre l capitale de la province et la régio industrielle;

(3) que le nouveau tarif-marchandise établi récemment par le National-Cana dien pour le trafic de détail soit porté l'attention de la Société de développe ment du Cap-Breton, et que la Commi sion lui fasse savoir qu'à son avis l'aug mentation du coût de transport consécu tive à ce changement du tarif est préjud ciable au développement de la régio industrielle du Cap-Breton, même s'il e tenu compte de l'aide apportée à l région par les lois actuelles, notammer la Loi sur les taux de transport des ma chandises dans les provinces Maritime etc.;

(4) que le National-Canadien et l autres chemins de fer en cause éliminer les retards dus à l'insuffisance de locom tives dans la région, et assurent la livra son ponctuelle, et sans retards dus à d manques de locomotives, des marchand ses destinées à la région ou en provenant

(5) la Commission de planificatio régionale exprime son inquiétude à tout les personnes et tous les organismes q sont intéressés de quelque façon à la st bilisation et au relèvement de l'économ de la région industrielle du Cap-Breto et elle souligne les effets des changemen récents et des retards dans le domain des transports terrestres de la région des Maritimes; elle décide d'adresser d copies de la présente résolution expr mant son inquiétude aux personnes organismes responsables et intéressés q œuvrent en ce moment pour assurer stabilité économique à la région. L membres de la Commission désirent so

[Texte]

of Industrial Cape Breton and that a service which is not economically justified should be considered provided it adds to the potential and attractiveness of the area.

What they are getting at is that in a distance of 100 miles, a passenger train takes two and one-half to three hours and a freight train, from Havre Boucher into Sydney, takes five and one-half to seven hours. These are just some of the things that we are concerned about, the length of time it takes to bring freight back and forth and the shortage of power, the hours that the passenger service trains arrive in Sydney at one, two and three o'clock in the morning for people that live in the outer areas. There is no public transportation and they have to try to get taxi service, and so on.

This has been changed lately and people that are ill that have to come to the major hospital, the Victoria General Hospital here in Halifax, have to sit up in a railliner or in the morning train, *The Cabot*. There are no facilities for them to be made comfortable on their way up or they have to get an ambulance, so we feel then in the whole area that over the last short period of time our service has deteriorated to the point where we are back years and years from what we were lately. This is what we are asking to have looked into so that we can be brought up to date as the other parts of our area are.

You all know there are a lot of people who still do not like to fly. We have a lot of new people coming into the area, industrialists and their families and so on, and when you leave—take my own case. A year ago I left here and I was supposed to leave at 11 o'clock. The train did not leave the main depot until 12 o'clock. When we got to Truro we waited two and one-half hours in Truro before we left there and we did not get into Sydney until some time late that night after nine o'clock.

A fellow could pretty nearly walk home in that time if he was in good health. So this is what we are facing you with, gentlemen, and we are putting it before you and asking you to look into it for us.

The Chairman: Thank you. Gentlemen I have on my right Mr. Frank Hickey and Mr. Thomson. Mr. Horner?

[*Interprétation*]

ligner que tout en souscrivant au principe de la justification économique, ils ne pensent pas que ce soit le seul critère valable en ce moment pour le développement industriel du Cap-Breton et ils sont d'avis qu'il y a lieu de fournir un service sans justification économique s'il ajoute au potentiel et à l'attrait de la région.

Et maintenant, je pourrais peut-être vous dire que sur une distance de 100 milles un train de voyageurs met de deux à trois heures alors qu'un train de marchandises sur le parcours Hâvre Boucher-Sydney prend de 5 heures et demie à 7 heures. Voilà quelques-unes de nos préoccupations tout comme le temps nécessaire pour l'aller et retour d'un train de marchandises, les retards encourus par l'insuffsance de locomoties, le fait que les trains arrivent à Sydney à une, deux ou trois heures du matin alors que les gens qui demeurent en dehors de la ville n'ont plus de transport public à leur disposition, et doivent prendre un taxi pour se rendre à la maison...

Tout cela a été changé récemment, les malades qui doivent se rendre à l'hôpital général Victoria à Halifax doivent rester assis dans un autorail ou le «Cabot» du matin, il n'y a pas moyen pour eux d'être installés confortablement, ou bien il faut qu'ils louent les services d'une ambulance. Nous croyons donc que dans toute cette région depuis un certain temps, le service s'est détérioré à un tel point que nous sommes maintenant retournés à la situation des années passées. Nous vous demandons donc d'étudier la question afin de pouvoir mettre les services à jour tout comme les autres régions des Maritimes sont desservies.

Il y a beaucoup de personnes qui n'aiment pas voyager par avion. Nous avons beaucoup de nouveaux présidents qui s'installent dans la région, des industriels et leurs familles. Prenez mon cas, il y a un an, par exemple, j'étais censé partir par le train à 11 heures, le train n'a pas quitté la gare principale avant midi et nous avons attendu à Truro pendant deux heures et demie avant de quitter Truro et nous sommes arrivés à Sydney seulement tard le soir, après 9 heures. Il serait presque possible de marcher pour se rendre chez soi dans ces conditions-là. Voilà le problème, messieurs, et nous vous demandons de l'examiner.

Le président: Messieurs, à ma droite, j'ai M. Frank Hickey et M. W. B. Thomson. M. Horner?

[*Text*]

Mr. Horner: Mr. Hickey, generally speaking, your brief is a complaint against the railroads and the service that you have been receiving in your region?

Mr. Hickey: That is correct, sir.

Mr. Horner: You also suggest that the Maritime Freight Rates Act be made applicable to the trucking industry as well, do you not?

Mr. Hickey: Yes.

Mr. Horner: It has been estimated that making the Maritime Freight Rates Act available to the trucking industry would cost in the neighbourhood of $4 million. Let us suppose that if you are now getting poor service from the railroads you give the truckers a shot in the arm and they step up their competition to meet the railroads. Perhaps the net result would be poorer service yet to the railroads. Have you thought of it in that light?

Mr. Hickey: Mr. Thomson might answer that question.

Mr. W. B. Thomson (Director of Regional Planning, Cape Breton Regional Planning Commission): I go back to what the other representative from the Cape Breton area said in his presentation regarding the harbour development proposal. This is that the general feeling is that competition would improve the service and would, we hope, cut the rates or provide competitive rates. I am not an expert on rates.

Mr. Horner: In other words, you are suggesting that the railroads are just lazy and because there is no competition they have not been giving you good service in your region.

Mr. W. B. Thomson: Your words, sir, but it might be a good suggestion.

Mr. Horner: I hope that the railroad officials and the CTC representative here are made fully aware of your brief. Have you complained to the CTC at all in any of your regions?

Mr. Thomson: Yes, we have.

Mr. Horner: You are still having trouble getting cars, I understand, from your brief?

Mr. Hickey: I could read you a submission here from Mr. Martin Merner who is President of the Steelworkers Union in Sydney and I think it will explain...

[*Interpretation*]

M. Horner: Monsieur Hickey, de façon générale, vous vous plaignez des services reçus dans votre région de la part des chemins de fer.

M. Hickey: Oui, c'est exact, monsieur.

M. Horner: Vous dites aussi que la Loi sur les taux de transport des marchandises dans les provinces Maritimes devrait être applicable au camionnage aussi n'est-ce pas?

M. Hickey: Oui, monsieur.

M. Horner: On estime que si la Loi sur le taux de transport des marchandises dans le provinces Maritimes devait s'appliquer aux camions, que le coût serait de 4 millions d dollars. Mais supposons maintenant que vou avez un très piètre service des chemins d fer, que vous donnez aux camions un pe d'aide et que par conséquent ils augmenten leur concurrence aux chemins de fer, le résul tat net pourrait peut-être finir par être encor un pire service de la part des chemins de fe Avez-vous songé à cela?

M. Hickey: M. W. B. Thomson pourra peut-être répondre à la question.

M. W. B. Thomson (Directeur du dévelo pement régional, Commission du développe ment régional du Cap Breton): Revenons à que l'autre représentant du Cap Breton a d plus tôt, en ce qui concerne cette propositic visant à développer le port. Nous somm d'avis que la concurrence améliorerait le se vice et couperait les tarifs, nous donnerait d tarifs concurrentiels. Je ne suis pas un spéci liste des tarifs.

M. Horner: En d'autres mots vous voul dire que les chemins de fer sont simpleme paresseux parce qu'il n'y a pas de concu rence et ils ne vous ont pas donné de bo services.

M. W. B. Thomson: C'est vous qui le dit mais c'est peut-être là la situation.

M. Horner: Les représentants de la C.C. spécialistes en question ferroviaires ici pr sents, sont vraiment conscients de votre so mission. Est-ce que vous vous êtes plaints C.C.T. dans l'une ou l'autre de vos régions?

M. Thomson: Oui, nous l'avons fait.

M. Horner: Vous éprouvez toujours d difficultés à obtenir des wagons si j'en cr votre mémoire?

M. Hickey: Je pourrais vous lire la soum sion de M. Martin Merner, le représentant Syndicat des ouvriers de l'aciérie de Sydr et cela pourrait vous éclairer.

[*Texte*]

The Chairman: If you do not mind this etter will be appended to our report and I ink we could save a lot of time on that.

Mr. Horner: The box car problems are one f your problems?

Mr. Hickey: That is right.

Mr. Horner: I hope that the CTC is made ware of this.

The Chairman: Order, please. Mr. Carter?

Mr. Carter: Mr. Chairman, in the brief ere is a great deal of emphasis on the fact at the railway passenger service seems to ave deteriorated or at least is not up to andard. I wonder if the witness can tell me hen this started to happen? Do you consider is to be a deliberate attempt on the part of e CNR to discourage people from using ur rail passenger service, perhaps to place it eventually with buses?

Mr. Hickey: Up until about two years ago e had a night train that left Sydney around :45 o'clock, arriving in Halifax here, in the orning, probably around 8:30 or 8:45 clock. Now we have *The Cab* which leaves dney at 7 o'clock in the morning. You ansfer at Truro and come through to Hali-x and you leave Halifax on the rail liner. I o not know the exact time it leaves now but year ago when I left it was supposed to ave at 11 o'clock. Then you wait in Truro r *The Ocean Limited* coming from Montreal. The night train out of Sydney is the sleeper rvice and this meant an awful lot to sick ople that had to come up here to the Vic-ria General Hospital, and we have quite a rge number from that area, war veterans d so on, coming to Camp Hill and this has eated quite a hardship. We are not asking have this service back every night in the eek, but two or three times a week so peo-le that have to have this service can use it.

Mr. Carter: All right. Has your group ade representations to the CN or to the TC?

Mr. Hickey: That has been done, I think.

Mr. Carter: What reply do you get to your quest for better service?

Mr. Hickey: The reply that we got is that it not feasible, that it is uneconomic, and so .

[*Interprétation*]

Le président: Si cela ne vous fait rien nous ferons figurer cette lettre en annexe.

M. Horner: Le problème est un problème de wagons-marchandises, n'est-ce pas?

M. Hickey: C'est juste.

M. Horner: J'espère ue la C.C.T se rendra compte du problème.

Le président: A l'ordre s'il vous plaît. Monsieur Carter.

M. Carter: Dans le mémoire, on insiste sur le fait que le service de voyageurs n'est plus suffisant, il semble s'être encore détérioré. Pourriez-vous nous dire quand cela a commencé à se produire. Trouvez-vous qu'il s'agit d'une action délibérée du National-Canadien pour décourager les voyageurs d'avoir recours à ses services ferroviaires pour éventuellement les faire remplacer par des autobus ou un autre mode de transport?

M. Hickey: Jusqu'à environ deux ans, nous avions un train de nuit qui quittait Sydney vers 10h45 et qui arrivait à Halifax le matin vers 8 h 30 ou 8 h 45. Maintenant nous avons le «*Cabot*» qui quitte Sydney à 7 heures du matin, vous prenez une correspondance à Truro, et vous arrivez à Halifax et pour le retour, vous quittez Halifax par l'autorail qui quitte, je ne sais pas au juste à quelle heure—mais il y a un an c'était censé être à 11 heures et vous attendez à Truro l'*Océan Limité* en provenance de Montréal.

Le train de nuit de Sydney était très important pour les gens malades qui venaient ici à l'Hôpital Victoria et nous en avons un certain nombre qui viennent de cette région, des anciens combattants qui viennent à Camp Hill et l'abandon de ce service a créé certaines difficultés. Nous demandons, non pas de reprendre ce service chaque soir de la semaine mais au moins deux ou trois fois par semaine pour que les gens puissent l'utiliser au besoin.

M. Carter: Est-ce que votre groupe a fait des instances au National-Canadien ou à la C.C.T.?

M. Hickey: Cela a été fait, je crois.

M. Carter: Quelle réponse avez-vous obtenue à la suite d'une demande d'amélioration du service.

M. Hickey: On nous a dit que cela n'était pas réalisable et non rentable.

[*Text*]

Mr. Carter: So they are basing it purely on a matter of economics; is that right?

Mr. Thomson: From what they have told us, yes.

Mr. Carter: Then I would suggest you should prepare yourselves for buses pretty soon—39-passenger, perhaps.

Le président: Monsieur Corbin.

M. Corbin: Ma question a été posée, monsieur le président.

Le président: Monsieur Godin, si vous voulez attendre une minute.

Allez-y, monsieur Godin.

M. Godin: De quel endroit de la région vous parviennent les wagons vides, c'est-à-dire à combien de milles est située la base centrale, si on peut dire, d'où l'on vous envoie les wagons vides, lorsque vous en faites la demande?

Mr. Hickey: I think the general assembly point is the City of Moncton. Generally the boxcars come to our area from Moncton. Probably I am wrong; I should say the Town of Truro. They come from Moncton down to Truro and that is where we get them from.

M. Godin: Maintenant, croyez-vous vraiment à une rareté réelle ou si elle n'est qu'artificielle? Si je pose la question, c'est parce que présentement le National-Canadien a une nouvelle façon de contrôler ses wagons et ceux-ci, lorsqu'ils sont déchargés, ne sont signalés nulle part, par aucun chef de gare. Alors, à la dimension du pays, il se produit ceci: on nous affirme que le nombre des wagons est restreint, qu'il en manque, mais en réalité, s'ils étaient signalés à différents endroits, on verrait qu'ils sont en nombre suffisant. La même chose pourrait-elle se produire ici? Est-ce que c'est un manque de contrôle découlant de nouveaux règlements de la part du National-Canadien établis depuis un an ou si la situation, qui prévaut présentement, a toujours été la vôtre?

Mr. Hickey: Probably Mr. Thomson can answer that.

Mr. Thomson: Mr. Chairman, I am sorry that the steel company representative is not here. If you had had the privilege of coming to Sydney, we would have had them all lined up for you. I am sorry; we are not really in a position to give an adequate answer to your question. All I can do is refer you to the brief which was submitted by the steel and coal company representatives which states quite clearly that they have experienced shortages.

[*Interpretation*]

M. Carter: C'est donc une question de rentabilité?

M. Thomson: D'après ce qu'ils nous ont dit oui.

M. Carter: Alors aussi bien vous préparer à accepter les autobus d'ici peu. Peut-être 39 passagers.

The Chairman: Mr. Corbin.

Mr. Corbin: My question has been asked Mr. Chairman.

The Chairman: Mr. Godin, would you please wait a minute. Go ahead, Mr. Godin.

Mr. Godin: From what part of the area come from, i.e. what is the distance in miles to the central base, if I may call it that, from where empty boxcars are sent to you when you request them?

M. Hickey: Je crois que le point de rassemblement se fait à Moncton. C'est de là que nous parviennent les wagons vides. Peut-être ai-je tort. Je devrais peut-être dire de Truro Les wagons viennent de Moncton à Truro e nous les obtenons de Truro.

Mr. Godin: Now, do you really believe that there is a real scarcity or is it an artificial scarcity? The reason I am asking that, is that at the present time the C.N. has a new way o controlling its boxcars, and when they ar unloaded and are not referred to anywhere by any stationmaster. Therefore, this is what happens on a nation wide scale: we are told that there is a shortage of boxcars, but in fact, if all of them were on file, we would see that there is a sufficient number of them. Could the same thing happen here? Is it lack of control as a result of new regulations by the C.N. which have been established in the past year, or is the present situation the one that has always existed here for your?

M. Hickey: M. Thomson pourrait peut-être répondre.

M. Thomson: Monsieur le président, je regrette que les représentants de l'aciérie ne soient pas ici. Si vous aviez le privilège de venir à Sydney, ils seraient tous là pour vous rencontrer. Nous ne sommes pas vraiment en mesure de vous répondre de façon satisfaisante à votre question. Tout ce que je puis faire, c'est vous référer au mémoire qui nous fut présenté par la *Steel and Coal Company* et ses représentants qui déclare bien claire

[*Texte*]

cannot give you details of the reasons. I am orry.

The Chairman: Gentlemen, this is the end ur our question period and I want to thank he two gentlemen, Mr. Hickey and Mr. Thomson.

Mr. Thomson: It was a pleasure, sir.

The Chairman: I would like to call upon he Sydney Steel Corporation. I will ask the entleman to summarize his brief.

Mr. Hicks (Sydney Steel Corporation): Mr. hairman, thank you for the opportunity to ppear before your Committee. We want to resent our case as briefly as possible, and I ave a very short summation here which I ink touches the highlights. I would like to ead it. It is as follows:

Because of the limited product range and ne preponderance of this being sold in the ontrecœur, Montreal, area, the Sydney Steel orporation asked that rate-parity with amilton be granted on shipments to Conecœur. This can be accomplished by djusting the upward level of assistance vailable under the Maritime Freight Rates ct, as detailed in our submission.

It is felt that this is necessary to retain our nare of the market in this area in the face of nport competition as well as that of our entral Canadian suppliers of the same roducts.

Because of the methods by which our rails e sold, we must absorb geographical sabilities in freight allowances applicable on ders sold to the Canadian National and the anadian Pacific railways. It is suggested that e benefits of the Maritime Freight Rates ct be made applicable to cover this situation ithout disturbing the present method of sellg rails.

If I may digress on that for a moment, in e text of the brief it is stated that the rails e moved on what is called OCS—our own mpany service—which is a cost basis borne the railways, and not being a regular

[*Interprétation*]

ment qu'ils ont eu l'expérience d'une insuffisance de wagons-marchandises. Pourquoi, quand, comment, et quelles en sont les raisons, je ne saurais vous les donner. Je m'excuse.

Le président: Messieurs, voici la fin de la priode de questions. Je désire remercier les deux témoins, MM. Hickey et Thomson.

M. Thomson: Merci beaucoup.

Le président: Maintenant je cède la parole à *la Sydney Steel Corporation.* Monsieur Arnold Hicks. Je demande donc au représentant de nous donner un résumé de leur mémoire.

M. Hicks (Sydney Steel Corporation): Monsieur le président, merci beaucoup de nous fournir l'occasion de comparaître ici. Nous désirons présenter notre soumission le plus brièvement possible. J'ai un résumé très bref ici qui peut vous donner les principales caractéristiques de ce mémoire, et je veux vous en donner lecture.

Étant donné l'assortiment limité des produits ainsi que le fait que ces produits sont vendus en grande partie dans la région de Contrecœur et Montréal, la *Sydney Steel Corporation* a demandé que la parité des taux avec Hamilton soit accordé aux expéditions vers Contrecœur. Ceci peut être fait en ajustant le niveau supérieur de l'aide disponible en vertu de la Loi sur les taux de transport des marchandises dans les provinces maritimes, tel que vous le trouverez en détail dans notre présentation.

Nous sommes d'avis que cela est essentiel pour maintenir notre part du marché dans cette région, face à la concurrence des importations ainsi qu'à celle des fournisseurs du même produit dans le Canada central.

Étant donné les méthodes utilisées pour vendre nos rails, il nous faut absorber le désavantage géographique pour ce qui est des allocations en tarif qui s'appliquent sur les commandes passées par le National-Canadien et le Pacifique-Canadien. Nous croyons que les avantages offerts par la Loi sur les taux de transport des marchandises dans les Maritimes devraient comprendre cette situation sans nuire aux méthodes actuelles de vente de rails.

Je voudrais m'éloigner un instant pour dire que, d'après le texte du mémoire, les rails sont acheminés en vertu du service OCS, notre propre service, dont le coût est à la charge de la compagnie de chemin de fer, et

[*Text*]

freight rate it is not reduced under the Maritime Freight Rates Act.

The Sydney Steel Corporation suggests that the trucking industry within the Maritimes be granted assistance under the Maritime Freight Rates Act to provide a greater degree of economic strength and service.

The Sydney Steel Corporation suggests that the MFRA be held a viable instrument which will be able to adjust swiftly to the needs of the community rather than become rigid in its application.

The Sydney Steel Corporation suggests that these points can be granted as part of the national transportation policy which calls for making the best possible use of all available modes of transportation to protect the interests of the users of transportation and to maintain the economic well-being and growth of Canada. This, in our own selfish interest, must be interpreted as being the Maritimes, or the Atlantic Provinces, as this is the portion of Canada in which we exist.

That is a very brief summary of our submission.

The Chairman: Mr. Horner?

Mr. Horner: In your submission you make no mention of tariff rates, or if there are any, in moving your goods south in the United States.

Mr. Hicks: We have not done that for the reason that we have dealt with the larger segment of our business which has been to central Canada.

Mr. Horner: The majority of your business has been to central Canada?

Mr. Hicks: That is right.

Mr. Horner: For the benefit of the Committee could you give us some idea of why that is? Why has there not been a greater movement in the United States?

Mr. Hicks: Why was there not?

Mr. Horner: Yes.

Mr. Hicks: There are many reasons. One of them of course is transportation. Assuming all transportation facilities were available and ready, we must meet the regulations of the

[*Interpretation*]

ces frais n'étant pas un tarif régulier pour le transport des marchandises, n'est pas diminué en vertu de la Loi sur les taux de transport des marchandises dans les Maritimes.

La *Sydney Steel Corporation* propose que l'industrie du camionnage dans les Maritimes bénéficie d'une aide en vertu de la Loi sur les taux de transport des marchandises dans les Maritimes, afin de lui donner une plus grande vigueur économique et pour qu'elle puisse offrir un meilleur service.

La *Sydney Steel Corporation* propose que la Loi sur les taux de transport des marchandises dans les Maritimes devienne un instrument viable qui pourra s'ajuster rapidement aux besoins de la collectivité plutôt que d'être rigide dans son application.

La *Sydney Steel Corporation* propose que les points que nous venons de mentionner soient considérés comme faisant partie de la politique nationale de transport qui exige la meilleure utilisation possible de tous les moyens de transport pour protéger les intérêts des utilisateurs et maintenir le bien-être économique et la croissance du Canada.

Ceci, dans notre intérêt, doit être interprété comme signifiant les Maritimes et les provinces de l'Atlantique, étant donné qu'elles constituent la partie du Canada où nous nous trouvons.

Voilà donc un bref résumé de notre présentation.

Le président: Monsieur Horner?

M. Horner: Dans votre présentation vous ne parlez pas du prix de tarifs ou s'il y en a pour ce qui est du transport de vos produits vers les États-Unis, au Sud?

M. Hicks: Nous ne l'avons pas fait. C'est pour la simple raison que nous avons plutôt traité des secteurs plus importants dans notre entreprise soit vers le centre du Canada.

M. Horner: La plus grande portion de votre commerce se fait-elle avec le centre du Canada?

M. Hicks: Oui.

M. Horner: Pourriez-vous nous donner une idée pourquoi il en est ainsi? Pourquoi n'y a-t-il pas eu un plus grand mouvement vers les États-Unis?

M. Hicks: Pourquoi?

M. Horner: Oui.

M. Hicks: Il y a plusieurs raisons. Évidemment une en est le transport. En supposant que tous les services de transport étaient disponibles et prêts, il nous fallait répondre aux

[*Texte*]

Interstate Commerce Commission, which are very, very rigid in their application. Within the last year we have had quite a bit of dealing with the United States carriers in endeavoring to get into that market and have faced problems from the Interstate Commerce Commission.

As recently as the first of this year we were successful in negotiating a rate with the Canadian and American carriers on a piece of business which we were able to develop, only to have it contested by a major steel supplier in the United States. We were called before the supension board and, fortunately for us, we were able to have our rate upheld. Nevertheless, it is a continual fight to get even the most modest concession on transportation into the United States. This is not so much from the Canadian sources as because of the regulations laid down by the Interstate Commerce Commission.

Mr. Horner: Does the Canadian Transport Commission give you, or do you think it could give you, any assistance in your battle with the Interstate Commerce Commission?

Mr. Hicks: I cannot honestly answer you on that. I know that our competitors, the central Canada steel industries, have been faced with this same problem, as well.

Mr. Horner: Actually it is not so much a tariff as just a border restriction on the type, ...

Mr. Hicks: It is not a customs restriction, but it amounts to the same thing.

Mr. Horner: It amounts to the same thing?

Mr. Hicks: It does.

Mr. Horner: I do not quite understand your suggestion in the brief that you are, in fact, paying the freight on the railway track you take and you therefore get no MFRA on it. Could you explain that a little further?

Mr. Hicks: I will try to, as best I can. Our rails are sold technically on a f.o.b. Sydney basis.

Mr. Horner: But you deliver them?

Mr. Hicks: We do not deliver them; but we are assessed a penalty in relationship to our competitor, based on the final destination of the rails. If we are at a disadvantage of a

[*Interprétation*]

exigences de la Commission du Commerce inter-état, (*Interstate Commerce Commission* qui sont très rigoureuses dans leur application. Nous avons eu au cours de la dernière année beaucoup à faire avec les transporteurs américains pour essayer de nous introduire dans ce marché, et nous avons dû faire face à des problèmes qui ont été soulevés par la Commission du Commerce inter-état.

Dès le début de cette année, nous avons réussi à nous mettre d'accord sur un tarif avec des transporteurs américains et canadiens pour une affaire que notre entreprise a pu mettre au point, et qui fut contestée par des grands producteurs de l'acier aux États-Unis. Nous avons été appelés devant le *Suspension Board* et heureusement nous avons pu faire maintenir nos taux. En tout cas, c'est une lutte continuelle, même pour obtenir la moindre concession sur le transport pour entrer aux États-Unis. Non pas tellement des sources canadiennes qu'à cause des règlements établis par la Commission du Commerce inter-état.

M. Horner: Est-ce que la Commission canadienne des transports vous donne ou pourrait vous offrir de l'aide dans votre lutte avec la Commission du Commerce inter-état?

M. Hicks: Je ne saurais vraiment répondre à cette question. Je sais que nos concurrents du Canada central de cette industrie ont dû faire face à ce même problème.

M. Horner: Ce n'est pas tellement une question de tarif, mais simplement des restrictions de frontières quant au genre...

M. Hicks: Il ne s'agit pas de restrictions tarifaires, mais cela revient au même.

M. Horner: Cela revient au même?

M. Hicks: Oui.

M. Horner: Je ne comprends pas tout à fait dans votre mémoire, lorsque vous dites que vous vous trouvez à payer le tarif pour l'expédition de vos rails, que vous fabriquez, et que par conséquent, vous ne bénéficiez pas des dispositions de la Loi sur les taux de transport des marchandises dans les Maritimes. Pourriez-vous nous expliquer cela?

M. Hicks: Je ferai de mon mieux. Nos rails sont vendus essentiellement sur une base f.a.b. Sydney.

M. Horner: Mais vous en faites la livraison?

M. Hicks: Non, on n'en fait pas la livraison, mais nous devons payer une amende pour ce qui est de notre situation par rapport à nos concurrents suivant la destination des rails.

[*Text*]

1,000 miles compared to our competitor, we are forced, to be competitive with our competitor on the railway purchase book, to adjust our price to take into account this geographical disability. As I said, this is not a freight rate, as such, and it therefore cannot be reduced under the MFRA.

Mr. Horner: About how many 100 miles would that amount to in most cases? Could you give us some idea relative to the mileage at which you have to pick up with no MFRA assistance?

Mr. Hicks: Could I perhaps avoid your question by just asking you to refer to Appendix II? That shows the average disability that we absorb.

Mr. Horner: That is fine. You also suggest that you ought to be given a rate similar to the Hamilton plant?

Mr. Hicks: That is right. What we say here is that as the bulk of the market availability for the product which we sell is in the area, aside and apart from rails, and as the price is controlled to an extremely large degree by the level of the import competition at that point, we must, as a result, price it on a delivered basis and absorb 100 per cent of the freight to Contrecoeur in Montreal.

Mr. Horner: I have one further question. Since taking over the plant, have you given any thought to making a different variety of product, such as flat steel which could, or might, be used to quite a large extent here in the Maritimes?

Mr. Hicks: I cannot answer that. All I can say is that the management have, I believe, some immediate improvements in mind, but I do not think they quite fall into the area from which you are making your approach.

Mr. Horner: Why do you think that a railroad should charge more for the movement of finished steel than, say, of the raw steel itself?

Mr. Hicks: This goes back to the basis of rate making, which takes into account amongst other things, the value of the product.

Mr. Horner: Yes.

Mr. Hicks: They assume if it is worth $100 compared to an item worth $50, that it should pay a higher proportion of the freight than the lower-valued item.

[*Interpretation*]

Nous nous trouvons dans une situation défavorable du fait qu'il y a 1000 milles qui nous séparent de nos concurrents, donc, pour être compétitifs, il nous faut rajuster nos prix pour tenir compte de ce désavantage géographique. Comme je l'ai dit, ce n'est pas un tarif-marchandise comme tel et par conséquent on ne peut le diminuer en vertu des dispositions de la Loi.

M. Horner: Combien de centaines de milles environ cela représente-t-il dans la plupart des cas? Pourriez-vous nous donner une idée du nombre de milles qu'il vous faut faire sans l'aide de la Loi.

M. Hicks: Peut-être me permettrait-on de vous demander de vous reporter à l'appendice II, qui est la moyenne du désavantage que nous supportons.

M. Horner: C'est très bien. Vous proposez aussi que vous devriez avoir des tarifs analogues à ceux qui sont accordés à l'usine de Hamilton?

M. Hicks: Oui. Comme le gros de la disponibilité des marchés pour le produit que nous vendons se trouve dans cette région, les rails mis à part et comme le prix est contrôlé dans une grande mesure par la concurrence des importations à ce point-là il nous faut donc calculer le tarif de façon à ce qu'il comprenne la livraison et absorber le 100 p. 100 des frais de transport jusqu'à Contrecœur à Montréal.

M. Horner: Avez-vous songé à diversifier vos produits, et fabriquer par exemple de l'acier laminé ou autre chose qui pourraient être utilisés dans une grande mesure ici-même dans les Maritimes?

M. Hicks: Je ne saurais répondre. Tout ce que je peux vous dire, c'est que l'administration a certaines améliorations en vue, mais je ne crois pas que cela relève du secteur dont vous parlez maintenant.

M. Horner: Pourquoi croyez-vous qu'une compagnie de chemins de fer devrait exiger plus pour le déplacement de l'acier fini, que pour de l'acier brut?

M. Hicks: Ceci remonte à l'établissement des taux qui tient compte, entre autres, de la valeur du produit.

M. Horner: Oui.

M. Hicks: Ils en concluent que si cela vaut $100 comparativement à $50 d'un autre produit, on devrait payer une plus forte proportion du tarif.

[*Texte*]

Mr. Horner: Do you think that system of rate making is out of date?

Mr. Hicks: To some degree it is out of date, and I think there is a slow evolution to change. The degree of this, perhaps, is not as bad as it was, but there is still a disparity. It is difficult to make an exact comparision in every instance, because the volume for individual shipments will vary.

A typical illustration is that a carload of basic steel to Contrecoeur, or, say, Montreal, is at present $5.60 a ton, and a shipment of 100,000 lbs. of nails is $10 a ton.

Mr. Horner: Relative to this principle of the greater the value of the product the greater the freight rate charged on it, have you considered appearing before the CTC and perhaps getting some revision of this general principle of rate setting?

Mr. Hicks: No, not in that respect. Again, if you will go back to our submission, you will find that as of the present what we could call our finished product, in the truest sense, is perhaps our rails, which, in effect, pay a freight allowance but not a freight rate. The only other item that could perhaps be called a finished item would be reinforcing steel and nails. However, as I say, those represent such a minute percentage of our total business that, of course, priorities have priority and you must approach the big problem first.

Mr. Horner: Thank you.

The Chairman: Mr. Rock?

Mr. Rock: Why have you not suggested in your brief that more secondary industry to use your steel be established in the Atlantic region?

Mr. Hicks: We have not suggested anything of that type because of this being perhaps a short-term and immediate problem that we are faced with.

Basically your question would require an answer from our management on what type of industry needs to be drawn in. I am afraid I cannot answer you.

Mr. Rock: Have you ever made a survey of that type and submitted it to the provincial governments here, or to other bodies informing them of what kind of industry would be needed to keep you people in operation?

[*Interprétation*]

M. Horner: Croyez-vous que cette façon d'établir les taux est désuète?

M. Hicks: Dans une certaine mesure, elle est désuète mais il y a à mon avis une lente évolution vers un changement. La situation n'est pas aussi mauvaise qu'elle ne l'était, mais il y a toujours une disparité. Il est difficile de faire une comparaison fidèle dans chacun des cas, parce que le volume des expéditions individuelles varie.

Par exemple, une wagonnée d'acier de base, expédiée à Contrecœur ou disons à Montréal, coûte présentement $5.60 la tonne alors qu'une livraison de 100,000 livres de clous, coûte $10.00 la tonne.

M. Horner: Pour ce qui est du principe voulant que plus le produit a de la valeur plus le tarif-marchandise est élevé. Avez-vous songé à comparaître devant la Commission canadienne des transports et essayer d'obtenir peut-être la révision du principe général d'établissement des tarifs?

M. Hicks: Non, pas à cet égard. Une fois de plus, si vous revenez à notre présentation, vous vous rendrez compte que ce que nous appelons produit fini, dans le vrai sens du mot sont les rails qui en fait bénéficient d'une allocation de transport mais non d'un tarif marchandises. Les seuls autres produits que l'on pourrait appeler finis sont l'acier renforcé et les clous. Cependant, ces deux articles représentent une si faible proportion de l'ensemble de notre commerce, que les priorités sont toujours là, et il nous faut attaquer tout d'abord les grands problèmes.

M. Horner: Merci.

Le président: Monsieur Rock?

M. Rock: Pourquoi n'avez-vous pas proposé dans votre soumission qu'un plus grand nombre d'industries secondaires utilisant votre acier soient établies dans la région de l'Atlantique?

M. Hicks: Nous n'avons rien dit de ce genre du fait qu'il s'agit là peut-être, d'un problème à court terme. Essentiellement, votre question exigerait une réponse de la part de notre administration pour nous dire quels genres d'industries doivent être encouragées à venir s'établir dans cette région. Je ne saurais vous répondre.

M. Rock: Avez-vous déjà entrepris une enquête de ce genre, et présenté aux gouvernements provinciaux ou à quelque autre organisme pour leur faire savoir quels genres d'industries seraient requises pour vous maintenir en exloitation?

[*Text*]

Mr. Hicks: I cannot answer you on that, but I believe the Voluntary Planning Board of Nova Scotia made some approach on what would be required in the Atlantic area to meet the total output of our mill at Sydney. I think it would be quite phenomenal.

The Chairman: Mr. Nesbitt?

Mr. Nesbitt: I have no questions.

The Chairman: Mr. Perrault?

Mr. Perrault: In a sense, Mr. Chairman this is supplementary to a question asked earlier.

We heard the submission from The Enterprise Foundry Company Limited in New Brunswick the other day. They complained about the high cost of bringing in from central Canada the metal necessary for the construction of their products and the high costs involved in many other components with a steel base. As I recall, the question was asked at that time whether or not it had a source of supply in the Maritimes, and they said that none of the Maritimes steel corporations and companies manufacture the type of metal required by them.

In view of the fact that the range manufacturing industry is experiencing competitive difficulties in the Maritime provinces, would it not be an idea to diversify into that particular area? Perhaps there is a reason for this diversification not taking place. If it is not, does it somehow relate to the cost of transporting this material even within the Maritime region?

Mr. Hicks: That particular question, I think, is perhaps a larger one than transportation itself. May I answer it with a question? Would the Enterprise Foundry Company be prepared to buy all of the steel that could be produced on a mill capable of producing flat steel?

Mr. Perrault: In other words, it is a matter of operating to capacity?

Mr. Hicks: You cannot invest a fantastic amount of money for a very infinitesimal amount of production.

Mr. Perrault: This also relates to a question previously asked, Mr. Chairman. If a more favorable rate were made available to Sydney Steel for this type of metal perhaps it could be sold to the range manufacturing companies in the Maritimes, as well as to a wider mar-

[*Interpretation*]

M. Hicks: Je ne saurais vous répondre, mais je crois que le *Voluntary Planning Board of Nova Scotia* a étudié la question afin de voir ce qu'il faudrait faire dans la région de l'Atlantique pour répondre à l'ensemble de la production dans notre usine de Sydney. Ce serait vraiment formidable, à mon point de vue.

Le président: Monsieur Nesbitt?

M. Nesbitt: Pas de question.

Le président: Monsieur Perrault?

M. Perrault: Ma question est complémentaire à une autre question déjà posée plus tôt.

Nous avons entendu, l'autre jour, la présentation de *Enterprise Foundry Range Company Limited* du Nouveau-Brunswick. Ils se sont plaints au sujet du coût trop élevé du transport à partir du Canada central, du métal nécessaire à la fabrication de leurs produits, ainsi que le coût trop élevé des autres éléments faits à base d'acier.

Si je me souviens bien, la question posée alors, était de savoir si cette firme disposait ou pas d'une source d'approvisionnement dans les Maritimes, et ils ont dit qu'aucune des acieries ne produisait le genre de métal dont elle avait besoin.

Étant donné les difficultés dans le domaine de la concurrence qu'éprouve l'industrie manufacturière des cuisinières dans les provinces Maritimes, ne serait-il pas une bonne idée de diversifier la production dans ce secteur? Il y a peut-être une raison pour laquelle vous ne faites pas une telle diversification; si c'est le cas, cela est peut-être en rapport aux coûts de transport de ces matériaux même dans la région des Maritimes?

M. Hicks: Ce n'est pas simplement une question de transport. Je pourrais peut-être y répondre en posant une autre question. L'*Enterprise Foundry Company Limited* serait-elle prête à acheter tout l'acier laminé, que pourrait produire une aciérie?

M. Perrault: En d'autres termes, l'usine est censée fonctionner à pleine capacité?

M. Hicks: On ne peut investir beaucoup d'argent simplement pour une faible production.

M. Perrault: Ceci se rattache également à une autre question déjà posée, monsieur le président. Si la *Sydney Steel* disposait de taux plus favorables pour ce genre d'acier, peut-être pourrait-on le vendre aux fabricants de cuisinières dans les Maritimes ainsi qu'aux

[*Texte*]

ket in central Canada? Would that bring it into the realm of economics?

Mr. Hicks: You are getting into the field of economics. I would just as soon not answer, but I think that...

Mr. Perrault: Then we come right back to the basic steel premise, as submitted here, that we have flat steel producers in Montreal who will compel the price.

Mr. Hicks: There would be no advantage, on the face of it, in terms of recovering freight from the customer on selling it.

Mr. Perrault: Your thought, then, is that your main advantage is in not diversifying too much but staying with main lines...

Mr. Hicks: I am not prepared to say that. That is for senior management. I certainly am not in a position to answer.

The Chairman: Mr. Rose?

Mr. Rose: Thank you, Mr. Chairman.

We have heard a number of briefs that support the concept that the truck transportation operators should come under MFRA regulations, Clause III, I believe. What concerns me, and has concerned me throughout all these hearings, is that apparently many of these truck operators, from what I can gather, are making a profit now. I believe that including them would increase their potential by approximately 20 per cent.

It seems to me that this would not necessarily be competitive, or lower the price—it might with the rates on the railway; I follow that line of argument—but the thing that disturbs me most, and perhaps you are not in a position to answer this. Maybe it is a technical question for the Committee, but I am not really assured that the extra 20 per cent granted would actually trickle down to the people who need it the most. I think that what we would be doing would be subsidizing higher rates for truckers.

Mr. Hicks: There is a possibility of this. However, I think if an industry were using a trucker who we know has some assistance we would feel we had every right to demand a higher degree of service because of it.

Mr. Rose: Do you pay lower wages at your plant than they do in Hamilton?

[*Interprétation*]

autres marchés plus vastes du Canada central? Cela deviendrait-il rentable?

M. Hicks: Vous passez là dans le domaine de l'économique. Par conséquent, je préfère ne pas répondre, mais je pense...

M. Perrault: Nous revenons donc vers la question de l'acier de base tel que mentionné dans le mémoire, et qui dit qu'il y aurait à Montréal des producteurs d'acier laminé qui imposeront les prix.

M. Hicks: Ce ne serait pas avantageux pour nous de le faire, du moins en apparence, pour ce qui est de récupérer des frais de tarif.

M. Perrault: Donc, vous vous en tenez essentiellement aux principaux produits?

M. Hicks: C'est à la haute administration d'en décider. Ce n'est pas à moi de répondre à une telle question.

Le président: Monsieur Rose?

M. Rose: Merci beaucoup, monsieur le président.

Nous avons entendu un certain nombre de mémoires qui appuient le concept selon lequel les entreprises de camionnage devraient relever de l'article III, je pense, de la Loi sur le transport des marchandises dans les Maritimes. Et, ce qui m'inquiète, et ce qui m'a inquiété pendant toutes ces audiences, c'est que apparemment un bon nombre de ces entreprises accusent présentement un profit. Je pense que si on les incluait, cela augmenterait leurs possibilités dans une proportion d'environ 20 p. 100.

Il me semble donc que cela ne serait pas nécessairement compétitif; cela se peut, pour ce qui est des tarifs ferroviaires, mais ce qui m'inquiète le plus, et peut-être n'êtes-vous pas en mesure de répondre à ma question? C'est peut-être une question purement technique pour le Comité, mais je ne suis pas tout à fait sûr que le 20 p. 100 en plus viendrait à subventionner des taux plus élevés pour les camionneurs.

M. Hicks: Il y a une telle possibilité. Toutefois, je crois, que si une industrie utilisait les services d'un camionneur qui reçoit de l'aide, nous serions d'avis que nous aurions le droit d'exiger un meilleur service vu cette subvention.

M. Rose: Est-ce que vous payez des salaires inférieurs aux salaires de Hamilton, chez-vous?

[*Text*]

Mr. Hicks: We may do here. Do not consider me as being factual here. I think up till the situation which came into being we are on the same wage scale, but with a time differential. By that I mean perhaps a time lag between contract dates. I cannot answer you categorically as of today.

Mr. Rose: Therefore, you would not believe, for instance, that your workers are actually subsidizing your industry by lower wages?

Mr. Hicks: I could not answer you on that on today's basis.

Mr. Rose: I think it is a very pertinent point.

Mr. Hicks: It may very well be, but I am not competent to answer that question.

Mr. Rose: Would you say that perhaps your lower wages might offset your higher transportation costs?

Mr. Hicks: Never.

Mr. Rose: They never would in your industry.

Mr. Hicks: When I say "our industry" I am talking about Sydney Steel Corporation.

Mr. Rose: Yes.

Mr. Hicks: Right.

Mr. Rose: Right. Therefore you are all in favour of increased subsidies for...

Mr. Hicks: It is almost a necessity as far as the Sydney Steel Corporation is concerned.

Mr. Rose: Would you consider subsidies as social welfare to industries?

The Chairman: That is a pretty hard question.

Mr. Hicks: Who is going to answer that?

Mr. Rose: This is now a publicly owned corporation.

Mr. Hicks: This is a Crown corporation of the Province of Nova Scotia.

Mr. Rose: And you see no other alternative, either through diversification or some other method, to continuing with the transportation subsidies?

[*Interpretation*]

M. Hicks: Il se peut que cela arrive ici. Enfin, je ne peux vous donner des faits. Je crois que jusqu'à ce que la situation dans laquelle nous nous sommes retrouvés, nous avons la même échelle de salaires, mais avec un différentiel de temps. Je veux dire un délai dans la date des contrats. Je ne saurais vous répondre de façon catégorique pour ce qui en est d'aujourd'hui.

M. Rose: Donc, vous ne croyez-pas que vos travailleurs subventionnent votre industrie en vertu de salaires inférieurs?

M. Hicks: Je ne saurais vous répondre à ce sujet en me basant sur aujourd'hui.

M. Rose: Je crois que c'est tout à fait pertinent.

M. Hicks: Peut-être, mais je ne suis pas qualifié pour répondre à cette question.

M. Rose: Diriez-vous que vos salaires inférieurs pourraient contrebalancer ces frais plus élevés de transport?

M. Hicks: Jamais.

M. Rose: Jamais dans votre industrie?

M. Hicks: Je parle de la *Sydney Steel Corporation.*

M. Rose: Oui.

M. Hicks: C'est juste.

M. Rose: Donc vous êtes tous en faveur d'une augmentation de subventions pour...

M. Hicks: C'est à peu près une nécessité pour ce qui est de la *Sydney Steel Corporation.*

M. Rose: Est-ce que vous considéreriez des subventions pour une industrie comme du bien-être social?

Le président: C'est une question assez difficile.

M. Hicks: Qui va y répondre?

M. Rose: Elle appartient au gouvernement.

M. Hicks: C'est maintenant une corporation de la Couronne de la province de la Nouvelle-Écosse.

M. Rose: Et vous ne voyez pas d'autres possibilités, soit par la diversification ou quelque autre méthode, que de maintenir les subventions aux transports?

Texte]

Mr. Hicks: This is only one part of a whole omplex. You cannot take transportation and ay that is the cardinal and only sin in the usiness. I defy you to do that in any ıdustry.

Mr. Rose: We are sitting here, sir, as a ransportation Committee and that is why we re very concerned...

Mr. Hicks: Right; I will say that this is one roblem and a big problem, but not the only oblem.

Mr. Rose: Do you care to elucidate the hers?

Mr. Hicks: No, my area is in transportation.

The Chairman: Mr. Portelance?

M. Portelance: Monsieur le président, je udrais demander aux témoins si, dans leur maine, il y a beaucoup de compétition au nada? Quels sont leurs principaux compéti- urs et un de leurs problèmes n'est-il pas stement celui de l'importation concurrentiel- de la part d'autres pays?

Mr. Hicks: I am sorry; I did not get the st part of your question.

M. Portelance: Combien avez-vous de mpétiteurs au Canada?

Mr. Hicks: In basic steel we have two in amilton, basically one you might say, and e other one for certain surpluses that they ght have, and Sault Ste. Marie, Ontario.

M. Portelance: Ce qui veut dire que vous s trois compagnies au Canada intéressées ns ce domaine?

Mr. Hicks: Three main companies, yes.

Mr. Portelance: That is all.

The Chairman: Mr. Godin?

M. Godin: Question complémentaire à celle M. Portelance. Est-ce que les importations us font du tort?

Maintenant, je pose la question, parce que ndant plusieurs années j'ai été dans le com- rce; je vendais de la broche qui venait llemagne et d'Angleterre; je vendais du u qui venait d'un autre pays d'Europe. Je n accuse et m'en excuse. Mais, est-ce que n ose faire la même chose dans la région étant donné que les clients sont à oximité de votre production?

[*Interprétation*]

M. Hicks: Cela n'est qu'une partie de tout un ensemble. On ne peut prendre les transports et dire que c'est tout simplement le seul péché mortel dans les affaires. Je vous défie de le faire à n'importe quelle industrie.

M. Rose: Nous sommes ici en tant que Comité des transports. C'est la raison pour laquelle nous sommes inquiets ...

M. Hicks: Très bien; je dirai que c'est un des problèmes et un gros problème, mais ce n'est pas le seul.

M. Rose: Vous voudriez nous énoncer les autres?

M. Hicks: Non, je ne suis responsable que de la question des transports.

Le président: Monsieur Portelance?

Mr. Portelance: Mr. Chairman, I would like to ask the witnesses whether in their field there is a great deal of competition in Canada. What are their main competitors and whether or not one of their problems is not precisely the competitive imports from other countries?

M. Hicks: Je regrette, mais je n'ai pas saisi la première partie de votre question.

Mr. Portelance: How many competitors do you have in Canada?

M. Hicks: Pour l'acier de base, nous en avons deux à Hamilton, disons un de base et l'autre pour certains surplus qu'on pourrait avoir, et Sault-Ste-Marie, Ontario.

Mr. Portelance: In other words, there are three companies in Canada that are interested in this field?

M. Hicks: Trois principales compagnies, oui.

M. Portelance: C'est tout.

Le président: Monsieur Godin?

Mr. Godin: A supplementary question to the one just put by Mr. Portelance. Do imports hurt you?

I am asking the question because for several years I was in business, I sold wire which came from England and Germany. I sold nails that came from elsewhere in Europe. I accuse myself of this and I apologize. But should we do the same thing here in the region in view of the fact that customers are close to your production centre?

[*Text*]

Mr. Hicks: You say clients are close to our production centre?

M. Godin: Est-ce que les produits importés d'Europe, soit de l'Angleterre ou de l'Allemagne, nuisent à votre marché? Quel est, dans la région le pourcentage des achats de produits importés?

Mr. Hicks: In the Atlantic region I do not know exactly what the percentage of imports is. However, I have to go back and say that the preponderance of the domestic market is not here. It is in the Montreal Contrecœur area and in this area we stand to suffer a great deal if we were forced out of the market because of imported prices.

The Chairman: We have reached the end of our questioning period and I want to thank you very much, Mr. Hicks.

We have one more brief this morning and then we could remain half an hour later this afternoon because these people have been here all morning. It is up to the Committee to decide whether we are going to hear them this morning or this afternoon.

I invite Moirs Limited to come forward. It smells like chocolate already. Mr. Clarence C. Ivey and Mr. Ronald N. Pugsley from Moirs Limited. Are you going to give us a short briefing of your memoirs?

Mr. Clarence C. Ivey (Vice-President Moirs Limited): Very short, Mr. Chairman.

Mr. Rock: Do we have a copy of their brief?

The Chairman: We have copies in either French or English.

Mr. Ivey: Mr. Chairman, we thank you for the opportunity of appearing before you and explaining our position.

The Chairman: May I have order, please.

Mr. Ivey: Approximately two-thirds of the volume of sales of Moirs Limited are shipped out of the Atlantic region. The sales of our products have always been keenly supported by the public in the Maritimes and it is therefore only outside the Atlantic region that one can reasonably expect an increase in sales. The present freight rate costs are quite high and the recent increase in carload rates and

[*Interpretation*]

M. Hicks: Vous dites que les clients sont situés à proximité de notre centre de production?

Mr. Godin: Do the products which come from Europe, whether from Britain or Germany, hurt your market? What is the percentage of purchases in the region of imported products?

M. Hicks: Dans la région de l'Atlantique, je ne sais pas exactement quel est le pourcentage des importations. Toutefois, il faut que je revienne ici pour vous dire que la plus grande partie du marché domestique ne se trouve pas ici. C'est dans la région de Montréal et de Contrecœur et dans cette région-là nous pourrions beaucoup perdre si nous étions forcés hors du marché en raison du prix des importations.

Le président: Voilà la fin de notre période des questions et je veux vous remercier beaucoup, monsieur Hicks.

Nous avons un autre mémoire ce matin, et ensuite nous pourrions peut-être demeurer une demi-heure plus tard cet après-midi, car ces gens ont été ici toute la matinée. Évidemment, c'est au Comité de décider si nous allons les entendre ce matin ou cet après-midi.

J'invite les représentants de *Moirs Limited* à se présented. Ça sent déjà le chocolat! M. Clarence C. Ivey et M. Ronald N. Pugsley qui représentent *Moirs Limited*. Allez-vous donner un résumé très bref de votre mémoire?

M. Clarence C. Ivey (vice-président—Moirs Limited): Très bref, monsieur le président.

M. Rock: Avons-nous un exemplaire de leur mémoire?

Le président: Nous en avons soit en français, soit en anglais.

M. Ivey: Monsieur le président, nous vous remercions de cette occasion de comparaître devant vous pour vous expliquer notre situation.

Le président: Un peu d'ordre, s'il vous plaît.

M. Ivey: Environ les deux-tiers de la production de Moirs Limitée sont expédiés en dehors de la région de l'Atlantique. Le public des Maritimes a toujours grandement appuyé nos produits et c'est donc en dehors seulement de notre région qu'on pouvait s'attendre à une augmentation du volume de nos ventes. Le tarif-marchandises coûte très cher et la récente augmentation du tarif-marchandises

'exte]

'L rates in 1967 was an additional item of sts.

It is virtually impossible to expect the cus- ner in Central Canada to absorb these creases. To remain competitive the cost of a x of Moirs chocolates to the store on Ste. therine Street or on Yonge Street cannot significantly higher than the prices of com- itive products. Thus any increase in ight rates is extremely difficult to pass ng to the customer and so reduce the portunity to conduct a viable operation.

This increase in freight rates is not only of eat concern to the company but also of ncern to about 700 employees.

f the freeze on noncompetitive carload rail es is not extended beyond March 23, it is e to predict these rates will increase thwith and might well have an influence competitive rates as well. The three year ay was to afford a reasonable time to ena- the government to consider the effects of act in this region and to take steps to plement a new regional transportation poli- Such steps as far as we know have not yet n taken and until they are we would ommend an extension of the March 23 dline on noncompetitive carload rates. ank you, Mr. Chairman.

The Chairman: Mr. Trudel?

Mr. Trudel: We had a brief submitted to us one of your competitors. I was quite con- ned with the problem you mention in your ef. What I would like to find out is, what tem do you adopt in your deliveries? Do u have wholesalers making the distribution various areas in Canada or do you ship on irect door to door basis to your customers?

Mr. Pugsley (Solicitor, Moirs Ltd): I will Mr. Ivey to answer that question.

Mr. Ivey: We use both systems. We deliver ough wholesalers and in the western area were delivering through agents, but we l now that to increase volume of sales in ne areas we are having to go direct. This, course, does increase our costs, but it is essary to increase our business also, so we both systems.

Mr. Trudel: If I understand correctly, roximately 70 per cent of your business is ng shipped out of the area?

[Interprétation]

des chargements incomplets augmente de beaucoup nos frais d'exploitation.

Il est pratiquement impossible de s'attendre à ce que le client du Canada central absorbe ces augmentations. Pour demeured concurrentiel, le coût d'une boîte de chocolats Moirs sur la rue Yonge ou la rue Ste-Catherine ne peut pas être beaucoup plus élevé que celui de leurs concurrents. Par conséquent, il est difficile de passer toute augmentation du tarif-marchandises aux clients et de réduire ainsi la possibilité d'avoir une exploitation viable.

Cette question du tarif-marchandises est non seulement d'une grande préoccupation pour la compagnie, mais elle l'est aussi pour les 700 employés de la compagnie.

Si le gel sur le tarif-marchandises non concurrentiel n'est pas prolongé au-delà du 23 mars, cela pourrait même influencer même les taux concurrentiels.

Le retard de trois ans devait donner au gouvernement l'occasion d'évaluer les influences de la Loi sur la région et de prendre les mesures nécessaires pour élaborer une nouvelle politique de transport régional. Pour autant que nous sachions, ces mesures n'ont pas encore été prises et jusqu'à ce qu'elles le soient, nous recommandons donc le prolongement de la date limite du 23 mars sur les taux non concurrentiels. Je vous remercie, monsieur le président.

Le président: Monsieur Trudel?

M. Trudel: Nous avons reçu un mémoire de la part d'un de nos concurrents. Je me préoccupais du même problème que vous mentionnez dans votre mémoire. Ce que j'aimerais savoir c'est quel est votre système de livraison? Avez-vous des grossistes qui en assurent la distribution dans les diverses régions du Canada ou est-ce que vous expédiez directement de porte en porte à vos clients?

M. Pugsley (Avocat, Moirs Limited): Je demanderais à M. Ivey de répondre à la question.

M. Ivey: Nous employons les deux systèmes. Nous livrons par l'entremise de grossistes et dans l'Ouest, nous avons des agents, mais nous trouvons maintenant que pour augmenter le volume de nos ventes dans certaines régions, il faut absolument que nous allions directement nous-mêmes. Ce qui augmente nos frais. Mais c'est nécessaire pour augmenter notre commerce. Alors, nous employons les deux systèmes.

M. Trudel: Et alors, si j'ai bien compris, environ 70 p. 100 de votre commerce ou de votre production est expédié en dehors de la région?

[*Text*]

Mr. Ivey: That is correct.

Mr. Trudel: We have had a submission regarding a penalty on each carton that is being shipped. Have you considered grouping your shipments on a direct basis, either to a wholesale or door to door delivery? I am thinking of smaller cartons being grouped, for instance, in one larger bundle either on a strapped basis or otherwise.

Mr. Ivey: In terms of delivering to the wholesalers, at the moment we have not considered that. What we have looked at, however, is increasing the number of boxes per carton and reducing the number of cartons that way. It is a question; in some cases some of the jobbers will look on this as trying to sell them too much and they will object to putting too much in the carton, but we are taking that approach to reducing costs.

Mr. Trudel: Would this be possible for you to answer? What percentage of the 70 per cent being shipped to other markets is in carload lots? Would you have any idea of the percentages of carload and LCL shipments?

Mr. Ivey: In terms of shipping out of the province to the rest of Canada it is all by carload to branches in Montreal, Toronto, Winnipeg and Vancouver.

Mr. Trudel: This would all be carload?

Mr. Ivey: Yes.

Mr. Trudel: Therefore, the LCL would be more or less in the immediate area.

Mr. Ivey: Just in the Maritimes, and on the carload we do have agreed rates that we have been able to work with the railroad and these are quite acceptable at the moment. The only thing that we are concerned about is the probability that if certain rates are increased these ultimately will increase also. I think our concern is that they do not increase out of reasonable proportion.

Mr. Trudel: I have one more question Mr. Chairman. Do you use road transportation?

Mr. Ivey: In the Maritimes and for local deliveries in the other provinces from our branches we use it, but that is it. To get our goods to the branches we use full cars.

Mr. Trudel: Thank you, Mr. Chairman.

The Chairman: Mr. Nowlan.

Mr. Nowlan: Could you tell us what the average transportation cost is to get your product across the land. I am referring directly

[*Interpretation*]

M. Ivey: C'est exact.

M. Trudel: Nous avons eu un mémoire au sujet d'une punition qui serait imposée pour chaque carton expédié. Est-ce que vous avez considéré le groupement de vos expéditions sur une base directe, soit pour la livraison en gros ou de porte-en-porte? Je songe par exemple aux livraisons ou aux colis qui pourraient être groupés dans un seul «container».

M. Ivey: Pour ce qui est des grossistes, nous n'avons pas étudié cette possibilité. Mais nous avons augmenté le nombre de boîtes dans notre carton et par conséquent, nous pouvons épargner quelques cartons de cette façon. Certains de nos agents estiment que nous essayons de leur en imposer trop, mais nous avons essayé cela pour réduire nos frais.

M. Trudel: Serait-il possible de me dire quel est le pourcentage en wagonnées du 70 p. 100 qui va aux autres marchés? Auriez-vous une idée du pourcentage des chargements complets et incomplets?

M. Ivey: En ce qui concerne les expéditions hors de la province vers le reste du Canada, tout se fait par wagonnées aux filiales de Toronto, Montréal, Winnipeg et Vancouver.

M. Trudel: Toute une wagonnée?

M. Ivey: Oui.

M. Trudel: Donc, les chargements incomplets sont dans les Maritimes?

M. Ivey: Oui, et nous avons des taux convenus dans les Maritimes qu'on a pu obtenir des chemins de fer et qui sont très acceptables pour le moment. La seule chose qui nous préoccupe c'est la probabilité que si on augmente certains taux, en fin de compte ceux-là augmenteront aussi. Maintenant, nous ne voudrions pas qu'ils soient augmentés dans une trop grande mesure.

M. Trudel: Une dernière question, monsieur le président. Est-ce que vous expédiez par camions?

M. Ivey: Dans les Maritimes et pour la livraison locale dans les autres provinces, à partir de nos filiales. Pour livrer nos produits jusqu'à nos filiales, nous expédions toute une wagonnée.

M. Trudel: Merci, monsieur le président.

Le président: Monsieur Nowlan.

M. Nowlan: Quel serait le prix moyen de frais de transport pour transporter vos produits à travers le Canada. Je me réfère direc

Texte]

) the economists intelligence unit study which suggests that 5 per cent is really only a ansportation cost and it separates transportion from distribution costs. I just wondered ther on a distribution or transport basis hat the average cost is if it is possible to ll.

Mr. Ivey: It is something in this neighbourood, but what you will find, Mr. Chairman, that you get into different product categoes. If you are shipping packages that have a rtain margin that is one thing, but if you e into sugar confectionery that retails in nits of 10 cents a bag then the margin on at is lower, and your weight in terms of ollar sales is much higher and so it gets up as high as 8 per cent and higher.

Mr. Nowlan: It is somewhere within the 5 r cent to 8 per cent range?

Mr. Ivey: Right.

The Chairman: Mr. Godin.

M. Godin: Merci, monsieur le président. s réponses données à M. Trudel répondient à mes questions, seulement je voudrais ofiter de l'occasion pour remercier les présentants de la compagnie de m'avoir fait nsmettre leur mémoire en français.

Le président: Merci beaucoup.

The Chairman: Are there any more questns, gentlemen? Mr. Perrault?

Mr. Perrault: Mr. Chairman, I would just e to ask whether world cocoa prices are ducing your margin these days in addition your transportation problems. I understand ere is a bit of a crisis in that area.

Mr. Ivey: They are reducing them considerly at the present time.

The Chairman: Gentlemen, are there any re questions?

Mr. McGrath: I think we should compliint the company on an outstanding brief.

The Chairman: Thank you, very much. We ll adjourn until two o'clock this afternoon.

AFTERNOON SITTING

The Chairman: Gentlemen, I see a quorum. e next brief is from the Port of Halifax

[*Interprétation*]

tement à l'étude de l'«*Economics Intelligent Unit*» qui estime que 5 p. 100 représente les frais de transport seulement et ils font la distinction entre les frais de transport et les frais de distribution. Et alors, quel serait la moyenne du coût si c'était possible de me le dire?

M. Ivey: Ce serait «oui». Environ ce chiffre. Mais, monsieur le président, ce que vous trouverez c'est qu'il y a différentes catégories de produits. Si vous envoyez des colis qui ont une certaine marge, très bien, mais si par exemple, il a des confiseries qui se vendent au détail à 10 cents le sac, la marge de profit est beaucoup moins élevée, et votre présenteur en terme de ventes en dollars est beaucoup plus élevée, et par conséquent, elle monte jusqu'à 8 p. 100 et plus.

M. Nowlan: Et alors, entre 5 et 8 p. 100?

M. Ivey: Oui.

Le président: Monsieur Godin.

Mr. Godin: Thank you, Mr. Chairman. The answers given to Mr. Trudel answered my questions, however, I would like to take this opportunity to thank the representatives of the company for having given me their brief in French.

The Chairman: Thank you very much.

Le président: Y aurait-il d'autres questions, monsieur Perrault?

M. Perrault: Monsieur le président, je voudrais simplement demander si les prix mondiaux du cacao réduisent votre marge, en ce moment, en plus des problèmes de transport? J'ai cru comprendre qu'il y avait une crise dans ce domaine.

M. Ivey: Ils sont réduits à l'heure actuelle, et de beaucoup.

Le président: Messieurs, d'autres questions?

M. McGrath: Je crois que nous devrions féliciter la compagnie d'un mémoire fort intéressant.

Le président: Merci beaucoup, nous allons ajourner jusqu'à deux heures cet après-midi.

SÉANCE DE L'APRÈS-MIDI

Le président: Messieurs, il y a quorum. Le mémoire que nous allons maintenant étudier

[*Text*]

Commission. On my right is Mr. Ray March who is going to make an opening statement.

Mr. R. March (Executive Secretary, Port of Halifax Commission): Mr. Chairman, my opening statement will be quite brief. The Port of Halifax Commission is extremely grateful for this opportunity of presenting its thoughts to the Committee.

As you probably have noticed, our brief is signed by our Chairman, Mr. J. W. E. Mingo. Normally, Mr. Mingo would present it but unfortunately, he is overseas and has asked me to present his apologies to the Committee and to make the presentation myself.

I thought that rather than make a summary of our brief—and incidentally, when I say "our brief" I am referring to a document we put in about 10 or 14 days ago and not the document that is printed in the Minutes of the Proceedings of the Committee of about a year ago—I would simply emphasize one or two of the points that we are trying to make. Really, our brief is a plea to reduce by whatever means is possible rail costs in the Maritimes or in the Atlantic region.

From a strictly commercial point of view, it seems to us that our best chance and maybe our only chance, of attracting the industry that will keep our brains here and provide the economic base to support a growing regional population lies in creating a great flow of port traffic with all its tremendous ancillary ramifications and supporting services and its attractions to industry.

If I might just be permitted for a second to commit a logical aberration, if Nova Scotia had nothing at all except a port, something along the lines of the Port of New York, think what a tremendous asset that would be not only to Nova Scotia but to the whole of the Atlantic region. Perhaps it is an absurd sort of an aberration but certainly our port can be boosted and its traffic can be increased tremendously. The terms of trade are changing in its favour now almost daily. But port traffic will thrive only if costs or rates through the Port of Halifax are less or are at least no more than the rates of competing ports. I am thinking chiefly of the Port of New York and U.S.A. east coast ports.

It is the rail cost or the cost of overland transportation—as far as Halifax is concerned, overland transportation is 95 per cent rail cost—that is the vital element in making the Port of Halifax competitive. We are

[*Interpretation*]

est celui de la *Port of Halifax Commission*. Monsieur Ray March, qui est à ma droite, fera d'abord quelques observations.

M. R. March (Secrétaire exécutif, Port of Halifax Commission): Monsieur le président, mes remarques seront brèves. La *Port of Halifax Commission* est très heureuse de pouvoir exposer son point de vue devant les membres de votre Comité.

Comme vous l'avez sans doute remarqué, notre mémoire porte la signature du président, M. J. W. E. Mingo. Normalement il devrait être ici lui-même pour exposer notre point de vue. Toutefois, il se trouve présentement outre-mer. Il m'a demandé de vous présenter ses excuses et de venir le remplacer.

Plutôt que de résumer notre mémoire, et lorsque je parle de notre mémoire je parle du document que nous vous avons soumis il y a 10 ou 15 jours et non celui qui est imprimé en appendice aux témoignages et procès-verbaux des délibérations de votre Comité, j'ai pensé qu'il serait préférable de souligner un ou deux points différents. En résumé, notre mémoire demande la réduction des tarifs de transport ferroviaire dans les Maritimes ou la région de l'Atlantique.

Du simple point de vue commercial, il nous semble que la meilleure possibilité et peut-être même la seule que nous ayions d'attirer l'industrie qui nous permettra de conserver nos cerveaux ici et de fournir cette base dont nous avons besoin pour subvenir aux besoins d'une population régionale plus importante, réside dans l'augmentation du trafic portuaire et de tous les services connexes.

Permettez-moi une digression. Si la Nouvelle-Écosse ne possédait d'autre atout qu'un port, disons à peu près semblable à celui de New-York, vous verriez déjà les possibilités immenses que cela représenterait non seulement pour cette province mais pour l'ensemble des Maritimes. Peut-être s'agit-il ici d'une suggestion absurde, mais je suis convaincu que notre port peut être amélioré et le trafic accrû de façon substantielle. La situation change presque quotidiennement actuellement en faveur du port. Mais cette situation ne continuera à s'améliorer qu'à la condition que les tarifs, dans le port de Halifax, soient inférieurs ou tout au moins identiques à ce qu'ils sont dans les autres ports auxuels il doit faire concurrence. Je songe principalement ici au port de New York et aux ports américains de la côte atlantique.

Ce sont les tarifs ferroviaires ou les tarifs de transport terrestre, dans le cas du port de Halifax les coûts du transport sur terre sont dans une proportion de 95 p. 100 reliés au domaine du transport ferroviaire, qui sont l'é-

Texte]

lready, extremely competitive on the ocean ector of the whole for the simple reason that ve have, topographically speaking, an excel- ent port which is geographically the closest nternational port to the vast markets of urope.

We do not ask that the railways provide ates that are below cost and we are not nyhow in this brief, asking for a subsidy, lthough there may be mention there of hort-term subsidies, merely motivational— ubsidies that get things started—certainly ot long range. We do ask, however, that the otential of the new transportation technology reduce rail costs in this region be exhaus- vely examined by experts—and they have ot yet been exhaustively examined by ex- erts. The EIU study completely ignored this uestion of reducing rail or transportation costs y means of technological improvements. such a study should be done we ask that e findings and conclusions be made public, at reasonable recommendations towards ducing regional rail costs be implemented d that pending such implementation the nited suspension of the National Transpor- tion Act in the Atlantic region provided by ection 335 of the Act be continued.

Now you may find, if you have been lucky, ntlemen, a very short supplementary brief hich we have just distributed. The object of at brief is simply and solely this: In our ain brief we mentioned technological nprovements; we mentioned unit trains; we entioned integral trains—we mentioned all e new things that are happening. Perhaps me of you may wonder what exactly we ean by unit trains, new technologies and so , and this small supplementary brief which u now have before you is simply three ges from a study called *Highballing to arket in Unit Trains* done by a very famous d very competent firm called A. T. Kearney d Company Inc. I believe their head office in New York. Their study was actually on oving food products from California to the st coast of the U.S.A., which is of no terest to this Committee. However, in the st three pages of their study they give a neral over-view of unit trains, how they erate, the sort of terminals they have, and re the cost savings come from. I thought is might be of interest to the Committee cause this is specifically what we wish to sh. We feel that the solution to the trans- rtation costs problem in the Atlantic

[*Interprétation*]

lement principal qui permettra au port de Halifax de soutenir la concurrence. Nous pouvons très facilement soutenir cette concurrence dans le domaine des tarifs maritimes parce que du point de vue topographique notre port est excellent et qu'il est le port international le plus rapproché des vastes marchés européens.

Nous ne demandons pas que les chemins de fer nous réclament moins que ce qu'il leur en coûte pour nous offrir le service et nous ne demandons pas que les tarifs soient subventionnés, même si nous faisons allusion à certaines subventions à court terme qui pourraient nous permettre de faire le premier pas. Nous demandons toutefois que les nouvelles possibilités techniques soient étudiées à fond par les experts en vue de la réduction éventuelle des tarifs parce que nous ne croyons pas que ces possibilités aient encore été étudiées à fond. L'étude EIU qui a été entreprise a complètement ignoré cet aspect. Si une étude était faite relative aux nouvelles possibilités techniques nous aimerions que les détails de l'étude et ses conclusions soient rendus publiques, que les suggestions raisonnables de réduction des tarifs ferroviaires régionaux soient mises en œuvre et que d'ici la mise en œuvre de ces recommandations, soit maintenue la suspension temporaire de la *Loi nationale sur les Transports* dans la région de l'Atlantique comme le prévoit l'article 335 de la loi.

Si vous êtes quelque peu chanceux, messieurs, vous pourrez retrouver un bref mémoire supplémentaire que nous venons de distribuer. Voici le seul objectif de ce mémoire: dans notre mémoire principal nous parlons de nouvelles techniques, de tout ce qui se produit de nouveau. Certains d'entre vous se demandent peut-être ce que nous voulons dire exactement. Ce mémoire supplémentaire ne comporte que trois pages et est en effet tiré d'une étude intitulée *Highballing to Market to Unit trains* et préparée par la *A. T. Kearney and Company Inc.* Je crois que le siège social de cette entreprise est à New York. L'étude portait sur le transport d'aliments depuis la Californie jusqu'à la côte est des États-Unis, ce qui n'intéresse pas le Comité. Toutefois, les trois premières pages de l'étude établissent ce que sont ces trains, comment ils fonctionnent et d'où proviennent les économies qui en découlent. J'ai pensé que cet aspect pourrait intéresser les membres du Comité car nous désirons appuyer sur cet aspect. Nous croyons que la solution au problème du coût de transport dans les Maritimes, même si l'octroi de subventions devenait nécessaire, réside peut-être dans l'examen qu'on pourrait faire de ces nouvelles métho-

[*Text*]

region, while it may require subsidies—we are not against subsidies—can be solved by examining new ways of doing things—cheaper ways, better ways, employing capital whereas before we employed labour, and things like that.

I do not think I have anything more to say, Mr. Chairman. I will be glad to answer any questions.

The Chairman: Mr. Pringle.

Mr. Pringle: Thank you, Mr. Chairman.

To start with, we have the existing rail route that is here at the present time.

Mr. March: Yes, sir.

Mr. Pringle: Is it your opinion that we may be able to increase the efficiency without too much increase in capital costs over this route which could be adjusted by some type of decrease in railroad routes as a short-term policy, thereby rendering immediate assistance to this area?

Mr. March: It just depends on what you mean, sir, by "without too much capital costs." The philosophy in all these things is that you become capital intensive instead of labour intensive and this provides some of your theory. It is true that you can operate unit trains with conventional equipment and thus obtain some saving. It would be much better though if you had specialized equipment, but specialized equipment costs money. The answer to your question is yes, sir, that we can obtain a lot of cost savings without any large expenditure of capital.

Mr. Pringle: Would this require a change in the existing rail routes or would we have to put in some new lines? Are there any shortcuts that we would have to take in order to bring about the necessary savings that you feel are essential?

Mr. March: No, sir, my remarks are not predicated on any change in the existing rail route—although it is quite possible that further efficiencies could be obtained. One of the questions that the study I have asked for might answer is this: Is it possible to obtain savings by re-routing the rail lines.

Mr. Pringle: So you are really basing your suggestion on the unit train concept?

Mr. March: Yes, sir.

Mr. Pringle: This is a concept that we are now adopting, as you know, in the West

[*Interpretation*]

des, méthodes qui pourraient permettr d'effectuer le travail à meilleur marché e ayant recours aux capitaux plutôt qu'au tra vail ou à la main-d'œuvre comme auparavant

Je ne crois pas avoir quoique ce soit d'autr à ajouter, monsieur le président; je me fera un plaisir de répondre à vos questions.

Le président: M. Pringle.

M. Pringle: Merci, monsieur le présiden Tout d'abord, nous avons le service ferro viaire qui existe présentement.

M. March: Oui, monsieur.

M. Pringle: Êtes-vous d'avis que nous s rons peut-être en mesure d'augmenter l'eff cacité et le rendement sans trop augmenti les investissements, en diminuant le nomb de lignes ferroviaires, et, ainsi, en apporta une aide immédiate à cette région?

M. March: Tout dépend de ce que vo voulez dire lorsque vous dites «sans trop au menter les investissements». Cette philosoph repose sur l'augmentation des capitaux et n la main-d'œuvre. Ces trains peuvent être u lisés avec l'équipement conventionnel et pe mettre certaines épargnes. Mais il serait pr férable d'utiliser un équipement spéciali mais cet équipement coûte de l'argent. votre question, je répondrai oui; je dirais q nous pouvons réaliser des économies sa trop investir.

M. Pringle: Est-ce qu'il faudrait modifi les routes ferroviaires actuelles ou est qu'il faudrait en aménager de nouvelle Comment pourrions-nous en arriver à prov quer ces économies que vous jug essentielles?

M. March: Non, mes remarques signifient pas que nous réclamons la modifi tion des routes actuelles bien qu'il soit pos ble que de telles modifications entraînent avantages supplémentaires. L'étude que réclamée devrait pouvoir répondre à ce question: la modification des lignes ferrovi res entraînerait-elle des économies?

M. Pringle: Donc, votre suggestion se for essentiellement sur ce concept d'unité trains.

M. March: Oui, monsieur.

M. Pringle: C'est le concept que nous ut sons maintenant dans l'Ouest, comme vous

Texte]

vhere we will have unit coal trains running rom...

Mr. March: Yes, sir.

Mr. Pringle: ...the Crowsnest Pass.

Mr. March: But I am talking, of course, in erms of general cargo now and general merhandise, not coal or steel.

Mr. Pringle: Thank you.

The Chairman: Mr. Skoberg.

Mr. Skoberg: What representations have ou made to the Canadian National or to the ailroads in regard to unit train operation and hat response have you received to date?

Mr. March: My commission has had pwards of seven or eight meetings with top anadian National executives within the last ve or six months. We have found them xtremely willing within their own natural onstraints, to co-operate with us to the maxnum of their ability.

Mr. Skoberg: In the fifth paragraph of your ubmission that we have just received you uggest that

> ...these costs depend very largely on the rates the railway is able and willing to quote...

o you feel that it is very necessary to have a irect quote on the cost of transportation in rder to fulfill your part of the bargain as ich?

Mr. March: I do not understand you, sir.

Mr. Skoberg: I am reading page 2, the fifth aragraph.

Mr. March: Of our main brief?

Mr. Skoberg: This is the one we received day; it is dated February 17, 1969.

Mr. March: On page 2?

Mr. Skoberg: Yes, paragraph 5. You suggest ere that the costs depend very largely on the tes the railway is able and willing to quote.

Mr. March: There is no question about at—this is true. But I personally would not pect to have any control over the rates that ey might quote. Is that your point?

Mr. Skoberg: You are saying that you must ave these quotes. Is this correct?

[*Interprétation*]

savez sans doute, pour le transport du charbon depuis...

M. March: Oui.

M. Pringle: ...Crowsnest Pass.

M. March: Je parle de marchandises en général et non pas de l'acier et du charbon.

M. Pringle: Merci beaucoup.

Le président: M. Skoberg?

M. Skoberg: Quelles représentations avez-vous faites au National-Canadien ou aux compagnies ferroviaires à ce sujet, et quelle a été leur réaction?.

M. March: Nous avons eu sept ou huit réunions avec les membres de la haute administration du National-Canadien au cours des cinq ou six derniers mois. Nous trouvons qu'ils sont vraiment prêts, suivant les circonstances, à collaborer dans la mesure du possible...

M. Skoberg: Vous déclarez, au cinquième paragraphe du mémoire que nous venons de recevoir que

> ...les coûts dépendent en grande partie des tarifs que les chemins de fer peuvent vous offrir...

Croyez-vous qu'il est vraiment nécessaire qu'on vous cite un prix précis pour ce qu'il vous en coûtera?

M. March: Je ne comprends pas ce que vous voulez dire, monsieur.

M. Skoberg: Je viens de citer une partie du cinquième paragraphe de la page 2.

M. March: De notre mémoire principal?

M. Skoberg: De celui que nous avons reçu aujourd'hui et qui porte la date du 17 février 1969.

M. March: A la page 2?

M. Skoberg: Oui, le cinquième paragraphe. Vous y affirmez que vos coûts dépendent en grande partie des tarifs que les compagnies ferroviaires peuvent vous consentir.

M. March: C'est bien cela et c'est très exact. Je ne crois pas que nous puissions nous attendre à obtenir quelque contrôle que ce soit sur les tarifs qu'ils peuvent nous consentir. Est-ce là que vous voulez en venir?

M. Skoberg: Vous dites qu'il vous faut ces chiffres?

[*Text*]

Mr. March: We must have rates which are competitive with the rail costs out of other ports. You know, we have to be competitive with other ports.

Mr. Skoberg: The only point here is that it would suggest that maybe they are not willing to quote.

Mr. March: No, I did not intend to say that. You see, the railways are constrained by their costs and they cannot quote under costs. My suggestion is that we examine together with the railway a means of reducing their costs so that they can quote lower rates to us.

Mr. Skoberg: Mr. March, you state in paragraph 7 of that particular brief at page 2,

> ...that a study be done to establish the significance of the relative level of freight rates...

You suggest that this be done by experts. Sometimes I have many questions about experts, and I am wondering whether or not you mean by that experts with the practical knowledge of the operation of your particular industry.

Mr. March: Well, I most definitely mean that, yes.

Mr. Skoberg: Where would you draw these experts from?

Mr. March: There are numerous ones. There is the MacKenzie Company that has just completed such a study for the British transport docks board; it is an international company. There is the A.T. Kearney & Company, Inc., that wrote "Highballing to Market in Unit Trains" that I gave you as our supplementary brief. There is the person who did our own unit train study. There are quite a number of these fellows in the market now—some good and some bad.

Mr. Skoberg: And they have some practical knowledge of the situation.

Mr. March: Oh, most definitely. They all have railway fellows on their staffs plus all the slide rule Harvard training that turns out these effective briefs.

Mr. Horner: Mr. March, I am going to refer to your major brief submitted a little over a

[*Interpretation*]

M. March: Il nous faut des taux qui soien concurrentiels avec ceux qui ont cours dan d'auters ports. Il nous faut pouvoir mainteni la concurrence avec les autres ports.

M. Skoberg: Vous semblez laisser entendr que les compagnies ferroviaires ne sont pa prêtes à fournir ces chiffres.

M. March: Ce n'est pas ce que je voula dire. Les compagnies de chemins de fer n peuvent nous offrir des tarifs qui ne leu permettraient pas de faire leurs frais. Ce qu nous désirons c'est examiner la situation ave les chemins de fer dans l'espoir de trouver u moyen de réduire leurs coûts et, par le fa même, les tarifs qu'ils nous réclament.

M. Skoberg: Vous déclarez, monsieu March, au septième paragraphe de vot mémoire à la page 2:

> ...qu'une étude devrait être entrepri afin d'établir la signification du nivea relatif des tarifs ferroviaires...

Vous suggérez que cette étude soit entrepri par des spécialistes. Je me pose parfois d questions sur ces spécialistes c'est pourqu je me demande si vous faites allusion ici des spécialistes qui connaîtraient le fonctio nement de votre industrie.

M. March: Exactement c'est ce que je veu dire.

M. Skoberg: Où irez-vous chercher c spécialistes?

M. March: Ils sont nombreux. La comp gnie MacKenzie vient tout juste de termin une étude de ce genre pour le compte de *British Transport Docks Board;* il s'agit d'u entreprise internationale. Il y a la compagn A. T. Kearney qui a préparé l'étude intitul *Highballing to market in Unit Trains* et do je vous ai remis un exemplaire. Il y a personne qui a effectué l'étude que no avons réclamée nous-mêmes. Ces personn sont nombreuses à l'heure actuelle même s faut admettre que certaines sont bonnes d'autres pas.

M. Skoberg: Et ces personnes sont au co rant de la situation.

M. March: Certainement. Ces compagn comptent des employés d'entreprises fer viaires au sein de leur personnel et sont courant de toutes les méthodes utiles qui le permettent de préparer adéquatement leu rapports.

M. Horner: Je me rapporte maintena monsieur March, au mémoire principal q

[*Texte*]

year ago which deals with some specific recommendations regarding Bill C-231. I agree with your statement in regard to Sections 334 and 336, but I would like to ask your opinion of Section 16. Are you knowledgeable of this section, in which a shipper has to plead before the Canadian Transport Commission that it is in the public interest that his rates be lowered.

It says in that statute—and it is pretty hard to explain my case unless you have the Act before you, but I want to get your opinion—that a shipper or a carrier can go before the Commission if the tolls and the conditions:

> ..established are such as to create (i) an unfair disadvantage beyond. .

And I want you to pay particular attention to the word "beyond":

> ...any disadvantage that may be deemed to be inherent in the location or volume of the traffic, the scale of operation connected therewith or the type of traffic or service involved,...

I think this section here may well deal with the Maritimes because you have a particular location, in many cases you have a particular volume and in many cases, particularly in the harbours in the Maritimes, you may well be dealing with a type of traffic which is not found anywhere else. I was wondering if you had looked at this section and considered leaving out the word "beyond". You see, with the word "beyond" in there your location, your volume of traffic and your scale of operation is taken fully into consideration and you cannot apply, but if the word "beyond" were out you could then apply to the Canadian Transport Commission and perhaps get a hearing. Whether they would solve your problem or bring about the solution you want would be up to them but with the word "beyond" in there it would seem very difficult to get a fair hearing before the Canadian Transport Commission. Do you understand the point I am attempting to make?

Mr. March: Yes, I understand it very well indeed. May I just have 20 seconds to confer with my colleague.

I think the answer to your question, sir, is that it might be a good idea to leave the word "beyond" out. What we are really talking about, as Mr. Grice just pointed out to me, is the lack of volume. Would you agree on that?

[*Interprétation*]

vous avez soumis il y a environ un an et qui contient des recommandations bien précises au sujet du bill C-231. Je suis d'accord avec vous au sujet des articles 334 et 336 mais j'aimerais connaître votre opinion au sujet de l'article 16. Connaissez-vous cet article qui oblige l'expéditeur à se présenter devant la Commission canadienne des transports pour prouver que dans l'intérêt du public ce tarif doit être réduit.

A cet article, il est assez difficile de vous expliquer ce qu'il en est à moins d'avoir la Loi en main, mais je veux votre avis; on y dit qu'un transporteur peut se présenter à la Commission si le tarif et les conditions:

> ...établis sont tels qu'ils créent un désavantage injuste au-delà...

Je voudrais que vous partiez une attention toute spéciale au mot «au-delà»:

> ...désavantage qui pourrait être jugé partie inhérente de la location ou du volume de trafic, l'envergure des opérations qui y sont liées, ou encore, le genre de services ou de trafic en cause...

Cet article, à mon avis, peut très bien s'appliquer dans le cas des Maritimes parce que vous avez une situation géographique particulière, vous avez un volume donné dans bien des cas et surtout pour ce qui est des ports des Maritimes, il est possible qu'on ait affaire à un genre de trafic qui ne se trouve pas ailleurs. Donc je me demande si vous avez bien étudié cet article et songé à éliminer l'expression «au-delà». Si on conserve ce mot, votre situation géographique, votre volume et l'envergure de vos opérations sont pris en considération et vous ne pouvez pas faire de demande. Mais en éliminant ce mot vous pouvez l'appliquer, vous présenter à la Commission canadienne des transports et peut-être obtenir une audience. Vous devrez vous en remettre à eux pour trouver une solution à votre problème ou d'adopter la solution que vous souhaitez, en conservant cette expression dans la Loi il est très difficile d'obtenir une audience auprès de la Commission canadienne des transports. Comprenez-vous ce à quoi je veux en venir?

M. March: Oui, je comprends très bien. Mais permettez-moi ici de consulter mon collègue un instant.

Oui, pour répondre à votre question, je crois qu'il serait peut-être bon d'éliminer l'expression «au-delà», mais ce dont nous parlons vraiment, comme M. Grice vient de me le signaler, c'est le manque de volume. N'en convenez-vous pas?

[*Text*]

Mr. Horner: Yes. The volume of traffic is taken into consideration.

Mr. March: We are hoping by means of unit trains, containers attaching extra cargo, and so on, that we can increase the volume quite considerably through the Port of Halifax.

Mr. Horner: I realize this is a very technical point, but I thought perhaps you might like to take a look at that word "beyond". From my own study of this section I think the Maritimes will at least be able to apply to the Canadian Transport Commission and get a far better hearing if the word "beyond" were out of that section, because you have a particular location, a particular amount of volume and a particular type of traffic.

Mr. March: Off the top of my head, sir, I am inclined to agree with you. I think we would like a little time to consider that and we might well make—I thank you for bringing this to our attention—representations to . . .

Mr. Horner: Would you drop the Committee Chairman a reply with respect to that particular study?

Mr. March: Definitely; we will be glad to do that.

Mr. Horner: I realize it is a very technical point. I have no further questions.

Mr. March: It requires a lot of consideration.

Mr. Allmand: Sir, in your brief you put a lot of stress on unit trains, but in my experience unit trains have mainly been used for one commodity, they have been used between one point of origin and one point of destination, and it really only becomes economic if it is done in this way. For example, in British Columbia they are going to use them for coal. The whole train will be taken from one mine right through to the port and back. As you say, the train will never be uncoupled, and so forth and so on. However, in your remarks you seemed to indicate they can be used for general cargo. I do not know how they could be used for general cargo unless you had one major loading point—let us say Montreal—and they all came from one factory because you cannot shut the cars, you have to completely load the whole train at one point and completely unload it at another point, and

[*Interpretation*]

M. Horner: Oui, on tient compte du volume de trafic.

M. March: Nous espérons augmenter le volume de façon considérable vers le port d'Halifax grâce aux trains homonèges, aux cadres et ainsi de suite.

M. Horner: Je me rends compte que c'est là un point technique, mais j'ai pensé que vous voudriez peut-être examiner cette expression «au-delà». D'après mon étude de cet article, je pense que les provinces Maritimes seraient au moins en mesure de se présenter à la Commission canadienne des transports et avoir de meilleures chances de se faire entendre si cette expression est éliminée de l'article, vu la situation géographique, le volume et le genre de trafic.

M. March: A première vue, je suis porté à tomber d'accord avec vous. Je pense que nous aimerions avoir un peu de temps pour étudier la question. Je vous remercie de nous l'avoir signalé. Il se peut que nous fassions des recommandations à . . .

M. Horner: Pourriez-vous communiquer votre réponse au président du Comité à ce égard?

M. March: Bien sûr, nous serons heureux de le faire.

M. Horner: Je me rends compte que c'est une question d'ordre technique. C'est tout ce que j'avais à dire pour l'instant.

M. March: Cette question exige une étude minutieuse.

M. Allmand: Dans votre mémoire, monsieur, vous insistez beaucoup sur les trains homogènes, mais d'après mon expérience, les trains homogènes servent surtout pour une seule marchandise entre un point d'origine et une seule destination, et, en fait, ils ne sont rentables que si on procède de cette façon. Par exemple, en Colombie-Britannique on les utilisera pour le charbon. L'ensemble du train ira de la mine au port directement et les wagons n'en seront jamais détachés.

Dans vos remarques, vous semblez indiquer qu'on peut les utiliser pour les marchandises en général. Je ne vois pas comment vous pourriez vous en servir pour les marchandises en générale à moins d'avoir un seul point principal de chargement, comme Montréal où que les marchandises viennent toutes d'une même usine car il est impossible de mettre les wagons sur une voie d'évitement, il faut les

[*Texte*]

usually there are no stops in between. How can it be used in your context?

Mr. March: It may appear complex but it is really awfully simple. When you say it should be a homogeneous cargo such as coal, grain, iron ore, or whatever it is, all you are saying is that it has to have the same physical properties in order to be handled by a machine.

Mr. Allmand: It also means it is all loaded at the one point.

Mr. March: Exactly. We homogenize the general cargo but we deliver it boxed. It goes in containers and they are all identical. It does not matter whether they are mattresses, TVs, shaving kits or woollen goods, it is all in one big box.

Mr. Allmand: You are suggesting a unit train to carry containers.

Mr. March: I perhaps should have made it clear. A unit train would have to be a container train.

Mr. Allmand: I see.

Mr. March: As they have in Britain.

Mr. Allmand: Both a unit train and a container train, with the containers all being loaded, let us say, at some major point.

Mr. March: At the Halifax terminal and discharged at Montreal, Toronto and Chicago, these railway points.

Mr. Allmand: In order to be economical the complete train has to be unloaded at the same point as well?

Mr. March: Unloaded at the point of destination.

Mr. Allmand: Yes, but at one point of destination, they cannot take the cars off . .

Mr. March: Absolutely. You have to have a container terminal in Chicago where everything is discharged and trucks then take it out and deliver it.

Mr. Allmand: Yes.

Mr. March: This is going to happen, in fact, this year. In July a container shipping outfit is going to bring containers in here, and it is purely a matter of organizing the correct kind

[*Interprétation*]

charger au complet à un endroit et les décharger à un autre sans arrêt entre les deux points. Alors comment pourriez-vous vous en servir dans votre contexte?

M. March: La question paraît peut-être un peu complexe mais au fond elle est très simple. Quand vous dites que la marchandise doit être homogène comme le charbon, les céréales, le minerai de fer, et ainsi de suite tout ce que vous voulez dire effectivement, c'est qu'elle doit avoir les mêmes propriétés physiques de façon à ce qu'une machine puisse la charger ou la décharger.

M. Allmand: Cela signifie aussi que le chargement doit être complété au même endroit.

M. March: Oui, et nous assurons l'homogénéité de la cargaison en la mettant dans des cadres. Les cadres sont tous identiques. Peu importe si vous avez des matelas, des postes de télévision, de lainages, ou autres, la marchandise est mise dans un seul cadre immense.

M. Allmand: En d'autres termes, vous proposez un train homogène pour transporter des cadres.

M. March: Je devrais peut-être élaborer. Le train homogène serait nécessairement un train à cadres.

M. Allmand: Je vois.

M. March: Comme en Grande-Bretagne.

M. Allmand: A la fois un train homogène et un train à cadres, les cadres étant tous chargés au même endroit.

M. March: Oui, au terminus d'Halifax, pour être déchargé à Montréal, Toronto et Chicago.

M. Allmand: Oui, mais pour que ce soit rentable, il faut que le train soit déchargé à un seul point aussi.

M. March: Oui, à la destination.

M. Allmand: Oui, mais à un seul endroit, on ne peut pas détacher les wagons. . .

M. March: C'est exact. Il faudra un terminus pour cadres à Chicago, où on décharge le tout pour les mettre sur des camions qui effectuent la livraison.

M. Allmand: Oui.

M. March: C'est ce qui va se produire effectivement. A compter de juillet, une entreprise de transport apportera des cadres ici, et il s'agira ensuite d'organiser les trains voulus

[*Text*]

of train to carry the stuff to Montreal, Toronto and, we hope, Chicago. It is exactly as you say, sir.

Mr. Allmand: Yes, but I had the impression that the containers that will eventually be brought to Halifax will be on cars, some of which will be picked up in Montreal, some in Toronto, some in...

Mr. March: This is true. They will be discharged at the container terminal. There is nothing to stop you from having a fixed schedule train operating from Halifax to Montreal, Halifax to Montreal, Halifax to Montreal, Halifax to Toronto, Halifax to Toronto, Halifax to Toronto. It is still a unit train.

Mr. Allmand: You have to operate on a fixed schedule?

Mr. March: Yes, a fixed schedule three times a week, let us say.

Mr. Allmand: Does most of the freight out of the Port of Halifax come through Montreal?

Mr. March: Yes, but mind you, what has happened in the past is no indication of what is going to happen in the future. The cards on the table have all been suddenly changed. This is going to be a year-round operation. Our present operations really fall off in the winter.

Mr. Allmand: Are you sort of speculating here or do you have...

Mr. March: No, this is fact, sir.

Mr. Allmand: You already have indications...

Mr. March: It is organized by at least one shipping consortium.

Mr. Allmand: What are the names of the two shipping companies that are now going to use containers? Clarke is one.

Mr. March: It is one consortium, sir, consisting of La Compagnie Maritime Belge, and Bristol-Finney Steamships, which is an English outfit, and Clarke Traffic Services Ltd., of Montreal is the Canadian partner.

Mr. Allmand: Thank you.

Mr. Trudel: Mr. Chairman, in his brief the witness certainly places a great deal of emphasis on the importance of this unit train and rail transportation in general. I would like to ask, getting away from that for a second, what sort of facilities—providing you

[*Interpretation*]

pour pouvoir les transporter à Montréal Toronto, et, nous l'espérons, Chicago. C'est e fait comme vous le dites, monsieur.

M. Allmand: Oui, mais j'avais l'impressio que les cadres qui seront apportés à Halifa seraient à bord de wagons que l'on prendrai en route, certains à Toronto, d'autres à Mon tréal, etc ..

M. March: C'est exact. On les décharger au terminus des cadres. Il n'y a rien qu empêche d'avoir un train qui assure le servic entre Halifax et Montréal, et d'Halifax Toronto. Il s'agit toujours d'un trai homogène.

M. Allmand: Est-ce qu'il faut que ce soit u train prévu à l'horaire?

M. March: Oui, un train à horaire fix mettons trois fois par semaine.

M. Allmand: Est-ce que la plus grande pa tie des marchandises qui partent du po d'Halifax passent par Montréal?

M. March: Oui, mais remarquez bien qu ce qui est arrivé dans le passé n'est aucun ment un indice de ce qui va se produire l'avenir, car tout est remis en cause tout d'u coup. Il s'agira d'une opération à l'année lo gue à l'heure actuelle, le travail dimin énormément en hiver.

M. Allmand: Est-ce que vous faites des pr jections pour l'avenir; ou est-ce que...

M. March: Non, ce sont des faits.

M. Allmand: Vous avez déjà d indications?

M. March: Le service est organisé par moins un consortium de transport.

M. Allmand: Quelles sont les deux entrep ses qui vont se servir de cadres, à part société *Clarke*?

M. March: Il s'agit d'un consortium. Compagnie Maritime Belge, et ensuite *Bristol-Finney Steamships* une entrepr anglaise, et son associé canadien de Montr *Clarke Traffic Services Ltd.*

M. Allmand: Je vous remercie.

M. Trudel: Monsieur le président, dans s mémoire, le témoin insiste beaucoup sur l'i portance du train homogène et du transp ferroviaire en général. Pour nous éloigner peu de ce sujet pour le moment, de quel installations portuaires, à condition d'obte

[*Texte*]

get all the requirements you are asking for as far as port facilities are concerned—do you have to offer at the present time? Are they tailored to that type of operation or will you need to make alterations?

Mr. March: We have here, sir, an artist's impression of our container terminal as it will be when it is completed. This is the view from the south end. It will be ready in June or July of 1970. It cost us $200 to get this artist's impression painted, so we might as well show it to you. This is down in the south end of Halifax. The terminal will take up 55 acres and in here there is a marshalling yard for containers. These are two gantry cranes, each of which can move a 20-ton container in three minutes from vessel to wharf, or vice versa, and in some cases it does the dual operation in six minutes. Here you have a looped unit train. One of the things about unit trains is that you do not cut them up, or do not shunt them around, the train comes in a loop with a stopper out here, the containers will be discharged in the yard and the train will carry on around here, and the import containers will be loaded back to Montreal, Toronto or Chicago. It is a very simple and a very fast operation. Those are the facilities we will have.

Mr. Trudel: If I understand you correctly, this is being built?

Mr. March: It is being built at the present time.

Mr. Trudel: We have heard some representations this morning by people to the effect that they could offer facilities. Naturally they are searching for other ports. I would like to change the line of questioning for a moment. You seem to infer in your presentation, sir, that you are looking for additional traffic by getting concessions from the railroad.

Mr. March: Not concessions from the railroad, no. We are not asking for concessions, we are suggesting that by reason of the new technology and containerization of cargo, and one thing and another, that the railroad will have reduced costs—and the railroad does not argue with us, they agree with us—and therefore on a system of that nature the railroad will be able to quote lower rail rates. However, it is still profitable, it will still make a contribution to variable costs, and by virtue of the fact that they are lower they will attract more volume to the Port of Halifax. Also, by virtue of the fact that there is more volume, the costs will come down again and

[*Interprétation*]

toutes les exigences désirées en ce qui concerne les installations portuaires disposez-vous à l'heure actuelle? Est-ce qu'elles sont déjà aménagées de façon à servir à ce genre d'opération ou est-ce qu'il vous faudra apporter des améliorations?

M. March: Nous avons ici la conception d'un artiste de ce que sera notre terminus de cadres lorsqu'il sera terminé. Voici les installations vues du sud. Elles seront terminées en juin ou juillet 1970. Cette conception d'un artiste nous a coûté $200, alors aussi bien vous la montrer. Voici la partie sud d'Halifax. Le terminus s'étendra sur 55 acres; on y trouve une gare de triage pour les cadres. Il y a deux grues à portique qui peuvent transporter un cadre de 30 tonnes du navire au quai, ou vice-versa, en 3 minutes. Et dans certains cas, elles font les deux manœuvres en 6 minutes. Vous avez ici un train homogène qui fait le tour. Un des avantages des trains homogènes c'est qu'on n'en détache pas les wagons, il n'y a pas de triage à faire. Le train fait le tour, avec un arrêt ici où l'on décharge les cadres et le train continue de faire le tour jusqu'à l'endroit où on chargera les cadres des importations vers Toronto, Montréal ou Chicago. C'est une opération très simple et très rapide. Voilà les aménagements que nous aurons.

M. Trudel: Si je vous ai bien compris, on les construit à l'heure actuelle.

M. March: Oui, on les construit à l'heure actuelle.

M. Trudel: Nous avons entendu des représentations ce matin de la part de gens qui nous ont dit qu'ils pouvaient disposer d'installations. Évidemment, ils réclament d'autres ports. Je voudrais passer à un autre domaine pour un moment. Vous avez semblé dire dans votre présentation que vous cherchiez à augmenter le volume du trafic en obtenant des concessions des chemins de fer.

M. March: Non, pas des concessions des chemins de fer. Nous ne demandons pas de concessions, nous suggérons que, vu la nouvelle technique de transport en cadres, et ainsi de suite, les frais des compagnies de chemins de fer seront réduits, et la compagnie de chemins de fer le reconnaît. Alors avec un système de ce genre, les chemins de fer pourraient offrir des tarifs plus bas, tout en continuant d'être rentables, tout en continuant de contribuer aux coûts variables, et par le fait même que leurs tarifs sont inférieurs, attirer un volume de trafic plus considérable à Halifax. Le volume accrû entraînera une autre

[*Text*]

there will be further economies. It all depends on volume.

Mr. Trudel: Using the same line of reasoning, Mr. March, how much do you estimate your water rates will decrease.

Mr. March: The water rates? This is an almost impossible question to answer, and for this reason. From here on in the shipping company is in the driver's seat. They have a terminal in Antwerp or Rotterdam, there is a terminal at Halifax in some form and, even further, they will control the inland terminals at Chicago, Detroit and Montreal. It is a shipping line salesman who will sell the contract. He will not sell an ocean haul; he will sell from Dusseldorf, Germany, to Oshawa, Canada. Who knows what the...

Mr. Trudel: This is the reason I posed the question. This will be a package deal all the way through. This could be an inland terminal. The rates will be pretty well set but the Port of Halifax, which we are talking about here, will certainly have to have something which is an attraction to possibly be ahead of Montreal or some other ports which we have heard about in other presentations this morning. This will have to enter into it. It is not only the railroad. Your facilities will definitely have to be analyzed.

Mr. March: It is simply a question that by different world routes, whichever system is adopted, there are different costs, and we maintain that because of our geographic position we would have the lowest costs of any port in Canada.

Mr. Trudel: Unless I am wrong, there has been no resistance from the railway people with respect to this unit train because I believe they are looking for this.

Mr. March: None at all, sir. They are extremely helpful and enthusiastic. I would say they are just about as enthusiastic as we are.

Mr. Trudel: You are not saying that they are fighting this?

Mr. March: Not at all; anything but that, sir. We would like to publicly compliment the railway for the help we have had from them.

[*Interpretation*]

réduction des frais et encore d'autres économies. Tout cela dépend du volume.

M. Trudel: En employant le même raisonnement, monsieur March, quelle serait, selon vous, la réduction du tarif de transport par eau?

M. March: Le tarif de transport par eau? Il est presque impossible de vous répondre, monsieur, parce que, à l'avenir, ce seront les entreprises de transport qui prendront les décisions. Elles ont un terminus à Antwerp ou à Rotterdam, et il y a un terminus à Halifax, sous une forme ou une autre, et elles contrôleraient même les terminus de l'intérieur, à Chicago, Détroit et Montréal. C'est le représentant de l'entreprise de transport qui vendra effectivement le contrat. Il ne vendra pas seulement le contrat pour la traversée de l'océan, mais partir de Düsseldorf, en Allemagne, jusqu'à Oshawa au Canada. Qui sait ce que...

M. Trudel: C'est la raison pour laquelle j'ai posé la question. Il s'agira de contrats globaux. Il s'agirait peut-être d'un terminus à l'intérieur du continent. Les tarifs seront à peu près fixes, et le port d'Halifax dont nous parlons devra nécessairement offrir une attraction pour l'emporter sur Montréal ou sur les autres parts dont nous avons entendu parler ce matin. Tout doit entrer en ligne de compte, non seulement les chemins de fer. Il faudra nécessairement analyser vos aménagements portuaires.

M. March: C'est tout simplement que les différentes routes qui existent dans le monde, peu importe le système, entraînent des coûts différents, et nous soutenons qu'en raison de notre situation géographique, nos frais seront les plus bas de tous les ports du Canada.

M. Trudel: Il n'y a pas eu d'objections de la part des chemins de fer pour ce qui est des trains homogènes, car, si je ne me trompe, ils recherchent ce genre de trains.

M. March: Aucune objection. Je dirai même qu'ils sont très serviables et enthousiastes, aussi enthousiastes que nous.

M. Trudel: Ils ne s'y opposent pas?

M. March: Aucunement. Tout au contraire. Nous voulons justement féliciter les chemins de fer pour tout l'apport qu'ils nous ont donné.

[*Texte*]

Mr. Trudel: Thank you, Mr. Chairman.

The Chairman: Mr. Skoberg, do you have a supplementary?

Mr. Skoberg: Mr. March, how many cars a day do you expect will be on that unit train, with your present volume of business at this particular time?

Mr. March: The rates are worked out on a specific volume and if I recall correctly—but do not hold me to this—I think it is 200 containers per train. There are four containers to a flat car, which means 50 cars. Fifty cars per train with four 30-foot boxes or equivalent.

Mr. Skoberg: In what period, Mr. March?

Mr. March: I think it is 40 round trips of the train per year.

Mr. Skoberg: I have a question with respect to the diagram you showed us, which was very excellent. Who in your opinion, and in your port's opinion, do you think should supply the facilities for unloading the containers? Who should supply the trains?

Mr. March: Unloading them?

Mr. Skoberg: Who should supply the trains?

Mr. March: From the point of view of costs it does not really matter who provides the facilities. Somebody has to, and it is all going to end up in the pocket of the shipper anyway. It is a question of who has the capital to put out. These trains cost $1 million apiece. The Port of Halifax Commission certainly does not have that kind of money, and it is doubtful if the shipping lines, that are only going to use part of the train's capacity, will want to finance them. So, I would think the logical entity would be the National Harbours Board, they provide the harbours anyway, but they should provide them on a user cost that would amortize the payment over 20 years, or something like...

Mr. Skoberg: Up to this date, Mr. March, have you had any indication from the National Harbours Board that they would install those trains?

Mr. March: It has been discussed. I am not quite certain if there is an actual undertaking or not, sir. I am honestly not certain, sir, so I cannot give an honest answer to that, but I know it has been discussed.

[*Interprétation*]

M. Trudel: Merci, monsieur le président.

Le président: Monsieur Skoberg, vous avez une question supplémentaire?

M. Skoberg: Monsieur March, combien de wagons se trouveraient à faire partie du train homogène par jour au volume actuel des affaires?

M. March: Les tarifs sont établis d'après le volume, et si je me souviens bien, mais ne m'en tenez pas trop rigueur, je crois qu'il s'agit de 200 cadres par train, soit quatre cadres par wagon plat, et par conséquent, 50 wagons plats par train. 50 wagons par train partant quatre colis de 30 pieds ou leur équivalent.

M. Skoberg: Dans quelle période?

M. March: Je dirais 40 voyages aller et retour par année.

M. Skoberg: Encore une fois, le diagramme que vous nous avez montré tout à l'heure était excellent. A votre avis, et de l'avis de votre port, qui devrait assurer les aménagements pour le déchargement des cadres? Qui devrait assurer le service ferroviaire?

M. March: Pour le déchargement?

M. Skoberg: Qui devrait assurer le service ferroviaire?

M. March: Du point de vue des frais, peu importe qui assure les aménagements. Quelqu'un doit le faire, et, en dernière analyse, c'est l'entrepreneur de transport qui en profitera de toute façon. Tout dépend qui dispose du capital. Les trains coûtent $1 million chacun.

Il est certain que la Commission du port d'Halifax n'a pas ces fonds, il y a lieu de douter que les entreprises de transport qui n'utiliseront qu'une partie de la capacité du train seront prêtes à le financer. Et en fin de compte, j'estime que le choix logique serait le Conseil des Ports nationaux qui assure les installations portuaires de toute façon, mais il devrait réclamer des frais aux utilisateurs de façon à amortir les immobilisations sur une période de 20 ans.

M. Skoberg: Jusqu'à présent, avez-vous eu des indications de la part du Conseil des Ports nationaux à l'effet qu'il assurerait le service ferroviaire?

M. March: Nous en avons discuté mais je ne sais pas s'il y a eu un engagement à cet effet, monsieur. En toute honnêteté, je n'en suis pas sûr. Je ne saurais vous donner une réponse définitive, mais je sais que nous en avons discuté.

[*Text*]

Mr. Skoberg: Could you possibly give that information to the Chairman after you have had an opportunity to discuss it?

Mr. March: Yes, definitely, we would be glad to find out. The question is who is going to provide the trains at our terminals?

Mr. Skoberg: That is right, and whether or not the National Harbours Board has suggested to you that they would be prepared to supply the trains at the port.

Mr. March: Yes, sir.

The Chairman: Mr. Perrault.

Mr. Perrault: Mr. Chairman, I think that Mr. March and his associates are to be commended for their aggressive and vigorous promotion of unit trains and containerization. We are similarly concerned with the situation on the West Coast. I like the way he has developed the idea that we can, in effect, make Canada a land bridge. Perhaps we can even—and I would like his comments on this—compete successfully with the United States and win the battle with the United States. I wonder if Mr. March has read the last annual report of the National Research Council?

Mr. March: Yes, I have.

Mr. Perrault: It states that in the next few years the battle with the United States is either going to be won or lost in competition for the land bridge traffic in North America. I think we should give every support to Halifax in the development of containerization and this unit train concept because it will be of benefit to the entire country. If he has any comments about U.S. competition I would be glad to hear from Mr. March about this, Mr. Chairman.

Mr. March: This is just pure promotion, there is nothing true. Canada has a number of advantages. First of all, the very fact—as far as we are concerned—that we only have one railway line to deal with here. This is an advantage. This is illustrated by the fact that the Penn Central Railway tried to publish a container rate in conjunction with the run from New York to Chicago, I think it was, and this was a very low container rate for a trainload of containers. This is the sort of thing that happens and will always happen in the U.S.A. while they have the present set up.

Four or five other railway lines immediately protested to the Interstate Commerce Commission and therefore the Interstate Commerce Commission had little option but to

[*Interpretation*]

M. Skoberg: Pourriez-vous communiquer c renseignement au président lorsque vous l saurez?

M. March: Oui, certainement. Il nous fer plaisir d'obtenir ce renseignement pour vous La question est de savoir qui va aménager le trains au terminus.

M. Skoberg: Oui, et de savoir si le Consei des ports nationaux nous a laissé entendr qu'il serait prêt à aménager les trains qu désserviront le port.

M. March: Oui, monsieur.

Le président: Monsieur Perrault.

M. Perrault: Je crois qu'il faudrait félicite M. March et ses associés de leur agressivité de leur enthousiasme à l'égard des trair homogènes et des cadres. Mais nous somme aussi préoccupés de la situation sur la cô ouest. J'aime bien la façon dont il a élabo son idée de faire du Canada un pont terrestr Il est possible, et j'aimerais bien avoir s commentaires à ce sujet, que nous puissio concurrencer avec les États-Unis et remport le gros morceau. Je me demande si M. Mar a lu le dernier rapport du Conseil national recherches.

M. March: Oui, monsieur, je l'ai lu.

M. Perrault: On y dit que d'ici quelqu années, la bataille avec les États-Unis en qui concerne le pont terrestre en Amériq du Nord sera gagnée ou perdue.

Je crois que nous devrions appuyer Halif quant à la mise au point du train homogè et du système des cadres car c'est tout le pa qui en bénéficiera. Si vous avez des comme taires au sujet de la concurrence américai j'aimerais bien les connaître, monsieur Mar

M. March: C'est de la promotion pure, sans aucun fondement. Le Canada a bon no bre d'avantages. Tout d'abord, en ce qui nc concerne, le fait que nous n'avons qu'un s chemin de fer est un avantage. La preu c'est que le *Penn Central Railway* aessayé publier un tarif pour cadres à l'égard de s service New York—Chicago, je crois, un ta très bas pour tout un train de cadres. C'est genre de chose qui se produit déjà aux Éta Unis et qui se produira toujours dans le c texte actuel.

Quatre ou cinq lignes de chemins de fer immédiatement protesté auprès de la *Int state Commerce Commission* et la Commiss n'avait pas le choix de retirer ce tarif

[*Texte*]

ithdraw the rate pending investigation. Of ourse, these investigations can go on for two ears, but in the meantime you have bought our unit trains, you have bought your con- iners and everything else and you are going ankrupt. Until the U.S.A. changes this situa- on we have a tremendous advantage. We ave the shortest route in terms of miles. nother enormous advantage we have is that n the CN line from Halifax we can double- ack the containers. This just doubles the oductivity of your rail vehicle right away. his cannot be done on all railway lines. I am most certain it cannot be done on the U.S. nes. We really have a lot more advantages nd I could keep on for some time, but these e the main ones.

Mr. Perrault: Do you think there is any dditional support that the Government of nada should give Halifax to develop this ncept on the east coast?

Mr. March: A unit train is one level of onomy. If you start making specialized ains you call them integral trains and there e further economies there, but this requires te expenditure of millions of dollars in search and development. We feel that if the vernment would get into this by eiher couraging the railways or agencies such as rselves to do it that this would take us on the next level of economy.

Mr. Perrault: With the developing markets Asia, as well, Canada could be just a mag- ficent land. I think your concept is very citing.

The Chairman: Mr. Forrestall.

Mr. Forrestall: I do not think there is much int in pursuing the area that I wanted to t into that evolved around the last question ving to do with what follows this. Mr. arch has explain that quite well. There is ly one other area that I would like to ques- n on. How far into the foreseeable future you believe the facility in the south end of port will sustain the growth that will low the initial operation?

Mr. March: This is anybody's guess. It pends on the number of shipping lines that l. We think that terminal will be enough two shipping lines. We have one and we ve one which is possible. It will handle 00 containers a week in a pinch, which is enormous volume of traffic. Before you uld interest a second terminal I think you uld have to have a substantial share of the S. market. This may have to wait on ICC

[*Interprétation*]

attendant son enquête. Évidemment, les enquêtes peuvent durer deux ans, mais pendant ce temps, vous avez acheté les trains homogènes, vous avez acheté les cadres, et tout le reste, et vous faites faillite. Et jusqu'à ce que les États-Unis changent cette situation, le Canada jouit d'un avantage énorme. Notre route est la plus court en termes de milles. Un autre avantage dont nous jouissons sur les lignes du CN, de Halifax, nous pouvons empiler deux cadres de haut sur les wagons, ce qui double immédiatement la productivité de votre wagon. On ne peut pas le faire sur toutes les lignes. Je suis presque certain qu'on ne peut pas le faire sur les lignes des États-Unis. Nous avons vraiment beaucoup d'avantages. Je pourrais continuer, mais ce sont-là les principaux.

M. Perrault: Croyez-vous que le gouvernement du Canada devrait aider davantage le port de Halifax afin de mettre au point ce système sur la côte est?

M. March: Les trains homogènes sont déjà une économie. Si vous commencez à introduire des trains spéciaux que vous appelez des trains intégraux qui présentent d'autres économies, mais il faudrait d'abord dépenser des millions de dollars pour les recherches et la mise au point. Il nous semble que si le gouvernement fédéral pourrait encourager les chemins de fer ou les organismes comme le nôtre à le faire, nous pourrions atteindre cet autre niveau d'économies.

M. Perrault: Avec les marchés en expansion de l'Asie aussi, le Canada serait un pays magnifique. Je trouve votre idée très stimulante.

Le président: Monsieur Forrestall.

M. Forrestall: Je crois qu'il est inutile d'aborder la question que j'avais à l'esprit et qui touchait ce dont on vient de parler. M. March l'a déjà très bien expliqué. Il n'y a qu'un autre domaine au sujet duquel je voudrais poser des questions. Jusqu'à quel point dans l'avenir croyez-vous que les aménagements de la partie sud-est du port pourront soutenir l'expansion qu'entraînera l'opération initiale?

M. March: Impossible de le deviner. Tout dépend du nombre d'entreprises de transport qui participeront. Nous croyons que le terminus suffira pour deux sociétés de navigation. Nous en avons une d'assurée et une autre qui est une poss.bilité. On peut charger ou décharger six mille cadres par semaine, si on est obligé de le faire, ce qui est un volume de trafic énorme. Mais avant d'ouvrir un deuxième terminus, je crois qu'il faudrait s'assu-

[*Text*]

negotiations, on better equipment, the second level of economy and various other things. I would say that terminal is safe for two years anyway. After that I would not guarantee anything.

Mr. Forrestall: Just one further brief question. This is our glory, it seems to me, in a little more mundane manner. What other shortcomings do you see in your day-to-day work, Mr. March, in connection with the port? For example, you spoke about the gantry cranes. Are there other areas where the port needs some revamping?

Mr. March: I am quite sure there are. I did not come prepared for this sort of question, but there is no doubt we are going to want more facilities and more terminals. We have a need, as Mr. Grice said, for an interim operation until the big terminal is ready. This is a real problem because if we cannot operate the interim things properly we will not get the final service.

Mr. Forrestall: What about cold storage, for example?

Mr. March: I would like to take that question under advisement and perhaps send the Chairman an answer to it.

The Chairman: Mr. Corbin.

Mr. Corbin: Mr. March, you are no doubt aware that the people and the port officials in Saint John have a great number of complaints to make over the fact that the Port of Halifax—this was implied by their line of questioning at the hearing we had in Fredericton—was somewhat favoured by the federal agencies involved and they were, perhaps, particularly directing this to the National Harbours Board about your obtaining the container terminal facilities here in Halifax. Do you have any feelings of unfairness on the part of the National Harbours Board in favouring Halifax over Saint John in this case?

Mr. March: No. It is quite the reverse, sir. I have read Mayor MacDonald's remarks and I put the following two points to you to show why the consortium chose Halifax rather than Saint John. If you are going to New York on a great circle route and you want to drop off at a port and pick up the Canadian trade, there is only one place to do it. That is Halifax. Any other port would be a longer diversion of your route.

[*Interpretation*]

rer une bonne part du marché américain. faudra peut-être attendre pour cela les nég ciations de l'ICC, un meilleur matériel, le de xième niveau d'économies et diverses autr choses. Mais je dirais que ce terminus est b pour encore deux ans. Après cela, je garantie rien.

M. Forrestall: Une autre brève question. me semble que cela fait notre gloire, dans sens un peu plus mondain. Mais quelles s les autres lacunes que vous constatez en qui a trait aux ports? Vous avez parlé, p exemple, des grues à portique, est-ce qu'il aurait d'autres secteurs où on pourrait am liorer le port?

M. March: Je suis sûr qu'il y en a. n'étais pas tout à fait prêt pour répondre une question de ce genre, mais il est certa que nous aurons besoin de plus de termin et de plus d'aménagements portuaires. F exemple, comme l'a dit M. Grice, nous av besoin justement d'une opération intérima jusqu'à ce que le grand terminus soit pr C'est un problème car si nous ne pouvons assurer l'opération intérimaire, nous n'obti drons certainement pas le service final.

M. Forrestall: Qu'en est-il de l'entrepos frigorifique?

M. March: J'aimerais bien pouvoir pren note de votre question et communiquer réponse plus tard au président.

Le président: Monsieur Corbin.

M. Corbin: Monsieur March, vous sa probablement que la population et les aut tés du port de Saint-Jean, se plaignent be coup du fait que le port d'Halifax, du mo c'est ce qui est ressorti des questions posée Fredericton, que le port d'Halifax était pl favorisé par les organismes fédéraux cause, et on pensait peut-être tout particu rement au Conseil des ports nationaux s'est efforcé d'obtenir que les aménageme de terminus pour les cadres soient ici à H fax. Avez-vous des doutes quant à l'impar lité du Conseil des ports nationaux qu favorisé Halifax plutôt que Saint-Jean d ce cas?

M. March: Bien au contraire. J'ai lu remarques du maire MacDonald, et v deux points qui expliquent pourquoi le c sortium a choisi Halifax au dépend de Sa Jean. Si vous allez à New York en empr tant la route polaire et que vous voulez f escale dans un port pour s'aboucher au n ché canadien, il n'y a qu'un seul endroit p arrêter, c'est Halifax. Tout autre port re senterait un détour du trajet.

[Texte]

Secondly—you will have to work this out
ut our consultants have worked it out for
—Halifax is the port in Canada, indeed it is
e port on the East Coast of this continent
here you will get more vessels, round trips
the course of a year and therefore a great-
contribution to net revenue. And so far as
know, these two reasons are why the con-
rtium chose Halifax, and no others.

Mr. Corbin: A supplementary question, Mr.
hairman. In your opinion, would it be good
r Saint John to get some containerizer
cilities, just for the sake of competition?
ould it help or would it hurt?

Mr. March: I am all for competition. It is
e great leveller. The only resource of the
nsumer is competition, and if Saint John
n knock off one or two container services, I
ould be delighted.

Mr. Nesbitt: What other ports in Canada at
e moment, that you know of on the East
ast, and that includes Montreal, Quebec
y, and so on—are there any other ports
th an establishment for container service
unit trains?

Mr. March: Montreal has a container ser-
e operating now.

Mr. Nesbitt: With the new terminal, of
ich we saw the artist's conception a few
ments ago, how will this reduce—I pre-
ne it will reduce—the labour factor in
ding and unloading?

Mr. March: Well, I do not know what you
an, sir, by reducing the labour factor.
ere is no labour factor at all now, because
s is cargo that is not moving at the
ment. This is entirely new cargo. If you
hrase your question to say, if that cargo
ves by the old methods, what will be the
erence in labour content? This system is
ut 20 times more productive. In other
ds, for the same number of men, you will
about 20 times the tonnage.

Mr. Nesbitt: That is what I am getting at.
l the last brief question. This new contain-
method of shipping will, I presume, cut
n damage and theft factors considerably.

Mr. March: Very much so, sir.

[*Interprétation*]

Deuxièmement, vous devrez le calculer vous-même, mais nos conseillers l'ont calculé pour nous. Halifax est le port de la région, en fait, le port de la côte est du continent où l'on trouve plus de navires faisant de longs parcours au cours d'une année et qui par conséquent contribue le plus au revenu net. Autant que je sache, c'est la raison pour laquelle le consortium a choisi Halifax, et pour aucune autre raison.

M. Corbin: Une autre question monsieur le président. A votre avis, est-ce qu'il serait avantageux pour Saint-Jean d'obtenir quelques installations pour la mise en cadre tout simplement pour faire concurrence? Est-ce que cela aiderait ou nuirait?

M. March: Je suis tout à fait en faveur de la concurrence. C'est le grand égalisateur. La seule arme du consommateur est la concurrence et si St-Jean peut obtenir une ou deux installations de mise en cadre, j'en serais très heureux.

M. Nesbitt: Quels autres ports au Canada, en ce moment, que vous connaissez sur la côte est, y compris Montréal, Québec, etc... Québec, etc. . . y en a-t-il d'autres qui soient équipés d'installations de mise en cadre sur les trains homogènes?

M. March: Montréal en a.

M. Nesbitt: Avec le nouveau terminus dont la conception de l'artiste nous a été expliquée il y a peu de temps, comment cela réduirait-il—et je présume qu'il y aurait réduction—la main-d'œuvre réservée au chargement et au déchargement?

M. March: Je ne sais pas ce que vous voulez dire par une réduction de la main-d'œuvre. Il n'en est pas question à l'heure actuelle parce que cette cargaison ne bouge pas et qu'il s'agit d'une cargaison entièrement nouvelle. Si vous voulez reprendre votre question et dire si la cargaison devait bouger d'après les anciennes méthodes, quelle serait la différence sur le plan de la main-d'œuvre? Je dirais que ce système donne un rendement d'environ 20 fois plus grand. Autrement dit, pour le même nombre d'hommes vous aurez un tonnage vingt fois plus grand.

M. Nesbitt: C'est là où je voulais en venir. Ma dernière question sera brève. Ce nouveau moyen d'expédition par cadres, je présume, réduira considérablement les dommages et les vols?

M. March: De beaucoup, en effet.

[*Text*]

Mr. Nowlan: Would it eliminate it, Mr. March?

Mr. March: Oh, it would be a brave man who would say it would eliminate it. I saw some containers in Amsterdam that had an oxyacetylene flame taken to them. Pilferage you always have in every port. Some are worse than others, that is all.

Mr. Nowlan: Looking to the future, Mr. March, has there been any thought given to Halifax being a free port and thus attracting perhaps even more traffic to shoot across the continent?

Mr. March: This was examined about six or seven years ago by the provincial government. It was examined, and the conclusion was that the present federal bonding facilities are so economical, and so flexible, and so good, that a free port would not really provide very much extra, and certainly the advantages would not balance the capital costs necessary. This was the finding, and I would not be surprised if it was right.

Mr. Nowlan: We could not have another Rotterdam on this side.

Mr. March: Well, we could have another Rotterdam. You do not have to acquire a free port to have a Rotterdam. A free port, I think, is a gimmick. We have other gimmicks.

Mr. Nowlan: In Saint John they suggested that there should be a Maritime harbours board. Is that only so that they can...

Mr. March: Well, no, we have always maintained as a matter of policy that there should be a local advisory committee to the Harbours Board down here. The Harbours Board, with all due respect to it, and I have much respect for it, does a wonderful job. But they are up in Ottawa, and they are miles away from our problems. And if somebody responsible to them or in close contact with them lived down here—of course they have their port managers, but it is not quite the same. Certain banks have local advisory committees to the board of directors, and we feel this would be a very good thing to institute.

Mr. Nowlan: And from your description of this unit train—the organization of the shipping lines and because we are the wharf of the Atlantic, this will be the first time we are really going to be the wharf of the Atlantic, is it not?

[*Interpretation*]

M. Nowlan: Est-ce que cela les éliminera?

M. March: Il faudrait être courageux po dire que cela l'éliminerait. J'ai vu à Amste dam quelques cadres qu'on avait ouvert av une torche oxyacétylénique. Il y a des larci dans tous les ports. Quelques-uns sont pir que d'autres, voilà toute la différence.

M. Nowlan: En essayant de prévoir un p monsieur March, est-ce qu'on a songé à Ha fax en tant que port franc et qui attirer peut-être encore plus de trafic à travers continent?

M. March: Cela a été étudié il y a six sept ans par le gouvernement provincial et en est arrivé à la conclusion que les entrep du gouvernement fédéral sont à l'heu actuelle si économiques et si flexibles si efficaces que vraiment un port franc donnerait certainement pas beaucoup p d'avantages, et les avantages n'équivaudrai pas aux frais d'immobilisation nécessair Voici les conclusions et je serais surpris c'était vrai.

M. Nowlan: Nous ne pourrions pas avoir autre Rotterdam de ce côté-ci de l'océan.

M. March: Nous pourrions avoir un au Rotterdam. Il n'est pas nécessaire d'avoir port franc pour créer un autre Rotterdam. fait, le port franc se trouve à être juste truc publicitaire. Il y en aura d'aut d'ailleurs.

M. Nowlan: On nous dit à Saint-Jean q devrait y avoir un Conseil des ports des p vinces Maritimes. Est-ce seulement pour

M. March: Non, nous avons toujours qu'il devrait y avoir un comité du Conseil ports nationaux. Le Conseil des ports na naux pour lequel j'ai beaucoup d'admirat et beaucoup de respect, qui fait un tra merveilleux, mais qui se trouve à Ottawa une distance éloignée de nos problèmes. M si quelqu'un qui relèverait d'eux ou aurait des rapports étroits avec eux, vi ici,—évidemment, ils ont leurs gérants port, mais ce n'est pas tout à fait la m chose. Certaines banques ont des comités-c seil régionaux qui relèvent du conseil d'ad nistration et nous croyons qu'il serait bon dopter ce système.

M. Nowlan: Et d'après votre description train uniforme, l'organisation des lignes navigation et en raison du fait que avons le quai de l'Atlantique. C'est la mière fois que nous serons effectivemen quai de l'Atlantiue, n'est-ce pas?

[*Texte*]

Mr. March: This is the first time the port of Halifax will come into its own as a year-round port. We have always been open the year round, but we have never been a year-round port. Now we are going to be a year-round port with all the advantages that brings, like attracting industry and serving year-round traffic, container stuffing, destuffing, distribution, everything.

Mr. Nowlan: Well, what I was getting at, of course, was the fact of the international shipping companies having the same rates in Montreal and Halifax, and while we always talk about a wharf of the Atlantic, we are not a wharf at all except that the way you describe how this is going to work, perhaps we are going to be able to take advantage of our geography, and that would be for the first time.

Mr. March: No question here. We can do it mathematically. It is now cheaper via Halifax on the new technology than it is via Montreal.

Mr. Nowlan: Has there been any work done by Harbours Board or the federal government or anyone that you know of to try to eliminate the similarity in rates between Montreal and Halifax in other traffic areas?

Mr. March: No. No work has been done on it, no, because it is not really amenable —you would make representations, but these rates are made in London and Antwerp and Rotterdam. They are not amenable to Canadian..

Mr. Nowlan: The situation, you feel, cannot be changed.

Mr. March: In any case I do not think we need to worry about it too much now because the ocean component of the container through rate is going to have to be lower than the rate to Montreal, but I can prove that in figures to.

Mr. Nowlan: You do not think your Manchester and Montreal will start to have the same rate as your shipping in Halifax?

Mr. March: Well, it may end up to be the same thing at Montreal, but that means that the ocean rate to Halifax would have to be less, to take care of the rail hauls.

The Chairman: Well, gentlemen, that completes our enquiries, and I would like to thank you very much.

Mr. March: Thank you.

[*Interprétation*]

M. March: C'est la première fois que le port d'Halifax se trouvera à être ouvert toute l'année. Nous avons toujours été ouvert toute l'année, mais il n'y avait pas de trafic toute l'année. Or, cette année, il pourra y avoir un trafic toute l'année avec tous les avantages que cela comporte, par exemple, pour attirer l'industrie, avoir un trafic à l'année longue, le chargement et le déchargement, etc.

M. Nowlan: Là où je voulais en venir c'est que les compagnies de navigation internationales ont les mêmes taux à Montréal et à Halifax, et alors que nous parlons d'un quai de l'Atlantique, effectivement nous n'avons pas de quai du tout sauf de la façon dont vous en avez décrit le foncitionnement, c'est la première fois que nous pourrons profiter de notre position géographique.

M. March: En fait, nous pouvons le prouver maintenant. Cela coûte moins cher en passant par Halifax avec la technique moderne qu'en passant par Montréal.

M. Nowlan: Est-ce que le Conseil des Ports Nationaux ou un autre organisme fédéral ou quelqu'un que vous connaissez aurait fait une étude pour essayer d'éliminer la similitude des taux entre Halifax, Montréal dans d'autres domaines de transport?

M. March: Aucun travail n'a été fait à ce sujet, non, car—il y aurait toujours moyen de faire des recommandations mais ces taux sont établis à Londres et Antwerp et Rotterdam et non pas en fonction du Canada.

M. Nowlan: C'est une situation qui ne peut être changée?

M. March: De toute façon, je ne crois pas que nous devrions nous en inquiéter à l'heure actuelle car c'est évident que le taux applicable aux containers devra nécessairement y être moins élevé que le taux qui s'applique à Montréal et je puis le prouver avec des chiffres à l'appui.

M. Nowlan: Vous ne croyez pas que Manchester et Montréal auront le même taux qu'à Halifax.

M. March: Et alors, si on fixe les mêmes taux à Montréal, cela signifie que le tarif d'Halifax devra nécessairement être plus bas en raison du transport ferroviaire.

Le président: Cela met fin à nos enquêtes et j'aimerais vous remercier pour votre participation.

M. March: Merci.

[*Text*]

The Chairman: Our next group will be the Town of Mulgrave. Stand. The next one will be the Nova Scotia Textiles Limited. Stand. Garika Limited. Stand.

The next one will be M. W. Graves & Co., Annapolis Valley Canners, Scotian Gold Co-Operative Ltd., and Canada Foods Ltd.

I will introduce Mr. A. E. Calkin, and also Mr. John Egan, Mr. R. J. McGrath, Mr. L. Javorek, and Mr. Vlad Frejtek.

Mr. A. E. Calkin (Annapolis Valley Food Processors): Mr. Chairman, and Gentlemen. On my right is Mr. McGrath, Annapolis Valley Canners, and Mr. Javorek from Canada Foods Ltd. in Kentville. We also have Mr. Fejtek, a manager of another division of Canada Foods, and Mr. Egan of M. W. Graves & Co.

We have a very brief summary of our original submission which, of course, we have not changed, although there have been one or two interim changes, and if I may, sir, I will read this one-and-a-half page summation.

Our brief submits that the food processors of the Annapolis Valley are handicapped because of two basic factors. Number one, the high cost of transportation to markets generally, and in particular the combined production of Valley processors present and potential, far exceeds the requirements of the Atlantic Provinces. Number two, the freight content of the wholesale price of our products is approximately double the national average, which is seven per cent. Our freight content at wholesale level is 14 per cent. Number three, this basic handicap of transportation tends to be offset by a necessity on the part of all of us to pay lower wages and salaries as well as for raw materials which we use. This basic handicap also results in a lower return per dollar of investment in our facilities.

The high cost of transportation to market also results in our comparative freight-cost position with central Canadian processors, and we suggest this has deteriorated in the last 20 years. The food processors of the Valley are also handicapped because of generally inadequate transportation or transport services. Road transport, especially to central Canadian markets, from a standpoint of frequency and flexibility, cannot be compared to that offered in other parts of Canada and afforded to our competition.

[*Interpretation*]

Le président: Le prochain groupe maint nant vient de la ville de Mulgrave. mémoire est réservé. Le prochain nous vie de la *Nova Scotia Textiles Limited.* mémoire est réservé. *Garika Limited,* mémoire est réservé.

Le prochain mémoire, *M. W. Graves & C Annapolis Valley Canners, Scotian Gold C Operative, Ltd.* et *Canada Foods Ltd.*

Je vous présente monsieur A. E. Calk ainsi que messieurs John Egan, R. McGrath, L. Javorek et Vlad Fejtek.

M. A. E. Calkin (Annapolis Valley Fo Processors): Monsieur le président, messieu à ma droite se trouvent monsieur McGra *Annapolis Valley Canners* ainsi que monsie Javorek de *Canada Foods Ltd,* de Kentvil monsieur Fejtek, gérant d'une autre divisi de *Canada Foods,* et monsieur Egan de *M. Graves & Co.* Nous avons un bref résumé notre soumission originale que nous n'avc pas changé, sauf une ou deux modificati provisoires, qui ont pu être apportées et vous le voulez bien, je vais donner lecture ce résumé d'une page et demie.

Notre mémoire souligne que les industr de traitement des denrées alimentaires de vallée d'Annapolis sont handicapés essentiel ment par deux facteurs. Premièrement, coût très élevé du transport vers les déb chés commerciaux et en particulier, la p duction combinée des industries de transf mation de la vallée, actuelle et éventue dépasse de beaucoup la demande des prov ces de l'Atlantique. Deuxièmement, le volu du transport du prix de gros de nos prod est d'environ le double de la moyenne pays qui est de 7 p. 100. Notre volume transport au niveau du gros est de 14 p. 1 Troisièmement, ces difficultés fondamenta en matière de transport sont rétablies pa que nous devons payer des salaires et tra ments inférieurs et payer moins cher matières premières que nous utilisons. handicap entraîne un rendement moins él par dollar investi dans nos installations.

Les frais très élevés du transport vers marchés créent le rapport actuel transp coût avec les industries de transformation centre du Canada et nous croyons que situation a dégénéré depuis les vingt der res années. Les industries de transformat de la vallée sont toutes handicapées en rai des services de transport ou de moyens ina quats en général. Le transport routier, surt celui qui est destiné aux marchés du Can central, ne peut pas, sur le plan de la f quence et de la souplesse, être comparé à qui est offert dans les autres régions Canada et avec lesquels nous concurrençon

Texte]

It is also true that central Canadian food rocessors, due to a much greater concentra- on of population, enjoy to a much greater egree a choice of transportation, resulting in dded competition.

We suggest that ocean service from Halifax world-wide markets is restricted to such a egree that we are consistently handicapped attempting to serve existing customers or exploit new markets. Halifax and Saint ohn—we suggest that even the St. Lawrence osing, so-called—appears to give priority to ntral Canadian freight. In other words, ese two ports are an extension, even though ey close the St. Lawrence, they are to a rge degree only temporary extensions of ntral Canadian ports.

We suggest, finally, in this summation, sir, at while primarily a local problem, it is vertheless true that the lack of all other ads to valley points is a severe handicap for wards of two months during the so-called ad closing. That, sir, is a brief summation our brief.

The Chairman: Thank you very much, sir. r. Nowlan.

Mr. Nowlan: Mr. Chairman, Mr. Calkin, in ur summary and in your brief filed about a ar ago there is no mention at all of the FRA or these LCL rates. Are you affected, ther good or bad, by the working of the aritime Freight Rates Act and the LCL tes?

Mr. Calkin: With respect, Mr. Nowlan, to ur latter point, there is no inclusion of ese LCL rates—they were recently anged—possibly because it does not gener- y affect us to any particular degree. But ther Mr. McGrath or Mr. Javorek I am sure y have something to add to that latter int that you have made, or Mr. Fejtek or r. Egan.

The Chairman: If you have anything to d, would you please come forward?

A Witness: Mr. Nowlan, Mr. Chairman, ese latest increases of LCL rates have fected us to some degree. In fact, it has actically stopped us from shipping LCL thin the Maritimes. Looking to truck alter- tives, but this has also had the effect of

[*Interprétation*]

Il est vrai aussi qu'en raison d'une plus grande concentration démographique les industries de transformation du Canada central bénéficient d'un plus grand choix dans les modes de transports à cause d'une concurrence accrue.

Et nous disons que le service océanographique de Halifax aux marchés mondiaux se trouvent restreints dans une certaine mesure de sorte que nous sommes handicapés lorsque nous essayons de desservir nos clients actuels ou lorsque nous essayons d'exploiter de nouveaux débouchés. Halifax et Saint-Jean, disons-nous, même au cours de la fermeture du Saint-Laurent, de la soi-disant fermeture du Saint-Laurent, semblent donner priorité au transport vers le centre du Canada. En d'autres mots, ces deux ports constituent un prolongement même si le Saint-Laurent est fermé, ils ne sont, dans une grande mesure, que des extensions provisoires des ports du centre du Canada.

Enfin, nous proposons dans ce résumé, monsieur le président, que lorsqu'au départ il s'agissait d'un problème local, il est vrai, néanmoins, que la carence de toutes les autres routes vers les points de la vallée présente un handicap très grand pour une période allant jusqu'à deux mois pendant la fermeture des routes. C'était un bref résumé de votre mémoire.

Le président: Merci beaucoup. Monsieur Nowlan.

M. Nowlan: Monsieur Calkin, dans votre résumé et dans votre mémoire présenté, il y a environ un an, on ne parle pas du tout de la Loi sur le taux de transport dans les provinces Maritimes ou le tarif des chargements incomplets. Est-ce que vous êtes touché en bonne part ou en mauvaise part, par l'application de cette loi ou par ces taux?

M. Calkin: Pour répondre à votre dernière observation, monsieur Nowlan, on n'inclut pas ces taux de moins d'une wagonnée—qui ont été modifiés récemment—probablement parce que cela ne nous touche pas vraiment. Mais monsieur McGrath ou monsieur Javorek pourront y ajouter leurs observations.

Le président: Si vous désirez y ajouter quelques commentaires, je vous en prie.

Un témoin: Monsieur Nowlan, monsieur le président, les dernières augmentations du tarif de chargements incomplets nous ont touchés dans une certaine mesure. En fait, cela nous a presque empêchés d'expédier des marchandises en chargements incomplets dans les

[*Text*]

increasing rates because the ceiling was not there to hold the truckers down. Our costs have gone up, not probably to the full extent of the increase in the LCL rate, because we excluded the shipping by rail altogether, but it has had an effect in our costs, and we feel that we are not getting the benefit from the Maritime Freight Rates Act that we were getting when it was first inaugurated.

Mr. Nowlan: Well, this was part of a two-headed question as to how the Maritime Freight Rates Act—do you get the benefit, what little there is of it?

A Witness: That is right. It is less than 60 or 70 miles to Halifax, but it costs within the range of 15 cents a case additional at least to get to Saint John by truck. And that is the only way to get there now.

The Chairman: Mr. Trudel.

Mr. Trudel: Mr. Chairman, we were led to believe that the port facilities were ample and that they were actually looking for more volume and your brief is certainly indicating the contrary. It is actually a shortage of port facilities or ships that you are concerned with?

Mr. Calkin: Mr. Chairman, it is a shortage of service, not facilities, as far as we are concerned.

The Chairman: Mr. Perrault.

Mr. Perrault: Just a short query, Mr. Chairman. I have noticed over the past year in British Columbia that your products are on sale in the grocery stores out there at very competitive prices indeed. You seem to be competing successfully. I just wonder about the economics of shipping that distance. Apparently you have been successful in doing so. I am talking about the British Columbia market.

Mr. Calkin: Right, sir. I think I know what you are referring to. It is quite true, of course, that our product is being sold in British Columbia but the economics, of course, are quite another thing. It is a matter of need, of surplus production and the obvious necessity of finding markets for it.

Mr. Perrault: In other words, this is a form of internal dumping, is it?

[*Interpretation*]

Maritimes. Cela a aussi augmenté le tarif parce qu'un maximum n'avait pas été fixé et on ne pouvait pas maintenir les camionneurs. Nos frais ont augmenté, peut-être pas autant que l'augmentation du tarif de chargement incomplet parce que nous avons supprimé le transport ferroviaire mais cela a eu des répercussions sur les frais et je suis d'avis que nous ne bénéficions pas vraiment de la Loi sur les taux du transport des marchandises dans les provinces Maritimes, comme lors de sa mise en vigueur.

M. Nowlan: Cela faisait partie d'une double question relative aux avantages que vous retirez de cette Loi.

Un témoin: C'est vrai. Dans l'ensemble c'est à moins de 60 à 70 milles pour Halifax mais il en coûte environ 15 autres cents la boîte pour Saint-Jean en camion. Et c'est le seul moyen pour y aller maintenant, le seu moyen pratique avant que l'on installe le nou veau chemin de fer Pacifique-Canadien, l'an prochain. Merci.

Le président: Monsieur Trudel.

M. Trudel: Monsieur le président, nou avons été porté à croire que les installation portuaires étaient suffisantes et que vou recherchiez un plus grand volume, mais l mémoire nous indique le contraire. Est-ce qu c'est l'insuffisance des installations portuaire ou des navires qui vous préoccupe?

M. Calkin: Monsieur le président, c'est ur insuffisance de services et non pa d'installations.

Le président: Monsieur Perrault.

M. Perrault: Une brève question, monsieu le président, j'ai pu voir au cours de l'a dernier en Colombie-Britannique que vos pr duits sont en vente dans les épiceries à d prix vraiment concurrentiels. Vous sembl réussir à faire la concurrence et je n demande ce qu'il en est de la rentabili d'expédier à une telle distance. Apparem ment, vous semblez réussir, enfin sur le ma ché de la Colombie-Britannique.

M. Calkin: Oui, je sais ce dont vous parl maintenant. Il est vrai, bien entendu, que n produits sont vendus en Colombie-Britan que mais la rentabilité est une tout au question. Il s'agit d'une question de nécess de production excédentaire et la nécess évidente d'y trouver des débouchés.

M. Perrault: En d'autres mots, c'est plus moins un dumping interne.

[*Texte*]

Mr. Calkin: No, sir. It is not below competition.

Mr. Perrault: But the margins are slim on the product. It is a good product, you know. But I just wondered about it as a British Columbian. It is like taking coals to Newcastle. Nothing wrong in that. I think trade is excellent.

I am not criticizing that but I think you have outlined a very valid case, especially with respect to Europe. Are you advocating the construction of a Canadian merchant marine or something along that line to assist you with your problem?

Mr. Calkin: No, sir, we are not advocating federal participation in that sense. We are simply attempting to satisfy this group that we have a complete inadequacy of service generally, and in particular with respect to ocean services to those ports which we could serve. We are not interested in specifics but Mr. Javorek mentioned one or two. This is a real thing. These are not hypothetical cases. Every company represented in this room, all the major food processors of the province have indeed, in a desperate attempt to exploit markets in Scandinavia or on the continent of Europe, virtually trucked them backwards to Montreal at a cost of $1.15-$1.25, before we even get started. So this, of course, is a completely abortive undertaking financially, so we give it up.

Mr. Rock: Could you tell the members of the Committee what are the products shipped out of this area in preference to yours where you have to ship to Montreal? In other words, you said that there are many ships here that you could have put your shipments on and you were denied this. So I would like to know what other products are put on these ships in this harbour. Where are these products coming from?

Mr. Calkin: I could not give a factual answer to this, Mr. Chairman, but presumably the bulk of the cargo contained in the ships we see in the harbour today—and it is filled—are from Central Canadian points. That is not a categorical statement of fact; it is a reasonable presumption. My only contention on behalf of this group is that there is no

[*Interprétation*]

M. Calkin: Non, ce n'est pas une concurrence déloyale.

M. Perrault: Mais les marges de bénéfices sont minces. C'est un excellent produit, vous savez. Je voulais savoir ce qu'il en était en tant que représentant de la Colombie-Britannique. C'est comme le fait d'apporter du charbon à Newcastle. Il n'y a rien de mal à cela. A mon avis, le commerce est une excellente chose.

Je ne critique pas cela, mais je crois que vous avez signalé un cas tout à fait valable pour ce qui est de l'Europe, plus particulièrement. Est-ce que vous proposez la construction d'une marine marchande canadienne ou quelque chose du genre pour vous aider à résoudre votre problème.

M. Calkin: Non, nous ne proposons pas une participation fédérale en ce sens. Nous essayons tout simplement de vous démontrer que nous avons des services insuffisants en général, et en particulier pour ce qui a trait aux services océaniques vers les pors que nous pourrions desservir. Nous ne nous intéressons pas à des cas particuliers mais M. Javored en a mentionné un ou deux. Ces faits sont pris à même la réalité. Ce ne sont pas des cas hypothétiques. Chaque compagnie représentée dans cette enceinte, toutes les principales industries de transformation des aliments de la province, en tentant désespérément d'entrer sur les marchés scandinaves ou de l'Europe continentale devaient transporter ces produits par camions à Montréal au coût de $1.15 à $1.25 avant même de pouvoir commencer. C'est donc une entreprise vouée à l'échec sur le plan financier. Nous y avons donc renoncé.

M. Rock: Pourriez-vous dire aux membres du Comité quels sont les produits qui sont expédiés à partir de cette région de préférence aux vôtres que vous devez expédier à Montréal? Autrement dit, vous avez déclaré qu'il y avait plusieurs navires sur lesquels vous auriez pu déposer vos marchandises, mais on vous a refusé ce service. Alors j'aimerais savoir quel genre de produits constituent la cargaison de ces navires qui se trouvent au port. D'où nous viennent ces produits?

M. Calkin: Je ne pourrais vous donner une réponse exacte, mais j'imagine que l'ensemble de ces cargaisons qui se trouvent dans les navires que nous voyons dans le port viennent du centre du Canada. Ce n'est pas un énoncé catégorique de faits, mais c'est là une conclusion tout à fait logique. La seule conclusion à laquelle j'ai pu en arriver c'est qu'il

[*Text*]

room for Nova Scotia food products on this multitude of ships in this harbour today.

Mr. Rock: I hope, Mr. Chairman, that the representative from the CTC over here is going to take a good note of that and find out the reasons for this.

Mr. Calkin: Could I be more specific? I think it is a fair statement to make, gentlemen, that even if an attempt were made the inquiry would be immediately referred to Montreal for the answer.

The Chairman: Mr. Skoberg, a short question?

Mr. Skoberg: Thank you, Mr. Chairman. Sir, have you any of your own truck lines? Do you own trucks to transport your own produce?

Mr. Calkin: No, sir. As a general statement of fact, the valley processors do not own their own trucks other than for local shipping.

Mr. Skoberg: You have your own trucks just for local shipment. But to transport into Montreal, you do not have your own trucks.

Mr. Calkin: We have to use those lines available that are licensed to truck through the intervening provinces.

Mr. Skoberg: Are you able to find enough refrigerated trucks for that purpose

Mr. Calkin: I may not be the best one qualified to answer that. I would ask Mr. Egan, please.

Mr. Egan (Annapolis Valley Food Processors): We are fairly new in frozen food processing—I think about six years—and we find that we are entirely dependent on turnaround traffic for refrigerated trucks into Montreal and Toronto. There is no terminal here, no trucks sitting here. We have about three lines available to us. We phone for a truck and we may have one in from Toronto unloading tomorrow; if it gets unloaded in time we will get it. It usually takes us from two to five days to get a truck after we request it and there are times when we have had some problems in holding the customer, such as Dominion Stores, to get the product to them in time. So there are not, I would say, sufficient trucks at times. At other times I will not say that the truck companies have not called us to say they had a truck but we might not be able to give them a load. There

[*Interpretation*]

n'y avait pas de place pour les produits alimentaires de la Nouvelle-Écosse sur tous ces navires dans ce port aujourd'hui.

M. Rock: J'espère que le représentant de la CCT pourra tenir compte et essaiera d'en trouver les raisons.

M. Calkin: Est-ce que je pourrais apporter une autre précision? Je pense qu'il est juste de dire, messieurs, que même si on essayait de résoudre le problème, l'enquête serait reportée immédiatement à Montréal pour y trouver une réponse.

Le président: Monsieur Skoberg, une question brève?

M. Skoberg: Merci, monsieur le président. Est-ce que vous avez des camions pour transporter vos produits?

M. Calkin: Non. Les industriels ne sont pas les propriétaires des camions, sauf les camions utilisés pour le transport local.

M. Skoberg: Vous avez vos propres camions pour les livraisons locales mais pas pour le transport vers Montréal.

M. Calkin: Nous devons utiliser les camions qui ont un permis qui les autorise à faire le transport dans les provinces en cause.

M. Skoberg: Est-ce que vous pouvez trouver suffisamment de camions réfrigérés à cette fin?

M. Calkin: Je ne suis pas le mieux qualifié pour répondre à votre question. Je demanderais à monsieur Egan de le faire.

M. Egan (Annapolis Valley Food Processors): Nous sommes de nouveaux arrivés dans le domaine du traitement des produits alimentaires réfrigérés soit depuis environ six ans, et nous comptons essentiellement sur les voyages aller-retour de camions frigorifiques entre Toronto et Montréal. Il n'y a pas de terminus ni de camions. Il y a environ trois lignes qui sont mises à notre disposition. Nous demandons un camion, il y en a peut-être un qui vient de Toronto et qui sera déchargé demain, et s'il est desservi à temps nous pourrons l'avoir. Habituellement, il nous faut entre 2 et 5 jours pour avoir un camion. Et à certains moments, il arrive que nous éprouvions des problèmes avec des clients, tels que Dominion Stores, pour leur apporter les produits à temps. De temps en temps, il n'y a pas suffisamment de camions; parfois aussi, je

[*Texte*]

are other times when we have requested trucks and have not been able to get them.

Mr. Skoberg: Am I correct in saying that you use these carload lots for shipments to the West? Do you use the trucks more for your Maritime Provinces?

Mr. Egan: Yes, on canned products. Speaking for our own company, we use carload rail pretty well for canned goods outside the Maritimes, but trucks within the Maritimes. But for refrigerated products we use trucks entirely.

Mr. Skoberg: You do not ask for any refrigerated rail cars?

Mr. Egan: No, for one basic reason—our plant is not on a rail siding. And number two, we find that to get the equivalent rate by rail carriers they want 100,000 pounds, where the equivalent rate by truck requires about 40,000 pounds.

Mr. Vlad Fejtek: The railroad cars are available only for Canada. If you were to have a shipment of any frozen merchandise you would not be able to get a Canadian railroad car. A refrigerated mechanical reefer is not allowed to cross the Canadian border.

M. Godin: J'ai une question au sujet du commerce; j'espère qu'elle sera recevable. Le témoin nous a déclaré que lorsqu'il expédie en Colombie-Britannique, la marge des profits était plutôt réduite. Est-ce que la même situation se répète en ce qui concerne les expéditions en Angleterre et en Europe ou bien le marché européen rapporte-t-il un peu?

M. Calkin: I am very sorry sir, mine did not come in loud and clear. I did not hear it. I am very sorry.

Le président: Voulez-vous répéter votre question, monsieur Godin?

M. Godin: Oui. Vous avez déclaré que lorsque vous expédiez en Colombie-Britannique, votre marge des profits était plutôt réduite. Est-ce la même situation lorsque vous expédiez soit en Angleterre ou soit en Europe ou bien ce marché européen est-il assez avantageux?

Mr. Calkin: I am sorry. Again I did not get it quite clear but the gentlemen referred to when we ship to British Columbia and made some comparison with respect to... Well,

[*Interprétation*]

dirais pas que les compagnies de camions ne nous ont pas appelés mais il est possible que nous ne puissions pas leur donner de chargement. En d'autres moments, nous avons demandé des camions sans pouvoir en obtenir.

M. Skoberg: Est-il vrai que vous employez les wagonnets pour l'ouest? Utilisez-vous plus les camions dans les provinces Maritimes?

M. Egan: Oui, pour les produits en conserve. En parlant pour notre propre compagnie, nous employons le transport ferroviaire à l'extérieur des Maritimes pour les produits en conserve, mais les camions, dans les provinces maritimes. Mais pour les produits congelés, nous nous servons seulement des camions.

M. Skoberg: Vous ne demandez pas de wagons frigorifiques?

M. Egan: Non, pour une raison. Notre usine n'est pas située près d'une voie ferrée et en fin de compte, quand pour un tarif équivalent, ils exigent 100,000 livres par chemins de fer alors que par camion, on peut jouir du même tarif avec environ 40,000 livres.

M. Vlad Fejtek: On ne trouve des chemins de fer disponibles qu'au Canada. Si vous voulez transporter des produits congelés, vous ne pourriez pas obtenir un wagon frigorifique canadien parce que ces wagons ne peuvent traverser la frontière canadienne.

Mr. Godin: Just a question with regard to commerce. I hope I will not be out of order. The witness stated that when he ships to British Columbia the margin of profit was rather low. Would the same situation repeat itself with regard to shipments to England and to Europe or would the European market be fairly profitable?

M. Calkin: Je m'excuse, monsieur, mais je n'ai pas entendu bien clairement. Je regrette beaucoup.

The Chairman: Would you please repeat your question, Mr. Godin?

Mr. Godin: Yes. You stated that when you were shipping to British Columbia your margin of profit was rather low and reduced. Is the same situation true when you ship either to Britain or to Europe, or is this European market fairly profitable to you?

M. Calkin: Je m'excuse, encore une fois mais je n'avais pas tout à fait saisi, mais des personnes ont parlé du transport vers la Colombie-Britannique et ont fait quelques

[*Text*]

it is very hard to give a simple answer to that. Basically, of course, it is true that both these markets are multi-thousands of miles away and it would be difficult to give a straight answer. The only answer I could give is the fact going back to the basics, that we are utterly dependent upon markets outside the Atlantic Provinces. That is clearly stated in our brief. The only answer I could perhaps give without going into specifics would be that if of necessity we ship to British Columbia or to Liverpool, England, or to Sheffield, England, or to Glasgow, of course the percentage of freight represented in the sales dollar is obviously very high, specifically in the U.K. where we have had three hikes in three consecutive years through the conference line. At the moment I think it is $26-$28 per long ton. Maybe that is not a clear answer.

Mr. Chairman: Mr. Pringle.

Mr. Pringle: Is it correct, then, that if Halifax were able to pursue an expanded containerization program and containerization port this would alleviate your problems in the Annapolis Valley?

Mr. Calkin: Well, sir, we briefly covered this before. There is concern on our part and maybe it is not justified, as to just where we fit into this great scheme of trains zipping back and forth between here and Chicago and Montreal and what have you. Where do we fit? These export markets are just as important to us as they are to Montreal, or to Chicago, or to Detroit, or the Head of the Lakes, and for this reason we hope that when this thing shakes down we will be given reasonable and comparable consideration in relation to our needs. Obviously the news that we heard is good news because one of the many ports we consider of vital importance outward, of course, is London. This is supposed to serve Southampton, which operators and importers in and around London say is just about as good for reasons of less congestion and less port charges. But we want to get into Antwerp and we want to get stuff back. We are just simply suggesting and submitting that we hope we will be given reasonable, comparable consideration with others who may reap the benefit of containerized ports. That is all we ask.

[*Interpretation*]

comparaisons relatives à ... C'est quand même très difficile de vous en donner un exemple. Au fond il est vrai que ces deux marchés sont à des milliers de milles l'un de l'autre et il serait très difficile de vous donner une réponse directe. La seule réponse que je peux vous donner, c'est que si l'on se reporte aux faits de base, nous dépendons absolument des marchés à l'extérieur des provinces de l'Atlantique. Nous l'exprimons clairement dans notre mémoire. La seule réponse que je pourrais vous donner, sans fournir des détails précis, c'est que si de toute nécessité, nous expédions vers la Colombie-Britannique ou vers Liverpool, en Angleterre ou vers Sheffield ou à Glasgow, évidemment le pourcentage du transport représenté par le dollar de vente est naturellement élevé. Au Royaume-Uni, nous avons connu trois augmentations au cours des trois années consécutives en raison de la conférence. Je crois que c'est $26 ou $28 dollars la tonne forte. Ce n'est peut-être pas tout à fait la réponse exacte à votre question.

Le président: Monsieur Pringle.

M. Pringle: Aurais-je raison de dire que si Halifax était capable de poursuivre dans son programme de mise en cadres et que de port de transport par cadres cela allégerait les problèmes que vous rencontrez dans la vallée de l'Annapolis?

M. Calkin: Nous en avons parlé un peu avant. Nous sommes quelque peu préoccupés et peut-être ce n'est pas justifié de savoir exactement où nous sommes situés dans ce vaste réseau des trains qui circulent entre ici et Chicago et Montréal et ce que vous avez. Où sommes-nous placés? Les marchés d'exportation sont aussi importants pour nous qu'ils le sont pour Montréal, Chicago, Détroit ou la tête des Grands Lacs. Pour cette raison nous espérons que lorsque les choses seront organisées, on nous accordera une attention en rapport avec nos besoins. Évidemment la nouvelle que nous avons entendue est une bonne nouvelle car un des ports que nous considérons comme important à l'extérieur c'est Londres. Cela est sensé desservir Southampton dont les exploitants, les importateurs de Londres et de ses environs disent qu'il est aussi bon pour des raisons de déduction des frais d'exportation. Mais nous voulons entrer à Antwerp et nous désirons avoir quelque chose en retour. Nous ne faisons que proposer et souligner que nous espérons recevoir une attention juste comparable à celle que les autres qui pourraient profiter des ports pour le transport par cadres. C'est tout ce que nous demandons.

[*Texte*]

The Chairman: Thank you very much, gentlemen.

Our next presentation will be by the Eastern Job Service. Mr. Sellick?

Mr. L. B. Sellick: Mr. Chairman, I wish to thank you very much for the privilege of appearing here as a private citizen interested in regional planning and transportation. I think it comes at a very good time when we are talking about regional disparity, regional development, growth centres, urban transportation, part development.

Now I am going to present both these maps. The boys are here to hold up various maps to tie in with Brief A-40, I believe it is, in the booklet.

I trust the Committee will take a look at this, realizing that one third of Nova Scotia's population lives within a 15-mile radius of where we are sitting. I realize that relief from high freight rates is the immediate pressing problem but these maps, I am sure, will show you that within the Halifax area there is ample room for improvement in the railway situation that has developed over the years. Will the boys put up map No. 1 now, please, and hold it up high. The conference in Toronto on transportation, I understand, has developed into a regional planning conference; regional planning and transportation are inseparable.

An hon. Member: May I interrupt you for a moment? Would you please tell the Committee what your position is.

Mr. Sellick: I am appearing as a private citizen.

An hon. Member: I know, but what does that mean?

Mr. Sellick: I am a guidance counsellor at the school and here are some of my boys who have been studying industrial development in Dartmouth. I was Secretary of the Rockingham Ratepayers Association for 10 years, but with amalgamation that organization has folded up.

Now, this map shows an all-over picture of the Halifax-Dartmouth area and possibly the first thing that strikes you is that though these two cities are only 500 yards apart by nature, they are 28 miles apart by train. Go around here, Windsor Junction, back through Dartmouth is about 28 miles, so it is a rather unnatural situation. I am going to have to point to the map. The boys have a long pointer there. If I could have that perhaps it would be better.

[*Interprétation*]

Le président: Je vous remercie beaucoup, messieurs. Le prochain mémoire nous sera présenté par la *Eastern Job Survey*. Monsieur Sellick.

M. L. B. Sellick: Monsieur le président, je voudrais vous remercier beaucoup du privilège que vous m'accordez de témoigner devant vous à titre de simple citoyen qui s'intéresse à la planification régionale et au transport. Je crois que ça vient à un excellent moment où nous parlons de la disparité régionale, de l'expansion régionale, de la croissance des centres du transport urbain, de l'aménagement portuaire. Je vais vous présenter des cartes. Les garçons tiendront différentes cartes qui se rattachent à l'Annexe A-40 dans votre mémoire.

Je suis certain que le Comité y jettera un coup d'œil et qu'il se rendra compte que le tiers de la population de la Nouvelle-Écosse demeure dans un rayon de quinze milles de l'endroit où nous sommes. J'imagine qu'on veut éliminer évidemment les frais des transports. Mais dans la région d'Halifax il y a moyen justement d'améliorer la situation du transport ferroviaire qui s'est développée au cours des années. A Toronto, j'ai l'impression que la conférence sur le transport s'est transformée en une conférence de planification régionale.

Une voix: Pourriez-vous nous dire, s'il vous plaît, quelle est votre position?

M. Sellick: Je participe en tant que citoyen.

Une voix: Je sais, mais pouvez-vous préciser?

M. Sellick: Je suis conseiller en orientation et les garçons et filles qui sont ici, sont mes élèves; j'ai été secrétaire de l'Association des contribuables de Rockingham pendant 10 ans, mais je suis ici à titre privé.

Voici la carte qui nous indique la région d'Halifax et Dartmouth dans son ensemble. La première chose qui vous frappe est que même si ces deux villes sont à cinq cents verges l'une de l'autre du point de vue géographique, en fait elles sont à vingt-huit milles l'une de l'autre par train. Pour partir d'ici en passant par Windsor Junction et retourner à Dartmouth, c'est environ vingt-huit milles. La situation n'est donc pas naturelle. Nous avons un très long bâton ici. Si on voulait me le passer, ce serait peut-être préférable. La carte ici vous indique la situation ferroviaire.

[*Text*]

This map shows the railway picture. Here on the Halifax side the terminal is down at the south end. The large marshalling yards are here in Rockingham. There is a total of 85 miles of railroad in the Halifax area. The point out here is Windsor Junction. The single rail line here was built in 1896 to carry mostly freight from this area after the former Narrows bridges washed out with the tide. Those were the days when the Indian chief put his curse on the Narrows Bridge.

The thing that strikes you possibly as you look at the map is the sporadic, unplanned manner in which these lines have grown up, beginning in 1852 when the first line was put through here. Then again in the First World War these tracks were put in and finally we have here a great mass of railroad but it is not efficient. The main yards are there. A businessman in Dartmouth, for example, can look over with his binoculars and see the goods on the track here but he cannot get them until they are hauled about 28 miles around Windsor Junction. The brief is requesting that consideration be given to bridging this 500-yard gap so that the area can plan on a regional basis.

We will have a map No. 2 now, please. This will show what has happened on the Dartmouth side in the last few years. Here we have the new Narrows road bridge coming across from Halifax with a clover-leaf intersection and a whole new system of roads. Here is the greatest development, the industrial part at Burnside; 300 acres here alone ready to be developed; 1,000 acres, the Commodore commercial estates and an almost unlimited amount of land there for industrial expansion.

Of course, this coloured portion here shows what will happen possibly when this land is developed. There will have to be some kind of wharfage developed here, possibly containerization eventually. The Murray Jones report has recommended this as being the best location for eventual containerization.

The third map shows Bedford Basin and this is the Dartmouth side, Bedford Basin with a housing development here for tri-service personnel.

In the last few years this area has grown very rapidly; the population is 60,000 here now. By 1980 it is forecast there will be 100,000 people, all of whom have to come over to south-end Halifax to catch a train involving very expensive taxi fares, traffic problems and parking problems. The question naturally arises, why should we not have a look at least at the railway picture and try to see if we can

[*Interpretation*]

Du côté d'Halifax, le terminus se trouve à l'extrémité sud. Les parcs de triage sont ici à Rockingham. Il y a 85 milles de ligne de chemin de fer dans la région d'Halifax. Ici se trouve *Windsor Junction* à l'extrémité. Une voie unique a été construite en 1896 pour le transport de marchandises de cette région après que l'ancien pont *Narrows* eut été emporté par la marée. C'était lorsque les indiens nous en voulaient.

La façon sporadique où tout cela a été édifié commençant en 1852 lorsqu'on a installé la première ligne de chemin de fer, et ensuite à la première guerre mondiale quand on en a installé une nouvelle. Ensuite, nous avons fini par avoir tout un tas de voies ferrées qui ne sont pas efficaces. Les cours de triage sont là. Un homme d'affaires à Dartmouth peut, avec des longues vues, voir sa marchandise sur la voie ferrée, mais il ne peut pas les avoir avant que le parcours de vingt-huit milles en passant par *Windsor Junction* se fasse. Le mémoire demande qu'on étudie la possibilité d'établir un pont long de cinq cents verges afin que la région puisse dresser des plans régionaux.

Est-ce que je pourrais avoir la carte numéro 2, maintenant? La carte numéro 2 va vous montrer ce qui se produit du côté de Dartmouth depuis un certain nombre d'années. Nous avons maintenant le nouveau pont routier qui traverse de Halifax à Dartmouth avec tout un nouveau réseau de routes ici, un nouvel aménagement résidentiel ici et ensuite un nouveau parc industriel à Burnside, trois cents acres ici, prêtes à être développées *Commodore Estates* et presqu'une région illimitée pour l'expansion industrielle.

Évidemment, cette partie en couleur vous indique ce qui se produira problablement si le développement a lieu. Il sera nécessaire d'aménager des quais dans ce coin-ci, pour les futures installations de transport par cadres. Le rapport *Murray Jones* a recommandé ce emplacement comme étant le meilleur pour les installations de transport par cadres. La troisième carte montre le bassin Bedford et voici l'extérieur du bassin Bedford avec un développement résidentiel pour le personnel des forces armées.

Depuis quelques années cette région a cr très rapidement, la population est de 60,00 âmes à l'heure actuelle; en 1980 on prévoit 100,000 personnes. Toutes doivent se rendre au sud de Halifax afin de prendre le train Cela coûte très cher en taxi, et crée des problèmes de stationnement et de circulation Évidemment, on se pose alors une question pourquoi ne pas examiner cette situation fe

[*Texte*]

vork, in conjunction with regional planning, o develop a more sensible picture.

Map No. 3 will show what happened on the vestern slope of Bedford Basin. There has een a great growth here of residential areas vith very little industry except out here at he industrial part at Lakeside. This is Rock-ngham, Clearview, Armdale—all this area hat has recently been annexed by the City of Halifax. This area here is one I know very vell. The population has grown and the peo-le are used to the Basin we formerly had, nd great sums of money are being expended or over-passes, under-passes and sewage ights. You cannot use Prince's Lodge, for xample. There is a possible tourist develop-ent there because of the railway.

This orange coloured portion shows a tem-orary solution without even building a rail ridge at the Narrows. If Fairview Cove were lled in here, Harbour Drive could possibly ome along here and rejoin the Bedford ighway around here at the Yacht Club. That ight be a temporary solution. But this area growing rapidly from a residential stand-oint, whereas the Dartmouth side is building p rapidly from the industrial standpoint.

Now, we will go back to map No. 1 again.

You may wonder why I am talking regional atters at a Committee of this kind, but nless there is a good look taken at the rail-ay situation our whole road pattern suffers nd the man-hours cost per day for a small ty like Halifax are simply staggering. The arking problem is becoming acute. I have een studying for years now the *Financial ost* surveys of what is happening in our rban centres. It looks as if we are going to ave 18 urban centres in Canada, many of hich will use rail transport as part of the fort to reduce the number of automobiles at are downtown. I think every city realizes at there is a tremendous problem coming o with transport.

This shows the over-all picture on the maps nd, as the brief suggests, this 500-yard gap re be bridged by a rail bridge with, of urse, a lift stand to allow ships to go rough. I have charts here showing the pth of water. This navy island you are ask-g about is right here on this map. The pth out here is very great. The key point in is whole submission is this point here, the arrows Bridge. A bridge there would make possible, also in the future when the popu-ion grows, for some kind of commuter rail

[*Interprétation*]

roviaire pour essayer de déterminer s'il est possible de travailler ensemble avec l'administration régionale afin que ça ait plus de bon sens.

La carte numéro 3 vous indique ce qui s'est produit sur le côté ouest du bassin Bedford. Les quartiers résidentiels se sont beaucoup étendus sans grande industrie, sauf pour la partie industrielle de Lakeside. Voici Rockingham, Clearview, Armdale; toute cette région a été annexée récemment par la ville d'Halifax. Cette région-ci, je la connais très bien. Au fur et à mesure de la croissance de la population, on essaie d'employer le bassin, on dépense de fortes sommes d'argent pour toutes sortes d'aménagements routiers. Par exemple, on ne peut pas utiliser Prince's Lodge, il y a possibilité de tourisme dans ce coin-là en raison de la ligne de chemin de fer.

La partie orange, ici, vous montre une solution temporaire sans même construire un pont de chemin de fer aux *Narrows*. Si *Fairview Cove* était comblé, *Harbour Drive* pourrait peut-être rejoindre la grand-route de Bedford près du *Yacht Club*. Ce serait peut-être une solution temporaire. Mais la région se développe rapidement au point de vue résidentiel alors que du côté de Dartmouth, la croissance est surtout industrielle. Revenons maintenant à la carte numéro 1.

Vous vous demandez peut-être pourquoi je parle de questions régionales durant votre comité. Mais à moins qu'on examine la situation des chemins de fer, tout le programme des routes en souffre actuellement et les heures-hommes perdues au cours d'une journée pour une petite ville comme Halifax est effroyable. Le problème de stationnement est aigu. Depuis des années, j'étudie les études du *Financial Post* en ce qui concerne nos centres urbains. Il semble que nous aurons 18 centres urbains au Canada dont plusieurs emploieront le transport par chemins de fer aux fins de réduire le nombre d'automobiles qui se trouvent au cœur de la ville. Je crois que toutes les villes comprennent qu'il existe un très grand problème en ce qui a trait au transport et au transport urbain aussi.

Voici la carte dans son ensemble. Cet écart de 500 verges devrait donc être éliminé par un pont ferroviaire, un pont levant évidemment, pour permettre aux navires de passer. J'ai des cartes ici qui indiquent la profondeur d'eau. L'Île *Navy* dont vous parlez se trouve justement ici. C'est là le point clé de tout mon mémoire, c'est celui-ci: le pont au-dessus des *Narrows* qui nous permettrait à l'avenir, lorsque la population augmentera, d'avoir une forme de transport urbain entre les deux villes, des parcs industriels ici à Burnside, ici à

[*Text*]

transport between the two cities. The industrial park at Burnside, at Woodside and at Lakeside would all be within reach of this rail.

As a matter of fact, right now the military establishments, the colleges and the shopping centres on both sides of the harbour are very, very close to the real line, and here we are driving big cars with one or two people to a car when we have this possibility. Also on both sides of the harbour the railway goes past the best beaches we have in Nova Scotia, right down to Liverpool on the eastern shore also. We had over a million tourists last year in Nova Scotia but they cannot get to the water here because there are so many railroads in the way.

I sometimes think we should advertise "Nova Scotia by the railroads" rather than "Nova Scotia by the sea" because we do have an excess of misplaced railroads in this area.

For example, the explosion at 1916 blew up the railway station here and following that, during that time, Halifax was carved up like a turkey. Prime residential land was developed here, and the main terminus is down here now, but that is becoming congested and here are 30 miles of virtually unused rail tracks because there is no station there any more. Even less than carload freight no longer uses this route. So we have about 30 miles of track here virtually unused and in the meantime our population, industrial and residential, has grown so that man-hours lost each day are staggering.

The land where I am pointing is largely DND land, federally owned. There is the Bedford magazine, for example. What the brief suggests is that consideration be given to closing this gap and rejoining the main line here by the most efficient route. You will notice here at this point that the single line and the double line are only two miles apart. The scheme would reduce the number of tracks from three to two. We have two tracks here and one here. There will be an economy of distance; it is much shorter from this point to Windsor Junction than appears from this point.

Following the lead of Ottawa and other cities across Canada, is it not the tendency to move railway terminals and marshalling yards outside of the city where they can be given room to expand? We are hoping that the Committee will take a look at this. As a private citizen I cannot expect to ask you to lend very much weight to what I say, but it follows many years of study on this matter in

[*Interpretation*]

Woodside et là-bas à Lakeside qui seraient tous desservis par chemin de fer.

A l'heure actuelle, évidemment, les établissements militaires et collèges, les centres d'achats des deux côtés du port sont tous très proches de la ligne de chemin de fer. Et maintenant, nous conduisons de gros ses automobiles, avec, en moyenne, une ou deux personnes dans chaque automobile alors que nous avons ces possibilités. Les chemins de fer longent les meilleurs plages que nous avons, jusqu'à Liverpool, le long de la côte est. L'an dernier, nous avons eu plus de 1 million de touristes et ils ne sont pas capables de se rendre jusqu'à la mer à cause du nombre de lignes de chemins de fer. Je crois parfois que nous devrions peut-être annoncer la Nouvelle-Écosse sur les chemins de fer au lieu de dire la Nouvelle-Écosse sur mer. Nous avons beaucoup de lignes de chemins de fer en effet, dans cette région.

Par exemple, l'explosion de 1916 a fait sauter la gare ici. Ensuite, pendant ce temps, on a sectionné Halifax tout comme on coupe une dinde et voici maintenant le terminus principal à l'heure actuelle; mais il devient congestionné. Ici, vous avez 30 milles de lignes ferroviaires pratiquement inutilisées car il n'y a plus de gare à cet endroit et même les marchandises de moins d'un wagonnée n'emploient plus ce parcours. Par conséquent, nous avons environ 30 milles de voies ferrées qui sont inutilisées. Entre temps notre population industrielle et résidentielle s'est tellement accrue que le nombre de heures-hommes perdus par jour est effroyable.

Voici un terrain qui appartient en grande partie au ministère de la Défense nationale propriété du gouvernement fédéral. Ce que suggère le mémoire, c'est que nous étudions la possibilité de combler ce vide et que nous rejoignions la ligne principale par la route la plus efficace. Et maintenant, cette voie unique et cette ligne à double voies ne sont qu'à trois milles de distance l'une de l'autre. Nous réduirions les voies de 3 à 2 et par conséquent, il y aurait une épargne de distance à cet endroit-ci à *Windsor Junction*.

Suivant l'exemple d'Ottawa et d'autres villes à travers le Canada, n'est-ce pas la tendance de déplacer les cours de triage et les gares à l'extérieur de la ville où elles peuvent prendre de l'expansion. Nous espérons donc que le comité examinera ce problème et je ne m'attends pas, évidemment, à titre de citoyen que vous accordiez beaucoup de considération à ce que je vous dis, mais c'est après

[*Texte*]

conunction with various groups and it looks s if a solution might be to shorten the routes nd with containerization coming it does not lter the picture here at all.

The trains would simply come through ere, around the shore, putting Dartmouth on he main line. A railway sub-station would be n this area so passengers could go on the rain there and pick up the Dartmouth pasengers here—or all north-end Halifax; all his area. People living in this area would refer to catch a train there across the new arrows road bridge which opens this fall—a our-lane bridge—to avoid the congestion owntown. So it does things; it puts Dartouth on the main line, making accessible to ll these people a railway station, including he federal naval, and air force people and it aves the way for eventual rail commuter ervice in the Halifax Metro area.

I am not asking that this be done all at nce; the plan lends itself to a series of tages. But at least, gentlemen, I am asking ow that you give some thought to setting side the land while the land is still available. hank you very much, Mr. Chairman.

The Chairman: Thank you, very much.

Mr. Rose: Mr. Chairman I would like to ongratulate Mr. Sellick and his students for heir excellent presentation and also for takng the time to come down here. I think it is ery encouraging to see a teacher and a roup of students who are public spirited nough to take the time to prepare all this aterial and to present it to a parliamentary ody in this way. I especially appreciated the se of visual aids, because most people feel at verbal communication is perhaps the ost effective way and I do not agree with em, in spite of the fact that I do considera-le talking at these meetings.

I was going to ask you, sir, if there is any ter-urban public transportation at the oment. You mentioned the congestion over e bridge with auto traffic and one or two eople in the cars. Do you have any public ansportation at the moment?

Mr. Sellick: Bus only. The Halifax trolleys o go over to Dartmouth just across the idge and pick up passengers there, but they e at the mercy of the automobile. It is a vo-lane bridge and one flat tire on one car ums the works.

Mr. Rose: I see. These are trolley buses are ey?

Mr. Sellick: Trolley buses, yes.

[*Interprétation*]

nombreuses années d'étude que ce mémoire vous est présenté. Il me semble donc que ce serait une solution. Une autre route plus courte, surtout en vue du transport par cadres.

Le train ferait le tour du rivage ici et la gare serait de l'autre côté. Les passagers prendraient le train à l'autre bout d'Halifax ou même ici, tout le long de cette région d'Halifax, les gens préféreraient prendre le train de l'autre côté du nouveau pont des *Narrows* qui ouvre cet automne. Ce qui reviendrait à deux choses: mettre Dartmouth sur la ligne principale qui donnerait accès à tous ces gens, le personnel des forces armées, dans la même situation, et cela nous donne la possibilité à la longue d'avoir un système de transport urbain pour toute la région d'Halifax et Dartmouth. Je ne dis pas que tout cela devrait se faire immédiatement, on pourrait mettre ce projet en marche par étape. Mais, au moins, messieurs, je vous demanderais de songer à réserver le terrain alors qu'il est encore disponible. Je vous remercie beaucoup, monsieur le président.

Le président: Merci monsieur Sellick.

M. Rose: Monsieur le président, j'aimerais féliciter monsieur Sellick et ses étudiants pour leur excellente présentation et aussi d'avoir pris le temps de venir nous voir. Je crois que c'est très encourageant de voir un enseignant et un groupe d'étudiants qui témoignent assez d'intérêt pour venir présenter un mémoire à une commission parlementaire. J'ai apprécié surtout l'emploi de cartes car la plupart des gens trouvent évidemment que la parole est plus efficace mais je ne suis pas du même avis. Même si je parle beaucoup lors d'une réunion, monsieur le président.

J'allais vous demander s'il y avait un service de transport interurbain à l'heure actuelle. Vous avez mentionné la congestion qui existe sur le pont etc.; avez-vous un réseau de transport public?

M. Sellick: Par autobus seulement. Les *trolleys* d'Halifax vont à Dartmouth juste l'autre côté du pont pour cueillir les passagers mais il sont à la merci de l'automobie. Il y a deux ponts principaux mais s'il y a une crevaison, tout est bloqué.

M. Rose: Il s'agit de trolley bus?

M. Sellick: Oui, de trolley bus.

[*Text*]

Mr. Rose: We find in some areas that although buses are greatly needed they are not being used. Is that the case here in Halifax?

Mr. Sellick: They are used but both cities, as you know, have very hilly terrain. They do not lend themselves very well to bus traffic that must follow the same route as the cars. Long before the magic number of a half million is reached, these two areas could profit by some form of rail transport, particularly in winter time, because of the facts that I have mentioned—the hilly terrain and the high cost of motoring here. The cost of owning a car and operating it is very great here because of the corrosion and the deterioration.

A survey shows that families in this area spend a higher percentage on the family car than any other ten cities in Canada studied.

It is mostly a matter of competing with the private car. Buses run from this area but not very frequently, perhaps every hour or every half hour, and cannot be relied upon because of the heavy traffic route. For example, yesterday morning on my way around I passed the last car here, almost at Bedford. There is a tremendous clogging up at Arundale and the bridge. Halifax is a tight little island virtually at the mercy of about three outlets.

Mr. Rose: You are suggesting it is a tight little island in the sense that it is congested, rather than that perhaps it consumes a great quantity of spirituous beverages, or something.

Mr. Sellick: Right.

Mr. Rose: It has been said, sir, the factor that determines whether people will use public transportation or their private cars is not necessarily so much population, but how unsatisfactory it is to drive a car; how frustrating and fatiguing. Would you say this is so in this city?

Mr. Sellick: It is very bad for the size of the icty, and the parking problem is becoming very acute. Halifax has raised its meter rates now to 25 cents and hopes to avoid congestion, but every year the situation becomes worse and worse because of the fact that a good deal of traffic is down at the south end. The north end is developing but the rail lines, as you can see, are in the way unless they are used efficiently. Parking areas could be set aside for cars as they have been in the Toronto-Burlington area.

Mr. Rose: Sir, you made a statement that I will paraphrase and I would like you to

[*Interpretation*]

M. Rose: Même si on avait besoin d'auto bus, nous trouvons qu'à certains endroits, o ne les emploie pas, est-ce le cas ici aussi Halifax?

M. Sellick: Oui, mais comme vous le savez les deux villes ont beaucoup de côtes et pa conséquent, les autobus doivent suivre le mêmes routes que les automobiles. Bien avan que l'on atteigne le chiffre magique d'un dem million d'habitants les deux villes pourraien certainement profiter d'une forme de trans port par rails, surtout en hiver en raison de facteurs que j'ai mentionnés. Le coût de l'en tretien et de l'usage des automobiles, est trè élevé à cause de la corrosion.

On a trouvé justement, grâce à une étud que les familles de Halifax dépensent beau coup plus pour une automobile que n'import où au Canada. Par conséquent, il s'agit d'un concurrence, entre les autos et les transport publics. Les autobus partent d'ici mais il n' en a pas tellement. Le service n'est pas telle ment rapide en raison de la circulation. E faisant tout le tour hier matin et j'ai passé l dernier bus à Bedford. Halifax se trouve êtr une petite ville très resserrée et pratiquemen à la merci de trois débouchés.

M. Rose: Vous voulez dire que c'est conge tionné c'est la raison pour laquelle vous dite c'est une petite ville resserrée plutôt que pa suite d'autres facteurs.

M. Sellick: Oui, c'est juste.

M. Rose: Le facteur décisif est de savoir les gens emploieront le transport public. Cel dépend non seulement de la population ma aussi jusqu'à quel point c'est frustrant c conduire sa propre voiture; est-ce le cas i dans cette ville?

M. Sellick: La situation est terrible. Le pr blème du stationnement est aigu. Halifa maintenant a porté le prix de ses compteurs 25 cents en parlant d'éviter la congestio chaque année, la situation empire par sui du fait qu'une bonne part du trafic se trou dans la partie sud. On développe le nord ma en fait, les voies ferrées, comme vous voyez, coupent les débouchés à moins de l employer de façon efficace. Des parcs de st tionnement pourraient être réservés pour l automobiles comme on l'a fait sur la lig Toronto-Burlington.

M. Rose: Vous avez fait une déclaration j'aimerais bien que vous me donniez d'autr

[Texte]

xpand on it if you will. You said rail lines e an inhibitor towards regional planning. e have had a similar situation in the Fraser alley where I come from with the new unit ain lines. What have you got to say about at situation here. You are calling for the moval of rail lines, are you not?

Mr. Sellick: I am calling for the relocation rail lines that grew up like Topsy through e ages. Here are the yards and lines that e in a residential area. Here is an area with s of room to expand for industrial growth, nty of space to locate the rail lines proper- a much shorter route, a more efficient ute that would fit in with future planning. would be economical for the railway to sider it and to convert this roadbed to a hway. This is badly needed for a highway. is Bicentennial Drive has not proven ccessful. It is used to only one-third of its pacity.

Mr. Rose: Perhaps as the region grows it ght have more use because there might be idences out there. I do not want to pursue t because I do not want to take up too ch time.

Mr. Sellick: But I would mention, sir, that loes enter Halifax at the wrong place. That d was put in because of reluctance to tack- the railway on this question. A great deal money was spent and it is used to only -third capacity.

Mr. Rose: Sir, I will not pursue it beyond s point. Are these rail lines all one road?

Mr. Sellick: All one?

Mr. Rose: Yes. Or is it CPR plus CNR?

Mr. Sellick: No. They are all CNR lines hough CPR coming up from the valley s—they are CNR lines.

Mr. Rose: There is no particular advantage rationalizing the rail lines here because y are all served by the one trackage any-y?

Mr. Sellick: Right.

Mr. Rose: Thank you very much.

The Chairman: Mr. Horner.

Mr. Horner: Have you talked it over with city council at all? What is their opinion his planning?

[Interprétation]

détails si vous le voulez bien, à l'effet que les voies ferroviaires empêchent la planification régionale. Nous avons eu une situation analogue dans la vallée de Fraser d'où je viens, moi, avec les lignes de chemins de fer uniques. Qu'est-ce que vous avez à dire à ce sujet ici? Demandez-vous qu'on enlève les voies ferrées?

M. Sellick: Je demande qu'on déplace les voies ferrées qui ont poussé comme des champignons au cours des années. Voici les cours de triage et les voies ferrées qui se trouvent dans une section résidentielle. Voici un autre endroit où il y a beaucoup de place libre où l'on pourrait déplacer les voies ferroviaires qui donnerait une route plus efficace et plus courte grâce à cette planification. Ce serait très économique pour le chemin de fer d'étudier cette possibilité et nous pourrions alors prendre le sommier de la ligne ferroviaire pour en faire une grande route. L'autre grande route la *Bicentennial Drive* n'est pas tellement réussie. On s'en sert à peine au tiers de sa capacité.

M. Rose: Peut-être qu'au fur et à mesure de l'expansion, on s'en servira de plus en plus mais je ne veux pas prendre plus de temps.

M. Sellick: Je pourrais dire, par exemple, que nous entrons à Halifax par le mauvais bout, si vous le voulez. Cette route avait justement été construite, de façon à ne pas chatouiller les principes des compagnies de chemin de fer. Elle a coûté très cher et ce n'est que le tiers de sa capacité qui est employé.

M. Rose: Je ne poursuivrai pas la question plus loin. Est-ce que ces lignes appartiennent à une ou à plusieurs compagnies?

M. Sellick: Une seule compagnie?

M. Rose: Oui. Ou est-ce qu'il s'agit du CP et du CN?

M. Sellick: Non, ce sont toutes des lignes du CN. Le CP qui vient de la vallée s'en sert, mais les lignes appartiennent au CN.

M. Rose: Il n'y a donc aucun avantage à rationaliser, car les deux se servent des mêmes voies ferrées.

M. Sellick: En effet.

M. Rose: Merci beaucoup.

Le président: Monsieur Horner.

M. Horner: Avez-vous discuté de ces questions avec le conseil municipal? Que pense-t-il de cette planification?

[*Text*]

Mr. Sellick: Yes, I am a sort of a metropolitan citizen: I work with Dartmouth, Halifax, and the county and the consensus is, of course, that we have a serious problem on our hands. City council members I have talked to agree there is a serious technical problem if it can not be put in without interfering with the containerized shipping. The depth there is anywhere from 60 to 80 feet and the width of the channel is 300 feet or more and some dredging could be done.

Mr. Horner: It would be a pretty costly bridge, would it?

Mr. Sellick: No, it is only 500 yards long. It has to be a low level bridge because it will handle only about one per cent grade whereas the present road bridge is 160 feet high like the Angus L. MacDonald Bridge. This bridge, by the way, when it opens, is going to alter the picture. This part of the area is going to develop much faster after that bridge is opened in December.

Mr. Horner: What bridge is going to open in December?

Mr. Sellick: A road bridge.

Mr. Horner: A road bridge.

Mr. Sellick: A road bridge here.

Mr. Horner: What do the railroads think of your plan of shuffling their track around? Do they approve of it?

Mr. Sellick: The last word I have on it—when Mr. Regan was member of Parliament he put the question to Mr. Gordon at a Railway Committee meeting and the answer was that when the land was needed for other purposes, certainly the railway would consider it.

Mr. Horner: In many places in western Canada, Saskatoon, Calgary, Edmonton, the railways have moved out of the city. Ottawa is another example, to some extent. They are thinking of moving in Calgary. They could not get along with the city council; that is the big problem there.

Mr. Sellick: Yes.

Mr. Horner: There has been no real getting together of the three bodies concerned here on this bridge?

Mr. Sellick: No. I am sorry to say there has not been very good co-operation among the three local governments concerned.

[*Interpretation*]

M. Sellick: Oui, je suis en quelque sort citoyen de la métropole, car je travaille Dartmouth, Halifax, et dans le comté même Selon l'opinion générale, nous avons un grav problème de circulation. Les membres d conseil municipal auxquels j'ai parlé recon naissent qu'il y a vraiment un problème tech nique sérieux si on ne peut faire escale san nuire au transport par cadres. La profondeu à cet endroit est de 60 à 80 pieds et le chena est large de 300 pieds ou plus, et on pourra y faire du dragage.

M. Horner: Le pont coûterait assez che n'est-ce pas?

M. Sellick: Non, il n'a que 500 verges d longueur. Il faudrait que ce soit un pont à ba niveau, alors que le pont de la route, l'heure actuelle, est haut de 160 pieds, comm le pont Angus L. MacDonald. Lorsqu'o ouvrira le pont en décembre, toute cette pa tie de la région se développera plu rapidement.

M. Horner: Quel pont doit ouvrir e décembre?

M. Sellick: Un viaduc.

M. Horner: Un viaduc?

M. Sellick: Oui.

M. Horner: Qu'est-ce que les chemins d fer pensent du déplacement de leurs lignes d chemin de fer? Est-ce qu'ils l'approuvent?

M. Sellick: M. Regan, lorsqu'il était dépu avait posé la question à M. Gordon, lors d'u séance du comité des chemins de fer, et d avait répondu qu'évidemment, lorsque la ci culation le justifierait, on envisagerait cet possibilité de déplacer les lignes.

M. Horner: A plusieurs endroits, da l'Ouest du Canada, Saskatoon, Calgar Edmonton, on a déplacé les chemins de fer l'extérieur de la ville. Ottawa est un aut exemple, jusqu'à un certain point. On y son à Calgary. C'est le conseil municipal qui n'y pas consenti jusque là. Voilà le problèr là-bas.

M. Sellick: Oui.

M. Horner: Mais, ici, en fait, il n'y a pas vraiment de collaboration entre les trois org nismes intéressés?

M. Sellick: Non, je dois reconnaître qu'il a eu très peu de collaboration entre les tr gouvernements locaux en cause.

[*Texte*]

Mr. Horner: Do you think the federal government should take a little initiative through the C.T.C. in rail line rationalization?

Mr. Sellick: I would like to have a closer look at it. It seems to me that there is an excessive rail line here. There is a much shorter route here and a future location—the time may come when this station may have to be moved out and by planning now and setting aside the land now, this would make a more suitable site for the station. But the commuter idea is something for the future and the area lends itself very well to the possibility.

Mr. Horner: I commend you for the work you have done on it and wish you every success.

Some hon. Members: Hear, hear.

The Chairman: Mr. Carter.

Mr. Carter: Mr. Chairman, my questions were asked by Mr. Horner. Like the other members I would want to congratulate Mr. Sellick on his presentation but as all these areas fall within the municipalities, Halifax, Dartmouth and, I presume, Bedford, my question was, what is the reaction from the various councils involved, but you have already answered that question.

Mr. Sellick: It is such a big problem. Being a Maritimer, I will have to admit that we have developed a little psychology down here called the psychology of being powerless. Individuals do not feel that anything is going to happen. I think we have taken a pessimistic view and it does look like a big proposition,but if this were looked into fully with the shorter distance and the greater planning that could take place I am sure the picture would be altered. At the moment it just staggers the imagination of most people. It seems to be a staggering proposition.

Mr. Carter: Has the problem been discussed with the city planners of these two cities, Dartmouth and Halifax?

Mr. Sellick: Yes, at the present time a transportation study is being undertaken by the regional planning commission. The consultants were very interested in the idea and are including it in their report. So, it will be included there.

Mr. Carter: They share your concern pretty well as to the future use of land in that area and so on?

[*Interprétation*]

M. Horner: Croyez-vous que le gouvernement fédéral devrait prendre une certaine initiative grâce à la Commission canadienne des transports, en matière de rationalisation des lignes de chemins de fer?

M. Sellick: Je voudrais étudier la question de plus près. J'ai l'impression qu'il y a trop de voies ferrées ici. La route de ce côté-ci serait beaucoup plus courte et le moment viendra peut-être où il faudra déplacer la gare. Alors, en réservant le terrain, à l'heure actuelle, l'emplacement serait plus propice pour la gare. Mais l'idée, c'est de prévoir pour l'avenir, et la région se prête très bien à cela.

M. Horner: Je vous félicite du travail que vous avez fait, et je vous souhaite plein succès.

Des voix: Bien dit!

Le président: Monsieur Carter.

M. Carter: Monsieur le président, mes questions ont été posées par M. Horner. Tout comme les autres membres, je voudrais féliciter M. Sellick pour son mémoire. Mais comme toutes ces régions se trouvent à être dans des municipalités, Halifax, Dartmouth et, je présume, Bedford, je voulais savoir quelle est la réaction des divers conseils municipaux en cause, mais vous avez déjà répondu à cette question.

M. Sellick: Le problème est tellement formidable. Dans les Maritimes, je dois avouer que nous avons réussi à développer une psychologie, celle que nous appelons la psychologie des impuissants. On ne croit pas que quelque chose puisse se produire. Je crois que nous avons probablement adopté une attitude pessimiste. En fait, on dirait qu'il s'agit d'un programme d'envergure, mais si on examinait la question de plus près, la question de la réduction du parcours et la question de la planification pour l'avenir, ce serait très sensé, mais à l'heure actuelle, on semble croire que le projet est fantastique, est trop énorme.

M. Carter: Est-ce qu'on a discuté du problème avec les urbanistes de ces deux villes, Dartmouth et Halifax?

M. Sellick: Oui. A l'heure actuelle, il y a une étude qui a été entreprise par la commission régionale d'urbanisme. Les conseillers en urbanisme sont très intéressés par cette idée et ils vont l'inclure dans leur rapport. Alors, on la trouvera là.

M. Carter: Comme vous, ils se préoccupent surtout de l'emploi futur du terrain dans cette région, et ainsi de suite?

[*Text*]

Mr. Sellick: They do.

The Chairman: Mr. Portelance.

Mr. Portelance: I would like to ask Mr. Sellick if this problem was ever brought up with Mr. Stanfield, the representative of this riding?

Mr. Sellick: I have had correspondence with Mr. Stanfield when he was Premier here and since he went to Ottawa. He is very sympathetic toward it although he will not commit himself. He did, however, make a decision on the Narrows road bridge. From a traffic standpoint, purely traffic standpoint, the south end road bridge was preferable but from a planning standpoint, the north end crossing was preferable. The answer is simply this, that the area for development in Halifax-Dartmouth is here. This land is unlimited, right to Canso if necessary, and it is a vast area of land and there is where the growth is going to be.

The Chairman: That completes the questioning, thank you.

The briefs of the Atlantic Bridge Company Limited, Nova Headwear Limited, and Eastern Drug Services will stand.

Gentlemen, this completes our work for this afternoon.

Mr. Skoberg: Mr. Marsh of the Port of Halifax Commission has suggested that he would pick those of us up who would like to see the port facility and the proposed port in the morning at 8:45 o'clock for 45 minutes.

The Chairman: I am sorry, we cannot do it unless we do it now.

Mr. Skoberg: What is wrong with 8:45 o'clock in the morning. We are back here at 9:30 o'clock?

The Chairman: We will be out of our scheduled time again tomorrow morning.

Mr. Skoberg: I thought we were starting at 9:30 o'clock are we not? Forty-five minutes.

Mr. Horner: We will be back.

The Chairman: We have to make it 8:30 o'clock.

Mr. Skoberg: We are going to be back here at 9:30 o'clock. For those that want to go he said he will have a bus up there at the Lord Nelson Hotel and down at the other hotel in the morning.

[*Interpretation*]

M. Sellick: En effet.

Le président: Monsieur Portelance.

M. Portelance: J'aimerais demander à Sellick si le problème a été discuté avec Stanfield, qui représente cette circonscri tion-ci.

M. Sellick: J'ai déjà eu un échange de co respondance avec M. Stanfield quand il ét premier ministre ici, et depuis qu'il est ren à Ottawa. Il est très sympathique à l'id même s'il ne veut pas se compromettre s'engager. Il a toutefois pris une décision ce qui concerne le pont Narrows. Du point vue de la circulation, évidemment, le po aurait été préférable à l'extrémité sud, m du point de vue de la planification, c' mieux à l'extrémité nord. La réponse, c' que la région la mieux située pour le dével pement d'Halifax-Dartmouth se trouve ici. terrain est illimité, d'ici jusqu'à Canso, besoin. C'est un vaste terrain qui serait dis nible, et c'est là que la croissance va produire.

Le président: C'est la fin de notre péric de questions. Je vous remercie.

Nous allons réserver les mémoires de l'*lantic Bridge Company Limited*, de la *No Headwear Limited* et de la *Eastern D Services*.

Alors, Messieurs, ceci met fin à notre t vail pour l'après-midi.

M. Skoberg: M. March, de la Commiss du port d'Halifax, a laissé entendre q prendra avec lui ceux d'entre nous qui d rent visiter le port et le projet du port, heures moins le quart, pendant 45 minutes.

Le président: On ne peut le faire à mo de le faire maintenant.

M. Skoberg: Pourquoi ne pas le faire heures moins le quart, le matin; on serait de retour ici à 9 heures trente?

Le président: Il faut tenir compte du vail que nous avons à faire demain.

M. Skoberg: Je croyais que nous alli commencer à 9 heures trente. Quarante-c minutes.

M. Horner: Nous serons de retour.

Le président: Nous devons nous réunir heures trente.

M. Skoberg: Nous serons de retour à 9 h res trente. Pour ceux qui veulent y aller, aura un autobus au Lord Nelson, qui se dra à l'autre hôtel.

Texte]

The Chairman: Does the Committee agree o that? It is agreed.

Do not forget that we meet here tonight at :00 o'clock. There will be a reception onight at the Lord Nelson Hotel from 6:00 clock to 7:00 o'clock by the hon. T. J. [cKeough, Minister of Trade and Industry. We are sitting tonight at 8:00 o'clock. greed?

Some hon. Members: Agreed.

EVENING SITTING

The Chairman: Ladies and gentlemen, our ext briefing tonight will be by the Halifax oard of Trade, page 621. I have here Mr. eorge Robertson.

Mr. George Robertson (Vice-President, alifax Board of Trade): Mr. Chairman, embers of the Committee, it was very acious of you to permit us to be with you is evening. Our brief was submitted last ar and is in a general form, not dealing too uch with detailed specifics.

The brief primarily sets forth the point that e Halifax Board of Trade is deeply volved in matters of the Maritime Trans- rtation Commission and has accordingly en in support of its representations. The ard in its brief has set forth the serious sparity of income of the population of the aritime Provinces and the effect, because of at, of transportation costs into and out of ese provinces.

Our Board was involved in the organization a shippers' association from Toronto and ontreal into Halifax but our local distribu- n of goods just is not large enough to sup- rt local grouping of the same type. Our nufacturers are supplying a very small pulation very widely scattered, and many our people are not able to be reached by ese manufacturers on terms that are really vourable to the local manufacturers vis-à- those who are shipping from more central nts in Ontario and Quebec.

Despite the fact that we are on the ocean board here in Halifax, we are not in a very vourable position because of that due to the t that the overseas shipping rates to Hali- are basically the same as to Montreal and get no added advantage, in ordinary tances, for cargos in or out of this port for local manufacturing or shipping purposes. would suggest to you that the Port of lifax is one of the most important national

[*Interprétation*]

Le président: Le Comité est-il d'accord? Convenu.

Noubliez pas que nous nous réunissons ce soir à 8 heures. Ce soir, il y aura une réception au Lord Nelson, de 6 à 7. C'est M. T. J. McKeough, ministre du Commerce et de l'Industrie qui nous reçoit.

Nous siégeons ce soir, à 8 heures. D'accord?

Des voix: D'accord.

SÉANCE DU SOIR

Le président: Mesdames, messieurs, nous allons maintenant entendre la présentation du mémoire de la Chambre de commerce d'Halifax, qui se trouve à la page 621. Nous avons ce soir avec nous M. George Robertson.

M. George Robertson (vice-président de la Chambre de commerce d'Halifax): Monsieur le président, messieurs les membres du Comité, nous sommes heureux d'être accueillis par vous ici ce soir. Nous avons présenté notre mémoire l'année dernière. Il traite de la situation d'ensemble, sans s'attacher au détail.

Le mémoire établit essentiellement le fait que la Chambre de commerce d'Halifax a appuyé les instances présentées par la Commission des transports des Maritimes, avec laquelle elle est en rapport étroit. Dans son mémoire, la Chambre de commerce a signalé la disparité grave des revenus de la population des provinces Maritimes, et les effets qu'ont, en conséquence, les coûts du transport vers ces provinces et en provenance de ces provinces.

Notre Chambre de commerce s'est occupée de l'organisation d'une association d'expéditeurs de Toronto et de Montréal vers Halifax, mais la distribution locale de nos denrées n'est pas suffisante pour soutenir des associations locales du même genre. Nos fabricants approvisionnent une très petite population, très éparpillée, et bon nombre de nos gens ne peuvent être atteints par ces fabricants à des conditions qui avantagent vraiment nos fabricants locaux par rapport à ceux qui expédient leurs produits de points plus centraux, soit de l'Ontario et du Québec.

Bien que nous nous trouvions sur le littoral de l'Atlantique, ici, à Halifax, nous ne sommes pas dans une situation très favorable pour autant, car les tarifs d'expédition d'outre-mer, que ce soit vers Halifax ou vers Montréal, sont essentiellement les mêmes. Et nous n'avons pas d'avantage supplémentaire, la plupart du temps, pour les cargaisons qui arrivent dans notre port ou en sortent, aux fins de notre fabrication ou de notre expédi-

[*Text*]

assets of this country but the port of New York probably carries far more Canadian goods in and out than are ever shipped in the course of a year through Halifax.

We are very much concerned about the continuation of the concept of the Maritime Freight Rates Act of 1927. We feel it should be updated and the concept should be developed and enhanced to support transportation problems in this area. The governments of the four provinces have already made detailed representations and we support them.

We suggest primarily that the favourable establishment of freight rates that are geared to these provinces will benefit the other parts of Canada, particularly the Quebec and Ontario manufacturers, in keeping up the purchasing power of this area, and the shipment of our goods to the central Canadian market will do the same. We stress that our producers, both the primary and secondary, work on a smaller volume and longer distances to consumers, a widely scattered local market and, most important, I suggest, the slim profit possibilities because of the lower volume of business available to them.

And when transportation rates alter seriously, our producers just cannot keep up with the variations and survive. So it is very important to us that the preferential freight rate system be maintained. The changes in less-than-carload-lot rates last year greatly increased the cost of goods throughout this province and elsewhere in the Maritime and Atlantic area.

Something has happened too since we put in the brief last year. The development of containerization through the port of Halifax is now becoming a real possibility and the shipment of large cargos through trains specially designed to carry bulk cargos and connecting with world shipping facilities can be developed through Halifax if this opportunity is seized, but we need a great deal of support in transportation to make this possible.

The railways I suggest are not geared to this at the moment. They need a great deal of improvement in roadbeds and facilities. We have only single tracks through a great part of the Maritimes and unless there is a lot done to improve the railway system, we will

[*Interpretation*]

tion régionales. Je dirais que le port d'Halifa est l'un des avantages nationaux les pl importants de ce pays. Malgré tout, le port New-York reçoit et expédie beaucoup plus marchandises canadiennes au cours d'u année qu'on n'en voit ici, à Halifax.

Nous tenons énormément au maintien d principes de la Loi de 1927 sur le transpo des marchandises dans les Maritimes. E devrait être mise à jour, et les principes q l'inspirent devraient être étendus et renfor afin d'aider à résoudre le problème des tra ports dans cette région. Les gouvernemer des quatre provinces ont déjà présenté instances détaillées, et nous les appuyons.

Nous estimons, avant tout, que l'établis ment d'un tarif-marchandises conçu en fo tion de ces provinces servira aussi les intér du reste du Canada, et en particulier fabricants du Québec et de l'Ontario, maintenant le pouvoir d'achat de cette régi et il en est de même de l'expédition de produits vers les marchés du centre Canada. Nous signalons que nos producte aussi bien primaires que secondaires, trav lent en fonction d'un volume plus fai d'une plus longue distance à parcourir p atteindre le consommateur, d'un marché l très éparpillé, et, ce qui est à mon avis, plus important, d'une marge de profits be coup plus mince, vu le volume assez réduit leurs affaires.

Lorsque le tarif du transport se modifie façon sensible, nos producteurs ne peuv faire face à ces variations et survivre. Il donc très important, pour nous, que le rég du tarif préférentiel pour le transport marchandises soit maintenu. La modifica apportée l'an dernier au tarif de transport marchandises par chargement incomplet a monter considérablement le prix des den dans toute la province et ailleurs dans régions Maritimes et Atlantiques.

Quelque chose d'autre s'est produit de que nous avions présenté ce mémoire dernier. L'emploi du transport par cadres le port d'Halifax devient maintenant une sibilité réelle, et l'on pourrait développer moyen d'Halifax, l'expédition de grosses gaisons par trains conçus spécialement le transport des grosses cargaisons et r aux voies d'expédition du monde, si l'on fitait de cette occasion, mais il nous fau appui considérable, dans le domaine transports, pour y parvenir.

Les chemins de fer ne sont pas adaptés situation nouvelle, pour le moment. Il faut améliorer considérablement la su structure ferroviaire, ainsi que notre ser Nous n'avons que des chemins de fer à unique dans une bonne partie des Mariti

[*Texte*]

not be able to seize the opportunity to develop containerization and these large bulk shipment procedures which are now coming into being.

The Chairman: Thank you very much for your presentation. Mr. Thomas.

Mr. Thomas (Moncton): Mr. Chairman, Mr. Robertson, one thing I have noticed—it has been a pattern over the years but it becomes very evident when there is labour trouble, for example, in the port of New York, that a great deal of overseas traffic is then diverted to Halifax. There is export traffic from Canadian exporters going overseas which had been going through the port of New York, and a lot of it is import traffic coming into the country—Canadian importers bringing their goods in through New York. Halifax does not seem to get the benefit of this unless there is trouble in New York and the ships are diverted to Halifax.

What is the reason that these importers and exporters are using the port of New York instead of the Port of Halifax?

Mr. Robertson: I suppose the brutal truth is that the ocean shipping rates across the Atlantic are basically the same to Halifax, New York or Montreal. There is a much shorter freight route from New York to Toronto or Montreal and cost is therefore going to be considerably less.

Mr. Thomas (Moncton): I suppose it may be a redundant question, but has the Port of Halifax made representation—I suppose they have over the years—to the shipping companies? Is there any possibility of having these rates altered? Obviously if Halifax can be used when New York is in trouble, if Halifax could get these shipments on a regular basis it would add a great deal to your revenues and your income here.

Mr. Robertson: I do not think the Port of Halifax as a small entity is capable of breaking the world freight rate system of the shipping companies.

Mr. Thomas (Moncton): The reason I bring this up is that it is just another one of the problems you have here. The fact is that this is what is taking trade away from the Port of Halifax that could very well come here.

Mr. Robertson: In fairness, the handling of the cargos in and out of vessels is almost as

[*Interprétation*]

et, à moins que l'on n'améliore beaucoup notre réseau ferroviaire, nous ne serons pas en mesure de profiter de cette occasion de mettre au point le transport par cadres et les méthodes d'expédition de grosses cargaisons qui deviennent maintenant possibles.

Le président: Merci beaucoup de votre exposé. Monsieur Thomas?

M. Thomas (Moncton): Monsieur le président, monsieur Robertson, j'ai remarqué une chose: cela est courant depuis des années, mais devient très évident lorsqu'il y a des difficultés sur le plan ouvrier, par exemple, dans le port de New York; une bonne partie du trafic d'outre-mer est alors dirigé sur Halifax. Il y a les exportations outre-mer des exportateurs canadiens qui passent ordinairement par le port de New York, ainsi que le traffic d'importation des importateurs canadiens qui font venir leurs marchandises par New York. Halifax semble ne bénéficier de tout ce trafic que lorsqu'il y a des difficultés à New York, et que l'on dirige alors les navires sur Halifax.

Pour quelle raison ces importateurs et exportateurs utilisent-ils le port de New York de préférence à celui d'Halifax?

M. Robertson: La vérité, c'est que les tarifs d'expédition sur l'Atlantique sont essentiellement les mêmes, qu'il s'agisse d'Halifax, de New York ou de Montréal. La route de transport des marchandises est beaucoup plus directe de New York à Montréal ou Toronto, et le coût est donc beaucoup moins élevé.

M. Thomas (Moncton): Ma question est peut-être inutile, mais est-ce que le port d'Halifax a présenté des instances,—je suppose que oui, au cours des années,—aux compagnies d'expédition. Ne serait-il pas possible de modifier ces tarifs? De toute évidence, si l'on peut avoir recours aux services d'Halifax, lorsqu'il y a des difficultés à New York, si Halifax pouvait obtenir ces expéditions de façon régulière, cela augmenterait considérablement vos recettes et vos revenus.

M. Robertson: Je ne pense pas que le port d'Halifax, qui n'est pas très important, puisse faire modifier le tarif de transport international des marchandises qu'appliquent les compagnies d'expédition.

M. Thomas (Moncton): Si je mentionne cette question, c'est qu'elle constitue l'un des nombreux problèmes qui se posent ici. A vrai dire, cela enlève au port d'Halifax une partie du commerce qui pourrait fort bien venir ici.

M. Robertson: A vrai dire, le chargement et le déchargement des cargaisons sont presque

[*Text*]

expensive as the transportation factor. A few hundred miles or a thousand miles additional on ocean routing may not add very materially to the cost of the actual ship use, particularly in broken cargo handling.

Mr. Thomas (Moncton): Is there anything then that the Port of Halifax could do that they have not already done to attract some of this export-import business to the port?

Mr. Robertson: I think that the great possibility for Halifax now is the development of these large bulk cargo movements such as ore concentrates out of the various parts of Canada to the European market and similar types of heavy shipments into, say, the central Canadian and central American market as well, such as ores and steel and things of this sort going into Detroit. What is happening is that the change in the cost of shipment by rail using very long trains and large bulk shipments of one commodity can drop the actual rail cost to a level that is competitive with the sea costs. And when this happens then Halifax can get into this stream and it can move shipments so much faster by rail if they are organized on this unit train basis.

Mr. Thomas (Moncton): That is all.

The Chairman: Mr. Nowlan.

Mr. Nowlan: Mr. Thomas covered pretty well the question I was going to ask. I quite agree that Halifax by itself could not exert too much influence on the international shipping cartel, but what about a government and the part of a government policy? Is the thing completely hopeless of using the wharf situation that we have and yet do not get benefit from?

Mr. Robertson: We have quite substantial facilities here. In the last week or two they have been used to their maximum.

Mr. Nowlan: That is because of the trouble down below.

Mr. Robertson: That is only partly so.

Mr. Nowlan: But my question is, if a government took as a matter of policy that this in effect is an international cartel and as far as transportation is concerned, there should be some benefit because we stick out in the Atlantic—New York and Halifax, yes—I can see why there is no difference there but I really wonder if there is a difference between

[*Interpretation*]

aussi coûteux que le transport. Quelques centaines de milliers de milles de plus sur l'océan n'ajoutent pas tellement au coût de l'utilisation du navire même, surtout pour les cargaisons incomplètes.

M. Thomas (Moncton): Y a-t-il quelque chose que le port d'Halifax pourrait faire, et qu'il n'ait par encore fait, pour attirer une partie du commerce d'importation et d'exportation.

M. Robertson: Je pense que la grande possibilité pour Halifax, à l'heure actuelle, réside dans la mise au point de ce transport de grosses cargaisons, comme les concentrés de minerai, des différentes régions du Canada vers le marché européen, ou d'autres expéditions lourdes de ce genre vers les marchés du centre du Canada ou du centre des États Unis, comme les minerais, l'acier, etc., qu'on l'on expédie à Détroit. Ce qui se produit, c'est le changement des coûts d'expédition ferroviaire par trains très longs et par grosses expéditions en vrac d'une même denrée peut faire baisser beaucoup le coût réel du transport ferroviaire jusqu'à un niveau qui puisse faire concurrence au coût du transport maritime. Si cela se produit, Halifax pourra entrer en jeu, et acheminer les expéditions beaucoup plus rapidement par chemin de fer, si l'on adopte ce système de train-unité.

M. Thomas (Moncton): C'est tout.

Le président: Monsieur Nowlan.

M. Nowlan: M. Thomas a posé à peu près la question que je voulais poser. Je conviens qu'Halifax seul ne pourrait exercer une influence réelle sur le cartel international d'expédition. Mais que dire d'un gouvernement, et du rôle que peut jouer sa politique? N'y a-t-il aucun espoir d'utiliser les quais que nous avons à notre disposition, et dont nous ne bénéficions pas?

M. Robertson: Nous avons des installations assez considérables. Ces deux dernières semaines, on les a utilisées au maximum.

M. Nowlan: C'est parce qu'il y a des difficultés aux États-Unis.

M. Robertson: Ce n'est là que l'une des raisons.

M. Nowlan: Mais je me demande, si le gouvernement adoptait comme politique qu'il s'agit en effet d'un cartel international, et qu'en matière de transports, nous devrions en retirer des bénéfices, car nous sommes sur l'Atlantique—New York et Halifax, oui, je peux comprendre qu'il n'y ait pas là de différence—mais y en a-t-il une entre Halifax

[*Texte*]

Halifax and Montreal. Is the thing completely hopeless as far as you are concerned and from the experience you have had in this field?

Mr. Robertson: I do not think it is hopeless but we would have to have a very favourable freight rate movement cost from Halifax to Montreal to really make up for the fact that the shipment into Montreal except for the time factor is costing the same.

Mr. Nowlan: So then, coming to the containerization, why do you think Halifax is going to develop as a containerization port when the preference is gone, as a matter of fact, to Montreal for the whole general cargo situation? Because they got together in London and agreed that Montreal and Halifax are the same as far as rates are concerned. It is not that I am against containerization but from your experience and point of view, why do you think the situation is not going to just revert to the way it has always been and that the containerization will be more economical to develop in Montreal?

Mr. Robertson: Perhaps it will. But the one favourable aspect about it and the one favourable possibility is that large bulk shipments which have small handling costs at dockside and the use of large trains—much larger than we now have—would reduce the unit handling costs and speed up the movement so much that it would take days off the shipping time. That would really make Halifax one of the most important links in a worldwide connection across the continent, right out to Vancouver and again out to Japan, for example.

Mr. Nowlan: Well, I am all for it. I just wanted an answer to relieve the problem in my mind that it has not worked so far and that we are not going to fall in the same dilemma.

Mr. Robertson: Mr. Nowlan, it is my view that if we can seize the opportunity in Halifax today and take advantage of this new possibility—and it is going to require a great deal of help from government at all levels—Halifax will become one of the most important world ports.

Mr. Nowlan: With help from government at all levels leads me to my last question. What can a transportation committee like this recommend as government policy? Does this mean the roadbed between here and Montreal

[*Interprétation*]

Montréal? Est-ce que la situation est vraiment désespérée, en ce qui vous concerne, et d'après l'expérience que vous en avez?

M. Robertson: Je ne pense pas que la situation soit désespérée, mais il nous faudrait avoir un tarif de transport des marchandises très avantageux d'Halifax à Montréal pour compenser réellement le fait que les expéditions vers Montréal, sauf pour ce qui est du facteur temps, coûtent la même chose.

M. Nowlan: Dans ce cas, si l'on en vient au transport par cadres, pourquoi pensez-vous qu'Halifax va devenir un port spécialisé dans ce type de transport, alors que la préférence est allée à Montréal, en fait, pour la situation d'ensemble relative aux cargaisons? Car, à Londres, on est convenu qu'il n'y a aucune différence entre Montréal et Halifax en ce qui concerne les tarifs. Ce n'est pas que je m'oppose au transport par cadres, mais, d'après votre expérience, pourquoi croyez-vous que la situation ne reviendra pas à ce qu'elle a toujours été, c'est-à-dire qu'il sera plus économique d'équiper Montréal pour le transport par cadres?

M. Robertson: Ce le sera peut-être. Mais l'aspect favorable pour nous, et la seule possibilité vraiment favorable pour nous, c'est que les grosses expéditions en vrac, qui entraînent des frais de manutention peu élevés, et qui permettent d'utiliser de longs trains—beaucoup plus longs que ceux que l'on utilise en ce moment—diminueraient les frais de manutention par unité et accéléreraient tellement l'expédition que cela permettrait de gagner des jours et des jours. Halifax deviendrait alors l'un des maillons les plus importants d'une chaîne internationale de transport à travers le continent: on irait directement à Vancouver, et, de là, au Japon, par exemple.

M. Nowlan: Je suis tout à fait en faveur de cela. Je voulais simplement m'assurer que, bien que cela n'ait pas marché jusqu'ici, nous n'allons pas nous retrouver dans le même dilemme.

M. Robertson: Monsieur Nowlan, je suis d'avis que si nous pouvons vraiment saisir l'occasion aujourd'hui, à Halifax, et profiter de cette nouvelle possibilité et il nous faudra pour cela beaucoup d'aide du gouvernement à tous les niveaux. Halifax deviendra l'un des ports les plus importants du monde.

M. Nowlan: L'aide du gouvernement à tous les niveaux, c'est là ce qui m'amène à ma dernière question. Qu'est-ce qu'un Comité des transports comme celui-ci peut recommander comme politique au gouvernement? Cela

[*Text*]

should be double-track or revitalized or have cranes down here at the National Harbours Board? What specifically can we recommend to implement this type of policy?

Mr. Robertson: First of all, to be fair, the National Harbours Board is now building containerization facilities. It is small scale, and if it works it will have to be expanded tremendously, but then the railway system has got to be completely altered because it could not cope with very long trains, with its present facilities and road bed. Here we are talking of trains of two and three to five miles in length.

Mr. Nowlan: While there is a pause, may I say that one of the fundamental factors in making this policy work would be the reconstruction of, in effect, all the road beds right across the country.

Mr. Robertson: It may well be.

Mr. Nowlan: That is all for me, Mr. Chairman.

The Chairman: Are there any further questions, gentlemen? Mr. Portelance?

Mr. Portelance: Mr. Chairman, I would like to ask this gentleman how long it takes now for a train to go from Halifax to Montreal and how long it takes to go by boat from Halifax to Montreal?

Mr. Robertson: It takes us several days by boat. If the freight system were geared up the train could, of course, get there in a relatively short time—under 24 hours—though, it does not at the present time under normal freight movement. Still, there are trains that go through in a relatively short time, as well. It is just simply a matter of routing.

At the present time, with basically one line, of course, the trains have to wait and pass one another, and so on. With very long trains this is going to present quite a problem because the movements both ways would call for really double tracking eventually.

Mr. Portelance: Would you say that a train now takes a couple of days and a boat six or seven?

Mr. Robertson: It will not take six or seven days. After all, the real question is not the boat from Halifax to Montreal; it is the fact that the boats coming across the Atlantic can reach Halifax—let us say they can move at least a day quicker, depending on where they are going and what great circle route they

[*Interpretation*]

veut-il dire que l'on devrait renouveler la superstructure entre ici et Montréal, ou aménager des doubles voies, ou faire construire des grues ici par le Conseil des ports nationaux? Quelles recommandations précises peut-on faire pour l'application d'une telle politique?

M. Robertson: Tout d'abord, pour être juste, le Conseil des ports nationaux est en train d'aménager des installations pour le transport par cadre. C'est sur une petit échelle et si cela donne des résultats il faudra prévoir une expansion et les services ferroviaires doivent être modifiés parce qu'ils ne peuvent avoir de longs trains avec l'aménagement actuel. On parle des trains de trois cinq milles de long.

M. Nowlan: Maintenant qu'il y a une pause puis-je me permettre de dire que l'un de facteurs fondamentaux de cette politique pour qu'elle marche serait la reconstruction de l'assiette de toutes les routes du pays.

M. Robertson: Ça se pourrait.

M. Nowlan: C'est tout pour moi, monsieur le président.

Le président: Avez-vous d'autres questions à poser? Monsieur Portelance?

M. Portelance: Monsieur le président, je voudrais demander au témoin, combien de temps il faut pour aller d'Halifax à Montréal par train et par bateau?

M. Robertson: Il faut plusieurs jours par bateau; si le réseau de messageries était en liaison avec les chemins de fer l'achemin ment se ferait en moins de 24 heures, mais n'est malheureusement pas le cas. Il y a tou jours des trains qui font ce parcours en rel tivement peu de temps. Actuellement, l trains doivent s'attendre les uns les autr puisqu'il n'y a qu'une seule ligne. Il faut l mettre sur les voies d'évitement et avec longs trains, cela présentera un problème, faudrait deux voies.

M. Portelance: Diriez-vous qu'un tra prend environ deux jours et un navire six sept?

M. Robertson: Pas tant que cela. Mais véritable question n'est pas le navire d'Ha fax à Montréal, c'est le fait que les navi qui franchissent l'Atlantique peuvent veni Halifax en un jour de moins. Cela dépend l'endroit où ils se rendent et de la route qu emploient. S'ils prennent le détroit de Bel

[*Texte*]

take. If it goes in through the Strait of Belle Isle it will take approximately a day longer to reach Montreal than it would to reach Halifax.

But the shipping world is changing. We are talking now of ships with a dead weight of 200,000 tons. These ships could not possibly go up the St. Lawrence River.

The Chairman: Mr. Rose?

Mr. Rose: Mr. Chairman, through you to Mr. Robertson, I notice in your brief that you make quite a point of the lower wages in this part of the country. What is your Board doing to increase those wages locally so as to increase the purchasing power and, therefore, the business, in your local markets? In other words, what are you doing to create a larger internal market and so increase the purchasing power of the people who live here?

Mr. Robertson: Statistically, of course, the cities of Sydney and Halifax are considerably above the average, in the sense of our local average. I think you would have first to accept the fact that these two major population groupings are not as depressed as the rest of the province of Nova Scotia, generally speaking, nor of course the other three provinces.

In Halifax I would say that although wage levels are below the Toronto and Windsor levels you will find a good many people earning reasonably comparable incomes.

Mr. Rose: Would that not be because a great number of the people here are civil servants and perhaps their income is more or less based upon what is the national norm?

Mr. Robertson: I do not think that is entirely true. It is true, in part, but there are differences in various aspects of civil servants; and, of course, many are municipal and provincial civil servants who are not affected by national norms, as such.

Mr. Rose: Would you say that most of the businesses represented on your Board of trade are making satisfactory profits?

Mr. Robertson: I think the general economic conditions in Halifax, and particularly the Halifax—Dartmouth metropolitan area, are reasonably sound. But most of the industries and businesses here are of the service type; they are not large manufacturing complexes.

Mr. Rose: I am surprised at the price of homes and real estate in this particular area. I was told today that within 15 miles of Halifax you have, I believe it was mentioned, one-third or one-half of the population of the whole of Nova Scotia.

[*Interpretation*]

Isle, il leur faut au moins un jour de plus pour aller à Montréal plutôt qu'à Halifax. Mais les transports maritimes évoluent, on parle maintenant de navires de 200,000 tonnes. Ces navires ne pourront pas emprunter le Saint-Laurent.

Le président: Monsieur Rose.

M. Rose: Je vois dans votre mémoire que vous parlez des salaires inférieurs payés dans cette région du pays. Je voudrais vous demander ce que fait votre conseil pour augmenter ces salaires et donc le pouvoir d'achat? En d'autres mots, que faites-vous pour créer un marché interne plus vaste en vertu d'un pouvoir d'achat accru des personnes qui habitent ici?

M. Robertson: Sur le plan statistique, les villes de Sydney et Halifax, sont très au-dessus de la moyenne locale. Il faut tout d'abord accepter le fait que ces deux centres ne sont pas aussi sous-développés que le reste de la Nouvelle-Écosse ou des trois autres provinces. A Halifax, je dirais que bien que les niveaux de salaires soient inférieurs à ceux de Toronto ou de Windsor, vous trouverez beaucoup de personnes ayant des niveaux de salaires à peu près comparables.

M. Rose: N'est-ce pas dû au fait qu'un bon nombre de personnes, ici, sont des fonctionnaires et que leur revenu est plus ou moins en fonction des normes nationales?

M. Robertson: C'est vrai, mais en partie seulement parce qu'il y a différents aspects dans le fonctionnarisme et beaucoup sont municipaux ou provinciaux et ne sont pas affectés par les normes nationales en tant que telles.

M. Rose: Diriez-vous que la plupart des sociétés qui sont représentées à votre conseil ont des bénéfices satisfaisants?

M. Robertson: Je pense que les conditions économiques à Halifax surtout, la région métropolitaine de Halifax-Dartmouth, sont assez bonnes. Mais, la plupart des industries et des entreprises sont des services. Ce ne sont pas des sociétés de fabrication.

M. Rose: J'ai été assez étonné, lorsque j'ai entendu parler du prix des habitations dans cette région. On me disait, aujourd'hui, que dans un rayon de 15 milles, de Halifax, vivait un tiers ou la moitié de la population de la Nouvelle-Écosse.

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Mr. Robertson: This is approximately correct.

Mr. Rose: The briefs that we have heard—and this is natural because this is the Transport Committee—seem to concentrate on the transportation aspects and the subsidies thereon as a means of becoming more competitive. Have you any other ideas of how you might become more competitive, as a possible alternative—productivity, free trade areas and that sort of thing?

Mr. Robertson: Of course, the minute you get into free trade areas you are creating a customs barrier problem between ourselves and the rest of the country, and that is a deep problem, is it not? I do not think that there is any easy solution.

The majority of the businesses in this area are still operating on much smaller volumes than are similar businesses in say, the Ontario or the Montreal areas. This is a very serious problem.

The Chairman: Thank you, Mr. Rose. Mr. Perrault?

Mr. Perrault: Mr. Chairman, I would like to ask Mr. Robertson whether he would agree that the end object of subsidies should be an economic situation whereby the need for subsidies is eliminated. In your brief you urge prompt restoration of LCL rates to the former levels and sugest that you would like to see a continuation of transport subsidies in the Maritimes.

Do you foresee a time when this policy will eliminate the need for subsidies, or will subsidies have to be continued in perpetuity.

Mr. Robertson: A lot depends, Mr. Perrault, on our economic development and whether we can create a large enough local market to satisfy many of our own needs. Most of our local manufacturers of 60 to 80 years ago have disappeared—shoe manufacturers, clothing manufacturers and the like—because they could not compete with the large-scale manufacturing of the central Canadian area.

The real problem is that the market costs, for example, in the Toronto area are going to be away below ours with the productivity and big market available, and we just cannot land goods from Toronto in Halifax at the same cost at which the people in Toronto are doing it.

Mr. Perrault: Could programs of aid be initiated by the federal government which

[*Interpretation*]

M. Robertson: C'est à peu près juste.

M. Rose: Les mémoires qu'on nous a soumis, et c'est naturel, vu que ce comité est celui des Transports, semblent se concentrer sur les aspects du transport et ces subventions semblent être un moyen de devenir plus concurrentiel. Est-ce que vous avez une autre idée sur la façon dont vous pourriez assurer cette plus grande concurrence? Comme par exemple des régions de libre échange ou des choses de ce genre?

M. Robertson: Évidemment, à partir du moment où vous créez des régions de libre échange, vous créez des obstacles tarifaires entre nous et le reste du pays qui pourraient être un problème. Un problème important ne croyez-vous pas? Je ne crois pas qu'il y ait de solutions faciles. La plupart des entreprises dans cette région, opèrent toujours sur un beaucoup plus petit volume que leurs homologues dans la région de Toronto ou de Montréal. C'est un très grave problème.

Le président: Merci beaucoup, monsieur Rose. Monsieur Perrault?

M. Perrault: Monsieur le président, j'aimerais demander à M. Robertson, s'il serait d'accord que la fin des subventions devrait être la situation économique normale dans laquelle le besoin de subventions n'existe plus. Dans votre mémoire vous demandez qu'on rétablisse les taux des chargements partiels aux niveaux antérieurs, et que les subventions aux transports soient continuées pour les Maritimes.

Prévoyez-vous le moment où cette politique éliminera le besoin de subventions? Ou, est-ce qu'il faudra continuer les subventions à tout jamais?

M. Robertson: Beaucoup dépend, monsieur Perrault, sur notre développement économique, et si nous pouvons trouver un marché local suffisant pour nos propres besoins. La plupart des fabricants d'il y a 60 ou 80 ans ont disparu. Par exemple, ceux qui fabriquaient les vêtements et les chaussures, parce qu'ils ne pouvaient pas soutenir la concurrence de la grande industrie de la partie centrale du Canada. Le vrai problème réside dans le fait que le coût de commercialisation dans la région de Toronto sera de beaucoup inférieur au nôtre du fait de la productivité et du large marché disponible là-bas. Nous ne pouvons tout simplement pas, aux mêmes frais, avoir les mêmes produits à Halifax qu'à Toronto.

M. Perrault: Est-ce que des programmes d'aide du gouvernement fédéral pourraient

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ight be of more value to the economic de-elopment of the Maritimes than merely ansportation subsidies? Has sufficient ima-ination been employed thus far in attempt-g to build the economy of the Maritimes?

Mr. Robertson: I think many of the ideas p until now have been piece-meal and per-aps have not been as co-ordinated as they ight have been. That is a fair comment.

Mr. Perrault: Earlier reference was made free trade. Does the Board support the idea perhaps industry by industry free trade? r example, in the Maritimes there is a eat potential in forest products and fine apers.

Mr. Robertson: Yes.

Mr. Perrault: If we eliminated tariff barri-s in that area, negotiated in somewhat the me way as we achieved the automotive reement for central Canada, would that be value to the Maritimes?

Mr. Robertson: Most of our forest products, rticularly in the pulp area, are shipped m Nova Scotia into the American market w.

Mr. Perrault: Some of them, of course, go without tariffs at the present time.

Mr. Robertson: That is correct.

Mr. Perrault: Do you think completely free de in this particular sector of the economy uld help?

Mr. Robertson: I suspect that it is more a estion of the American tariffs than our n.

Mr. Perrault: It was possible to negotiate mething in the area of automobile produc-n, so it is not completely out of the estion?

Mr. Robertson: Except that we do not buy ck in the same proportion.

Mr. Perrault: Mr. Chairman, I think that ny of us would agree with the "land idge" concept enunciated by Mr. Robertson his brief. It certainly has the support of ny of us. That is all I have.

The Chairman: Thank you, Mr. Perrault, d you, Mr. Robertson, for presenting your ef.

Mr. Robertson: Thank you.

The Chairman: I will now call upon the rporation of the City of Dartmouth, and

[*Interprétation*]

être d'une plus grande utilité pour les provinces Maritimes que des subventions pures et simples? Croyez-vous qu'on ait cherché suffisamment à essayer d'édifier l'économie des Maritimes?

M. Robertson: Jusque là, j'ai l'impression que tout s'est fait par pièces ou par morceaux, qu'il n'y a pas eu suffisamment de coordination. Et je suis large.

M. Perrault: Auparavant on a mentionné le libre échange. Est-ce que la Commission serait d'accord avec une libéralisation industrie par industrie. Par exemple, dans les Maritimes il y a un grand potentiel pour les produits forestiers et le papier?

M. Robertson: Oui.

M. Perrault: Si nous éliminions les barrières tarifaires dans ce domaine, comme nous avons réussi à le faire plus ou moins par l'accord sur les automobiles au centre du Canada, est-ce que cela aiderait les Maritimes?

M. Robertson: La plupart de nos produits forestiers, surtout dans le domaine de la pâte, sont expédiés de Nouvelle-Écosse vers le marché américain.

M. Perrault: Et plusieurs sans barrière tarifaire.

M. Robertson: C'est exact.

M. Perrault: Pensez-vous qu'une libération complète dans ce domaine aiderait?

M. Robertson: J'ai l'impression qu'il s'agit plutôt de tarifs américains que des nôtres.

M. Perrault: Il a été possible tout de même de négocier quelque chose dans le domaine de la production automobile, ce n'est donc pas entièrement hors de question?

M. Robertson: Oui, sauf que nous n'achetons pas dans la même proportion.

M. Perrault: Monsieur le président, je crois que beaucoup parmi nous, serions en faveur de cette idée «pont terrestre» énoncée par M. Robertson dans son mémoire. Ce concept est appuyé par plusieurs d'entre nous.

Le président: Monsieur Robertson, monsieur Perrault, merci beaucoup de la présentation de votre mémoire.

M. Robertson: Merci.

Le président: Je demanderais maintenant à la Corporation de la ville de Dartmouth et à

[*Text*]

upon His Worship the Mayor, Mr. Roland J. Thornhill. Also present are Alderman John Hanson and the Director of Planning of the City of Dartmouth, Mr. M.E. Lloyd.

You will find the brief on page 624. I will ask Mr. Thornhill to comment on the brief.

Mr. R. J. Thornhill (Mayor, Corporation of the City of Dartmouth): Thank you, Mr. Chairman and gentlemen. We have been asked to make a short summary of the City of Dartmouth and the Dartmouth Chamber of Commerce brief submitted to you on February 13, 1968. We do so as follows.

We in Nova Scotia, or in fact in the Maritimes, are paying higher costs for manfuactured goods so that industry can exist in central Canada. The reason for this is the good of the country as a whole, but economically speaking our natural ties run north and south, which means economic union with the United States.

Ever since Confederation an attempt has been made to tie Canada together by east-west economic interchange, through railway construction, tariffs and general transportation policies. We feel that this policy still has validity today, and the obvious conclusion is that transportation costs between the Maritimes and central Canada should be kept low enough for east-west trade to continue. We note that the grain subsidy on transportation to the west coast clearly supports this point of view.

The policy which has been expressed that freight rates should be determined by the open market has no application in the Maritimes because there is no open market. There is no such thing as real competition between the Canadian National Railways and private trucking companies on long distance hauls from the Maritimes.

The third point made in our brief is that the establishment of minimum charges for carload lots has had a very detrimental effect on industry established in the city of Dartmouth. Since writing this brief in 1968 one company has gone out of business. One of the reasons for that was the added costs of operating by the establishment of a minimum charge for carload lots. Prior to the establishment of this minimum charge freight rates were based on weight.

Because of the volume of incoming freight there must be occasions when freight cars are

[*Interpretation*]

Son Honneur le maire, M. Roland J. Thornhill, de venir ici à la tribune. Il y a également présents, le conseiller John Hanson et le directeur de la planification pour la ville de Dartmouth, M. Lloyd.

Vous trouverez le mémoire à la page 624. Je vais demander à Monsieur Thornhill de présenter son mémoire.

M. R. J. Thornhill (Maire, Corporation de la ville de Dartmouth): Merci monsieur le président, messieurs. On nous a demandés de faire un court résumé du mémoire de la Corporation de la ville de Dartmouth et de la Chambre de Commerce de Dartmouth présenté le 13 février 1968. Nous le résumerons de la façon suivante.

Nous, en Nouvelle-Écosse, ou en fait, dans les provinces Maritimes, payons des frais plus élevés pour les produits manufacturés pour que les industries puissent exister au centre du Canada. Cela est pour le bien du pays dans son ensemble. Mais du point de vue économique, nos liens vont du nord au sud ce qui veut dire que nous avons des liens économiques naturels avec les États-Unis Depuis le début de la Confédération, on a essayé de lier le Canada grâce à des échanges est-ouest, grâce à la construction des chemins de fer, grâce à une politique générale de tarifs en matière de transport.

Nous croyons que cette politique est toujours valable aujourd'hui. Et, la conclusion évidente c'est que les frais de transports entre les Maritimes et le centre du Canada devraient être suffisamment bas pour que ce commerce est-ouest se continue. Nous notons que la subvention sur les grains de l'Ouest appuie cette thèse.

La politique énoncée suivant laquelle la concurrence devrait se faire sur un marché ouvert, n'est pas valable pour les Maritimes car il n'y a pas de marché ouvert. Il n'y a pas de concurrence réelle entre les chemins de fer nationaux et les compagnies de camionnage sur les longs parcours à partir des Maritimes.

Le troisième point de notre mémoire c'est que l'établissement de montants minimum pour les wagonnées, a nettement nuit aux industries établies dans la ville de Dartmouth. Depuis que nous avons rédigé ce mémoire en 1968, une compagnie a fait faillite. Une des raisons principales, c'est les frais additionnels dus au tarif minimum pour les wagonnées. Avant l'établissement de ce minimum, on calculait les tarifs au poids. En raison du volume des marchandises entrant ici, certains wagons doivent retourner vers le centre du Canada à vide. Du point de vue économique, il vaudrait

[Texte]

oing back to central Canada empty. From an conomic point of view it would appear that would be better to have these cars handle me freight at a reduced cost.

The loss of pick up and delivery service to ustomers in the city of Dartmouth and the dditional cost of picking up this freight in eds at Halifax have added additional costs local commercial and industrial operations. e feel in the city, that this service should e reinstituted.

The two most important points in our brief e Canadian unity, that is tariffs, grain tes, and natural trade north and south, and ie fact that there is no such thing as compe- tion because CNR has a monopoly.

The Chairman: Thank you, Mr. Mayor. Mr. homas?

Mr. Thomas (Moncton): Mr. Mayor I sume that the company that has gone out of siness in the plant that was manufacturing ns.

Mr. Thornhill: That is correct, sir.

Mr. Thomas (Moncton): Do you feel that e final blow that forced this plant out of siness was the increase in freight rates?

Mr. Thornhill: I really do not know if that the case. I can well imagine that there ere other contributing circumstances that fected the company. Certainly at the time of e preparation of this brief, which was in- ired by the fact that some of the industries ithin the Chamber of Commerce had come the city and felt that we should make a esentation to you, one of the most vocal eople at that time was the management of at local group which claimed that the less an carload rates were having an extremely trimental effect upon their business.

Mr. Thomas (Moncton): In other words, ey were manufacturing cans for the Mari- me market?

Mr. Thornhill: Yes. They were also selling Quebec, I understand. And, according to m, if anything less than a carload came in was then no longer economic to sell their ns in the Quebec market.

Mr. Thomas (Moncton): This appears to be e case of a maritime industry being recent- established but, because of transportation sts, they found they could not survive.

Mr. Thornhill: Well, as I said before, and complete the answer to your question, I ould not like to say this is the only reason

[Interprétation]

mieux que ces wagons prennent des marchandises à un prix réduit.

La perte du service de ramassage et de livraison aux clients de la ville de Darmouth ainsi que le coût additionnel résultant de la nécessité d'aller chercher le frêt à Halifax ont augmenté les frais d'exploitation des entreprises locales. Nous estimons que ce service devarit être réinstitué.

Les deux points les plus importants de notre mémoire sont donc, l'unité nationale c'est-à-dire tarifs, taux des grains et commerce naturel nord-sud, et le fait qu'il n'y ait pas de concurrence réelle du fait du monopole du CN.

Le président: Merci, monsieur le maire. Monsieur Thomas?

M. Thomas (Moncton): J'imagine, monsieur le maire, que la compagnie qui a fait faillite était la fabrique de boîtes de conserves, n'est-ce pas?

M. Thornhill: C'est exact.

M. Thomas (Moncton): Croyez-vous vraiment que c'est l'augmentation du tarif des marchandises qui a contribué à cette faillite?

M. Thornhill: Honnêtement, je ne le sais pas. J'imagine qu'il y avait d'autres circonstances qui y ont contribué.

Au moment de la présentation du mémoire, qui fut inspiré par le fait que certaines industries s'étaient adressées à nous pour nous demander de le faire, un des groupes les plus pressants était justement la direction de ce groupe local qui estimait que les tarifs pour chargements incomplets étaient détrimentaux pour leurs industries.

M. Thomas (Moncton): En d'autres termes, ils fabriquaient des boîtes à conserve pour les Maritimes?

M. Thornhill: Oui. Et je crois qu'ils vendaient également au Québec. Selon lui, si la vente représentait moins d'un wagon, il n'était plus économique de vendre au Québec.

M. Thomas (Moncton): C'est ce qui semble s'être produit pour une industrie, qui ne s'est établie que très récemment, mais qui en raison des frais de transport a réalisé qu'elle ne pouvait pas survivre.

M. Thornhill: Comme je l'ai dit auparavant, et pour répondre complètement à votre question, je n'affirmerais pas que c'est la seule

[*Text*]

that the company went out of business. I would feel quite certain in saying that it is not, but it was one of the contributing factors.

Mr. Thomas (Moncton): Do you have other light manufacturing industries in Dartmouth?

Mr. Thornhill: Yes, we do.

Mr. Thomas (Moncton): So they would also be feeling the impact.

Mr. Thornhill: Yes, that is correct. As a matter of fact, one of them is here tonight to present a brief.

Mr. Thomas (Moncton): Do you have any industries that are shipping carload lots? How do you feel, for example, about the two year freeze on carload freight rates, do you feel that that should be continued?

Mr. Thornhill: I think probably it should be continued and for probably longer than two years.

Mr. Thomas (Moncton): It is due to expire on March 23 but you feel it should be continued?

Mr. Thornhill: I do.

Mr. Thomas (Moncton): Thank you.

Mr. Trudel: I gathered from the questioning that that industry went out of business because of transport costs. I am following the line that Mr. Thomas was following.

Mr. Thornhill: Yes.

Mr. Trudel: Are you aware of what percentage of its business was cans compared to glass?

Mr. Thornhill: No, I could not answer that question, Mr. Trudel.

Mr. Trudel: I would just like to suggest that this represents about 7 per cent of that industry. Even in Montreal they have to bring them in. Therefore, the main factor was not costs, but volume. I would say to you that they have had the same problem here and that is why they look to the Quebec market. Do you feel that this is fair? They had to look to other than the actual Maritime market to sustain the plant. They could not find the volume and this, rather than direct transport, was a factor in their closing.

Mr. Thornhill: Well, as I say, the management of that particular company at the time they came to City Hall to request that we be instrumental in preparing this brief indicated to us quite vigorously that this was one of

[*Interpretation*]

raison pour laquelle la compagnie a fait faillite, même si ce fut un de ces facteurs.

M. Thomas (Moncton): Y a-t-il d'autres industries légères, à Dartmouth?

M. Thornhill: Oui.

M. Thomas (Moncton): Elles s'en ressentiraient également.

M. Thornhill: Oui. En fait, il y en a une qui est ici pour vous présenter un mémoire.

M. Thomas (Moncton): Y a-t-il des industries dont les expéditions se font au wagon? Que pensez-vous du gel de deux ans sur le taux de livraison d'une wagonnée? Croyez-vous que cela devrait se continuer?

M. Thornhill: Je crois que ce régime devrait exister, et pour plus de deux ans.

M. Thomas (Moncton): Au lieu de laisser tomber le gel le 23 mars, on devrait le continuer?

M. Thornhill: Je le crois.

M. Thomas (Moncton): Merci.

M. Trudel: J'ai cru comprendre d'après les questions posées, que l'industrie a fait faillite en raison des frais de transport. Je suis raisonnement suivi par M. Thomas.

M. Thornhill: Oui.

M. Trudel: Savez-vous quel pourcentage du volume de travail de cette entreprise était représenté par les boîtes par opposition à la vitre?

M. Thornhill: Je ne saurais répondre.

M. Trudel: Il s'agit d'environ 7 p. 100. Donc le facteur principal n'était pas une question de frais de transport, mais plutôt de volume. C'est pourquoi ils se sont tournés vers le marché québécois. Croyez-vous qu'il soit juste que cette industrie ait eu à se fier au marché de l'extérieur des Maritimes pour assurer la survivance de son usine.

M. Thornhill: Comme je l'ai dit, la direction de cette industrie, lorsqu'elle s'est adressée à l'Hôtel de ville pour nous demander de l'aider dans la préparation du mémoire, nous a dit avec insistance que c'était l'un des p

[*exte*]

e main contributing factors to the very seri-s problems they were having. As far as I ow the Company has claimed this is one of main reasons for its going out of business.

Mr. Trudel: I grant you that it could be one the reasons for going out of business. . .

Mayor Thornhill: Yes.

Mr. Trudel: ...because I find now that n in larger centres where there are two or ee millions population they bring them m elsewhere as well, because this market not reached the point where they can nufacture locally.

Mr. Thornhill: Yes.

Mr. Trudel: In your brief you mention that re is no truck or highway competition for railroads, yet some local manufacturers using trucks 100 per cent for their entire put.

Mr. Thornhill: Yes.

Mr. Trudel: So I would like to make the nt that there is some competition.

Mr. Thornhill: For example, the transport mpany that goes from here to Sydney, the ith Company, is a wholly owned subsidi- of the CNR.

Mr. Trudel: Yes.

Mr. Thornhill: And I understand, it is the y trucking firm that operates between here Sydney.

Mr. Trudel: Yes. But I am thinking now, instance, in terms of the rate being set side the Maritimes. There are, I believe, people directly involved in road transpor-on and some companies are using road nsport 100 per cent and finding it satisfac-y. Therefore, there must be some competi-in at the various levels.
hat is all, Mr. Chairman.

The Chairman: Thank you, Mr. Mayor.

The Vice-Chairman: The Canadian Associa-n of Purchasing Agents have advised that y would not be here. The Voluntary Plan-g Board of Nova Scotia is next.

The Chairman: I have on my immediate t Mr. Mills and Mr. Ford. I would ask Mr. lls to summarize his brief.

Mr. J. R. Mills (Director, Voluntary Plan-g Board of Nova Scotia): Mr. Chairman

[*Interprétation*]

blèmes principaux auxquels elle avait à faire face. A ma connaissance, la compagnie a dit que c'était là l'une des principales raisons qui ont entraîné sa mise en faillite.

M. Trudel: Ca pourrait être une des raisons de sa faillite, oui, je le concède . . .

M. Thornhill: Oui.

M. Trudel: . . parce que même dans les centres plus considérables, qui ont 2 ou 3 millions de population, le marché n'a pas encore atteint le point où la production peut se faire localement.

M. Thornhill: Oui.

M. Trudel: Dans votre mémoire, vous avez mentionné qu'il n'y a pas de concurrence pour les chemins de fer de la part d'entrepri-ses de camionnage, pourtant certains fabri-cants confient à des camions le transport de tous leurs produits.

M. Thornhill: Oui.

M. Trudel: Donc, il y a concurrence.

M. Thornhill: La compagnie qui s'occupe du transport entre cette ville-ci et Sydney, la *Smith Company*, est une filiale du CN.

M. Trudel: C'est vrai.

M. Thornhill: Et je crois que c'est la seule société de camionnage qui exploite un service entre cette ville-ci et Sydney.

M. Trudel: Oui. Mais je songeais au taux établi à l'extérieur des Maritimes. Je crois qu'il y a 700 personnes qui sont directement impliquées dans le transport routier. Certai-nes compagnies ont recours au transport rou-tier à 100 p. 100 et trouvent cela satisfaisant. Par conséquent, il doit y avoir une certaine concurrence à divers niveaux.
C'est tout, monsieur le président.

Le président: Merci beaucoup monsieur Thornhill.

Le vice-président: La *Canadian Association of Purchasing Agents* nous a indiqué qu'elle ne serait pas présente. Nous passons donc au mémoire de l'Office indépendant de planifica-tion de Nouvelle-Écosse.

Le président: A ma droite, j'ai M. Mills et M. Ford. Je demanderais donc à M. Mills de nous résumer le mémoire.

M. J. R. Mills (directeur, Office indépendant de planification de la Nouvelle-Écosse): Mon-

[*Text*]

and gentlemen, our brief was submitted about a year ago. We have not changed it but I do have a summary of that brief which has been brought up to date.

Early in our brief we describe the Voluntary Planning Board and I think at this time I will just read the two paragraphs concerning that:

> The Voluntary Planning Board of Nova Scotia is a voluntary organization established some years ago to review and promote the economic development of Nova Scotia. Its chief function is to advise both the public and private sectors of the economy on matters relating to improving the rate of economic growth. The membership of this organization is composed of senior representatives drawn from all phases of provincial economic activity.
>
> The Planning Board is assisted in its work by volunteer segment and sector committees. The sector committees are representative of each of the ten major sectors of the economy, and report to the Planning Board. One of these sectors advises on transportation and communication matters. The sectors are in turn subdivided into common interest groups or segments within each of the sectors and these segments report to the parent sector committee.
>
> Within this organizational structure, ideas and proposals filter upward, being rationalized in the process, until they reach the Planning Board. The Board resolves remaining conflicts, evaluates proposals and, as it sees fit, advances recommendations to the appropriate body either public or private, for their implementation.

> In this manner the material presented in this brief has been approved and adopted by the Voluntary Planning Board for submission to the Government of Canada through the Standing Committee on Transportation and Communication. The Government of Nova Scotia has also received a copy of this brief through the normal channels.

In this brief we have outlined the "land bridge" concept, the relationship of the Kauffeld and McKinsey Reports to the unit train philosophy and the existance of deep draught ice-free harbours in Nova Scotia which are located closer to Europe than any other North American port.

[*Interpretation*]

sieur le président, messieurs. Notre mémoi vous a été soumis il y a environ un an et no ne l'avons pas changé. J'ai tout de même u résumé de ce mémoire qui a été mis à jour.

Au tout début de notre mémoire nous avo décrit ce qu'est l'Office et je veux tout sim plement vous donner lecture des deux pr miers paragraphes:

> L'Office indépendant de planification la Nouvelle-Écosse est un organisn bénévole créé il y a quelques années po étudier et promouvoir le développeme économique de cette province. Sa fonctic principale consiste à fournir des conse au secteur public et privé de l'économ Les membres de cet organisme sont d cadres supérieurs appartenant à tous l domaines de l'activité économique de province.
>
> L'office de planification est soute dans son travail par des comités de se teur et des sous-comités également bér voles. Les comités de secteur représente chacun des dix principaux secteurs l'économie et relèvent de l'Office de p nification. Un de ces comités de secte est chargé des transports et communi tions. Les comités de secteur sont divi en groupe d'intérêts communs, c'est dire en sous-comités, dont chacun rel du comité de secteur qui l'a créé.
>
> Telle est l'organisation interne l'Office où idées et suggestions font l chemin vers le haut, subissant tout processus de rationalisation avant d'ar ver au sommet. L'Office de planificat arbitre les derniers conflits, évalue projets et, lorsqu'il le juge bon, adre des recommandations aux corps admir tratifs intéressés, aussi bien privés publics, pour la mise en œuvre projets...
>
> C'est de cette façon que l'étude prés tée dans ce mémoire a reçu l'approbat de l'Office indépendant de planificat qui l'a fait sienne et la soumet au gouv nement du Canada par l'intermédiaire Comité permanent des transports et c munications. Le gouvernement de la N velle-Écosse a déjà reçu un exempl de ce mémoire par les voies ordina utilisées pour lui faire connaître les j jets de ce genre.

Nous avons aussi examiné la relation e les rapports Kauffeld et McKinsey et la losophie inhérente au concept des unités trains, de même que l'existence des ports mer dégagés de glace, en Nouvelle-Écosse situés plus près de l'Europe que n'imp quel autre port en Amérique du Nord.

[Texte]

We have briefly outlined the inequities that ave developed in the application of the aritime Freight Rates Act. We have men-oned and endorsed the efforts of the task rce of the Maritime Transportation ommission.

In the section on highways suggestions ave been made. Within the brief we have so set out certain recommendations which ay also be found together on the last page the brief.

It is the opinion of the Voluntary Planning oard that transportation costs and service eficiencies are major factors which are seri-sly inhibiting the more rapid development this province and, indeed, the entire Atlan-region.

We therefore offer our support to the work your Committee and will do our utmost to cure whatever additional information per-ining to our proposals that may be desired.

Our brief was submitted one year ago. nce then the commencement of the con-ruction of a container pier here is very eartening and we hope that it will be devel-ped along with its other facilities in time to ave traffic going through this facility at the rt of Halifax very soon.

We thank you for the opportunity of laying ese matters before you and we trust at they will receive your sympathetic nsideration.

The Chairman: Thank you very much.

Mr. Skoberg: I believe earlier this after-on there was some discussion about sociations such as yourselves and exactly ho composed them. I believe it is only fair w to ask, if the membership of your organ-ation is composed of senior representatives awn from all phases of provincial economic tivities. Also, would you introduce your-lves and give your occupation as at this rticular time.

Mr. Mills: I am the paid director of the luntary Planning Board's small staff. Mr. rd is on our staff as the Secretary of our ansportation and communications sector.

Mr. Skoberg: You suggest you are a paid rector?

Mr. Mills: Yes. Our board is made up of 35 paid members representing labour, educa-n, service industries, manufacturing indus-ies—a cross section of all of the industries the province. I mentioned in the summary the brief that we have 10 sectors and a airman of each of these sectors. Each chair-an of a sector is a member of our Board.

[*Interprétation*]

Nous soulignons également les inégalités qui se sont produites dans la mise en application de la *Loi sur les taux de transport des marchandises dans les provinces Maritimes.* Nous mentionnons les efforts de la *Maritime Transportation Commission* et nous les appuyons.

Quant à l'aspect grand-routes, nous avons formulé des suggestions. Nous avons aussi élaboré certaines recommandations que l'on trouvera réunies à la dernière page de notre mémoire.

L'Office est d'avis que les frais des transports ainsi que les déficiences du service sont des facteurs importants qui nuisent sérieusement au développement plus rapide de cette province, et en fait, de toutes les régions de l'Atlantique.

Par conséquent, nous offrons notre appui et collaboration à votre Comité et nous ferons tout en notre pouvoir pour obtenir tous les renseignements supplémentaires, au sujet de notre mémoire, que vous pourriez désirer.

Notre mémoire a été présenté il y a un an. Le début des travaux d'aménagements de quais pour recevoir les conteneurs nous a fortement encouragés. Nous espérons que cela pourra se développer en même temps que les autres aménagements et que le tout pourra être bientôt mis en service.

Nous vous remercions de l'occasion que vous nous avez fournie de vous soumettre ces faits et nous espérons que le tout recevra une considération sympathique de votre part.

Le président: Merci.

M. Skoberg: Monsieur, je crois que plus tôt, cet après-midi, il y a eu une certaine discussion au sujet d'associations comme la vôtre et des personnes qui en font partie. Je crois qu'il serait juste de vous demander si vos membres se recrutent dans tous les secteurs de l'économie de cette province. Pourriez-vous nous dire qui vous êtes, exactement?

M. Mills: Oui. Je suis le directeur payé de l'Office et M. Ford est le secrétaire du secteur des transports et des communications.

M. Skoberg: Vous nous dites que vous êtes le directeur? Rémunéré?

M. Mills: Oui. Notre Office se compose de 35 bénévoles, qui représentent la main-d'œuvre, l'éducation, et l'industrie. J'ai mentionné dans le résumé du mémoire qu'il y avait 10 secteurs et que chacun a un président. Le président de chaque secteur est membre du conseil d'administration.

[*Text*]

Mr. Skoberg: Do you, sir, co-ordinate your activities with the Board of Trade or with government agencies, and has any member of your Voluntary Planning Board any credentials in community planning and things of that kind?

Mr. Mills: We do not work in isolation because our Board is composed of people of all skills and from all professions—institutions, businesses and so on. We have the academic side on our Board. We do not have doctors but we have lawyers, engineers, businessmen, educators, labour union representatives—a complete range of the economy of Nova Scotia.

Mr. Skoberg: I appreciate that answer, sir, because I believe a little earlier we ran into a problem where the member for Burnaby-Seymour wanted to get on a soap box and make an issue out of this.

The Chairman: Order, order. We are not going over that again, Mr. Skoberg. Would you please relate your question to the subject of transport?

Mr. Skoberg: Well, Mr. Chairman, I would suggest that my questions are more in order than what we had this afternoon.

Mr. Comeau: Has your Board studied the economic problems of the southwestern part of the province. I ask this because that part of the province seems to be at the lower economic level. What do you recommend? Do you feel that transportation is one of the key issues at that end of the province?

Mr. Mills: Our Board has not considered any particular part of the province as a region. Our work is broken down into sectors. These are not geographic sectors but industrial sectors. For instance, if we are considering agriculture as a sector of our economy, which it certainly is—fishing is another one—we consider this in the over-all scope. Mind you, from the over-all point of view we must look at the smaller parts, naturally, but our whole work is on a province-wide scope.

Mr. Comeau: In the southwestern part of the province we will be getting improved transportation facilities because the CPR announced a new ferry, and another ferry will be coming into Yarmouth. But do you feel that transportation is the key to the development of that section of the province?

Mr. Mills: I do not believe it is the main key to the development of that section of the province but it is certainly an important one.

[*Interpretation*]

M. Skoberg: Est-ce que vous coordonnez votre activité avec celle du *Board of Trade* ou avec une agence du gouvernement? Est-ce qu'il y a un membre de votre Office qui soit compétent dans le domaine de la planification communautaire, par exemple?

M. Mills: Nous ne travaillons pas indépendemment car notre Office est composé de gens qui viennent de toutes les professions, de tous les métiers, de toutes les spécialités. L'aspect académique y est représenté. Il n'y a pas de médecins mais il y a des avocats, des ingénieurs, des hommes d'affaire, des éducateurs, des syndicalistes, toute l'économie de la Nouvelle-Écosse est représentée.

M. Skoberg: J'apprécie beaucoup votre réponse car plus tôt, nous nous sommes heurtés à un problème lorsque le député de Burnaby-Seymour a tenté de monter le tout en épingle.

Le président: A l'ordre. J'espère que vous n'allez pas recommencer, M. Skoberg. Veuillez s'il vous plaît vous en tenir au domaine des transports.

M. Skoberg: Je dirais que mes questions sont plus pertinentes que celles que nous avons entendues cet après-midi.

M. Comeau: Votre Office a-t-il étudié les problèmes économiques qui existent dans le sud-ouest de la province. Il me semble que cette partie de la province se situe à un niveau économique inférieur. Que recommandez-vous? Croyez-vous que c'est le problème du transport qui est le plus important pour ce secteur?

M. Mills: Notre Office n'a pas considéré une région particulière de la province. Notre travail est fait par secteurs, non pas secteurs géographiques, mais secteurs industriels. Par exemple, si nous considérons l'agriculture comme un secteur de notre économie, et elle l'est, et la pêche aussi, nous envisageons le problème dans le contexte de la province dans son ensemble. Évidemment, il nous faut nous arrêter aux parties plus petites, mais notre travail se fait sur le plan de la province.

M. Comeau: Dans le sud-ouest de la province, la situation s'améliorera puisque le CPR vient d'annoncer la construction d'un nouveau traversier et qu'un autre se rendra à Yarmouth. Croyez-vous que les transports sont vraiment la clé du développement de cette partie de la province?

M. Mills: Je ne crois pas qu'il s'agisse de l'aspect le plus important, mais il s'agit certainement d'un aspect important. Dans no

[*Texte*]

hen we have mentioned the importance, if, s and when the tidal project is ever complet- d in the Bay of Fundy—that is, if it goes cross the Bay from Blomidon to Parrsboro r somewhere like that—that a roadway hould be built on top of this facility, in order o give better road transportation access by ndustry in that part of the province to the merican markets.

We also have made recommendations in ther reports that the service of the CNR erry operating from Yarmouth to Bar Har- or in the off season should be better sched- led to better serve that part of the rovince.

Mr. Comeau: Have you studied or looked at ir transportation particularly in that end of ne province, since it is again at a disadvan- age compared with other parts of the rovince.

Mr. Mills: No, we have not.

Mr. Allmand: Mr. Chairman, since your oard takes an over-all look at the economy f Nova Scotia I would like to ask you if you ave ever considered the ideas put forward by he Society of Atlantic Initiative. Did you ear their brief today or read it this morning?

Mr. Mills: No, I did not.

Mr. Allmand: I see. Well, there is no basis o my question. I wanted to ask you if you ad ever considered the ideas in that brief nd whether you had rejected them or con- idered them, or what your attitude was. ut if you are not familiar with them I ill not ask the question.

Mr. Nowlan: I have two questions, Mr. hairman.

In the first recommendation in your brief ou say the Federal Government should test he concepts outlined in the Kauffeld and IcKinsey Reports. Has part of that test egun under this pilot containerization proj- ct in Halifax harbour?

Mr. Mills: No, we mean by that. . .

Mr. Nowlan: And if not, what do you ean?

Mr. Mills: We mean the use of unit trains ver the road bed between the Atlantic egion and Upper Canada.

Mr. Nowlan: This would involve some mas- ive reconstruction of that roadbed; is that orrect?

[*Interprétation*]

mémoire, nous avons mentionné l'importance, si jamais on en termine avec le projet de la Baie de Fundy, de construire une route sur cet ouvrage afin d'améliorer l'accès à cette partie de la province.

Nous avons également recommandé dans d'autres rapports que l'horaire du traversier du CN entre Yarmouth et Bar Harbor soit modifié durant la saison morte afin de mieux desservir cette partie de la province.

M. Comeau: Avez-vous songé au transport aérien, tout particulièrement dans ce bout de la province, étant donné que ce coin est désavantagé par rapport aux autres secteurs de la province?

M. Mills: Non, nous ne l'avons pas fait.

M. Allmand: Monsieur, étant donné que votre office examine, dans son ensemble, l'économie de la Nouvelle-Écosse. Et je voudrais vous demander si vous avez déjà songé aux idées énoncées par la société *Atlantic Incentive Society* qui a présenté un mémoire ce matin; l'avez-vous lu ou entendu?

M. Mills: Non, je ne l'ai pas fait.

M. Allmand: Je vois. Alors ma question n'est pas fondée. Je me demandais si vous aviez déjà entendu parler de ces idées, si vous les aviez étudiées, si vous étiez d'accord ou non. Mais si vous ne les connaissez pas très bien, je ne poserai pas la question.

M. Nowlan: J'ai deux questions à poser, monsieur le président. Dans la première recommendation de votre mémoire, vous dites que le gouvernement devrait faire les preuves des théories énoncées dans les rapports Kauffeld et McKinsey. Est-ce qu'une partie de cette épreuve a été mise en œuvre par le projet-pilote de transport par cadres dans le port d'Halifax?

M. Mills: Non, par cela, nous voulons dire. . .

M. Nowlan: Et si non, que voulez-vous dire?

M. Mills: Nous voulons dire l'emploi de trains homogènes sur la voie entre la région de l'Atlantique et le Haut-Canada.

M. Nowlan: Ce qui demanderait l'amélioration du terre-plein, n'est-ce pas?

[*Text*]

Mr. Mills: It could. It may prove whether it is necessary or not. We hear that there are grades and curves and so on. We feel it is possible to put a unit train together for test purposes quite easily, try it over the line and see if it is an 18-hour run or a 30-hour run, or whatever it might be. This has not yet been tried out.

Mr. Nowlan: This is what you meant by the testing.

Mr. Mills: Yes.

Mr. Nowlan: My last question deals with your fourth recommendation that freight subsidies should be paid to shippers on a non-discriminatory basis which leads me to a two-part question. One, you do not like the present concepts of the Maritime Freight Rates Act of payment to carrier; and secondly, I gather you are inferring that payments should be extended to the trucking industry.

Mr. Mills: More particularly the last remark that you made: we believe it should be extended to the trucking industry and not paid exclusively to the railway.

Mr. Nowlan: Have you any further detailed recommendations on how to administer the payment to the shipper, and especially to the trucker?

Mr. Mills: No, I have not.

The Chairman: Mr. Rose.

Mr. Rose: My question, Mr. Chairman, is supplementary to a couple that have been asked. The first one is a supplementary to some of the remarks made by my colleague Mr. Skoberg. I believe that what Mr. Skoberg was trying to ask the witnesses was whether or not there were any members of his particular group who had degrees in community or regional planning, or was the group made up of interested people and gifted amateurs?

The Chairman: Mr. Rose, you had better relate your question to transport, otherwise I will not let you go any further.

Mr. Rose: Well, I am sorry, Mr. Chairman, I was pursuing a line of questions which you allowed earlier.

The Chairman: I will not allow that.

[*Interpretation*]

M. Mills: Il se peut que ce soit nécessaire Nous entendons dire qu'il y a des courbes e des côtes, etc. Nous croyons qu'il serait possi ble d'avoir un train unitaire, très facilement l'essayer sur le parcours et voir s'il s'agit d 18 heures ou de 30 heures de parcours. Cel n'a pas encore été fait.

M. Nowlan: C'est ce que vous vouliez dir par la mise à l'épreuve?

M. Mills: Oui.

M. Nowlan: Ma dernière question vise votr quatrième recommandation que les subven tions pour le transport des marchandises dar les provinces maritimes soient versées au expéditeurs sur une base non-discriminatoir Ceci m'amène à une double question. Tou d'abord, vous n'aimez pas l'idée actuelle de Loi sur le taux de transport des marchandis dans les provinces Maritimes sur le paieme aux transporteurs; et deuxièmement, j'ai l'in pression que vous voulez que la subventio soit étendue aux camionneurs.

M. Mills: Oui, c'est plutôt votre dernièr partie. Nous croyons que cette subventio doit être donnée aussi aux camionneurs non pas tout simplement aux chemins de f exclusivement.

M. Nowlan: Avez-vous d'autres recomme dations détaillées quant à l'administration d paiement à l'expéditeur et surtout au camionneurs?

M. Mills: Non, je n'en ai pas.

Le président: Monsieur Rose.

M. Rose: Ma question, monsieur le pré dent, est supplémentaire à deux questions q ont déjà été posées. La première est suppl mentaire à certaines observations que m collègue, M. Skoberg, a formulées. Je cr que ce que M. Skoberg tentait de demand aux témoins, c'est s'il y avait des membres son groupe qui avaient des parchemins en qui concerne l'urbanisme et la planificati régionale, ou est-ce qu'il s'agissait d' groupe de gens intéressés et d'amateu doués?

Le président: Monsieur Rose, il ser mieux que vous établissiez le rapport votre question aux transports, autrement, ne vous laisse pas poursuivre ce genre question.

M. Rose: Je m'excuse, monsieur le pré dent, je poursuivais une ligne de questio que vous avez permise plus tôt.

Le président: Je ne permettrai pas cela.

[*Texte*]

Mr. Rose: All right. The next question I would like to ask is again supplementary to a subject that Mr. Nowlan raised earlier, which was this business of paying subsidies to the shippers. I gather from your remarks that you would like to see the subsidies paid to the shippers through the carriers. This concerns me, and you were a little bit vague on the details, because what concerns me is that if MFRA were extended to the truckers it might not trickle down to the shippers and might be absorbed by the carriers. You will agree with me, I think, that the administration would be a much simpler thing because there are far fewer carriers than there are shippers; it would be much easier to administer. But I think your main emphasis would be to have this advantage of approximately 20 per cent ultimately end up in the hands of the shippers; is that not so?

Mr. Mills: Yes.

Mr. Rose: But you have no idea of how this might be administered.

Mr. Mills: No, but I think in its present form you do not have a free market as far as shipping is concerned. It is controlled, you might say, by the railway. I think competition would come into play. If the truckers could offer their services at competitive rates the goods would soon seek their own mode of transport—the cheaper one of the two—which would be the truckers. Even if they are the same price and the trucking is more convenient, then more business might go to the truckers.

Mr. Rose: But at the same time the people of Canada are subsidizing the railroads for this particular purpose, are they not? And the people of western and central Canada are subsidizing one mode of transportation. You are suggesting that what we should do is split the subsidy. Perhaps it would add to it. I think somebody said something like $4 million. I do not know if the truckers were included.

I can see the reasoning behind your statement there. I was more concerned with the administration of it.

Mr. Mills: I am not prepared to offer anything with respect to the administration.

Mr. Perrault: Mr. Chairman, first of all, I think the brief is most constructive and informative.

[*Interprétation*]

M. Rose: Très bien. La question suivante que j'aimerais demander est supplémentaire à celle que M. Nowlan a soulevée plutôt, qui a rapport au paiement de subsides aux expéditeurs. J'ai cru comprendre, d'après ce que vous avez dit que vous aimeriez que les subsides soient versés aux expéditeurs par l'entremise des transporteurs. Ceci concerne, et vous avez été plutôt vague quant aux détails, parce que ce qui me préoccupe, c'est que si les dispositions de la Loi sur les taux de transport étaient étendues aux camionneurs, il se peut que la subvention ne se rende pas aux expéditeurs mais qu'elle soit gardée par les transporteurs. Vous serez probablement d'accord, je crois, que l'administration serait beaucoup plus simple parce qu'il y a beaucoup moins de transporteurs que d'expéditeurs; par conséquent, l'administration serait d'autant plus facile. Je crois toutefois, que vous voulez cet avantage de 20 p. 100 qui finirait tout de même à être entre les mains des expéditeurs. N'est-ce pas?

M. Mills: Oui.

M. Rose: Mais vous n'avez aucune idée comment cela serait administré.

M. Mills: Non, mais je crois qu'à l'heure actuelle, vous n'avez pas un marché libre en ce qui concerne les expéditions? On peut dire qu'il est contrôlé par les chemins de fer. Je crois que la concurrence entrerait en jeu. Si les camionneurs pouvaient offrir leurs services à des taux concurrentiels, les expéditeurs eux-mêmes chercheraient vite le mode le moins coûteux pour le transport et cela se pourrait que ce soit les camionneurs. Même si le prix était le même et que les camions sont plus commodes, alors plus d'affaires iraient aux camionneurs.

M. Rose: Mais en même temps les contribuables du Canada subventionnent les chemins de fer à cette fin, n'est-ce pas? Et les gens de l'Ouest et du centre du Canada subventionnent un genre de transport. Ce que vous figurez, c'est que nous divisions les subventions. Cela pourrait peut-être ajouter quelque chose comme 4 millions de dollars à celles-ci. Je ne sais pas si on avait compris les camionneurs.

Je vois très bien le raisonnement qui a animé votre observation. Je m'intéressais beaucoup plus à l'administration de cette histoire.

M. Mills: Je ne suis pas prêt à me déclarer en ce qui concerne l'administration du versement.

M. Perrault: Monsieur le président, tout d'abord je crois que le mémoire est très constructif et très complet.

[*Text*]

It suggested that containerization combined with the use of unit trains would give the Maritimes a competitive advantage, and I think the position is very well taken.

Let me ask you this: it is suggested that it will be expensive, at least in the early period of time, to establish these facilities. How do you see the costs of these facilities shared among various levels of government? Would you say that the federal government would pay a majority of the expense, or would there be a provincial involvement, or an involvement of private enterprise in assisting in the establishment of this concept which seems to have merit.

Mr. Mills: At this moment there is a provincial and a City of Halifax sharing of the cost of some of the work that is going on.

Mr. Perrault: On the containerization facility going on now?

Mr. Mills: On the containerization facility. But I do not think you mean to suggest that the province might usurp the National Harbours Board role...

Mr. Perrault: No, No.

Mr. Mills: .. in Halifax, nor would they get involved in the railroad transportation business.

Mr. Perrault: No. You talk in terms of improving the roadbed presumably from here to central Canada. Most of the expense would be borne by the federal government, I assume, on this particular program?

Mr. Mills: Yes.

Mr. Perrault: That was the essence of my questions?

Mr. Nowlan: I want to ask one other question. You may not be able to answer it, but perhaps the transport sector man may. The EIU Report suggests that transport cost is approximately 5 per cent in this area. Have you or any particular sector reviewed that section of the Economist Intelligence Unit report to determine how valid their assessment was? Is it five per cent, or is it higher in this area on manufactured goods?

Mr. Mills: I am afraid I cannot answer that specifically as to whether the five is valid or otherwise, but I do know that our sector did examine the EIU Report very thoroughly.

[*Interpretation*]

Le mémoire suggère que le transport par cadres, combiné avec l'utilisation de trains homogènes, donnerait aux Maritimes une position concurrentielle avantageuse. Je pense que c'est un position très sûre.

Permettez-moi de vous demander ceci: on laisse à entendre qu'il en coûtera cher, du moins au tout début, pour établir ces aménagements. Alors, comment envisagez-vous le partage de ces frais parmi les différents niveaux de gouvernement? Est-ce que vous diriez que le gouvernement fédéral paierait la majorité des dépenses ou est-ce que le gouvernement provincial serait impliqué ou est-ce que l'entreprise privée pourrait aider à établir ce concept d'idées qui semble être méritoire d'ailleurs.

M. Mills: A l'heure actuelle, il y a certainement partage entre la province et la ville d'Halifax quant à cet aménagement pour les cadres.

M. Perrault: L'aménagement qui se fait actuellement?

M. Mills: Quant aux installations pour le service des cadres. Mais je ne crois pas que vous vouliez dire par là que la province devrait remplacer le Conseil des ports nationaux...

M. Perrault: Non, non.

M. Mills: ...à Halifax, ni s'ingérer au transport ferroviaire.

M. Perrault: Vous parlez d'amélioration de terre-pleins je suppose d'ici au centre du Canada. La plus grande partie serait donc aux frais du gouvernement fédéral et je présume, dans ce programme particulier?

M. Mills: Oui.

M. Perrault: C'était le sens de mes questions.

M. Nowlan: Je voudrais poser une dernière question. Vous ne serez peut-être pas en mesure d'y répondre, mais peut-être que l'expert du service des transports pourra le faire. Le rapport de *EIU* a laissé entendre que les coûts de transport sont d'environ 5 p. cent pour cette région. Avez-vous ou un autre secteur particulier révisé cette section du rapport de l'*Economist Intelligence Unit* pour déterminer la validité de cette évaluation. Est-ce 5 p. cent, ou est-ce plus élevé ici pour les produits manufacturés?

M. Mills: Je ne pourrais pas répondre à votre question pour ce qui est de la validité de ce 5 p. cent, je sais que notre secteur a étudié la valeur de ce rapport.

[*Texte*]

Mr. Nowlan: Obviously they did not find that out of order, I gather.

Mr. Mills: We did not say so in our brief, although we did say in the first paragraph of our long form of the brief:

> In reviewing the Atlantic Provinces Transportation Study, which had been prepared for the Atlantic Development Board, the Planning Board found several shortcomings, particularly in the section dealing with sea ports. Rather than follow a more constructive approach in arriving at future prospects for the port of Halifax, those conducting the study merely made a projection of past trends. To be content with this procedure would be to passively accept the negative and faulty conclusion that there is very little future for the port of Halifax or any other Nova Scotia port.

In making that criticism of the work done by the EIU, one could almost say this was a general remark with respect to whether this five per cent was right or wrong.

The Chairman: Mr. Nesbitt.

Mr. Nesbitt: I have two brief questions, Mr. Chairman.

Has your group or any of your members made specific recommendations as to how the Canadian National Railways could operate more efficiently other than in the projected container facility?

Mr. Mills: No, we have not.

Mr. Nesbitt: Have you any views on the suggestions about the possible Chignecto Canal?

Mr. Mills: As we explained in our brief, we have a sector on transportation and communications, and within that sector there are four or five segments. One deals with railways; another one deals with ocean transport, and so on. Ideas that come up in these segments of that sector, if valid, will get by the segment level and go up to the sector level. If the sector considers they are valid they will pass them on to the Board. The fact that the Board has not referred to this leads me to say conclusively that the Chignecto Canal...

Mr. Nesbitt: They had not thought about it?

Mr. Mills: Well, if they had thought of it they have discarded it.

The Chairman: This completes the questions, Mr. Mills. Thank you very much for coming here.

[*Interprétation*]

M. Nowlan: Évidemment, ils n'ont pas conclu que ce n'était pas juste.

M. Mills: Nous ne l'avons pas dit dans notre mémoire, bien que nous avons dit au premier alinéa du mémoire au long:

> En examinant l'étude sur les transports dans les provinces Atlantiques qui a été faite pour la Commission de développement de l'Atlantique, l'Office de planification y a relevé quelques lacunes, en particulier dans la section traitant des ports de mer. Plutôt que d'adopter une attitude constructive et de chercher de nouvelles perspectives pour le port de Halifax, les auteurs de l'étude se sont bornés à fonder leurs prévisions sur les tendances du passé. Accepter passivement cette conclusion erronée et négative nous condamnerait à n'entrevoir que très peu d'avenir pour le port de Halifax, comme pour les autres ports de Nouvelle-Écosse.

En faisant cette critique du travail de l'EIU, on peut dire que c'est là une observation d'ensemble quant à la validité de ce 5 p. cent, qu'il soit juste ou non.

Le président: Monsieur Nesbitt.

M. Nesbitt: Deux questions très brèves, monsieur le président.

Est-ce que votre groupe ou vos membres avaient formulé des recommendations précises quant à la façon dont le National Canadien pourrait avoir une exploitation plus efficace quant au service projeté de cadres?

M. Mills: Non, nous ne l'avons pas fait.

M. Nesbitt: Est-ce que vous avez des points de vue au sujet des suggestions faites sur le canal de Chignecto?

M. Mills: Comme nous l'avons expliqué dans notre mémoire, nous avons un secteur de transports et communications, et dans ce secteur il y a 4 ou 5 segments. Ils traitent de Chemins de fer, d'autres des transports océaniques, et ainsi de suite. Et les idées qui sont énoncées dans ces segments de ce secteur, s'ils sont valables, alors de toute façon le segment pourra en arriver au secteur et si le secteur est valable, donc il passera au Conseil. S'il n'en est pas question ici au Conseil, j'imagine qu'ils n'ont pas pensé au canal de Chignecto...

M. Nesbitt: Ils n'y ont pas pensé.

M. Mills: Eh bien, s'ils y ont songé, ils l'ont mis de côté.

Le président: Ceci met fin à la période de questions, monsieur Mills. Je demanderais maintenant au Conseil économique des pro-

[*Text*]

I will now call upon the Atlantic Provinces Economic Council: Mr. Nelson Mann, and Mr. Arthur C. Parks.

I would ask Mr. Mann to give us an idea of his brief.

Mr. Nelson Mann (Executive Vice-President, Atlantic Provinces Economic Council): Thank you very much Mr. Chairman, and members of the Committee. I want to express the sincere appreciation of my president, Mr. Charles MacFadden, who unfortunately had to leave for New York yesterday. He had intended to present this brief but has asked me to do it for him.

Accompanying me is Mr. Arthur Parks, our Chief Economist from Fredericton.

What I have to say to you is a summary of our thinking and it is very brief. We have no doubt at all, gentlemen, that during your tour of the Atlantic Region you have received and you will receive and continue to receive many worthy submissions concerned with many aspects of transportation and the problems that surround it.

These, we have no doubt, are directed to such matters as subsidies and freight rates, to the causeway to Prince Edward Island and the corridor road through Maine, to superports and international airports, to more adequate rail services, to the need for additional ferries and to superhighways and land bridges.

Our brief is somewhat different in that it is concerned with the role of transportation in both influencing and servicing the regional development process. It is concerned with integrating all forms of transportation into one consistent framework to serve the development needs. The Atlantic Provinces although perhaps to a lesser degree than certain other regions of Canada, is a region in transition. There are, for example, discernible trends in population, distribution from rural areas and small urban communities to larger urban centres. There are also discernible trends to a changing industrial structure. This is most evident in a shift of employment from primary resources and their activities to manufacturing and the service industries.

Gentlemen, there is a noticeable tendency for both population and economic activities to now concentrate in larger centres and communities and we welcome this.

These movements must be continued and intensified. Indeed, it is the express purpose

[*Interpretation*]

vinces de l'Atlantique de bien vouloir se présenter. M. Nelson Mann et M. Arthur C. Parks. Je demanderais à M. Mann de nous présenter un résumé de son mémoire.

M. Nelson Mann (Vice-président exécutif Conseil Économique des provinces de l'Atlantique): Merci beaucoup, monsieur le président, et les membres du Comité. Je désire formuler notre reconnaissance, au nom de mon président, Monsieur Charles MacFadden, qui, malheurusement, a dû se rendre à New York hier. Il avait l'intention de présenter lui-même cette soumission. C'est pourquoi il m'a demandé de le faire en son nom.

A mes côtés se trouve M. Arthur Parks, notre économiste en chef de Fredericton.

Ce que je voudrais vous dire ce soir consiste en un résumé de notre ligne de pensée et c'est très bref. Nous n'avons aucun doute messieurs, que dans votre tour des provinces de l'Atlantique, vous avez entendu et vous entendrez encore un bon nombre de soumissions traitant des différents aspects des transports et des problèmes connexes.

Nous sommes sûrs que ces soumissions traitent des subventions et de tarifs marchandises, de la chaussée vers l'île du Prince Édouard, de la route de corridor par le Maine, des superports et les aéroports internationaux, un service plus adéquat et le besoin d'avoir des transbordeurs additionnels des grandes routes et des ponts.

Notre mémoire est quelque peu différent en ce qu'il s'intéresse au rôle des transports pour influencer et desservir tout le processus de développement sur le plan régional. Leur intérêts, c'est l'intégration de toutes les formes de transport dans une structure ou un cadre, afin de servir les besoins de l'expansion. Les provinces de l'Atlantique, quoique dans une moins grande proportion que d'autres régions du Canada, sont dans une région en pleine transition. Ainsi, par exemple, on peut observer une tendance marquée dans le déplacement démographique des centres ruraux et des petites collectivités urbaines vers les grands centres urbains. On peut constater également une tendance vers un changement de la structure industrielle. Ces tendances se traduisent surtout par un déplacement de l'emploi à partir des ressources primaires et leurs activités, vers les industries de manufactures et des services.

Messieurs, on peut constater une tendance marquée vers la concentration démographique et économique dans les grands centres et collectivités urbaines, et nous en sommes fort heureux.

Ces déplacements doivent se maintenir et s'intensifier. C'est même l'intention expres

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of the new federal department of regional economic expansion to concentrate the development effort, as far as this is possible, in a relatively small number of growth centres. We want to see them established, built up and have them supported. This Councill views transportation as one means of encouraging such development and servicing its continual expansion.

You will note, however, that certain transportation technology adds a new dimension to the relationship between transportation and over-all development, and one which may very well give transportation a more active role to play in the development of the Atlantic Provinces.

The region has always been heavily dependent on exports, particularly exports of primary and partially processed materials. As a result of the new super port, land, bridge concept, it may well be that the region is destined to become a distribution route for the export trade, not only of Canada, but of other parts of the world. In other words gentlemen, while it was a change in transportation technology during the mid-19th century which was, in considerable measure, responsible for undermining the previous prosperity of the Maritime provinces, it can be the new development in transport technology a century later which may, in considerable measure, result in a new era of prosperity for the Atlantic Provinces.

Every assistance must be given this region to take advantage of its potential as a key link in the age of super ships, super ports and land bridges. In this way transportation becomes not only a service to total development, but also in itself a cause of development.

In summary, Mr. Chairman, and apart from this leading role, a transportation system for the Atlantic region must provide at least the minimum level of services required for development purposes at the least possible cost. We recognize that costs of such a service may be higher than they would be elsewhere, and the matter of subsidies, therefore, arises. However, it needs to be emphasized that subsidies are not the important consideration. The primary consideration is the development of a transportation system comprising all modes of transport to meet the needs of the present and the future. Subsidies, to whatever form of transport, should be looked at simply as a means of expediting the development of such a system.

Mr. Chairman, we gave you a lot of reading material that surrounded this and I hope that

[*Interprétation*]

du nouveau ministère de l'Expansion économique régionale de concentrer autant que possible les efforts d'expansion dans quelques centres de croissance relativement peu nombreux. Nous voulons les voir se constituer et se développer. Notre conseil considère le transport comme un moyen de servir cette expansion continuelle.

Nous ferons observer toutefois que certaines technologies des transports ajoutent une nouvelle dimension aux rapports qui existent entre les transports et le développement général, lesquelles pourront très bien donner un rôle plus actif aux transports dans le développement des provinces Atlantiques.

La région a toujours dû compter sur les exportations, surtout sur les exportations des matériaux à l'état primaire ou transformés en partie. Grâce au nouveau concept de super port-terre-pont, cette région pourrait devenir une route de distribution pour le commerce d'exportation, non seulement du Canada, mais d'autres parties du monde. En d'autres mots, messieurs, c'est un changement dans la technologie des transports au cours du 19e siècle qui en grande partie était responsable du fait qu'on a ainsi miné la prospérité des provinces maritimes. C'est peut-être le nouveau développement dans les technologies des transports, un siècle plus tard, qui peut en grande partie conduire à une nouvelle ère de prospérité pour les provinces de l'Atlantique.

Cette région doit recevoir toute l'aide voulue pour profiter de son potentiel comme étant un maillon principal dans cette ère de navires géants, de ports et de terre-ponts géants. Ainsi, le transport devient non seulement un service pour l'expansion globale, mais il provoque également le développement.

En résumé, monsieur le président, et outre ce rôle primordial, un système de transport pour la région de l'Atlantique doit assurer au moins un minimum de service requis pour le développement, avec le moins de frais possible. Nous reconnaissons que les coûts d'un tel service peuvent être plus élevés qu'ils ne le seraient ailleurs, et par conséquent la question des subsides se pose. Seulement il nous faut signaler que ce ne sont pas les subsides qui importent tellement. Il faut tout d'abord voir au développement d'un réseau de transport, qui comprendrait tous les moyens et modes de transport afin de répondre aux besoins du présent et de l'avenir. Quelle que soit la forme de transport qui bénéficie des subsides elles doivent être considérées simplement comme étant un moyen d'accélérer l'évolution d'un tel système.

Monsieur le président, nous avons mis à votre disposition une bonne documentation, et

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this very brief summary brings you up to date on how we feel. Thank you very much.

The Chairman: Thank you very much. Mr. Allmand.

Mr. Allmand: Mr. Mann and Mr. Parks, in your brief you have made a statement with respect to subsidies and I would like to ask you some questions on this matter.

Considering what you have said about subsidies, am I to take it that you do not recommend the continuation of MFRA in its present form, or at all?

Mr. Mann: Mr. Chairman, we do not attempt, in any way, to say whether the MFRA is right or wrong. We do not get into this matter of problems. What we are saying is that we do not believe in subsidies as something that should always be. We think that subsidies are a matter which, in order to get something off the ground, in order to get it started and well under way, needs to be put into effect, needs to be created and needs to be done. As for the continuation of subsidies *ad infinitum*, we think this is a wrong principle.

Mr. Allmand: In other words, you look upon a subsidy as a means of stimulating, or as a catalyst but not as a long term solution?

Mr. Mann: That is right.

Mr. Allmand: That is all, thank you.

The Chairman: Mr. Skoberg.

Mr. Skoberg: What population in urban centres do you consider to be a growth area?

Mr. Mann: Do you mean how large should a growth centre be?

Mr. Skoberg: Yes.

Mr. Mann: Again, I cannot tell you exactly, but I am going to ask Mr. Parks to deal with this question in a moment, because it is a matter that he has been studying as our economist. As far as we are concerned there are many different kinds of growth centres: there is the manufacturing centre, the service centre and others.

I do not think one could say just what the minimum amount would be. Halifax, we believe, is a growth centre. We believe that Moncton is a growth centres. We believe that

[*Interpretation*]

nous espérons que ce bref résumé vous mettra au courant de notre façon de penser. Merci beaucoup.

Le président: Merci beaucoup. Monsieur Allmand?

M. Allmand: Monsieur Mann et monsieur Parks dans votre mémoire, vous avez fait une déclaration pour ce qui est des subventions, et je voudrais vous poser d'autres questions à ce sujet.

Si l'on tient compte de ce que vous avez dit à l'égard des subventions, dois-je en conclure que vous ne recommandez pas le maintien des dispositions de la Loi sur les taux de transport des marchandises dans les Maritimes, sous sa forme actuelle ou l'abolition de ces dispositions?

M. Mann: Monsieur le président, nous n'avons pas du tout l'intention de dire que les dispositions de cette Loi sont justes ou pas. Nous ne nous mêlons pas de ce genre de problème. Tout ce que nous disons, c'est que nous ne croyons pas que les subsides doivent toujours être maintenus. Nous croyons que les subsides doivent servir à mettre quelque chose sur pied, à le mettre en marche et à le faire progresser.

Pour ce qui est de consentir des subsides sans aucune limite, nous croyons que c'est un mauvais principe.

M. Allmand: Donc, vous considérez une subvention comme étant un moyen de stimuler, d'encourager ou comme catalyseur mais pas comme étant une solution à long terme?

M. Mann: C'est juste.

M. Allmand: C'est tout. Merci beaucoup.

Le président: Monsieur Skoberg.

M. Skoberg: Quel pourcentage de population des centres urbains doit être considéré comme étant une région de croissance?

M. Mann: Vous voulez dire quelle doit être l'envergure cette région de croissance?

M. Skoberg: Oui.

M. Mann: Une fois de plus, je ne pourrai vous dire exactement ce qu'il en est; mais je vais demander à M. Parks d'y répondre dans un instant, parce que c'est une question qu'il étudie en tant qu'économiste. Il y a d'après nous plusieurs genres de centres de croissance: des centres de fabrication, des centres de service, et d'autres.

Je ne crois pas qu'on puisse dire au juste quel serait le minimum. Halifax, à notre avis est un centre de croissance et nous croyons que Moncton en est un; nous croyons c

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centres with the population of Fredericton are growth centres. These are matters which must be established. We think for instance in the Port Hawkesbury area that this is going to be, perhaps before too long, a growth centre. It does not have a very large population as yet.

Mr. Arthur Parks (Chief Economist, Atlantic Provinces Economic Council): Mr. Chairman, there is no clear consensus, I think, of how large a growth centre should be.

There are people who have suggested a minimum population of 100,000: there are other people who have suggested when you get to 1 million your whole population, your whole activity, has become too concentrated and you meet all the problems of urbanization and so on. I do not think there is any clear answer to the question. I would suspect that Halifax in the case of the Atlantic provinces is an obvious growth centre. Halifax will likely have a population of 300,000 or so by the next 20 or 30 years. As Mr. Mann said, there are other types of growth centres. For example, the whole Fredericton, Ormocto complex of communities, taken together, was one of the fastest growing centres in Canada between 1961 and 1966. But it is a different type of centre: its economic base is the service industry and not industry as such.

Mr. Skoberg: Mr. Chairman and gentlemen, I am sure everyone in this room could have a different definition of a growth centre as it affected their particular municipality of their city. However, would you give me an indication of what type of commission should be set up to determine what a real growth centre is throughout Canada as applied to the new legislation that has been suggested here as recently as one or two days ago?

Mr. Parks: Mr. Chairman, in the case of the Atlantic Provinces, if I read correctly the legislation which was introduced in the House of Commons earlier this week, the intention is to select those centres which have considerable population at the moment and which show considerable growth prospects. It is a matter of reinforcing growth trends. It is not a matter of reversing trends and establishing new ones. It is a matter of reinforcing those growth trends which already exist. So far as the machinery for the selection of these is concerned, I do not know, but there is provision in the legislation, as I understand it, for

[*Interprétation*]

même qu'un centre de population, comme Fredericton, est un centre de croissance aussi. Ce sont là des questions qui doivent être établies. Nous croyons par exemple que la région de Port Hawkesbury deviendra éventuellement un centre de croissance. La population n'est pas encore tellement grande à ce moment-ci.

M. Arthur Parks (Économiste en chef, Conseil économique des provinces de l'Atlantique): Monsieur le président, les avis sont partagés quant à l'importance d'un centre de croissance. Certains ont parlé d'un minimum de 100,000 personnes; pour ce qui est de la population, d'autres ont dit que lorsque vous atteignez un million vous en êtes rendus au point où la concentration est trop grande et vous avez le problème de l'urbanisation. Il n'y a vraiment pas de réponse claire et précise à cette question, mais je dirais que Halifax, dans le cas des provinces de l'Atlantique, est vraiment un centre de croissance et je dirais que Halifax pourrait avoir une population de 300,000 d'ici les 20 ou 30 prochaines années. Comme M. Mann l'a dit, il y a d'autres genres de centres de croissance. Par exemple, les régions de Fredericton et d'Oromocto prises dans l'ensemble formaient l'un des centres qui croissaient le plus rapidement entre 1961 et 1966. Mais c'est un autre genre de centre de croissance; son assiette économique constitue l'industrie de service et non pas l'industrie comme telle.

M. Skoberg: Monsieur le président, messieurs, je suis sûr que chacun de nous ici pourrait définir différemment un centre de croissance, tel que cela affecte sa municipalité ou sa ville. Mais, pourriez-vous me dire quel genre de commission devrait être constituée pour déterminer ce qu'est vraiment un centre de croissance, à travers le Canada, tel qu'il est appliqué à la nouvelle législation qui nous a été proposée ici, disons il y a à peine un jour ou deux?

M. Parks: Monsieur le président, en ce qui concerne les provinces de l'Atlantique, si j'ai bien interprété la législation présentée à la Chambre des communes plus tôt cette semaine, on a l'intention de choisir les centres à populations très denses en ce moment et qui présentent des perspectives de croissance assez grandes. Il s'agit de renforcer ces tendances de croissance, plutôt que de les renverser et d'en établir de nouvelles. Il s'agit de renforcer de plus en plus ces tendances de croissance qui existent déjà. Pour ce qui est des rouages en vue de choisir les centres de croissance la législation prévoit la consulta-

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joint consultation between the government of Canada and the governments of the provinces concerned.

Mr. Skoberg: Would it be your opinion, sir, that your Atlantic Provinces Economic Council would make recommendations in this regard as to what you consider to be growth centres in your particular Atlantic provinces?

Mr. Mann: I would like to deal with that question.

What you would like to know is the real basis for the establishment of a growth centre. Mr. Parks passed over it rather quickly by saying that it is a centre which shows strong growth trends now and, coupled with that, a fairly sizeable population, that is, one that can support activity. You do not want to take too many of them, because then you are going to have just too many to deal with. You need to take relatively few. We made a suggestion on a number of them in an report which we put out some years ago.

Mr. Skoberg: Would you be prepared to name those now, sir—some of the ones you consider to be growth centres in the Atlantic Provinces.

Mr. Mann: Yes. We consider the Halifax-Dartmouth area as a growth centre; the major area in Saint John, the municipality; Moncton; Charlottetown; the Bathurst area; the Sydney area and the Saint John's, Newfoundland area, and I think the Corner Brook area.

I believe that since we named them, there is certainly the New Glasgow-Pictou area which has definitely come forward to be a growth centre.

Mr. Skoberg: Prior to this proposed legislation, sir, were any of these designated areas?

Mr. Mann: Oh, yes.

Mr. Skoberg: Most of these were?

Mr. Mann: Most of them, yes.

Mr. Skoberg: Have you given any consideration to the fact that the potential growth areas that may be involved in the Atlantic Provinces, which naturally evolve around the transportation system—do you think perhaps under the new proposed legislation that there are other areas that could be growth centres that were outside the realm of the designated

[*Interpretation*]

tion conjointe entre le gouvernement du Canada et les provinces en cause.

M. Skoberg: Êtes-vous d'avis que le Conseil économique des provinces de l'Atlantique formulerait des recommandations à cet égard quant à ce qui, d'après vous, représente un centre de croissance pour les provinces de l'Atlantique?

M. Mann: J'aimerais répondre à cette question. Je pense que ce que vous désirez savoir c'est le véritable fondement pour l'établissement d'un centre de croissance. M. Parks y a répondu assez rapidement en disant que c'est un centre qui présente des tendances de croissance assez marquées à l'heure actuelle, ajoutant à cela, une population assez importante c'est-à-dire une population qui porterait son appui à l'activité. A mon avis, vous ne voulez pas en prendre un trop grand nombre parce qu'alors vous devrez vous occuper d'un très grand nombre. Il vous faut donc un nombre peu élevé. Nous avons présenté un certain nombre de suggestions dans un autre rapport que nous avons publié il y a quelques années.

M. Skoberg: Seriez-vous prêt à nous donner leurs noms maintenant, monsieur, de certains de ces centres qui, à votre avis, sont des centres de croissance dans les provinces de l'Atlantique?

M. Mann: Oui. Nous trouvons que la région d'Halifax-Dartmouth est un centre de croissance. Nous trouvons aussi que Saint-Jean ainsi que Moncton, Charlottetown, Bathurst, Sydney et Saint-Jean de Terre-Neuve et Corner Brook sont des centres de croissance.

Puisque nous les avons nommés, il y a certainement la région de New Gasglow-Pictou qui devient là aussi un centre de croissance.

M. Skoberg: Avant ce projet de loi, monsieur, croyez-vous qu'un de ces centres était une région désignée?

M. Mann: Oui. Certainement.

M. Skoberg: La plupart de ces régions étaient des régions désignées?

M. Mann: Oui, la plupart.

M. Skoberg: Avez-vous tenu compte du fait que les centres de croissance éventuels qui pourraient être dans les provinces de l'Atlantique se développeraient en fonction du système de transport? Croyez-vous qu'en vertu de ce nouveau projet de loi, il pourrait y avoir d'autres secteurs qui pourraient être considérés comme étant des régions de crois-

[Texte]

reas before, because they could not qualify ue to the unemployment figure?

Mr. Mann: From the statement the Minister ade, it seems to us that the areas we were aiming should have been included in the er-all picture of the regional program have w been included.

Mr. Skoberg: No additional ones, though?

Mr. Mann: No. The ones that were outside e designated area program are now includ- and I do not think there are any others at need to be included.

What we are anxious to avoid is getting volved in too many, because once you do at you start to water down your whole pro- am. You need to concentrate on a limited mber and get them going and once they are ing and become strong, then you can start build your other areas. But in the mean- ne, as you can see from what happens in er parts of Canada, these centres will ne along naturally and grow and become y viable, and then there will be others at will start up.

We believe this is the way it should go, and s is the way it looks as if the intention is to ve it go in the Atlantic Provinces now.

Mr. Skoberg: Mr. Chairman, I would like to gest to the gentlemen, if I may, that in the er parts of Canada this is not necessarily way it works. The criteria for designated as is the unemployment figure. That deter- nes the decision as to the designation of h areas. And I am sure that under the new islation there may be other centres in the antic Provinces as well as the rest of nada that may now be included in a wth area, and I would suggest, and I uld ask, that if you think there are other as that could be included in the growth a realm of the new legislation, you should r particular attention to it. There may be ne suggestions you may have in that ard.

Mr. Mahoney: Mr. Chairman, I wonder if witness might tell us about the composi- n of his organization and what sort of staff has, what he considers his terms of refer- e to be, and who finances his work.

Mr. Mann: The Atlantic Provinces Econom- Council, Mr. Chairman, is a private organi- on which is supported financially by mem-

[*Interprétation*]

sance, qui autrefois, ne faisaient pas partie des régions désignées, n'étant pas admissibles étant donné les chiffres du chômage?

M. Mann: A la suite de la déclaration faite par le ministre, il me semble que ces régions qui, d'après nous auraient dû être incluses dans ces tableaux d'ensemble des programmes régionaux, le sont présentement.

M. Skoberg: Il n'y en a pas eu d'autres depuis?

M. Mann: Non. Celles qui n'étaient pas comprises dans le programme des régions désignées sont maintenant incluses et je crois pas qu'il y en ait d'autres qui doivent être incluses.

Ce que nous voulons faire, c'est de ne pas en avoir un trop grand nombre parce qu'alors si vous en avez un trop grand nombre, vous commencez à diluer tout votre programme. Il vous faut donc concentrer vos efforts sur un nombre limité, les relâcher une fois qu'ils vont bon train, et qu'ils se renforcent, vous pouvez construire vos autres régions. Mais, entre-temps, comme nous pouvons voir ce qui se produit dans d'autres régions du Canada, ces centres se manifesteront d'eux-mêmes, connaîtront la croissance, seront viables, et il y en aura d'autres qui se manifesteront par la suite.

C'est la façon dont les choses devraient se dérouler et c'est bien ce qui va se produire, semble-t-il, si c'est là notre intention dans les provinces de l'Atlantique.

M. Skoberg: Monsieur le président, j'aimerais simplement vous dire, messieurs, si on veut bien me le permettre, que dans les autres régions du Canada ce n'est pas nécessairement la façon dont cela fonctionne. Le critère utilisé pour la désignation des régions est le taux de chômage. Je suis sûr qu'en vertu de la nouvelle législation il peut y avoir d'autres régions des provinces de l'Atlantique et du reste du Canada qui sont actuellement incluses dans une région de croissance et si vous croyez qu'il y a d'autres régions qui pourraient être incluses dans les cadres de cette législation, il y aurait lieu d'y accorder une attention particulière. On pourra peut-être vous faire certaines suggestions à cet égard.

M. Mahoney: Monsieur le président, le témoin ne pourrait-il pas nous décrire la composition de son organisation, de son personnel; quel est son mandat et qui finance son travail?

M. Mann: Le Conseil Économique des provinces de l'Atlantique est un organisme privé, monsieur le président; il est appuyé sur le

[*Text*]

bership fees. Members include corporations, industries of all kinds, educational institutions, private members, labour unions. Anyone can join APEC who wants to. The representation is on a personal basis, on an individual basis. If a person comes here as a representative of a Corporation, he does not speak on behalf of that corporation; he expresses his own views when he is sitting in and discussing APEC problems.

We have a staff of sometimes 11, sometimes 12, but we have had a staff of 16, 20 and 24. But our staff at the moment is 11 persons and we have two offices; the central office in Halifax where the main administration is, and there we have a centre for our economic studies; and the office in Fredericton, which Mr. Parks looks after. He has a staff of economists to back him up there.

Our main work is in basic economic research and statistics, and we put out a number of publications which we think are objective. The aim of these is to analyse what is going on in the region, and to tell the people what is actually taking place from a private point of view, and to urge governments to do the things that we think governments should do. We meet five or six times a year. We have an annual meeting every fall which is a highlight of the economic activity in the region, and we have excellent co-operation with governments, with business people, labour people, and so on.

Mr. Mahoney: Do I take it from your answer, sir, that neither governments at any level nor government agencies are members of the association?

Mr. Mann: There are numerous government people. Most of the Premiers are members and pay their membership fees. Many of the government personnel are members. They feel that they would like to get in and support us.

Mr. Mahoney: This is in their personal capacity.

Mr. Mann: That is correct.

Mr. Nowlan: Did you make any specific study on the effect of LCL rates?

Mr. Mann: No, we did not do that, Mr. Nowlan. The Maritime Transportation Commission—we try our best to not do things that other people do.

[*Interpretation*]

plan financier par des cotisations venant d membres qui comprennent des corporatio des industries de tout genre, des institutio d'éducation, des membres privés, des sy dicats ouvriers—enfin n'importe qui peut pa ticiper au CEPA et en devenir membre s'il désire. La représentation se fait sur un pl individuel, personnel. Si vous venez com membre d'une corporation, vous ne parlez p au nom de cette corporation, mais vo exprimez vos propres points de vue lorsq vous nous parlez de problèmes du CEPA.

Nous avons un personnel de 11 à 12, m nous avons eu jusqu'à 16, 20 et 24 personn Notre personnel en ce moment est de 11 p sonnes, et nous avons deux bureaux. bureau central est à Halifax où se trou l'administration centrale et notre cen d'études économiques; il y a aussi le bure de Fredericton dont le responsable est Parks, qui a un personnel d'économistes p le supporter dans son travail. Notre princi travail se fait dans le domaine de la rech che économique fondamentale et de la sta tique. Nous avons présenté un certain nom de publications que nous croyons objecti et qui ont pour but d'analyser la situat dans la région, de dire à la population ce se produit ici du point de vue du sect privé, et de prier le gouvernement de fa ces choses, qui, à notre avis, devraient ê accomplies. Cinq ou six fois par année n avons une réunion. Nous avons une réun annuelle chaque automne qui est le point c tral de nos activités. Nous recevons excellente collaboration des gouverneme des hommes d'affaires et des travailleurs.

M. Mahoney: Je conclus d'après v réponse, qu'il n'y a pas d'agences du g vernement qui sont membres de l'associatio

M. Mann: La plupart des premiers mi tres sont membres et paient leur cotisat De nombreux fonctionnaires sont membres sans hésiter ils aimeraient peut-être pa ciper à notre travail et nous appuyer.

M. Mahoney: C'est à tire personnel et en tant que fonctionnaires.

M. Mann: C'est exact.

M. Nowlan: Est-ce que vous avez fait étude plus particulièrement des effets taux des chargements incomplets?

M. Mann: Non. Nous essayons vraimen ne pas faire des choses qui ont été faites d'autres.

[*Texte*]

Mr. Nowlan: Well, I quite agree. That is ery commendable. My second question has do in part with an answer you gave earlier out subsidies. In your brief and in your nswer there is no doubt that subsidy is a talyst and the ideal is not to have to pay it rever *ad infinitum* as you mentioned. But ou also say that we need a minimum stand- d of service at the lowest possible cost to eet the needs of the region, and since this gion has a scattered population and is vided and has two islands on it, it almost comes inescapable to have public subsidies. re you suggesting—you are not suggesting re today for a moment that the service is to the standard that you would like it to , and that we could roll back subsidies mpletely, regardless of what form. I am not ying necessarily MFRA, but some help defi- tely in the transportation area in the Atlan- Region. Is that not correct?

Mr. Mann: This is so true. For instance...

Mr. Nowlan: I would not want your answer out subsidies and the generality of it to slead anybody in this room.

Mr. Mann: No. I am sure that everybody—I ally feel that everybody feels about subsi- s just as I do. I mean—but then you look ound at our total population, you look at e geography of the Atlantic Provinces, and u say, how can you do it? And the answer that if we had a large population, if we re viable in industrial production, if we re selling our products all over the world d so on, then we probably would not need m. But in the meantime, to do this, for ample—when we made a presentation ently to the Premiers, the Atlantic Premi- , we said that one of the problems here is ability to move from P.E.I. to Moncton, will say, from Charlottetown to Moncton, from Charlottetown to Halifax, and you ks remember on your last visit down here at the problem was.

Mr Nowlan: We could not move.

Mr. Mann: And then over to Newfound- d. So that, from a mere convenience, the t way to get around here is by air, and re certainly needs to be a policy, I think. an example, with respect to air transport this region, subsidies should be created so t air service can link up with the major nscontinental service of Air Canada. There a tremendous need for this, and that is just e example.

[*Interprétation*]

M. Nowlan: Je suis parfaitement d'accord avec vous. C'est très sage, nous vous en félicitons. Ma deuxième question a trait à une réponse que vous avez donnée en partie sur la question des subventions. Dans votre mémoire il est bien évident que les subventions sont un catalyseur et qu'elles n'ont pas à être payées à l'infini. Mais vous dites aussi qu'il nous faut un service minimum au coût le moins élevé pour répondre aux besoins de la région et puisque cette population est éparpillée en deux îles entre autre, il est inévitable ou à peu près qu'on ait des subventions publiques. Est-ce que vous proposez aujourd'hui vraiment que les services sont selon les normes que vous voudriez avoir et que nous pourrons simplement faire disparaître les subsides? Je ne veux pas nécessairement parler de la Loi sur les taux de transport des marchandises dans les provinces Maritimes, mais nous avons vraiment besoin d'aide pour ce qui est du transport dans les régions de l'Atlantique, n'est-ce pas juste?

M. Mann: C'est une vérité évidente.

M. Nowlan: Je ne veux pas vos avis sur les subventions pour induire les gens ici en erreur.

M. Mann: Je suis sûr que tout le monde partage mon avis sur les subventions. Mais alors, si vous tenez compte de l'ensemble de la population, et de la géographie des provinces de l'Atlantique, comment pouvez-vous le faire? Et la réponse est que si nous avions une population plus grande, si nous pouvions vivre de notre production industrielle, vendre nos produits de par le monde, et ainsi de suite, alors on n'aurait sans doute pas besoin de subventions. Entretemps lorsque nous avons fait une présentation aux premiers ministres de l'Atlantique, nous avons dit qu'un des problèmes était la difficulté de passer de l'Île-du-Prince-Édouard à Moncton, disons, de Charlottetown à Moncton, ou de Charlottetown à Halifax, et vous vous rappelez lors de votre dernière visite les problèmes que vous avez eus.

M. Nowlan: Oui, on ne pouvait plus se déplacer.

M. Mann: Ainsi de suite jusqu'à Terre-Neuve, donc la meilleure façon de se déplacer ici c'est par air et il faut donc établir une ligne de conduite. Par exemple, pour ce qui est du transport aérien dans cette région, des subventions devraient être créées pour que les services aériens puissent nous rattacher avec les principaux réseaux transcontinentaux. C'est un seul exemple que je vous donne.

[*Text*]

Mr. Nowlan: You would have to clarify that, because I do not know what your answer will be on this. But would you agree with me that access to central Canadian markets is in effect a condition of Confederation in this part of the country?

Mr. Mann: Everybody thought so.

Mr. Nowlan: But it has been very difficult to maintain.

Mr. Mann: Well, it has been very difficult to maintain. First of all, they built the railroad a little longer distance than some people thought they should because they were getting too close to the border, and we find really that over the years it has been very difficult to get into the Canadian market, because on the doorstep of people in Toronto and Montreal you had all kinds of business activity to serve the customers right there. And the question is, how to compete? Well, if you wanted to get wages here up to the level of other parts of Canada—and as someone said earlier here tonight, in some centres they are not too bad—but how can you do this if you do not get some help somewhere in order to create a viable position for yourself at home?

The Chairman: Mr. Breau.

Mr. Breau: Mr. Chairman, first of all, being a Maritime member, I should say to the members—maybe they do not know—that APEC is respected as a very well thought-of organization in the Atlantic Provinces as far as economics is concerned. I think it is the most respected.

Mr. Chairman, I have a couple of questions for the witness. You have put a great emphasis in your brief on primary industry.

Mr. Mann: On what?

Mr. Breau: Primary industry.

Mr. Mann: Secondary industry.

Mr. Breau: Did you put emphasis on primary industry?

Mr. Mann: We emphasized primary industry.

Mr. Breau: Now, in relation to that, you proposed to have a better transportation system for exportation. I agree with that. But for secondary industry, which is very important to this area, how can you foresee—before we

[*Interpretation*]

M. Nowlan: Il faudrait préciser le tou mais je ne sais pas ce que sera votre répons maintenant. Est-ce que vous conviendri avec moi que l'accès aux marchés du Canad central soit une condition de la Confédératio pour ces parties du pays?

M. Mann: Tout le monde le croyait.

M. Nowlan: Cela a été assez difficile maintenir.

M. Mann: Oui en effet cela a été tr difficile à maintenir. Tout d'abord nous avo construit les chemins de fer sur un parcou un peu plus long que certaines personn auraient cru qu'on allait le faire, étant don qu'ils s'approchaient trop des frontières. Ma nous trouvons qu'au cours des années il a é très difficile de pénétrer le marché canadie car à Montréal et à Toronto on avait tout sortes d'entreprises qui vendaient justeme aux clients là-bas, et alors comment concu rencer? Et si nous voulons que nos salair soient au même niveau que dans les autr parties du Canada, comme quelqu'un l'a d auparavant ce soir, dans certains centres l salaires ne sont pas trop mauvais, mais co ment faire si vous ne recevez pas une aide quelque part afin de créer une situation vi ble pour vous-même chez vous?

Le président: Monsieur Breau.

M. Breau: Monsieur le président, tout d bord, venant des Maritimes moi-même, devrais peut-être dire aux membres qui savent ce qui se passe au CEPA, que le Co seil économique des provinces de l'Atlantiq est un organisme très bien respecté en ce q concerne l'économique dans nos provinc Enfin je dirais que c'est l'organisme le pl respecté.

Maintenant, monsieur le président, j'aur quelques questions à poser aux témoins. Vo avez insisté beaucoup dans votre mémoire s l'industrie primaire...

M. Mann: Sur quoi?

M. Breau: L'industrie primaire.

M. Mann: L'industrie secondaire.

M. Breau: Mais est-ce que vous avez insi sur les industries primaires?

M. Mann: En effet, les industries primair

M. Breau: Et alors, à ce sujet, vous pro sez d'avoir un meilleur système de transp pour l'exportation. Je suis d'accord. M pour l'industrie secondaire, qui a beauco d'importance pour la région, comment p

Texte]

t double or triple the population that we ve now—that you will be able to compete th the industries in central Canada without ving an operational subsidy for transporta-n? You advocate some kind of assistance, t not operational subsidies. You say that e idea would be assistance for a better nsportation system, but how can you resee, before we get double or triple the pulation in the Atlantic Provinces so that can sell enough here to pay enough, that could compete without having operational bsidies?

Mr. Mann: Well, Mr. Chairman, it seems to that the answer I gave to the previous estion applies directly to that question.

Mr. Breau: All right.

The Chairman: Mr. Perrault.

Mr. Perrault: Mr. Chairman, in the brief mitted in March of 1968 by this organiza-n, they talk about the exports from the ion. More than one-half of the total value accounted for by newsprint, iron ore and od pulp. Products of the fisheries, forests mines together account for all but 15 per t of regional exports. I would like to ask Mann whether his organization would our a tariff policy, reducing tariffs in cer-n of the areas affecting Maritime products. t necessarily free trade, but would this be assistance in addition to the other excellent as that have been put forth in this brief? you actively promoting certain tariff luctions?

Mr. Mann: Mr. Chairman, we have not ked on any specific one, but we have con-ually advocated that a free-trade world uld be to our advantage.

Mr. Perrault: Yes. Well, we found, in New nswick and indeed in many of the briefs, suggestion that there would be advan-es. For example, in selling fine papers in United States. Now it is excluded because tariffs, you see.

n British Columbia, for example, the elievable situation is that we could sell niture to the California market if we had iff reduction.

Mr. Mann: If you could get into the market.

Mr. Perrault: That is right. It has been gested on several occasions during this r that transportation subsidies should be ended to the trucking industry on the e basis as the rail subsidies, which it has n suggested should be continued and per-

[*Interprétation*]

voyez-vous—avant d'avoir deux ou trois fois la population que nous avons à l'heure actuelle—pouvoir concurrencer les industries du centre du Canada, sans avoir une subvention pour les transports? Vous avez souhaité une forme d'aide, mais non pas nécessairement une subvention opérationnelle. Vous nous exhortez à adopter un meilleur système de transport, mais comment prévoyez-vous, avant d'avoir deux ou trois fois la population actuelle des provinces de l'Atlantique afin de pouvoir vendre suffisamment ici pour payer, pouvoir faire la concurrence sans avoir une subvention opérationnelle?

M. Mann: Il me semble que ma réponse à la question précédente s'applique directement à celle-ci.

M. Breau: Très bien.

Le président: Monsieur Perrault.

M. Perrault: Dans le mémoire présenté en mars 1968, on dit que la moitié de la valeur totale des exportations est représentée par le papier journal, le minerai de fer et les produits de la pâte. Les produits de la pêche, de la forêt et des mines représentent 15 p. 100 des exportations régionales. J'aimerais donc demander à M. Mann si son organisme serait en faveur d'une politique tarifaire, qui réduirait les tarifs dans certains secteurs qui touchent aux produits des Maritimes. Non pas nécessairement un libre-échange, mais est-ce que cela aiderait en plus des autres excellentes idées que vous avez émises dans votre mémoire? Est-ce que vous demandez activement certaines réductions tarifaires?

M. Mann: Nous n'en avons pas choisi un seul, monsieur le président, mais nous avons toujours demandé et proclamé qu'un monde de libre-échange serait à notre avantage.

M. Perrault: Nous avons trouvé au Nouveau-Brunswick qu'il y aurait beaucoup d'avantages, par exemple, pour la vente de papier fin aux États-Unis. C'est maintenant exclus à cause des tarifs.

Nous trouvons en Colombie-Britannique, par exemple, la situation incroyable que nous pourrions vendre des meubles sur le marché de la Californie s'il y avait réduction tarifaire.

M. Mann: Oui, si vous pouviez pénétrer le marché.

M. Perrault: C'est exact. Il a été suggéré, à plusieurs reprises au cours de notre tournée, que les subventions au transport devraient être étendues à l'industrie du camionnage sur la même base que les subventions pour les chemins de fer, que l'on a aussi suggéré de

[*Text*]

haps extended. Some briefs have suggested that subsidies be paid for air transport. Would you, at least in the short run, favour the extension of subsidies to these other carriers in the Maritime area? The second last paragraph in this brief is rather vague on this point.

Mr. Mann: Well, it is vague because it is a very difficult question to answer. I have listened to a number of people here tonight trying to answer it, and there really was not any clear-cut answer, because whoever it was who asked the question earlier about, you know, how would you do it? This is the problem. How would you do it?

But one of the things that we are satisfied with is that free competition creates a situation which tends generally to be a favourable one, and if you can arrive at that position, you are going to have some advantages. It seems to me possible to calculate how subsidies could be given to the truckers. I do not know how.

Mr. Perrault: You would want to make sure that the advantage would be passed on to the producer.

Mr. Mann: You would want to be sure of that. That is right.

Mr. Perrault: This is one of the difficulties.

Mr. Mann: That is the difficulty, but it seems reasonable to investigate this.

Mr. Perrault: Yes. That is all, Mr. Chairman.

The Chairman: Mr. Nesbitt.

Mr. Nesbitt: There has been some reference already this evening, in the last few minutes, to air services in the Maritimes. Has your Council made any recommendations as to what could be done to sustain any regional air carriers that are already established or may be established in the Atlantic region, in particular, say, Nova Scotia or some of the other areas?

It is my understanding that very often projects that could be carried out by regional air carriers are often farmed out to other carriers from Central Canada. Have any recommendations been made on this to sustain regional air carriers that are either (a) in existence, or (b), may come into existence shortly?

[*Interpretation*]

continuer et même d'étendre. Dans certains mémoires, on suggère que des subventions soient accordées au transport aérien. Est-ce que vous êtes en faveur, pour l'avenir immédiat, de l'extension de ces subventions aux autres transporteurs des Maritimes?... L'avant-dernier paragraphe de votre mémoire est un peu vague à ce sujet.

M. Mann: C'est vague parce qu'il est très difficile de répondre à cette question. J'ai écouté plusieurs personnes ici ce soir essayer à vous donner une réponse et franchement il n'y a pas de réponse claire et nette. On s'est interrogé tout à l'heure, sur la façon de le faire. Voilà le problème, comment le faire?

Une des choses dont nous sommes convaincus, c'est que la libre concurrence crée une situation qui normalement a tendance à être favorable. Si vous êtes capables d'en arriver à cette situation, vous aurez certains avantages. Il me semble qu'il serait possible de calculer exactement comment vous pourriez accorder une subvention aux camionneurs. Mais je ne sais pas.

M. Perrault: Vous voudriez vous assurer par exemple que l'avantage soit transmis au producteur.

M. Mann: Évidemment.

M. Perrault: Voilà une des difficultés.

M. Mann: Il semble toutefois raisonnable de faire enquête à ce sujet.

M. Perrault: Très bien, merci.

Le président: Monsieur Nesbitt.

M. Nesbitt: On a parlé déjà ce soir, il y a quelques minutes, des services aériens dans les Maritimes. Est-ce que votre Conseil a formulé des recommandations quant à ce que l'on pourrait faire pour soutenir les transporteurs régionaux aériens qui sont déjà établis ou qui pourraient s'établir dans la région de l'Atlantique, tout particulièrement, mettons en Nouvelle-Écosse ou dans certaines autres régions.

Je crois comprendre que très souvent les projets que les transporteurs régionaux pourraient entreprendre, sont souvent déjà donnés à d'autres transporteurs du centre du Canada. Je me demandais s'il y avait des recommandations à ce sujet afin de soutenir les transporteurs régionaux qui existent déjà ou qui pourraient être mis en service dans un avenir immédiat.

[Texte]

Mr. Mann: Mr. Chairman, this is not one of ur responsibilities. First of all, the answer is o, we did not; and the other would be that e would be very unlikely to do so because e do not consider that we have the capacity r an investigation of this kind, or even to ake a recommendation of this kind. It is for e Maritimes Transportation Commission nd others, as I have said to Mr. Nowlan—his is their job; let them do it.

Mr. Nesbitt: My second short question elates to the Maritime Freight Rates Act hich has been brought up on many occaons in the last day or so. I have here a atement made in September of 1966 by the rmer Minister of Transport, Mr. Pickersgill, ow the very able and capable Chairman of e Canadian Transport Commission. The otation was very brief, as I recall it, that would never be a willing party to an alterion of the Maritime Freight Rates Act that e Atlantic Provinces generally did not conder would give them greater benefits than e Act already gives. Have you any comment that?

Mr. Mann: I really do not have any coment now. Later on, if you would like to talk ith me, I might.

Mr. Pringle: Mr. Chairman, I would like to llow up for just a moment the questioning growth areas that came from the other ble a little while ago.

You were asked what areas you considered be growth areas, and I was very interested that. What are your criteria relative to a owth area? I consider your organization to ve some expertise in this by virtue of the scussion we had. For example, you happened to mention Charlottetown as a growth ea.

Is this based on increase in population over certain period of time, or on an increase in dustrial development in that particular ea, or on reduction in unemployment? What iteria do you feel we should look for when ying to consider what is a growth area?

Mr. Mann: Mr. Chairman, we did not do at just by pulling the names out of a hat. e used a criterion. Mr. Parks did this, and I ill ask him to answer you.

[*Interprétation*]

M. Mann: Monsieur le président, ce n'est pas là une de nos responsabilités. Tout d'abord, la réponse est non, nous ne l'avons pas fait, et deuxièmement, c'est que nous ne le ferions probablement pas, étant donné que nous n'estimons pas que nous avons la compétence voulue pour une enquête de ce genre même pour formuler une recommandation à ce sujet. La Commission des transports des provinces Maritimes et d'autres comme je l'ai déjà dit à M. Nowlan, c'est leur travail, qu'ils le fassent.

M. Nesbitt: Une autre question très brève maintenant au sujet de cette question de la Loi sur le taux des transports des marchandises dans les Provinces Maritimes dont on parle depuis quelques jours. J'ai une déclaration faite en septembre, 1966, par l'ancien ministre des transports, monsieur Pickersgill, qui est à l'heure actuelle le président, très compétent d'ailleurs de la Commission Canadienne des Transports. En voici une brève citation qui se lit ainsi: «Je ne serai jamais consentant à modifier la Loi sur le taux des transports des marchandises dans les Provinces Maritimes que les Provinces de l'Atlantique en général n'estiment leur donner de meilleurs avantages qu'ils n'ont à l'heure actuelle.» Avez-vous des commentaires à formuler à ce sujet?

M. Mann: En fait, non. Je n'ai pas de commentaires à faire en ce moment. Peut-être plus tard si vous voulez me parler, j'en aurai peut-être.

M. Pringle: Monsieur le président. J'aimerais poursuivre pendant un moment les questions quant aux centres de croissance, qui ont été posées de l'autre table. On vous a demandé dans quelles régions à votre avis étaient des centres de croissance, ce qui m'a beaucoup intéressé. Mais je me demandais quels étaient vos critères quant aux centres de croissance. Je considère que votre organisme se connaît suffisamment dans le domaine, vu la discussion que nous avons eue. Par exemple, vous avez mentionné Charlottetown comme étant un centre de croissance.

Est-ce que vous fondez cette affirmation sur la croissance de la population au cours d'une certaine période de temps ou sur le développement industriel dans cette région ou sur la réduction du chômage. Quels sont les critères que nous devrions examiner quand nous essayons de déterminer ce que c'est un centre de croissance.

M. Mann: Monsieur le président, nous n'avons pas tout simplement dressé une liste de noms. Nous avons un critère. M. Parks qui l'a établi et j'aimerais lui demander de vous répondre.

[*Text*]

Mr. Pringle: Thank you.

Mr. Parks: Mr. Chairman, there were two general types of criteria which were used: one was the economic criterion and the other was the political one. We were concerned with industrial growth centres, not service growth centres.

As economic criteria we looked at the present level of population and the growth of population over a reasonable period of time. We examined the labour force and its industrial composition to find out whether there was any trend towards the concentration of manufacturing in a number of communities which we selected. We looked at income levels and all this type of thing.

You have to recognize, in addition to this, that there are four separate political entities in this part of Canada—the four provinces. The political facts of life are beginning to make themselves felt and until maritime union you have to have at least one growth centre in each province.

Mr. Pringle: I am delighted. Thank you very much.

Mr. Carter: I feel compelled, sir, to ask Mr. Mann a few questions. Representing, as he does, the Atlantic Provinces Economic Council, he represents all of the Atlantic provinces, unlike the brief presented this morning by the Society of Atlantic Initiative.

All during our tour we have had quite a lot of discussion and debate about the problems encountered by people who are transporting products, and so on, to Central Canada. We all realize, and we all must admit, that probably one of the weaknesses of Confederation, as I see it, is that the Maritime Provinces have become, in effect—if you want it put this way—a dumping ground for central Canada.

The breakfast cereals we eat in the morning, the tables from which we eat it and the chairs on which we sit are sold in and come from Central Canada to the Atlantic Provinces.

As a Newfoundlander, I raise this problem now because I presume the Atlantic Provinces Economic Council will not be presenting a brief in Newfoundland, and this is probably the last chance I will have to ask this question of them on this tour.

Sir, what are your views on the transport of our human resources? These of course, as we all must agree, are probably the most

[*Interpretation*]

M. Pringle: Merci.

M. Parks: Monsieur le président, il y aurait deux critères généraux, l'un économique l'autre politique, que nous avons employés Ce qui nous intéresse sont les centres de croissance industrielle et non des services. En ce qui concerne le critère économique, nous avons examiné le niveau actuel de la population ainsi que la croissance de la population pendant une période raisonnable de temps Nous avons aussi examiné la main-d'œuvre et sa composition industrielle afin de déterminer s'il y avait tendance à concentrer l'industrie de la fabrication dans un certain nombre de communautés que nous avions choisies. Nous avons examiné les niveaux de revenu et ce genre de choses.

Ensuite il faut reconnaître aussi, en plus de cela, qu'il y a quatre entités politiques distinctes dans cette région, c'est-à-dire les quatre provinces. Les faits de la vie politique commencent à se faire sentir et jusqu'à ce qu'il y ait l'union des Provinces Maritimes il faut nécessairement voir au moins un centre de croissance dans chaque province.

M. Pringle: Je suis très heureux. Merci beaucoup.

M. Carter: Je me sens obligé, monsieur, de poser quelques questions à monsieur Mann étant donné qu'il représente le Conseil Économique des Provinces de l'Atlantique, qui, de par son nombre, implique qu'il représente toutes les Provinces de l'Atlantique et non pas, comme le mémoire ce matin présenté par la Société pour l'initiative de l'Atlantique.

Tout au cours de notre tournée nous avons entendu beaucoup parler des problèmes que rencontrent les gens qui transportent des marchandises vers le centre du Canada. Nous savons tous et il faut avouer que probablement un des points faibles de la Confédération, tel que je l'envisage, est que les Provinces Maritimes, en fait, sont devenues le terrain de dumping pour le centre du Canada.

Les céréales que nous mangeons le matin, les tables sur lesquelles sont posées ces céréales, les chaises sur lesquelles nous sommes assis, sont vendus aux provinces maritimes et nous viennent du centre du Canada. A titre de Terreneuvien, je soulève le problème maintenant parce que le Conseil Économique des Provinces de l'Atlantique, j'imagine, ne présentera pas de mémoire à Terre-Neuve, c'est probablement la dernière fois que j'aurai l'occasion de poser cette question au cours de la tournée.

Je me demande alors quelles sont vos opinions à l'égard du transport de nos ressources humaines. Évidemment nous convenons tous

[*Texte*]

mportant. We have heard comments from ifferent towns—Fredericton yesterday and nother town in Nova Scotia this morning—to ne effect that Canadian National are deliber-tely downgrading their rail passenger service ith a view to eventually phasing out that ervice because it is not economic. I do not ant to appear too regionalistic. I presume at on Friday and Saturday we will have our ound of flesh in St. John's relative to pas-nger rail service—have no doubt about that.

The Chairman: Do you have a question, r. Carter?

Mr. Carter: We will have our pound of esh on that, but while Mr. Mann is here I ould like to ask him this: Notwithstanding I that has been said about transporting pro-ice, and so on, from the Atlantic Provinces the central Canada region, I wonder what e his views, or those of the Atlantic Prov-ces Economic Council—APEC—on the ansportation of our human resources?

I do not think I need elaborate on the point am trying to make. There are certain areas Canada—and I could name one in particu-r but I will not—where this seems to come secondary in that passenger rail ser-ce has been discontinued. I do not wish to nfine my remarks to my province, because has been said here today and yesterday at there are other cities and towns which e pretty well in the same boat. I want to ow the views of Mr. Mann, or of his Coun-, on the Attitude of Canadian National and e CTC—I notice Mr. Hanley is smiling over ere—towards the transportation of our man resources and the obvious attempt of nadian National to downgrade the passen-r rail service in several areas, and particu-ly in one province, with a view eventually eliminating that service altogether in vour of buses with 39 seats and you know at.

The Chairman: Question, question, Mr. rter, please.

Mr. Carter: My question, Mr. Chairman, is vious. I want to know what Mr. Mann nks of the CNR's attitude and policy on ssenger rail service for human resources? e have heard a great deal of talk about nsporting produce and products, and so on. at about the greatest of all resources—man resources?

The Chairman: If you give him a chance witness will give you an answer.

[*Interprétation*]

que ces ressources sont les plus importantes. Nous avons entendu des commentaires de certains endroits, à Fredericton hier, et d'une autre ville de la Nouvelle-Écosse ce matin, qui disaient en somme que le National Canadien recule délibérément son service voyageur en vue d'éventuellement éliminer le service, parce que, financièrement, ce n'est plus rentable. Je ne veux pas être trop régionaliste car j'imagine que vendredi et samedi nous aurons notre part à Saint-Jean en ce qui concerne le service voyageur, j'en suis sûr.

Le président: M. Carter, est-ce que vous avez une question?

M. Carter: Nous exigerons ce qui nous revient. Mais pendant que monsieur Mann est ici, je voudrais lui demander le suivant: Nonobstant de ce qui a été dit au sujet du transport des produits de l'Atlantique vers le centre du Canada, je me demande quelle est son opinion et quelles sont les opinions du Conseil économique des provinces de l'Atlantique en ce qui concerne le transport de nos ressources humaines.

Je ne crois pas qu'il soit nécessaire pour moi d'élaborer un peu plus sur ce point que j'essaie de soulever. Il y a certaines régions du Canada, et je pourrais en nommer une en particulier, mais je ne le ferai pas, où ça semble être secondaire en ce sens que le service voyageur a été discontinué. Je ne veux pas limiter mes remarques à ma province seulement, car il a été dit ici, aujourd'hui et hier qu'il y a d'autres villes qui se trouvent dans la même situation. J'aimerais savoir quelle attitude M. Mann prend au sujet du National Canadien et de la Commission canadienne du transport. Je remarque que M. Hanley sourit en ce qui a trait au transport de nos ressources humaines, et l'attitude évidente du National Canadien de déférer les services voyageurs dans certaines régions, et dans une province en particulier, en vue d'éliminer ce service complètement à la longue, en faveur d'autobus d'une capacité de 39 voyageurs et vous savez quoi.

Le président: Monsieur Carter, quelle est votre question, s'il vous plaît?

M. Carter: Ma question est évidente et manifeste, monsieur le président. Je me demande ce que pense M. Mann de l'attitude et de la politique du National Canadien au sujet du traffic voyageur pour les ressources humaines. On a beaucoup entendu parler du transport des marchandises et des produits. Qu'est-ce qu'il en est de la plus grande des ressources, les ressources humaines?

Le président: Si vous lui permettez de vous répondre.

[*Text*]

Mr. Carter: I am sorry for the speech, Mr. Chairman, but I could not help it.

The Chairman: Thank you.

Mr. Mann: Mr. Chairman, I do not have any real knowledge about "the flyer" from St. John's to Port aux Banques.

An hon. Member: Flyer, did you say?

Mr. Mann: I always call the "Newfie Bullet" the flyer. I really do not have any special views about that. I know that APEC is anxious to see an efficient passenger service established. We know that a new all-weather highway has been established over some of the same route. I have driven over it and find it much faster than the train. Therefore, I have felt that if I were going to go from, say, Sydney to St. John's I would much prefer to drive. This is my own personal feeling; this is what I would like to do. If I wished to get there in a hurry I would take to the air. That is what I meant earlier when I said that there is a need for an integrated policy statement on air transport on a regional basis and how it is to be developed.

Seriously, our geography is such that we have to have that kind of thing—quick service. If you look at it yourself honestly and say: "Which way do I get the quickest service? Do I get it by air or do I get it by road?" I think you would come up with the answers.

Mr. Carter: Mr. Chairman, if we are going from Montreal to St. John's or to Stephenville, or from Montreal to Halifax, I agree that the jet service, and the air service generally, is faster; but I think Mr. Mann must agree that there are areas in Canada—and I am not suggesting Newfoundland is alone in this; there are Nova Scotia and New Brunswick—where it is impossible, or it is not suitable, to use the air service.

I am asking him to state his feelings about an obvious policy of Canadian National—and I say this with great respect to the people here tonight who represent Canadian National—to downgrade, to discourage, the use of rail passenger service in certain parts of Canada, particularly in the Maritime Provinces, and more particularly in Newfoundland.

Mr. Mann: Mr. Carter, I doubt that I could add anything to what I have already said

[*Interpretation*]

M. Carter: Je m'excuse du discours mais je ne pouvais pas faire autrement, monsieur le président.

Le président: Merci.

M. Mann: Monsieur le président, je n'ai pas de réelles connaissances au sujet du «flyer» de Saint-Jean à Port aux Basques.

Une voix: Qu'est-ce que vous entendez par «flyer».

M. Mann: J'appelle que «Newfie Bullet» le «flyer», mais honnêtement, je n'ai pas d'opinion particulière à ce sujet. Je sais qu'en ce qui concerne le Conseil économique des provinces de l'Atlantique nous voudrions voir un service voyageur efficace établit. Nous savons qu'une nouvelle route toutes saisons a été établie dans cette région. En fait je l'ai parcourue et je la trouve beaucoup plus rapide que le train. J'estime donc, que si je devais me rendre mettons de Sydney à Saint-Jean Terre-Neuve, je préférerais de beaucoup aller en automobile. Cela est mon opinion personnelle. C'est ce que je voudrais faire. Et si je voulais m'y rendre très vite, je prendrais l'avion. C'est ce que je voulais dire plus tôt quand j'ai dit qu'il y a un besoin d'une politique sur le service aérien régional et de la façon qu'on va le développer.

Sérieusement, vu la géographie que nous avons ici, nous avons vraiment besoin d'un service rapide. Je crois que si vous vous demandez vraiment de quelle façon vais-je obtenir le service le plus rapide—par air ou par route—je crois que vous aurez la réponse.

M. Carter: M. le président, je suis d'accord. Si vous allez de Montréal à Saint-Jean, ou à Stephenville, ou de Montréal à Halifax, le service aérien à réaction est d'habitude plus rapide. Mais je crois que M. Mann serait d'accord qu'il y a des régions au Canada, je ne veux pas suggérer que Terre-Neuve est seule dans ce sens-là, il y a le Nouveau-Brunswick, la Nouvelle-Écosse, où il est impossible, où n'est pas pratique d'avoir un service aérien. Je lui demande alors, s'il voudrait me dire ce soir, quels sont ses sentiments vis-à-vis d'une politique manifeste du National Canadien. Je le dis en tout respect à l'égard des gens qui sont ici et représentent le National Canadien.

La politique manifeste du National Canadien de détériorer et décourager l'emploi du service voyageur, dans certaines parties du Canada, et en particulier dans les Provinces Maritimes, et plus précisément encore, à Terre-Neuve.

M. Mann: M. Carter, je ne crois pas que je puisse ajouter quoi que ce soit à ce que j'

Texte]

bout it. I do not know their policies on owngrading. I look at it in an over-all way,) see if they are trying their best to do a job ith the money they have. That is how I look t it.

Mr. Carter: I have a supplementary, Mr. hairman. Has the APEC concerned themelves with the sociological results of the bandonment of this particular line, or are ou just expressing a personal view?

Mr. Mann: We did not get into the sociolo- of it at all.

Mr. Carter: In effect, then, you are expresng a personal view?

Mr. Mann: I would have to say that this is personal view more than anything else. I id that I felt personally that I would like to there more quickly. That is all. I do not ally know anything about it, and APEC has ver discussed it.

Mr. Carter: Therefore, you have not invesgated the situation as it affects the commuty in that Province?

Mr. Mann: No; that is right.

Mr. Carter: Thank you.

The Chairman: Have you finished, Mr. rter?

Mr. Carter: I presume APEC does not conne the attitude of CNR in this respect, or es it?

Mr. Comeau: Mr. Chairman, I think my estion has already been answered. Would u agree with me that energy and transportion are the keys to the economic developent of the Atlantic area?

Mr. Mann: Energy?

Mr. Comeau: Energy and transportation; example, the development of the Fundy—e harnessing of the Fundy tides and transrtation. Would you agree with me that ese two things are the keys to the economic velopment of the Atlantic area?

Mr. Mann: I would agree that they are two tors, and two important factors, but not e only keys to it.

The Chairman: Gentlemen, this is the end the questioning. Thank you, gentlemen.

[*Interprétation*]

déjà dit, et je ne connais pas leur politique en ce qui a trait à la détérioration du service. J'envisage la situation d'ensemble dans ce sens que le C.N. essaye de faire de son mieux avec les fonds disponibles. C'est de cette manière qu'il faut l'envisager.

M. Carter: J'aurais une question supplémentaire à poser, monsieur le président. J'aimerais demander si le Conseil économique des provinces de l'Atlantique s'est préoccupé des résultats sociologiques de l'abandon de cette ligne particulière ou est-ce que vous exprimez tout simplement une opinion personnelle?

M. Mann: Non, en fait, nous n'avons pas considéré l'aspect sociologique.

M. Carter: En fait donc, votre opinion est une opinion personnelle.

M. Mann: J'avoue que c'est plutôt une opinion personnelle. J'ai dit que j'estimais personnellement que je préférerais y aller plus rapidement. C'est tout. Et je n'en sais vraiment pas grand-chose et le Conseil économique des provinces de l'Atlantique ne l'a jamais discuté.

M. Carter: Vous n'avez pas fait d'enquête sur la suggestion telle qu'elle influence les collectivités dans cette province.

M. Mann: Non, c'est vrai.

M. Carter: Merci.

Le président: Avez-vous terminé, monsieur Carter?

M. Carter: Je présume que le CEPA n'approuve pas l'attitude du National-Canadien à cet égard, ou est-ce qu'elle le fait.

M. Comeau: Je crois que l'on a déjà répondu à ma question. Êtes-vous d'accord que l'énergie et le transport sont la clé du le développement économique de la région de l'Atlantique?

M. Mann: L'énergie.

M. Comeau: L'énergie, et surtout dans la région des Maritimes, qu'on puisse harnacher la marée de la Baie de Fundy. Est-ce que vous êtes d'accord qu'il s'agit là de la clé pour le développement économique de la région de l'Atlantique?

M. Mann: Je dirais qu'il s'agit de deux aspects, deux facteurs importants mais non pas les seules clés à ce problème.

Le président: Messieurs, voilà la fin de notre période des questions, Messieurs, je vous remercie.

[*Text*]

The next brief is from Guilfords Limited, and I call upon Mr. A. D. Guilford, President, and Mr. G. S. Graham, purchase agent.

Mr. A. D. Guilford (President, Guilfords Limited): Mr. Chairman and gentlemen, my brief will be very short. I am a private concern, employing over 300 people in the Atlantic Provinces.

I am now exhibiting our product on which I have submitted my brief. It is very light, as you can see. We are being penalized on this product by being charged on a cubic basis.

An hon. Member: What is it?

Mr. Guilford: Do you want to see it?

Some hon. Members: Yes.

Mr. Guilford: It is a big advertisement. I have a three-quarter year statement here which shows that there is an increase in LCL freight this year of 26.2 over the other rate, which amounts to $7,500 in round figures to our small industry.

Gentlemen, that is all I have to say about this product. We are now manufacturing fishing buoys, another light product and we are being penalized because of this.

I agree also with the gentleman down there who said something about tariffs. As a company, we have been in business for 63 years. We are looking for larger markets because we have automated machinery. We have not enough people in our area to sell our products to, so we are looking to New England, New York and the Caribbean. To stay in business today you have to automate. A 50,000 pound plant in Canada today is a small plant. A $200,000 plant is considered an economical manufacturing process. Right in Canada today there is Du Pont, Union Carbide and CIL—50,000 pound plants. We have a very small space here and we have problems.

Mr. Nesbitt: Do you have the same problem that one other industry mentioned this afternoon, that they can arrange markets in Europe or in the West Indies but they simply cannot find transportation to deliver their produce.

Mr. Guilford: This is one of the reasons. I might mention, gentlemen, while I am on transportation, that I had a ride in a huge 5 passenger helicopter. It sells for $95,000 in the United States. I think this is the answer for

[*Interpretation*]

Le prochain mémoire est celui de Guildfords Limited et je demanderais à monsieur A. D. Guilford, président, et à monsieur G. S. Graham, directeur des achats de se présenter à la table.

M. A. D. Guilford (Président de la Guildford Ltée): Nous employons plus de 300 personnes dans les Provinces de l'Atlantique. Je vous montre maintenant le produit dont je parlais dans mon mémoire. C'est un produit très léger, comme vous voyez. On nous charge pour le poids par pieds-cube.

Une voix: Qu'est-ce que c'est?

M. Guilford: Vous voulez le voir?

Des voix: Oui.

M. Guilford: On fait beaucoup de publicité. J'ai un état financier pour 9 mois, mais qui vous indique que l'augmentation des marchandises de moins d'une wagonnée était de 26 p. 100, environ $500 dans notre petite industrie en chiffres ronds. Messieurs, c'est tout ce que j'ai à dire sur ce produit. Nous fabriquons maintenant des bouées de pêche, un autre produit léger, mais on nous charge en raison du volume.

Je suis tout à fait d'accord avec ce que la personne là-bas a dit au sujet des tarifs. Nous existons depuis 63 ans. Nous cherchons des plus grands débouchés car nous avons de l'équipement automatique. Il n'y a pas suffisamment de population dans notre région pour y vendre nos produits. Nous cherchons donc à le faire à New York, en Nouvelle-Angleterre et aux Antilles car pour demeurer en affaires de nos jours, il faut absolument automatiser. Une usine de $120,000 au Canada aujourd'hui est une petite usine. Une usine de $200,000 est regardée comme une entreprise de fabrication économique. A l'heure actuelle, au Canada, il y a DuPont, il y a Union Carbide et il y a CIL. Il ont des usines de $120,000. Nous nous avons une très petite usine et nous avons des problèmes.

M. Nesbitt: Avez-vous les mêmes problèmes qu'une autre industrie que nous avons déjà mentionnée, cet après-midi, soit qu'elle peut organiser des marchés en Europe et aux Antilles, mais qu'elle trouve absolument impossible d'assurer le transport de ces produits.

M. Guilford: C'est une des raisons. Je pourrais peut-être dire, pendant que je discute le sujet du transport, que j'ai eu l'occasion de voyager à bord d'un énorme hélicoptère à cinq passagers. Il se vend $95,000 aux États

Texte]

Air Canada because it would provide cheaper transportation for the Atlantic provinces.

Mr. Nesbitt: That was what I had in mind. This afternoon one of the people that sell apple juice stated that they had lots of markets in England and in the Caribbean for their concentrated apple pulp and the like but they could not get them there because there was no regular cargo service that they could rely on between Halifax and either Western European or Caribbean ports. Do you have the same problem?

Mr. Guilford: No sir. We have a firm in Bermuda. We ship by Saguenay Terminals to our company in Bermuda and then we work out the rest from the Carribbean.

Mr. Nesbitt: You do not have this problem.

Mr. Guilford: No, we do not.

Mr. Thomas (Moncton): I think the main problem concerned shipment to Europe. They had assured markets there but they could not find a method of transportation. You do not sell in Europe, do you?

Mr. Guilford: No, we do not sell in Europe. In plastics, for example, Germany is way ahead of everybody.

Mr. Rose: What percentage of the wholesale cost of your product is going for transportation.

Mr. Guilford: I am not too concerned about this, if you are asking me personally about the LCL, because I will find ways of getting my product to its market.

Mr. Rose: Perhaps you could explain what your real concern is to this committee.

Mr. Guilford: I feel that we are being penalized because we are making a very light product and the LCL rates have been changed from weight to cubical.

Mr. Rose: Then, with the utmost respect, you are concerned with the cost of transportation.

Mr. Guilford: We sure are.

Mr. Rose: I asked you, sir, and perhaps you cannot give it to me, the percentage of your

[*Interprétation*]

Unis. Je trouve que c'est là la solution pour Air Canada parce que cela procurerait un transport moins coûteux pour les provinces atlantiques.

M. Nesbitt: Ce n'est pas tout à fait ce que j'avais en tête. Cet après-midi, une personne qui vend du jus de pomme a mentionné qu'il y avait beaucoup de débouchés en Angleterre et aux Antilles pour leur purée de pomme déshydratée, etc., mais qu'il était impossible pour eux de délivrer ces produits car il n'y avait pas de service de cargo régulier entre Halifax et les ports de l'Europe occidentale ou des Antilles. Avez-vous le même problème?

M. Guilford: Non, monsieur. Nous avons une entreprise aux Bermudes. Nous expédions nos marchandises à notre entreprise des Bermudes par *Saguenay Terminals*, et de là, nous réussissons à avoir des débouchés dans les Antilles.

M. Nesbitt: Vous n'avez pas ce problème.

M. Guilford: Non, nous ne l'avons pas.

M. Thomas (Moncton): Le principal problème, je pense, concernait les expéditions en Europe. Ils s'y étaient assurés des marchés, mais ils ne pouvaient trouver de moyens de transport. Vous ne vendez pas en Europe, n'est-ce pas?

M. Guilford: Non, nous ne vendons pas en Europe. Si vous regardez l'industrie des plastiques, par exemple, vous verrez que l'Allemagne l'emporte sur tout le monde.

M. Rose: Quel pourcentage du prix de gros de votre produit est absorbé par les frais de transport?

M. Guilford: Cela ne me préoccupe pas trop, si vous parlez de cette question de chargement incomplet, car je trouverai moyen d'acheminer mes produits aux débouchés.

M. Rose: Je m'excuse, monsieur, mais alors pouvez-vous expliquer au Comité ce qui vous préoccupe vraiment?

M. Guilford: Je trouve qu'on nous pénalise parce que nous fabriquons un produit très léger. Les taux de chargement incomplet ont été changés de poids en volume.

M. Rose: Et alors, vous êtes préoccupé par les frais de transport.

M. Guilford: Oui, nous le sommes certainement.

M. Rose: Et je vous ai demandé, monsieur quel pourcentage de vos frais sont affectés au

[*Text*]

cost that goes to transport, and if you believe such costs are excessive in the marketing of your product?

Mr. Guilford: In some cases they are, but I would say in the minority of cases. In other words, if you asked me if it is going to put us out of business, I would say, no.

Mr. Rose: That is what I was going to ask you, sir. I was going to ask you also if you are making a profit in your business?

Mr. Guilford: We sure are.

Mr. Rose: Are you a union plant, sir?

Mr. Guilford: No sir, we are not, but of our 300 employees outside 75 per cent are unionized.

Mr. Rose: How many of the 300 people are in the plant?

Mr. Guilford: Probably 25 per cent of them.

Mr. Rose: And these are non union people.

Mr. Guilford: Non-union, but just give us a chance and they will be there.

Mr. Rose: Therefore you would be in favour of some union being certified in your plant.

Mr. Guilford: Labour problems are mine. We are talking transportation.

Mr. Rose: I do not want to pursue this line of questioning too far with you, sir, because I realize that this is a very sensitive issue with you but at the same time I have been allowed to put this question to other people and I think it is relevant because of our concern for the economy of the country.

The Chairman: It is not too relevant, Mr. Rose, to transport. I cannot see how quest on unions are relevant at this time.

Mr. Rose: Sir, with respect, you have allowed questions that dealt with profit margins, you have allowed questions that dealt with the economy of this particular region, and have allowed questions from me that dealt with the internal market, and I think that one of the problems here in the Atlantic region is that they lack an internal market because of

[*Interpretation*]

transport et si vous trouvez que ces frais sont excessifs pour la commercialisation de vos produits. Peut-être ne pouvez-vous me répondre?

M. Guilford: Oui, dans certains cas, ils sont excessifs, mais je dirais que c'est dans la minorité des cas. En d'autres termes, si vous me l'aviez demandé, si cela est pour nous mener à la faillite, je dirais non.

M. Rose: C'est en plein ce que j'allais vous demander Monsieur. Et j'allais aussi vous demander si vous faites un profit de votre commerce.

M. Guilford: Oui, certainement.

M. Rose: Êtes-vous syndiqués?

M. Guilford: Non, monsieur, mais de nos 300 employés à l'extérieur, je dirais que 75 p 100 sont syndiqués.

M. Rose: Mais sur les 300 personnes, com bien sont dans l'usine?

M. Guilford: Environ 25 p. 100.

M. Rose: Et ils ne sont pas syndiqués.

M. Guilford: Non, mais donnez-nous l chance et ils le seront.

M. Rose: En d'autres termes, vous êtes e faveur du syndicalisme dans votre usine?

M. Guilford: Cela n'a rien à voir au prc blème du transport; il s'agit d'un problèm ouvrier qui relève de moi.

M. Rose: Je ne veux pas poursuivre c genre d'interrogatoire trop loin avec vou monsieur, car je comprends qu'il s'agit d'un question délicate chez vous, mais en mêm temps j'ai eu la permission de poser la mêm question à d'autres, et je crois qu'elle e pertinente en raison de notre souci de l'écon mie du pays.

Le président: La question n'est pas telle ment pertinente, monsieur Rose, en ce qui trait au transport. Je ne vois pas du tout l pertinence de questions syndicales en moment.

M. Rose: En tout respect, monsieur le prés dent, vous nous avez permis de poser d questions au sujet des marges bénéficiaire de l'économie de cette région particulière vous m'avez permis à moi de poser des que tions au sujet du marché intérieur et je cro que l'un des problèmes ici dans la région l'Atlantique, c'est qu'on manque d'un marc

[*Texte*]

igh unemployment and low wages here. Would you agree with that, sir?

Mr. Guilford: No sir. I would say that our nion people are quite in line with the Montal rates. I happened to be hospitalized with coronary in Toronto and the hospital harges there were a heck of a lot less than ey are in Halifax—and the cost of living is gher here than it is in Toronto.

Mr. Rose: Just so I do not leave you with a mpletely bitter taste in your mouth, sir, I ould like to suggest to you that the kind of dustry that you have here, secondary dustry, is the kind of thing that we should ve more of in Canada. I think this Transrtation Committee is very interested in sisting you with your problems.

Mr. Guilford: Thank you very much.

Mr. Nowlan: How much of your business is the Atlantic area?

Mr. Guilford: I would say 95 per cent of it, t with the new machine that we have and is new process we are going into plastics d other things and we will have to look road for our market because there are not ough consumers in our area. We are getting a size now that we are outgrowing our ea.

Mr. Nowlan: The whole purpose of your ief is to voice your disapproval over this ange from weight to cubical.

Mr. Guilford: That is right, sir—because of e type of product that we are manufacturg.

Mr. Nowlan: But you are not going further saying what some of the other briefs have id, that the thing should be changed om...

Mr. Guilford: No, no. I say give us a ance. A gentleman talked about decreased iffs between here and New England. I ink this would help our company.

Mr. Trudel: Mr. Chairman, I have two ief questions. One of your products is used stly for insulation?

Mr. Guilford: Yes, sir. It is twice as good as ything on the market.

Mr. Trudel: I agree with you on this, but at is not the point that I wanted to raise. e you aware that this product can be ipped in liquid form and reconstituted on e site?

[*Interprétation*]

domestique à cause du chômage élevé et des salaires très bas. N'est-ce pas vrai, Monsieur?

M. Guilford: Non, monsieur. Je dirais que nos ouvriers syndiqués ont des taux de salaires comparables à ceux de Montréal. J'ai subi une crise cardiaque et j'ai été hospitalisé à Toronto et les frais d'hôpitaux y étaient beaucoup moins élevés qu'à Halifax, et le coût de la vie est plus élevé ici qu'à Toronto.

M. Rose: Pour ne pas vous déplaire, monsieur, j'aimerais bien vous dire que le genre d'industrie que vous avez ici, soit l'industrie secondaire, est justement ce qu'il nous faut au Canada. J'estime que le Comité des transports s'intéresse beaucoup à vous aider avec vos problèmes.

M. Guilford: Je vous remercie beaucoup.

M. Nowlan: Quelle proportion de vos affaires se font dans la région de l'Atlantique?

M. Guilford: Je dirais 95 p. 100, mais avec la nouvelle machine que nous avons et ce nouveau procédé, nous allons fabriquer des plastiques et autres articles, il nous faudra chercher des débouchés à l'étranger pour ces produits, car il n'y a pas suffisamment de consommateurs dans notre région pour ce genre de produits. Nous en sommes à l'heure actuelle au point où nous dépassons notre région.

M. Nowlan: Et, donc, le but d'ensemble de votre mémoire est d'exprimer notre désapprobation du changement du poids au volume.

M. Guilford: C'est exact, monsieur, à cause du genre de produits que nous fabriquons.

M. Nowlan: Mais vous n'allez pas plus loin pour dire, à l'instar des autres mémoires, qu'on devrait changer de 1.10 ou de 1.5.

M. Guilford: Non, je dis tout simplement «donnez-nous la chance». Quelqu'un a parlé des tarifs tout à l'heure entre nous et la Nouvelle-Angleterre. Je crois que cela aiderait notre société.

M. Trudel: Monsieur le président, deux questions très brèves. L'un de vos produits est utilisé surtout pour l'isolement?

M. Guilford: Oui, monsieur. C'est deux fois meilleur que n'importe quoi sur le marché.

M. Trudel: J'en conviens, mais ce n'est pas le point que je voulais soulever. Savez-vous que ce produit peut être expédié sous forme liquide et être reconstitué sur place?

[*Text*]

Mr. Guilford: We are doing it every day, sir.

Mr. Trudel: I am now thinking of the transport angle.

I am not trying to be facetious. I know that this can be done. The reason that I asked the question is that I see the product here and you have added liminates to it.

Mr. Guilford: This is done right on the machine, sir.

Mr. Trudel: What I was trying to get at was that by transporting in liquid form possibly your density problem would be different.

Mr. Guilford: Yes, we are working on this now. Our chemicals come from England in liquid form and it expands about 30 times its weight. Now what is your question?

Mr. Trudel: You can get this and use it on the site. There are instructions from the manufacturer or the plant that supplies it to you and it can be expanded on location.

Mr. Guilford: That is right. We are doing this too. We have an application company that does this. This is only part of our business.

Mr. Trudel: This would be a portion of it, but there is another phase of it.

Mr. Guilford: That is right.

Mr. Portelance: Mr. Guilford, do you also use trucks for transportation?

Mr. Guilford: We do sir, yes.

Mr. Portelance: Is that less expensive for you than train at the present time?

Mr. Guilford: It is more expensive.

Mr. Portelance: It is more expensive.

Mr. Guilford: In fact, I think some of the truckers have refused to haul our material because it is so light.

I might say, gentlemen that we are very pleased with the new containerized shipping between here and Newfoundland. We are in this. They bring the boxcar right to our plant. Containerization is a move in the right direction as far as our Newfoundland branch is concerned, but I wish you people would get the Department of Transport to put on heavier ice breakers and not to leave this darn stuff tied up so long in Sydney. This is what puts us behind the eight ball.

[*Interpretation*]

M. Guilford: Nous le faisons tous les jours monsieur.

M. Trudel: Non, mais je songeais surtout a problème des transports. Je n'essaie pas d'ê tre facétieux. Je sais que cela peut être fai La raison pour laquelle j'ai posé la questio est que je vois le produit ici et vous y ave ajouté des laminés.

M. Guilford: Cela se fait sur la machin même, monsieur.

M. Trudel: Ce à quoi je voulais en arrive c'est qu'en le transportant sous forme liquid le problème de densité serait peut-êtr différent.

M. Guilford: Oui. Nous y travaillons mai tenant. Nos produits chimiques vienner d'Angleterre sous forme liquide et la trans formation dilate leur volume de trente foi Et maintenant, quelle est votre question?

M. Trudel: Vous pouvez obtenir cela et l'u tiliser sur place. Il y a les directives du fabr cant ou de l'usine qui vous le fournit et vou pouvez le dilater sur place.

M. Guilford: Nous le faisons aussi, c'e juste. Nous avons une société d'applicatio qui le fait. Cela n'est qu'une partie de not entreprise.

M. Trudel: Cela n'en est qu'une parti mais il y a aussi d'autres aspects.

M. Guilford: C'est exact.

M. Portelance: Monsieur Guilford, est-c que vous utilisez aussi le transport p camion?

M Guilford: Oui, monsieur.

M. Portelance: Est-ce que c'est moins co teux que le train en ce moment?

M. Guilford: Plus coûteux.

M. Portelance: Plus coûteux?

M. Guilford: Je pense même que certai des camionneurs ont refusé de transporter n matériaux parce qu'ils sont si légers.

Mais je pourrais ajouter, messieurs, q nous sommes très satisfaits du nouveau se vice d'expédition par cadres d'ici à Terr Neuve. Nous en sommes. Nous avons un w gon qui vient à la porte de l'usine. L'expéd tion par cadres est un pas dans la bonne vo en ce qui concerne notre succursale de Terr Neuve, mais j'aimerais bien que le Comi convainque le ministère des Transports mettre de meilleurs brise-glaces pour que c marchandises ne demeurent pas à quai longtemps à Sydney. C'est ce qui nous met dernière position.

[*Texte*]

The Chairman: Gentlemen, if there are no rther questions, our next brief will be from e Annapolis Valley Affiliated Boards of rade.

I will like to call upon Mr. Edwin Elliott, resident and Mr. C. D. Snow, Vice-President. ould you give us a briefing or an exposé of ur brief.

Mr. Edwin Elliott (President, Annapolis alley Affiliated Boards of Trade, AVABT): r. Chairman, gentlemen, in our brief of last ar, Appendix A-54, we covered several bjects and this year's brief is just one to ally add to the subjects discussed and bring up to date. With your permission, I will ask at Mr. Grant Mimms summarize the high- ay and the Greenwood Airport and the LCL eight rate portions, that Mr. C. D. Snow mmarize the Digby-Saint John ferry por- n, and that Mr. Leonard Small summarize e Petite Passage section, the reasons being at they are more familiar with these por- ns of the brief.

We will say, because the hour is getting e, that we will be very brief but I cannot lp—and this is not prepared—in listening what has gone on here this evening, to say e or two words. I have not heard in any the briefs any mention of the Annapolis lley. It was probably dealt with this after- on. This delegation that is here now presenting the Annapolis Valley Affiliated ards of Trade is representative of the tion from East Hants to the District of are; in terms of definite points, the ubenacadie-Windsor area to Meteghan ghly and the gentlemen concerned will al with separate sections of this area.

Much has been said about route areas. I uld like to suggest, gentlemen, that it pears to me that the Annapolis Valley area a potential growth area. Since the govern- nt policies of trying to help agriculture, ning, industries, the Annapolis Valley area s taken a renewed interest in updating its ilities and bringing things to a potential which they need good transportation al to other areas of Canada. We do not ask superhighways. We ask for good trans- rtation. We ask for the facilities to get in d out of the double back portion of Nova otia and I would ask these gentlemen to l you briefly what they have to submit.

Mr. C. D. Snow (Chairman, Transportation mmittee, Annapolis Valley Affiliated ards of Trade, AVABT): First, Mr. Chair-

[*Interprétation*]

Le président: Auriez-vous d'autres questions à poser, messieurs? Maintenant nous entendrons l'exposé de l'*Annapolis Valley Affiliated Boards of Trade*. Je demanderais à M. Edwin Elliott, président et à M. C. D. Snow, vice-président de bien vouloir nous présenter leur mémoire.

M. Edwin Elliott (Président, Annapolis Valley Affiliated Boards of Trade, AVABT): Monsieur le président, messieurs, dans le mémoire que nous avons présenté l'année dernière, Appendice A-54, nous traitions de différents sujets. Le mémoire de cette année ne fait que les compléter et les mettre à jour. Avec votre autorisation, je demanderais à M. Grant Mimms de résumer la question de la route de l'aérogare de Greenwood et des expéditions de LCL, à M. C. D. Snow de parler du service de Digby, St-Jean, et à M. Leonard Small de résumer la situation de Petit Passage. Je procède ainsi parce qu'ils connaissent chacun cette partie de la soumission.

Comme il se fait tard, nous aimerions être très brefs mais je ne saurais m'empêcher de dire quelques mots même si je ne suis pas préparé, après avoir entendu ce qui s'est déroulé ici ce soir. Je n'ai pas entendu les lecteurs des mémoires mentionner la Vallée de l'Annapolis sans doute parce qu'on en a parlé cet après-midi. La délégation ici présente représente l'Annapolis Valley Affiliated Boards of Trade qui représente cette section allant de East Hants au District de Clare. Lorsqu'on en viendra aux points bien précis de la région de Shubenacadie-Windsor à Meteghan, chacun sera discuté par la personne concernée.

On a beaucoup parlé de réseaux routiers. Je voudrais vous dire, messieurs, que la région de la Vallée de l'Annapolis apparaît comme un centre éventuel de croissance. Depuis que la politique du gouvernement s'efforce d'aider l'agriculture, la pêche et les industries, la région de la Vallée de l'Annapolis veut de nouveau moderniser ses services pour créer un potentiel qui lui amènera des modes de transports comparables aux autres régions du Canada. Nous ne demandons pas des autoroutes extraordinaires mais de bons moyens de transports. Nous demandons des facilités pour entrer et sortir de cette région de la Nouvelle-Écosse. C'est pourquoi je demanderais à ces messieurs de vous exposer brièvement ce qu'ils ont à proposer sur ces différents sujets.

M. C. D. Snow (Président, Transportation Committee, Annapolis Valley Affiliated Boards of Trade, AVABT): Monsieur le prési-

[*Text*]

man and gentlemen, to take advantage of a new ferry which we know now is coming in in 1970, we are most concerned with our roads leading to the Digby and actually down to the Yarmouth ferry.

I believe this morning that the provincial government submitted another brief dealing with roads, if I am correct in that. Actually our remarks in the brief that we submitted this year were based on the briefs submitted by the provincial government, which is Appendix A-27 to your minutes, and we stated in our brief that we supported the last year's brief. We still do, and although we do not know the content of this morning's brief nor the amounts requested or discussed, we support the government in their efforts in this new brief.

All we are asking this Committee to consider and to recommend is that when discussions are undertaken between the two government levels you recommend the following priorities—Highway 1, priority 1—which is Item 17 of the provincial brief of last year which is the Bear River Bridge Diversion. You will note from our brief that we do not agree with the province in the fact of putting a bridge because we have been hoping and working for a causeway across this mouth for reasons which I set out in the brief on page 4 of this year's brief; namely, it would create a new tourist attraction and industry in that area. Priority 2 is Item No. 16. That is the Annapolis Royal to the east end of the Bear River Diversion. Priority 3 is Item 19—Weymouth, which is on Trunk 1. These, gentlemen, represent four bottlenecks on which I am sure that one or two members here present, Mr. Nowlan or Mr. Comeau, would be only too glad to elaborate.

If these bottlenecks are not corrected in time to meet the new ferry service when it comes into operation we will not be able to take full advantage of the increased traffic flow that we see. There is another item in the provincial brief which we wish to bring to your attention and that is Item A-4 of the Special Projects submitted by the provincial government, the Shubenacadie River Crossing. The AVABT sees this project as another entry and exit to our area of Western Nova Scotia, and with this crossing in we feel that it will open up that end of our area, which is Route 15. This Route 15 is part of the Fundy Trail and we know we can entice tourists along this Trail and hold them longer in the area.

[*Interpretation*]

dient, messieurs, tout d'abord, pour bénéficie du nouveau service de transbordeur qui, nou le savons maintenant sera mis en vigueur e 1970, nous devons nous préoccuper essentiel lement de nos routes allant à Digby et fina lement au transbordeur de Yarmouth.

Sauf erreur, ce matin le gouvernement pro vincial a présenté un autre mémoire traitan des routes. Nos observations dans le mémoir que nous présentons cette année se fonden essentiellement sur les mémoires présenté par le gouvernement provincial, soit l'apper dice «A-27» de votre compte-rendu, et nou disons dans notre mémoire que nou appuyons le mémoire présenté l'année de nière. Nous l'appuyons toujours même si nou ne connaissons pas le contenu du mémoire d ce matin ni les sommes demandées ou disc tées. Nous appuyons le gouvernement dar son nouveau mémoire.

Tout ce que nous demandons au comi c'est d'étudier maintenant et de recommai der, lorsque des discussions seront amorcé entre les deux paliers de gouvernement, q la priorité suivante soit établie. La premiè priorité sera la Route 1 qui est l'article 17 d mémoire provincial de l'année dernièr c'est-à-dire le projet de Bear River Brid Vous verrez dans notre mémoire que nous s sommes pas d'accord avec la province s l'aménagement d'un pont parce que nous vo lons avoir une chaussée en travers cet embouchure pour les motifs que je vous donnés à la page 4 du mémoire de cet année, notamment en vue de créer un no veau centre touristique et des industries da cette région. La deuxième priorité est l'artic 16, soit l'Annapolis Royal du côté est du pr jet de Bear River. La priorité 3 est l'artic 19—Weymouth sur la route 1. Voilà do messieurs, quatre goulots. Je suis sûr qu' ou deux des membres présents, M. Nowlan M. Comeau, se fera un plaisir de vous expliquer en détail.

Si ces goulots ne sont pas rectifiés à tem pour desservir le nouveau service de tra bordeur lorsqu'il débutera ses opératio nous ne pourrons pas bénéficier pleinem du trafic accru qui en résultera. Il y a autre article du mémoire provincial que n désirons vous signaler, soit l'article A-4 projets spéciaux présentés par le gouver ment provincial, le pont de la rivière Shul nacadie. L'AVABT voit ce projet comme u autre voie d'accès et de sortie dans no région de la Nouvelle-Écosse, qui nous p mettrait d'ouvrir ce coin de cette région, s la route 15. La route 15 fait partie du Fur Trail et nous savons que nous pouvons enc rager les touristes à venir ou à demeurer p longtemps dans la région.

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Now I will quickly sum up why we have ntioned commercial air at Greenwood. We re said in our brief this year that we are y in the process of preparing a submission he federal authority to obtain permission use the facilities of the Canadian Forces e at Greenwood.

ll we are asking this Committee to do is when we do make our presentation to D and DOT to lend your support ause as we pointed out in our brief we e no commercial air in that nearly 250 s from Greenwood, which is the central , and we need it and we know that we support both the passenger service and cargo. I sat here this afternoon and I d many people mention the LCL freight s but because of time I do not think I to go on any further. Better people than ve already been on the subject. All I will is that my organization supports them 100 cent. Thank you very much.

r. Leonard Small (Annapolis Valley Af-ed Boards of Trade, AVABT): Mr. Chair- and gentlemen, to summarize the brief nitted regarding Petit Passage Crossing I t of necessity, briefly mention the history e fisheries in the Digby Neck and Islands which had its beginning in 1790 with the ng of the United Empire Loyalists.

ck in those days the Islands were the e of water transportation served by coas- freighters and steamships. Fisheries ucts were then and still are the mainstay e economy of the whole area. Several ges with a population of some 1,300 fami- have been able to live and contribute to growth of the country by virtue of their ue position close to lucrative fishing nds served by cheap water transportation traditional markets to the south—a con- tion amounting to some 50 million to 70 on pounds of fish annually which are ly exported to the U.S.A. realizing some illion in hard U.S. currency—a not in- derable contribution to our annual trade it. Unfortunately, the recent winds of ge which have been blowing across the try have deprived this particular area of dvantages of cheap water transportation. have seen the coastals disappear, small ship companies fold up and we are now with road transportation as our only link the markets on which we depend for our nce.

[Interprétation]

Maintenant je voudrais résumer rapidement les raisons pour lesquelles nous avons parlé d'aviation commerciale à Greenwood. Nous disons dans notre mémoire de cette année que nous sommes en train de préparer une soumission aux autorités fédérales afin d'obtenir l'autorisation de nous servir des aménagements de la Base des forces armées de Greenwood.

Nous demandons tout simplement à ce Comité, lorsque nous ferons notre présentation au ministère de la Défense nationale et au ministère des Transports, de nous appuyer puisque nous n'avons pas de service aérien commercial dans un rayon de 250 milles de Greenwood. Nous en avons besoin et nous savons que nous pouvons l'obtenir tant pour le service voyageur que pour le cargo aérien. J'ai assisté à vos délibérations cet après-midi et j'ai entendu un bon nombre d'entre vous parler du tarif d'expédition LCL, mais je n'élaborerai pas sur ce sujet parce que le temps manque. Des personnes plus compétentes l'ont déjà abordé. Tout ce que je veux vous dire c'est que mon organisation les appuie entièrement là-dessus. Merci.

M. Leonard Small (Annapolis Valley Affiliated Boards of Trade, AVABT): Monsieur le président, messieurs. Pour résumer le mémoire présenté sur la Traverse du Petit Passage, je dois vous parler brièvement de l'histoire de la pêche de Digby Neck et de la région des Îles qui a commencé en 1790 avec l'arrivée des Loyalistes de l'Empire.

Les îles étaient alors le centre du transport maritime desservi par des caboteurs et des navires. Les produits de la pêche étaient alors et sont toujours la pierre angulaire de l'économie de toute la région. Bon nombre de villages de quelque 1,300 familles ont été en mesure de vivre et de contribuer à la croissance du pays en vertu de leur emplacement unique près des riches bancs de pêche desservis par un transport maritime peu coûteux vers les marchés traditionnels du sud. Leur contribution annuelle représente de 50 à 70 millions de livres de poissons exportés principalement aux États-Unis, et rapportant environ 5 millions de dollars en monnaie américaine. C'était donc un apport très grand qu'aidait à contrebalancer notre déficit annuel. Malheureusement, l'évolution récente qui se manifeste à travers le pays a privé cette région des avantages du transport maritime peu coûteux. Nous avons vu les navires côtiers disparaître, les petites sociétés maritimes abandonner peu à peu et maintenant nous ne comptons plus que sur un réseau routier pour accéder aux marchés et assurer notre existence.

[*Text*]

At first glance, such a situation would not appear unusual or undesirable in this age of fast road transportation using refrigerated trucks and trailers. Indeed it would be an ideal situation were it not for the fact that our highway is cut by Petite Passage, a quarter-mile strip of water serviced by a scow carried back and forth by a 30-foot boat, a ferry that has not changed in the living memory of most people in the area, a ferry that has great difficulty in carrying the giant refrigerated trailers used today, a ferry that is shut down completely whenever the wind is out of the north, must shut down each day as soon as it gets dark, and cannot cross vehicles during the spring tides.

In order to provide this service the Department of Public Works built docking facilities on both sides of the Passage costing some $900,000 to construct and approximately $10,000 a year to maintain—docks which are occupied exclusively by our antiquated little ferry and serve no useful purpose for the fishing industry.

As a matter of interest since our brief was submitted last year, the figure for the crossing was that approximately 40,000 vehicles crossed this past year, as compared to approximately 14,000 on the *Princess of Acadia* and perhaps 33,000 on the *Bluenose*. In other words this ferry crossed two and a half times as many as the *Princess of Acadia* crossed. This is practically a bottleneck too because I do not feel that it is possible for it to cross any more although the growth in the past years has been approximately 10 per cent per year. I wish I could take you down to that area and show you what a permanent crossing would mean to that area. For little more than the cost of providing facilities and maintaining them as they exist now, we could have a permanent crossing that would enable us to move our fish easily to New York, Boston and Montreal. It would remove the fear of a sudden illness which might require a trip to the hospital at night.

Gentlemen, more than one person from the Island knows what it is like to be lashed to a stretcher and put aboard a 30-foot boat to make this crossing in the middle of the night in a gale of wind, as do our doctors, ministers, teachers, laymen, as soon as they discover that we are cut off from the outside by this narrow strip of water.

I have spoken at some length about the immediate and personal needs of the people of the Islands for a permanent crossing at Petit Passage. There is more to it than this. In the whole area from Yarmouth to Digby there is no harbour capable of handling the fishing

[*Interpretation*]

A première vue, cette situation ne semb pas inusitée, ni indésirable dans notre époq de transport rapide qu'emploie des camio réfrigérés et des remorques. Ce serait l'idé si notre grande route n'était pas coupée par Petit Passage, un cours d'eau d'un quart mille desservi par un transbordeur qui n pas changé de mémoire d'homme, qui éprou beaucoup de difficultés à accommoder l grosses remorques refrigérées d'aujourd'h qui doit interrompre ses services lorsque vent vient du nord ou lorsqu'il fait noir et ne peut traverser certains genres de véhicu lors des marées le printemps.

Afin d'assurer ce service, le ministre Travaux publics devrait aménager des qu des deux côtés du Passage au coût de quelq $900,000 et devrait dépenser environ $10,(annuellement pour maintenir des quais sont occupés à peu près exclusivement des petits transbordeurs antiques et ne s vent pas vraiment à l'industrie de la pêche.

Depuis que notre mémoire a été prése l'année dernière, environ 40,000 véhicules traversé ce passage l'année dernière compa tivement à 14,000 sur le *Princess of Acadi* 33,000 sur le *Bluenose*. En d'autres mots, transbordeur transporte deux fois et de plus de véhicules que le *Princess of Aca* C'est donc à peu près un goulot et je ne c pas qu'il soit possible de transporter p même si la croissance annuelle dans les dernières années a été d'environ 10 p. J'aimerais bien vous amener visiter c région afin de vous montrer ce que sign rait une traverse permanente pour c région. Pour un peu plus que ce qu'il coûterait pour fournir des facilités et maintenir comme elles existent actuellem nous pourrions avoir un réseau de travers permanent qui nous permettrait de trans ter nos poissons facilement à New York, ton et Montréal et ferait disparaître t inquiétude que présente un voyage à l'hô le soir.

Plus d'une personne de cette île sait ce c'est que d'être mise dans une civière faire cette traversée sur un bateau d pieds en plein vent le soir. Ils ressentir la même chose que nos médecins, nos m tres, nos professeurs, en découvrant c sont coupés du monde extérieur par ce de mer.

J'ai longuement parlé des besoins ir diats et personnels des gens de cette île un moyen permanent de passage à Petit sage. La situation est simple. De Yarmo Digby, il n'y a pas de port qui puisse ac moder les navires de pêche qui peuvent

[*Text*]

ssels that fish out of that area. The con-uction of a causeway across Petite Passage the proper position would provide one of finest deep-water harbours in Eastern nada. It would enable our fishing fleet to pand to its full potential and would turn whole area into a viable and productive tion of the country capable of standing on own two feet.

The Chairman: Thank you very much. uld you make your presentation, Mr. w.

Mr. Snow: Thank you, Mr. Chairman. Gen-nen, the announcement of the new ferry t which was ordered by the C.P.R. in the of Saint John has been wonderful rs for the people of Western Nova Scotia. City of Saint John will benefit from the struction of this boat and I want to thank federal government for thinking in terms elping out industry in the Maritime Prov-s, especially the shipbuilding industry. wharf shall be constructed by the federal rnment and approach highways and king space will be provided by the provin-governments.

his has assured the people of a better by and Saint John ferry service. The mod-equipment shall be able to handle more iently the railway and highway traffic veen the Provinces of Nova Scotia and Brunswick. The remark made by the ter Minister of Transport that the Digby-t John ferry service is essential to the omy of Canada was a recognition that the ral government would support the service ehalf of the people of Canada.

nator Martin made an announcement last on behalf of the government at the annu-eeting of the AVABT that the CPR Com-would order the boat and the federal rnment would construct the wharfs, with understanding that further negotiations d be carried on regarding the operation ie service. He stated that if agreement l not be reached the government would hase the boat and operate the service.

e CPR Company is primarily interested oviding a modern ferry service to handle e railway traffic. The Bay of Fundy is missing link of the railway system een Halifax and Vancouver. The public cally interested in the continued service e CPR between these two points. The Company is prepared to provide the nt of service that is required for their operation. If extra service is required in to stimulate the growth of the trade industry within the area of western Nova

[*Interprétation*]

la pêche dans cette région. L'aménagement d'une chaussée en travers Petit Passage au point approprié, nous fournirait le meilleur port en eau profonde de l'Est du Canada. Notre flotte de pêche pourrait connaître une pleine expansion et ferait de toute cette région une entité productrice et viable et capable de vivre par elle-même.

Le président: Merci beaucoup. A vous monsieur Snow.

M. Snow: Merci, monsieur le président. Ce fut merveilleux pour les gens de la parite occidentale de la Nouvelle-Écosse d'apprendre la création d'un nouveau service de transbordeur annoncé par le Pacifique-Canadien pour la ville de Saint-Jean. La ville de Saint-Jean bénéficiera de la construction de ce navire et je désire remercier le gouvernement fédéral d'avoir ainsi songé à aider les industries des provinces maritimes, surtout l'industrie de la construction maritime. Le gouvernement fédéral construira le quai et le gouvernement provincial aménagera des voies d'approche et des parcs de stationnement.

Ainsi cette population se voit assurer un meilleur service de transport de Digby à Saint-Jean. L'équipement moderne assurera des services ferroviaires et routiers plus efficaces entre les provinces de la Nouvelle-Écosse et du Nouveau-Brunswick. Les observations faites par l'ancien Ministre des Transports à l'effet que le service entre Digby et Saint-Jean est essentiel à l'économie du Canada, démontre que le gouvernement fédéral veut soutenir ce service au nom de la population du Canada.

A la réunion annuelle de l'AVABT, l'honorable sénateur Martin a annoncé au nom du gouvernement que la société du CPR allait commander le navire et que le gouvernement fédéral construirait les quais. Il était entendu que d'autres négociations seraient poursuivies en ce qui a trait à l'exploitation des services. Il a déclaré que si l'on ne pouvait en venir à une entente, le gouvernement achèterait le navire et exploiterait ce service lui-même.

Le Canadien Pacifique est essentiellement intéressé à assurer un service de bac moderne pour répondre aux besoins du trafic ferroviaire futur. La Baie de Fundy est le seul bout qui manque sur la ligne de chemin de fer entre Halifax et Vancouver. Le public s'intéresse énormément au maintien du service du Canadien Pacifique entre ces deux points. Le Canadien Pacifique est prêt à assurer le service requis pour sa propre exploitation. Si un service accru est nécessaire pour encourager la croissance du commerce et de

[*Text*]

Scotia, and this is the thinking of the people who are concerned, a fee for service must then be rated and requirements scheduled to highway traffic and passenger travel requirements, regardless of whether the operation in itself is a profitable one or not, as with any other public ferry service that now serves the public of Canada.

Mr. Chairman, gentlemen, when the question of the operation of the service is discussed this required service must be provided either through the CPR Company, or direct by the Federal Government.

A request to the Prime Minister of the Government of Canada in 1967 was for no less than two trips per day seven days a week fifty-two weeks per year.

Second, that the rate charged for transporting passengers in motor vehicles, including goods carried on the motor vehicles, shall not exceed the rate charged by other ferry services operated by the CNR, and others owned by the Federal Government, in relation to distance. I shall give you some comparative rates as to what is being charged today. As to automobiles going to the United States, at the present time, of course, the ferry is not running, but during the time of the year it is in operation the rate one way is $15.20 and return to Yarmouth is $27.60. To cross on the boat today from Digby to Saint John the rate is $16.00 or $32.00 return. The distance to Digby from Saint John is 42 miles, from Yarmouth to Bar Harbour it is 100 miles; over twice the distance at a lower rate. As to trucks and freight, Digby to Saint John for a half-ton truck is $27.00; the return rate is $54.00. Trucks 16 to 18 feet are $41.95; over 18 feet and fraction thereof an additional charge of $3.86 per foot.

In addition to this, if a truck has any goods on it, it is charged the freight; in other words live lobsters would be $1.50 per hundred, weight, gross weight; meat and poultry $1.50 per hundredweight, gross weight, to cross from Digby to Saint John on your own truck. Other rates such as fresh fish at $1.14 are lower.

At one time western Nova Scotia and southern New Brunswick, as stated in the brief, had a lot in common in trading, but over the years this trade has been lost due to the fact that the coastal traders which used to carry on this trading were forced out of business and we have had to depend on the one connecting link of the Digby—Saint John run.

[*Interpretation*]

l'industrie dans l'ouest de la Nouvelle-Écos et c'est là ce que pensent les personnes cause. Il faut établir un tarif et adapter service aux besoins de la circulation routi et du transport des passagers, que l'exploi tion même de ce service soit rentable ou n comme tout autre service public de bac sert actuellement la population du Canada.

Monsieur le président, messieurs, pour qui est de l'exploitation de ce service, il f que ce service soit assuré par l'entremise Canadien Pacifique, soit directement par gouvernement fédéral.

En 1967, on avait demandé au prem ministre du Canada un minimum de d voyages par jour, sept jours par semaine, semaines par an.

On avait aussi demandé que le tarif transport des passagers des automobiles compris les marchandises transportées d ces automobiles ne soit pas supérieur au t des autres services de bac exploités par National-Canadien, et par le gouvernem fédéral, compte tenu de la distance à parc rir. Je vais vous donner quelques tarifs c paratifs de ce que l'on fait payer aujourd' Pour ce qui est des automobiles se rend aux États-Unis, en ce moment, bien enter le bac ne fonctionne pas, mais à l'époque l'année où il est en service, l'aller c $15.20, et l'aller-retour à Yarmouth, $27.60.

Si vous prenez le navire de Digby à Sa Jean, aujourd'hui, cela coûte $16, ou aller-retour. La distance entre Digby et Sa Jean est de 42 milles, et de Yarmouth à Harbour, de 100 milles, soit plus du doubl la distance à un prix inférieur. Quant transport par camion et aux messageries tarif de Digby à Saint-Jean, pour un can d'une demi-tonne, est de $27; l'aller-re coûte $54. Pour les camions de 16 à 18 pi le tarif est de $41.95, et pour ceux de plu 18 pieds, il y a un supplément de $3.86 pied ou fraction de pied.

De plus, si le camion transporte des r chandises, il faut payer pour les marcha ses. Aussi, cela coûte, à transporter, sur propre camion, de Digby à Saint-Jean, $ par cent livres, poids brut de hom vivants, ou de viande ou de volaille. autres tarifs, $1.14 pour le poission frais, exemple, sont moins élevés.

A un moment donné, l'ouest de la Nou le-Écosse et le sud du Nouveau-Bruns avaient, comme on l'a dit dans le mém beaucoup de caractéristiques en commun ce qui était du commerce; mais, au cours années, ce commerce s'est perdu, du fait ceux qui faisaient du cabotage ont dû fe leurs entreprises, et qu'il nous a donc

[*Texte*]

Comparing the little ferry, which services a opulation of 1,300 people on the two islands f the Digby neck, it transported about 40,000 ehicles during last year compared to about 4,000 which crossed from Digby to Saint John hich ferry services the Province of New runswick west and south and the province f Nova Scotia. There are definitely reasons or this. Therefore, the people are very con-erned that when the new service is put into peration, unless the rates and schedule of ips is a convenience to the west of Nova cotia it will be of little advantage to the eople.

As an example, with the AVABT (An-apolis Valley Affiliated Boards of Trade) we ust deal with a private company where oth-s can deal with the government to get gov-nment service and government provided rvice. We feel that the CPR is not responsi-e to the people to provide the service at a ss in to trying to accommodate our highway affic. After the Prime Minister last spring nounced that there would be a new ferry rvice, those concerned at the rally thought e should have immediate benefits and there-re requested the AVABT to send their let-to the CPR requesting two trips a day for e present ferry. This is in the brief esented to you recently and I will read it.

'A resolution was passed at our Annual eting requesting the Federal Government enter into negotiations with CPR to under-ite this extra trip during the tourist ason."

Prior to that we had asked the CPR to put the second trip and they said the cost uld be too great and they would lose ney on it.

'The resolution was passed to The Minister Transport in November, 1968. The Minis-'s office rejected our recommendation on grounds that the ferry was operated by R; therefore, any decision to extend the sent service would be the sole responsibili-of the operator based on conditions known hem.

t is our recommendation that your com-tee consider this resolution and our recom-ndation to that resolution, with view of

[*Interprétation*]

compter sur le seul lien de Digby à Saint-Jean, le service de bac.

Le petit bac, qui sert une population de 1,300 personnes sur les deux îles de la pointe de Digby, a transporté environ 40,000 véhicules au cours de l'année dernière comparativement à 14,000 environ pour Digby-Saint-Jean, le service de bac qui dessert la province du Nouveau-Brunswick à l'ouest et au sud, ainsi que la province de la Nouvelle-Écosse. Il y a des raisons pour un tel état de choses. Par conséquent, les gens craignent vraiment que lorsque le nouveau service débutera, à moins que le tarif et l'horaire des traversées ne répondent aux besoins de la population de l'ouest de la Nouvelle-Écosse, il ne soit pas d'un grand intérêt pour les gens.

Par exemple, dans le cas de l'*AVABT (Annapolis Valley Affiliated Boards of Trade)*, il nous faut traiter avec une compagnie privée, alors que d'autres peuvent traiter avec le gouvernement pour avoir un service du gouvernement ou fourni par celui-ci. Nous sommes d'avis que le Canadien-Pacifique n'est pas tenu d'assurer un service qui ne serait pas rentable pour essayer de répondre aux besoins de la circulation routière. Après que le premier ministre eut annoncé, le printemps dernier, qu'il y aurait un nouveau service de bac, les personnes intéressées présentes à l'assemblée ont pensé que nous devrions en retirer des avantages immédiats, et ont donc demandé à l'AVABT d'envoyer sa lettre au Canadien-Pacifique, demandant deux traversées par jour pour le bac actuellement en service. Je vais vous en citer des passages, tirés du mémoire qui vous a été présenté récemment.

Lors de notre réunion annuelle, l'assemblée a adopté une résolution selon laquelle on demandait au gouvernement fédéral de commencer les négociations avec le Canadien-Pacifique pour appuyer financièrement ce voyage additionnel durant la saison touristique.

Auparavant, nous avions demandé au Canadien-Pacifique d'ajouter une deuxième traversée, mais il avait dit que cela coûterait trop cher et qu'il travaillerait à perte. La résolution a été transmise au ministre des Transports en novembre 1968. Notre recommandation a été rejetée par le cabinet du ministre qui a invoqué que le Canadien-Pacifique était l'organisme de qui relevait l'exploitation du traversier et que toute décison relative à l'amélioration de ce service relevait exclusivement de l'exploitant, compte tenu des conditions énoncées.

Nous recommandons que votre Comité étudie cette résolution et notre recommandation connexe, en vue d'aider immédiatement au

[*Text*]

helping the development of the area immediately and not wait until after the new ferry is in operation."

According to the announcement, the new service is capable of making three return trips a day, and they will make the three return trips if there is traffic available. As you know, in order to increase traffic you must first provide a service at rates which the public can use. There was a growth of traffic into other areas when better services were provided into PEI last summer. Another new ferry for PEI is being built and we anticipate that in a short time not only this ferry will be required but other boats plying back and forth.

As quoted in the A. D. Margison and Associates Ltd. reports as to long term planning, eventually another boat will be required and maybe a more direct route by highway to the New England States and Upper Canada from Digby to Welshpool which is one of the best routes of travel for highway transportation. The reason why the Annapolis Valley supports a Digby—Saint John ferry service, as well as all the people of Nova Scotia and New Brunswick, is due to the fact that it services the railway and the highway.

So gentlemen, I would request that you will try to have the government provide us with more ferry service with the present boat if they have to underwrite the extra costs that might be involved. Thank you.

The Chairman: Mr. Nowlan.

Mr. Nowlan: I have two questions which Mr. Elliott most likely can answer but they relate to what Mr. Mimms said. At first brush, the bottlenecks he set out which are going to affect traffic would appear to be a provincial problem. Can you explain briefly why you are raising that before the Federal Transport Committee?

Major J. G. Mimms (Executive Manager, Annapolis Valley Affiliated Boards of Trade): We raised that at this point as a fact that in support of the provincial brief which they put in in their five year plan which is obviously to be a cost sharing program, and we are supporting that and asking for the priorities to be placed as we see them and that in your deliberations that they do not slide down on the priority list. It is the provincial-federal coast sharing program which we are support-

[*Interpretation*]

développement de la région sans attendre mise en service du nouveau traversier.

Selon l'annonce faite, le nouveau servic peut faire trois voyages aller-retour par jou et il les fera s'il y a lieu. Comme vous savez, afin d'augmenter le trafic, il faut to d'abord assurer un service à un prix aborda ble pour le public. On a constaté un accroiss ment du traffic vers d'autres régions apr que l'on eut assuré un service plus satisfa sant à l'île du Prince-Édouard, l'été dernie On construit actuellement un autre bac pou l'Île du Prince-Édouard, et nous estimons qu sous peu nous aurons besoin non seulemer de ce bac, mais aussi d'autres bateaux q fassent la navette.

Comme on l'a signalé dans les rapports l'*A. D. Margison and Associates Ltd.* en ce q concerne les projets à long terme on au finalement besoin d'un autre navire, et peu être d'un chemin plus direct par la rout vers les États de la Nouvelle-Angleterre et centre du Canada, de Digby à Welshpool, q est l'un des meilleurs itinéraires pour la ci culation routière. Si l'Annapolis Valle exploite un service de bac entre Digby Saint-Jean tout en servant toute la populatio de la Nouvelle-Écosse et du Nouveau-Brun wick, c'est qu'elle assure un service de tran port ferroviaire aussi bien que routier.

Messieurs, je demanderais donc que vo essayiez d'obtenir du gouvernement qu'il no donne un meilleur service de bac avec le b actuel, s'il doit assumer les frais supplémer taires que cela pourrait entraîner. Je vo remercie.

Le président: Monsieur Nowlan.

M. Nowlan: J'ai deux questions auxquell M. Elliott peut sans doute répondre, mais q se rattachent à ce qu'a dit M. Mimms. I prime abord, les embouteillages qu'il a me tionnés, et qui vont affecter la circulatio semblent être un problème provincial. Pou riez-vous expliquer brièvement pourquoi vo soulevez ce problème devant le Comité d transports du gouvernement fédéral?

Major J. G. Mimms (Directeur général l'Annapolis Valley Affiliated Boards Trade): Nous avons mentionné ce fait à l'a pui du mémoire provincial que l'on a incl dans le programme quinquennal, qui doit toute évidence être un programme à fra partagés nous appuyons ce principe, et no demandons que l'ordre de priorité soit éta comme nous l'envisageons, et qu'au cours vos délibérations ces problèmes ne descende pas sur la liste de priorité. C'est le pr

[*Texte*]

ng. We are asking you to recommend that hese be given priority.

Mr. Nowlan: It is not because the Federal Government is going to be spending money at he terminals at both ends? It is more this ost sharing program—the general program?

Major Mimms: It is the cost sharing pro-ram on the roads.

Mr. Nowlan: My next question is about Greenwood which is a very large Canadian Armed Forces Base right in the heart of the alley, of course. Have you a date arranged or presentation to the Minister on this brief hat you mention?

Major Mimms: No we have not. We have to nd access which will not in any way inter-ere with the operational or training role of hat base. We have got the access road in, here is one there to be developed, and we ave got the approval in principle and sup-ort in principle of all of the municipalities hich support our organization.

Mr. Nowlan: Mr. Mimms, could you tell his committee where the alternate base is ow if you cannot get into Halifax because of g? Where do you land?

Major Mimms: Well, you would never get . If Halifax is fogged out Yarmouth is a retty hot bet to be fogged out. So, there is o place; and the emergency landing would e at Greenwood—it used to be.

Mr. Nowlan: It used to be at Greenwood, ut it is now at Moncton, is it not?

Major Mimms: That is right.

Mr. Nowlan: What is the distance between Moncton and Halifax—a couple of hundred iles?

Major Mimms: 250 miles, I think.

Mr. Nowlan: So, the alternate base for ova Scotia is in another province.

Major Mimms: That is right.

Mr. Nowlan: How many towns belong to he AVABT (Annapolis Valley Affiliated oards of Trade)?

Major Mimms: Well, we have 16 Boards. I ate to tell you it is 250 communities of over) souls in that area.

[*Interprétation*]

gramme à frais partagés entre le gouvernement fédéral et les provinces que nous appuyons. Nous vous demandons d'y donner la priorité.

M. Nowlan: Ce n'est pas parce que le gouvernement fédéral va dépenser de l'argent pour l'aménagement des terminus aux deux bouts? Il s'agit plutôt du programme à frais partagés du programme général?

M. Mimms: Il s'agit du programme à frais partagés en matière de service routier.

M. Nowlan: La question suivante a trait à Greenwood, qui est, bien sûr, une base très importante des Forces armées du Canada au cœur même de la vallée. Avez-vous prévu une date pour la présentation au ministre du mémoire que vous avez mentionné?

M. Mimms: Non. Il faut que nous trouvions une voie d'accès qui ne gêne pas du tout les opérations ou les exercices d'entraînement de la base. Nous avons déjà une route d'accès à la base, il y a là-bas une voie qui va être aménagée, et nous avons l'approbation et l'appui de principe de toutes les municipalités qui appuient notre associatoin.

M. Nowlan: Monsieur Mimms, pourriez-vous dire au Comité où se trouve actuellement la base de secours, sur laquelle vous pouvez atterrir lorsque le brouillard vous empêche de descendre sur Halifax?

M. Mimms: Il n'y en a pas. S'il y a du brouillard à Halifax, il y a de fortes chances pour qu'il y en ait aussi à Yarmouth. Il n'y a donc aucune possibilit, et l'atterrissage d'urgence se ferait à Greenwood—c'est là qu'il se faisait autrefois.

M. Nowlan: Autrefois, c'était Greenwood, mais maintenant, c'est Moncton, n'est-ce pas?

M. Mimms: C'est exact.

M. Nowlan: Quelle est la distance entre Moncton et Halifax? Deux cents milles?

M. Mimms: 250 milles, je crois.

M. Nowlan: Donc, la base de secours pour la Nouvelle-Écosse se trouve dans une autre province.

M. Mimms: C'est cela.

M. Nowlan: Combien de municipalités font-elles partie de l'AVABT?

M. Mimms: Il y a 16 chambres de commerce, qui représentent 250 collectivités de plus de 50 habitants dans cette région.

[*Text*]

The Chairman: Mr. Rose.

Mr. Rose: Mr. Chairman, in Mr. Snow's analogy of the highway system and the ferry system, I believe he suggested that he felt that the ferry system, like the bridge system, was merely an extension of the highway system. Is that so sir? Do I paraphrase you correctly?

Mr. Snow: Yes. Where there can not be a bridge or a causeway built across the Bay of Fundy, we feel that the cost of moving a vehicle from Western Nova Scotia to New Brunswick should not be a high charge to the trade and industry and to the people travelling which would retard the growth of that area.

Mr. Rose: Of course, this also relates to the gentleman who spoke previously about a smaller ferry. The cost of highways is not borne on a user basis; in other words, someone who does not own a car probably shares equally, except for perhaps the gas tax, in the cost of building a highway. You would agree that is true, would you not?

Mr. Snow: The amount of revenue from the gas tax could never provide for the maintenance of the highways in the province of Nova Scotia.

Mr. Rose: And yet someone who rides on the ferry as a pedestrian, whether he has a car or not, usually pays, does he not?

Mr. Snow: He does pay.

Mr. Rose: Can you see any reason why ferries should be treated any differently than highways in that they should be paid for by all the people and be considered an extension of the highway, and therefore there is really no logic in extending a fee for service basis on a ferry—that is, one within a province?

Mr. Snow: It has been requested, I understand, by the people of the Island, in reference to the deep passage crossing, that they cross there without any fee—that is, within the province.

Mr. Rose: You would support this throughout the province, would you?

Mr. Snow: Yes. As to charging toll charges and so on which we know has been charged for crossing bridges and causeways, this is one form of revenue to pay for maybe a special project in a certain area. To my mind, today, where transportation is so extensively used by the public, I feel that if we can help

[*Interpretation*]

Le président: Monsieur Rose.

M. Rose: Monsieur le président, par l'analogie qu'a faite M. Snow entre le réseau routier et le service de bacs, je suppose qu'il voulait dire que le service de bacs, tout comme les ponts, n'était qu'une prolongation du réseau routier. Est-ce bien cela, monsieur? Est-ce que j'interprète bien ce que vous avez dit?

M. Snow: Oui. Lorsqu'on ne peut construire un pont ou une chaussée, pour enjamber la baie de Fundy, nous estimons que les frais de déplacement d'un véhicule de l'ouest de la Nouvelle-Écosse ou Nouveau-Brunswick ne devraient pas être trop élevés pour le commerce et l'industrie, ni pour les particuliers, car cela freinerait l'expansion de cette région.

M. Rose: Bien sûr, cela se rattache aussi à ce que disait tout à l'heure la personne qui parlait d'un plus petit bac. Le coût des routes n'est pas généralement payé par les usagers. En d'autres termes, la personne qui ne possède pas d'automobile paie sans doute la même part que les autres, à l'exception eput-être de la taxe d'essence, pour la construction d'une route. C'est bien cela, n'est-ce pas?

M. Snow: Le montant des recettes retirées rer l'entretien des routes de la Nouvelle-Écosse.

M. Rose: Et pourtant, le piéton qui prend un bac paie la traversée, tout comme les automobilistes, n'est-ce pas?

M. Snow: Oui.

M. Rose: Pour quelle raison, alors, traiterait-on les services de bacs autrement que les routes; tout le monde devrait payer pour ces bacs, que l'on devrait considérer comme une prolongation des routes; et il n'est donc pas logique de faire payer la traversée sur les bacs—du moins sur un service de bac à l'intérieur d'une province.

M. Snow: Je crois comprendre que les gens de l'île ont demandé à pouvoir faire la traversée maritime gratuitement, du moins à l'intérieur de la province.

M. Rose: Vous appuyez ce principe pour toute la province, n'est-ce pas?

M. Snow: Oui. Quant aux péages, que l'on impose parfois pour la traversée de ponts ou de chaussées, ils sont une forme spéciale de revenus en vue d'un projet donné dans une certaine région. A mon avis, aujourd'hui, où le public emprunte tellement les moyens de transport, si nous pouvons encourager les

[*Texte*]

to encourage travel and to cut down costs of moving goods and so on and doing business, that wherever possible it should be as low as possible.

Mr. Rose: You would say that toll charges are an historical anachronism, then, would you? And that, further, because you have a mountain with a highway going over it, that is a special project too, and yet people do not have to pay to use that.

Mr. Snow: Indirectly they have to pay.

Mr. Rose: Well, I know, but I mean the user does not pay any more than the non-user.

Mr. Snow: Of course, a certain amount of the gas tax goes towards it, but not enough to cover it. I would say that if they can do it without putting on additional charges, they should do so.

Mr. Rose: Are you aware that the province has asked the federal government for something like 500 million dollars in highway support?

Mr. Snow: Yes.

Mr. Rose: On what is usually considered a provincial matter except for Trans-Canada.

Mr. Snow: Yes, that is right.

Major Mimms: We did not know about the figure. I was the one who brought that point up and I said I did not know as to the figure quoted this morning.

Mr. Rose: It was quoted in another brief, sir, and I may have recalled it correctly or I may not. Perhaps it could be confirmed by somebody else.

Mr. Snow: As to a city like Montreal with a population of 2 million people, compared to Nova Scotia with a population of about 800,000, and as to the amount of highways we have to maintain to carry on our trade and industry, if the people of Nova Scotia had to bear this entire cost we would not have enough money for our other services.

Mr. Rose: It has been suggested that what the Maritime Provinces get back in special equalization payments and highway transportation subsidies, and other things, has been offset by the number of people who have been educated here and who have emigrated to other parts of Canada.

[*Interprétation*]

voyages et permettre de réduire les frais de transport des marchandises et d'encourager le commerce, il faudrait que les frais soient aussi bas que possible.

M. Rose: Vous diriez, alors, que les péages sont un anachronisme? Et que, de plus, s'il y a une montagne le long de laquelle grimpe une route, cela constitue aussi une construction spéciale, et pourtant l'usager ne doit pas payer.

M. Snow: Indirectement, il paie tout de même.

M. Rose: Oui, je sais, mais l'usager ne paie pas plus que le non-usager.

M. Snow: Évidemment, un certain montant de la taxe d'essence permet d'en payer le coût, mais pas dans sa totalité. A mon avis, si l'on peut assurer un service sans faire payer l'usager, on devrait le faire.

M. Rose: Savez-vous que la province a demandé au gouvernement fédéral une somme qui va chercher dans les 500 millions de dollars pour la construction et l'entretien des routes?

M. Snow: Oui.

M. Rose: Pour ce qui relève normalement du gouvernement provincial, sauf dans le cas de la route transcanadienne.

M. Snow: C'est vrai.

M. Mimms: Nous ne connaissions pas le chiffre. C'est moi qui ai soulevé cette question, et j'ai dit que je n'étais pas au courant du chiffre cité ce matin.

M. Rose: Il était cité dans un autre mémoire, monsieur, et je peux me tromper. Peut-être quelqu'un d'autre pourrait-il le confirmer.

M. Snow: Comparez une ville comme Montréal, qui a 2 millions d'habitants, et la Nouvelle-Écosse, qui en a 800,000 environ, et tenez compte du nombre de routes que nous avons à entretenir pour les besoins de notre commerce et de notre industrie; si les gens de la Nouvelle-Écosse devaient assumer ce fardeau financier dans sa totalité, nous n'aurions pas de fonds suffisants pour nos autres services.

M. Rose: On a dit que ce que reçoivent les provinces Maritimes sous forme de versements spéciaux d'égalisation, de subventions pour le transport routier, et ainsi de suite, est compensé par le nombre de gens qui ont été éduqués ici et ont émigré vers d'autres parties du Canada.

[*Text*]

Mr. Snow: That is one of our greatest exports, to our misfortune.

Mr. Rose: This is my final question, sir.

I realize that I have taken up much time and I do not usually do this.

Mr. Perrault: On a point of order. If it is detailed information that Mr. Rose requires perhaps he could meet with the committee later this evening.

Mr. Rose: Just a final question, sir. Mr. Snow, you made much of the difference between the CP service to St. John's and the CN service to Bar Harbour. It really works out to half the cost for double the distance. Have you any views on why this situation occurs and how it happened?

Mr. Snow: I might go a little further on the figures; I have given you them on automobiles but I would like to give you the figures for trucks, and why the people of Western Nova Scotia cannot trade with the province of New Brunswick.

The Chairman: Could you give those figures to the Committee so that we can provide Mr. Rose with them?

Mr. Snow: Yes, we could do that.

The Chairman: Time is running out and we still have more briefs to answer.

Mr. Rose: Will that go into the record, sir?

The Chairman: Yes.

Mr. Rose: We will put it in the record?

The Chairman: Yes.

Mr. Rose: Thank you.

Mr. Snow: Shall I answer the rest of your question?

Mr. Rose: Yes.

Mr. Snow: The CPR in the past has been a privately operated company trying to make a profit. Now, the operation from Yarmouth to Bar Harbour is to try to upgrade the economy of Western Nova Scotia. In my final remarks I say, regarding any means of assistance or support, I think that the federal government's support to help transportation conditions is the best way of spending the taxpayers' money across Canada—for that purpose. I think it would do more good than any other form of subsidy.

[*Interpretation*]

M. Snow: C'est, pour notre malheur, l'une de nos exportations les plus actives.

M. Rose: C'est, ma dernière question, monsieur.

Je me rends compte que j'ai pris beaucoup de temps, contrairement à mon habitude.

M. Perrault: Un rappel au règlement. Si M. Rose a besoin de renseignements détaillés, il pourrait peut-être rencontrer le comité un peu plus tard, ce soir.

M. Rose: Une dernière question, Monsieur Snow, vous avez fait grand état de la différence qui existe entre le service du Pacifique-Canadien à Saint-Jean et celui du National-Canadien à Bar Harbour. Et en fait, c'est la moitié des frais pour le double de distance. Savez-vous pourquoi et comment cela se produit?

M. Snow: Je pourrais peut-être aller plus loin en ce qui concerne les chiffres; je vous les ai donnés pour les automobiles, mais j'aimerais vous les donner au sujet des camions, et la raison pour laquelle les gens de l'ouest de la Nouvelle-Écosse ne peuvent pas commercer avec le Nouveau-Brunswick.

Le président: Est-ce que vous pourriez remettre ces chiffres au Comité et ensuite, nous les fournirons à M. Rose.

M. Snow: Certainement.

Le président: Le temps passe et nous avons encore d'autres mémoires à recevoir.

M. Rose: Est-ce qu'on va les insérer dans les comptes rendus?

Le président: Oui.

M. Rose: Oui?

Le président: Oui.

M. Rose: Merci.

M. Snow: Dois-je finir de répondre à votre question?

M. Rose: Oui.

M. Snow: Le CP est une société privée qui essaie de faire un certain profit. Et la ligne Yarmouth-Bar Harbour vise à améliorer l'économie de l'ouest de la Nouvelle-Écosse. En guise de conclusion, je dirais que, peu importe les moyens d'aide, tout ce que le gouvernement fédéral fait pour aider les moyens de transport, c'est encore la meilleure façon de dépenser l'argent des contribuables à travers le Canada, à ces fins. Et alors, je crois que cela fait beaucoup plus de bien que toute autre forme de subvention.

[*Texte*]

The Chairman: Thank you. Mr. Comeau?

Mr. Comeau: Mr. Chairman, most of my questions have been asked and answered. I have one question for Mr. Mimms, the same question I asked before of another witness. Realizing again that the economy of that part of the province is not progressing as rapidly as other parts of the province, do you feel that transportation is the key to this?

Major Mimms: For 21 years the AVABT has been saying just that. Without transportation, until we got the bottleneck out, we could not develop. As a result of the announcement of the improved service of the Digby ferry, we were informed a week ago that there is one industry from the States—granted it is small—now that we have a decent ferry service coming that is prepared to move into the valley. So we say it is the key at the moment.

Mr. Comeau: So you feel there would possibly be enough traffic for two runs a day, as you see it now?

Major Mimms: Well, if we do not get two runs how are we going to increase the traffic? We are already suffering under one run per day, so we should have two runs. That is the only way we are going to develop the area. It may well be a year or so before it starts to show any improvement so far as CPR is concerned, or whoever is taking the revenue, but if we do not have two ferry services—even if they are only partially filled for the first while—then we are not getting any better service really if we only have one return trip per day.

Mr. Snow: Mr. Chairman, I might add something to that. In a specific case which took place not too long ago, there was a group of men wanting to go over to Saint John to attend the special announcement of the CPR, which turned out to be the announcement of the construction of the ferry. In order to be there for Tuesday afternoon, if they were taking the boat across, they would have to leave on a Monday and they could not return until Wednesday, just to attend an afternoon meeting in Saint John on Tuesday.

Now, for farmers going over with their produce, at the scheduled rates, and so on they are charging now, it is prohibitive; that is why there are only 14,000 vehicles going across there. It is limited to a certain type of traffic and the highway traffic must be catered to without reservations. In other words, always have service there that you do not

[*Interprétation*]

Le président: Merci. Monsieur Comeau?

M. Comeau: Monsieur le président, la plupart de mes questions ont déjà été posées, et on y a répondu. J'aurais toutefois une question pour M. Mimms, la même question que j'ai posée auparavant à un autre témoin. Compte tenu du fait que l'économie de cette partie de la province ne progresse pas aussi rapidement que les autres secteurs de la province, croyez-vous encore une fois que les transports sont la clé de ces problèmes?

M. Mimms: Depuis 21 ans, l'AVABT dit exactement ça: sans transport, et avant d'avoir réussi à éliminer l'embouteillage, nous ne pourrons pas nous développer. A la suite de l'annonce qu'on allait améliorer le service de traversiers de Digby, on nous a dit, il y a une semaine, qu'une industrie américaine veut s'établir dans la vallée, parce que nous avons un service adéquat de traversiers. C'est la clé à l'heure actuelle, effectivement.

M. Comeau: Vous estimez donc qu'il y a suffisamment de circulation pour justifier deux voyages par jour, à l'heure actuelle?

M. Mimms: Mais, si nous n'obtenons pas les deux voyages, comment allons-nous améliorer la circulation? Un seul voyage est insuffisant, alors, nous devrions en obtenir deux. C'est le seul moyen de développer la région. Cela prendra peut-être un an ou deux avant d'améliorer le service, en ce qui concerne le CPR, ou quiconque encaisse les revenus, mais si nous n'avons pas deux services de traversiers, même s'ils ne sont que partiellement remplis pour un certain temps, nous n'aurons pas un meilleur service, s'il n'y a qu'un seul voyage aller-retour par jour.

M. Snow: Monsieur le président, je pourrais peut-être ajouter quelque chose à cela. J'ai eu connaissance d'un cas précis qui s'est produit il n'y a pas tellement longtemps. Un groupe d'hommes voulaient aller à Saint-Jean pour assister à la conférence de presse du CPR, qui a fini par être l'annonce de la construction du traversier. Afin d'y être le mardi après-midi, s'ils partaient par traversier, ils devaient partir le lundi et ils ne pouvaient pas revenir avant le mercredi, simplement pour assister à une réunion à Saint-Jean, le mardi après-midi.

Pour les fermiers qui traversent avec leurs produits, les tarifs qu'on a à l'heure actuelle sont prohibitifs. C'est la raison pour laquelle seulement 14,000 véhicules y traversent. On est limité à un certain genre de trafic, et il faut absolument servir le trafic routier. En d'autres termes, il faut que le service nous évite de faire des réservations deux ou trois

[*Text*]

have to make reservations for two or three months ahead. That area has been starved; there has been a transportation barrier up to Western Nova Scotia. In order to get that back to the level at which it should be you have to give special concessions.

Mr. Comeau: One final question, Mr. Chairman. I want to thank the gentlemen for presenting their brief very well, and I think Mr. Snow should tell the Committee how many people live on the islands he is talking about.

Mr. Snow: There are approximately 1,300 families in the ferry area as I mentioned in my brief. Since we catch approximately 50 to 70 million pounds of fish, you can appreciate that it is an extensive fishing area and, therefore, the ferry serves people who are on both sides of it. That is why I said there would be approximately 1,300 families involved in this, but there are approximately 1,300 people on the islands.

Mr. Rock: If I may ask a question of the same witness, does that ferry belong to the federal government or is it privately owned?

Mr. Snow: That ferry is supposedly operated by the provincial government, but it is privately owned.

Mr. Rock: By the provincial government and privately owned?

Mr. Snow: The provincial government owns the scow which the cars go on which, by the way, has kerosene lights hung on it approved by the Department of Transport for clearance lights—which is how far back into the Dark Ages we are—and the boat itself is owned by a private party.

Mr. Rock: You said that you want to see a bridge built there. What is the distance between the two shorelines?

Mr. Snow: Twelve hundred feet is the shortest distance.

The Chairman: Mr. Skoberg has a short question.

Mr. Skoberg: Mr. Chairman and gentlemen, have you studied the traffic demand from Saint John to Digby which really would show the need for another ferry?

Mr. Snow: If you refer to the Margison Report which cost the provincial-federal governments approximately $100,000 to compile—and it is on record in the federal govern-

[*Interpretation*]

mois à l'avance. Cette région a été privée; on a imposé une barrière aux transports, jusque dans l'ouest de la Nouvelle-Écosse. Afin de pouvoir remettre les choses au point où elles devraient l'être, il faut absolument avoir des concessions spéciales.

M. Comeau: Une dernière question, monsieur le président. Je vous remercie, messieurs, d'avoir très bien présenté votre mémoire. Je crois que M. Snow devrait peut être dire au Comité combien de gens vivent dans les îles qu'il a mentionnées.

M. Snow: Il y a environ 1,300 familles dans la région du traversier, comme je l'ai mentionné dans mon mémoire. Comme nous prenons environ de 50 à 70 millions de livres de poissons, vous admettrez que la région est plutôt prospère de ce côté-là. Et le traversier dessert donc les gens qui demeurent des deux côtés. Voilà pourquoi j'ai dit qu'il y avait environ 1,300 familles en cause, mais, en fait il y a environ 1,300 personnes dans les îles.

M. Rock: Je voudrais continuer avec le même témoin. A qui appartient le traversier? Au gouvernement fédéral ou est-ce une propriété privée?

M. Snow: Le traversier est censé être exploité par le gouvernement provincial, mais il est propriété privée.

M. Rock: Par le gouvernement provincial et c'est une propriété privée?

M. Snow: Le gouvernement provincial est propriétaire du chaland qui transporte les voitures et qui, soit dit en passant, a des lumières à kérosène approuvées par le ministère des Transports—nous remontons vraiment au Moyen Age—et le navire lui-même est une propriété privée.

M. Rock: Vous avez dit que vous voudriez voir construire un pont. Quelle est la distance entre les deux rivages?

M. Snow: La distance la plus courte est de 1,200 pieds.

Le président: M. Skoberg a une courte question à poser.

M. Skoberg: Monsieur le président, Messieurs, avez-vous fait un relevé du trafic de Saint-Jean à Digby, quant à savoir jusqu'à quel point on a besoin d'un nouveau traversier?

M. Snow: Si vous parlez du rapport Margison qui a coûté environ $100,000 aux gouvernements fédéral et provincial—et le gouvernement fédéral l'a inscrit dans ses dossiers—

[Texte]

ent—you will find out the potential. They commend that there should be a new ferry mediately in addition to the existing ferry rvice, and another ferry besides that by 80. That gives you the potential. We are arest to one of the greatest areas of concenated population in North America—we are st eight, twelve or fifteen hours away. If u go across by ferry, you can be in Boston eight hours or in Montreal. In 16 or 18 urs you can be in New York or Toronto; e potential is terrific.

Mr. Skoberg: Are you suggesting, sir, that second or third ferry would be a straight bsidization situation? I think you suggested would be local traffic to a good extent.

Mr. Snow: I think the boat is going to pply two services: One is for the benefit of PR needs and the other is for the public, d I think it should be a joint operation. The deral government is going to put in $10 llion in wharf construction, the Nova otia and New Burnswick governments are ing to put in another $3 million, besides the bsidy on the boats that have to be built in nada. Therefore, as to the supplying of the pital, there is going to be a greater amount capital put in that service than CPR is tting in, and I would say that indirectly y are going to be partners in this. As to negotiation of terms of operation, I think t in the future at no time should there be limited service created by a lack of sufficnt facilities.

Mr. Skoberg: Has the Annapolis Valley en a designated area before? Are you hopi or have you made application for such a r ult?

Mr. Snow: We are working on it.

An hon. Member: Yes, it is a designated a a.

Mr. Skoberg: Thank you, Mr. Chairman.

The Chairman: I want to thank you, ntlemen.

Our last brief is from Industrial Estates nited. I will call upon Mr. R. S. Brookfield, R. S. Shephard and Mr. R. N. Pugsley.

Mr. R. S. Brookfield (Industrial Estates Limited, Halifax, Nova Scotia): Mr. Chairn and members of the Committee, we nk you for the opportunity of presenting views to you. We are here on behalf of ustrial Estates Limited and I am repreting Mr. Sobey, our President who, unfor-

[*Interprétation*]

vous saurez qu'on recommande immédiatement un nouveau traversier, en plus du service de traversier qui existe déjà, et un autre traversier encore d'ici 1980. Voilà le potentiel. Nous sommes tout près de l'une des plus grandes concentrations de population qui se trouve en Amérique du Nord, nous ne sommes qu'à huit, douze ou quinze heures. Si vous prenez le traversier, vous pouvez vous rendre à Boston en huit heures ou à Montréal. En 16 ou 18 heures, vous vous rendez même à New York ou à Toronto; les possibilités sont énormes.

M. Skoberg: Alors, ce que vous dites, c'est qu'avec un deuxième ou troisième traversier, ce sera une question de pure subvention? Je crois que vous avez dit que ce serait le trafic local, dans une grande mesure.

M. Snow: Si on a deux traversiers, l'un serait pour le CPR, pour ses besoins, l'autre pour le public et je crois que l'exploitation devrait être conjointe. Le gouvernement fédéral doit dépenser 10 millions de dollars pour la construction des quais, les gouvernements de la Nouvelle-Écosse et du Nouveau-Brunswick vont fournir 3 millions, en plus des subventions accordées pour les navires qu'on doit construire au Canada. Alors, il y aura beaucoup plus de capital investi que n'en fait le CPR, et je dirais qu'indirectement ils vont être partenaires. Quant aux négociations concernant les conditions d'exploitation, je crois qu'à l'avenir, on ne devrait pas limiter le service en raison du manque d'installations.

M. Skoberg: Est-ce que la vallée d'Annapolis était une région désignée auparavant? Avez-vous fait une demande à ce sujet?

M. Snow: Nous travaillons là-dessus.

Une voix: Oui, c'est une région désignée.

M. Skoberg: Merci, monsieur le président.

Le président: Je veux vous remercier, messieurs. Notre dernier mémoire vient de la Industrial Estates Limited. Je demanderais à MM. R. S. Brookfield, R. S. Shephard et R. N. Pugsley de bien vouloir s'approcher.

M. R. S. Brookfield (Industrial Estates Limited, Halifax, Nouvelle-Écosse): Monsieur le président, messieurs les membres du Comité, nous vous remercions de l'occasion que vous nous offrez de présenter nos vues. Nous sommes ici au nom de l'Industrial Estates Limited, et je représente M. Sobey, notre

[*Text*]

tunately, is unable to attend and wishes us to convey his regrets to the Committee.

One of the objectives of the National Transportation Act is to ensure that each mode of transport, so far as practicable, carries traffic to or from any point in Canada under tolls and conditions that do not constitute unreasonable discouragement to the development of secondary industry. Industrial Estates Limited is a Crown corporation of the Province of Nova Scotia and since its inception in 1957 has been actively and continuously engaged in promoting the start-up of secondary industries in this Province.

It might prove helpful if we were able to cite examples of those industries that applied to us for assistance but did not locate here because of the freight rate problem, but generally we are not advised of those factors that compel industries to locate elsewhere. We can tell you, however, that one of the first requests directed to us by prospective clients is an analysis of transportation costs to the major markets and there is no doubt that these costs play a large part in the decision to locate or not to locate.

Essentially, because the majority of secondary industry must export the bulk of its products outside the Atlantic Region to survive, we wish to emphasize the need for an over-all permanent solution to the high cost of moving goods to central Canada to encourage greater development of industries in order to diminish regional disparities.

Until the implementation of such a scheme, we urge the deadline on the freeze to be extended. Thank you.

The Chairman: Very good. Are there any comments, gentlemen?

Mr. Skoberg: An excellent brief.

Some hon. Members: Hear! Hear!

Mr. Skoberg: Have you communicated direct with the Minister with regard to the freeze?

Mr. Shephard: Yes; it was done direct by Industrial Estates Limited.

The Chairman: Thank you very much, gentlemen. You have been very kind and very patient.

(End of Volume I—Balance in Volume II)

[*Interpretation*]

président, qui, malheureusement, ne peu assister à la séance, et m'a prié de l'excuse auprès du Comité.

Un des objectifs de la Loi nationale sur le transports, c'est d'assurer que chaque moye de transport, pour autant que c'est possibl permette la circulation vers n'importe que point du Canada, ou à partir de n'import quel point, à des tarifs et dans des condition qui n'empêchent pas le développement d l'industrie secondaire. Industrial Estate Limited est une société de la Couronne de l province de la Nouvelle-Écosse, et depuis se débuts en 1957, elle s'est toujours engagée promouvoir et à commencer les industrie secondaires dans notre province.

Il serait peut-être utile de vous donner de exemples de ces industries qui nous on demandé de l'aide, mais qui ne sont pa venues s'établir ici en raison du problème d tarif-marchandise. Normalement, on ne con naît pas les raisons, mais nous pouvons vou dire que l'une des premières demandes qu nous est parvenue de ces clients, c'est un analyse des frais de transport jusqu'au débouchés normaux. Et il n'y a aucun dout que ces facteurs ont joué un rôle dans ce décisions de s'établir ou de ne pas s'établir.

Essentiellement parce que la majorité de industries secondaires doivent exporter l gros de leurs produits à l'extérieur de l région atlantique pour survivre, nous voulon insister sur le besoin d'une solution perma nente et globale au sujet des frais de trans port élevés jusqu'au centre du Canada pou favoriser l'expansion des industries en vu d'éliminer la disparité régionale.

Jusqu'à ce que nous ayons un tel prc gramme, nous vous demandons d'étendre l date limite du gel. Merci.

Le président: Très bien. Avez-vous de commentaires, messieurs?

M. Skoberg: Excellent mémoire.

Des voix: En effet.

M. Skoberg: Avez-vous communiqué ave le ministre au sujet du gel?

M. Shephard: Oui. L'Industrial Estat Limited l'a fait elle-même.

Le président: Merci beaucoup, messieur Vous avez été très gentils et patients.

(Fin du Volume I—Suite au Volume II)

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EVIDENCE

(*Recorded by Electronic Apparatus*)

Wednesday, February 20, 1969

[*exte*]

The Chairman: Good morning ladies and gentlemen. We have with us this morning the Clare Chamber of Commerce of Digby.

First, I will call on the Nova Scotia Fish Packers Association. I have, on my right, Mr. Smith, Mr. Dunbar, Mr. Cunningham, Mr. Johnson and Mr. Tupper. I would ask Mr. Smith to make a short brief of his presentation.

Mr. R. G. Smith (President of the Nova Scotia Fish Packers Association): Mr. Chairman, the membership of the associations that I'm speaking for this morning is responsible for about 80 per cent of the annual production of fish products in Nova Scotia.

I am speaking on behalf of the Nova Scotia Fish Packers Association, the Canadian Atlantic Salt Fish Exporters Association, the Atlantic Fisheries By-Products Association and the Atlantic Queen Crab Association. These associations include firms and individuals located from Yarmouth to North Sydney in Nova Scotia as well as some operating in the other Atlantic Provinces. As I said before, these dealers are engaged in the processing and marketing of a wide range of fish and seafood products and by-products. Our association members handle some 80 per cent of Nova Scotia's annual production of fish, the total marketed value f.o.b. plant was approximately $110 million in 1968.

Because of the expansion that has taken place in the fishing industry in recent years, the latest DBS figures show that fisheries was Nova Scotia's most important resource based industry. The number of fishermen in 1968 was approximately 13,000. In many parts of the province fishing and fish processing constitute the only industry. Almost all of the fish products and by-products produced must be marketed in the more populous areas of Canada, the United States and abroad.

Mr. Nesbitt: Mr. Chairman, on a point of order, the members do not seem to have a copy of the brief.

The Chairman: You will find this brief on page 676 of the agenda.

TÉMOIGNAGES

(*Enregistrement électronique*)

[*Interprétation*]

Le président: Bonjour mesdames et messieurs, nous allons continuer maintenant notre ordre du jour en demandant à la Chambre de commerce Clare de Digby de se présenter. Je demanderais donc à l'Association des conserveries de poisson de la Nouvelle-Écosse de présenter son mémoire. Un peu d'ordre s'il vous plaît. J'ai ici à ma droite, M. Smith, M. Dunbar, M. Cunningham, M. Johnson ainsi que M. Tupper. Je demanderais à M. Smith de faire une brève présentation de son mémoire.

M. R. G. Smith (Président de l'Association des Conserveries de poisson de la Nouvelle-Écosse): Monsieur le président, les membres pour lesquels je parle ce matin, produisent annuellement environ 80 p. 100 des produits de la pêche en Nouvelle-Écosse. Je parle au nom de l'Association des conserveries de poisson de la Nouvelle-Écosse, de la *Canadian Atlantic Salt Fish Exporters Association*, la *Atlantic Fisheries By-Products Association* et la *the Atlantic Queen Crab Association*. Ces associations comptent leurs membres parmi les sociétés et des particuliers de Yarmouth à North Sydney en Nouvelle-Écosse ainsi que d'autres membres, dans certaines autres provinces Maritimes. Comme je l'ai déjà dit, ces membres transforment et commercialisent une grande partie des poissons et des produits du poisson. Je l'ai dit auparavant, nous comptons 80 p. 100 de la production annuelle totale du poisson, et en 1968 cela représentait environ $110 millions.

En raison de l'expansion dans l'industrie du poisson depuis un certain temps, les plus récents chiffres du Bureau fédéral de la statistique indiquent que la pêche est l'industrie la plus considérable de Nouvelle-Écosse. Il y avait environ 13,000 pêcheurs dans notre province. Dans plusieurs parties de la province la seule industrie est la pêche et la transformation du poisson. On doit trouver des débouchés dans les régions les plus populeuses du Canada, aux États-Unis et à l'étranger.

M. Nesbitt: J'en appelle au règlement. Est-ce que nous pourrions avoir une copie de son mémoire?

Le président: Avez-vous votre agenda? Vous trouverez ce mémoire à la page 676.

29691—12½

[*Text*]

Mr. Nesbitt: No, that is not it, page 676 is the Clare Chamber of Commerce.

Mr. Ian Dunbar (Nova Scotia Fish Packers Association): Mr. Chairman, I am sorry but I have only a few copies. I mailed 40 copies to the Committee. I just have these few left, if they would be helpful.

Mr. Smith: As I was saying, Mr. Chairman, almost all of the fish products and by-products produced must be marketed in the more populous areas of Canada, the United States and abroad, i.e. beyond the North American continent. It follows that transportation is a very important factor in this industry and all available forms of transportation are utilized—rail, truck, vessel and air.

The magnitude of this usage of transportation becomes evident when it is noted that some seventy per cent (70%) of the production of Nova Scotia's fishing industry was sold in export markets in 1968, chiefly in the U.S.A.

Notwithstanding the ever increasing usage of frozen fish products there is still a large market for fresh fish and some twelve (12) million pounds of fresh fish and fish products is shipped annually from various points in the Maritimes, chiefly in Nova Scotia, to destinations within the Maritimes and in Quebec, Ontario and adjacent U.S.A. areas. The principal means of making these shipments is by LCL rail.

In 1967 the rail carriers served notice that only fresh fish shipped in leak-proof containers would be transported. However, as a result of meetings between the carriers and shippers the railways demonstrated a co-operative attitude by suspending application of this Rule 1.17 on a month to month basis to permit industry to develop a suitable and practicable container which would be leak-proof. Progress has been made in developing such a container and experimental shipments are encouraging, and in the meantime the railways have continued to handle shipments of fresh fish in ice in other than leak-proof containers.

It is essential to the welfare of the fishing industry that transportation facilities be available for moving its large volume of highly perishable products to the markets in Canada and the U.S.A. as rapidly as possible.

[*Interpretation*]

M. Nesbitt: Je m'excuse à la page 676 d the *Clare Chamber of Commerce.*

M. Ian Dunbar (Association des Conser ries de poisson de la Nouvelle-Écosse): m'excuse, monsieur le président, je n'ai suffisamment de copies, mais j'en ai env une quarantaine par la poste et il m'en r quelques-unes. Si cela peut vous aider.

M. Smith: Merci, comme je l'ai dit, pres sous les produits du poisson doivent trou des débouchés dans les parties les plus po leuses du Canada aux États-Unis et à l'étr ger, soit au-delà des frontières de l'Améri du nord. Les transports constituent donc apport très important dans cette industrie tous les modes de transport disponibles s employés, navires, avions, chemins de fe camions.

L'usage considérable des transports devi manifeste quand on constate que 70 p. 100 la production de l'industrie de la pêche d la Nouvelle-Écosse a été vendue à l'étran en 1968 et principalement aux États-Unis.

Malgré la consommation croissante de p sons congelés, il existe néanmoins un grand marché pour le poisson frais, et en ron 12 millions de livres de poisson frais et produits de la mer sont expédiées annue ment de divers points des Maritimes, prin palement de la Nouvelle-Écosse, à destinat d'autres endroits dans les Maritimes, au Q bec, en Ontario et aux régions avoisinan des États-Unis. Le principal moyen uti pour ces expéditions sont les chargeme incomplets.

En 1967, les compagnies de chemins de ont avisé que le poisson frais sera transp té uniquement dans des cadres étanch Cependant, après diverses réunions entre compagnies et les expéditeurs, les chemins fer se sont montrés coopératifs en suspend l'application du règlement 1.17 sur une b mensuelle, afin de permettre à l'industrie produire des cadres pratiques et étanch Des progrès ont été réalisés dans le dével pement de tels cadres et des expédition titre expérimental ont été effectuées et s encourageantes. Pendant ce temps, les com gnies de chemins de fer ont continué à tra porter le poisson frais sur glace dans emballages non étanches.

Il est essentiel pour le bien-être de l'ind trie de la pêche que les moyens de transp soient mis à sa disposition pour perme l'expédition de denrées périssables en gran quantités vers les marchés du Canada et États-Unis, dans les délais aussi courts possible.

'exte]

Delays and careless handling in transit con-bute to spoilage and financial loss, and it is ually important that there be no curtail-ent of present rail services. Except for the gher priced species of fish the high cost of ipment by air adds too greatly to the con-mer price to make this means of transpor-ion an alternative at present. Lower rates air shipments of fresh fish would be a eat boon to the fishing industry.

Road transport is used extensively by the lustry, chiefly in shipping frozen fish hough trailer trucks are also used in ship-g fresh and iced fish.

However, at certain seasons when weight trictions are imposed on some roads and hways great inconvenience, disruption and ra expense results and we urge that all w main roads and highways be constructed all-weather standards and that there be iformity between Provinces of weight and e regulations for trucks.

There has been a great expansion in the st Coast herring fishery in the past couple years and further expansion is anticipated. is has resulted in a substantial increase in production of fish meal and fish oil and ater usage of rail hopper cars for the bulk pment of fish meal and tank cars for the pment of fish oil. A severe shortage of pper cars was experienced in the Summer Fall of 1968 with the result that a consid-ble quantity of herring meal had to be d in plant warehouses longer than is visable.

There was deterioration in quality and loss value as a result of the inability of the lway to provide these hopper cars. There re also some instances involving fish oil ere it could not be saved due to late arriv-f tank cars.

On February 10, 1969, the producers of fish al in South Western Nova Scotia were ised by the C.N.R. that effective February 1969, there would be an embargo on the of large hopper cars in that area.

Since some producers had anticipated mar-ing almost all of their 1969 herring meal in k this will add to their cost in moving ir product to domestic and U.S.A. markets ause of the higher rail rate applicable to than 100,000 lb. carloads. It is imper-

[Interprétation]

Les délais et les manutentions peu soignées en transit contribuent à des pertes de marchandises et des pertes financières, et il est tout aussi important qu'il n'y ait pas de réduction des services actuels des chemins de fer. A l'exception des produits de la pêche coûteux, le coût élevé des expéditions par avion ne permet pas de prendre ce moyen de transport en considération actuellement parce que le coût au consommateur devient trop onéreux. Des tarifs moins élevés pour les expéditions de poisson frais par avion seraient une vraie bénédiction pour l'industrie de la pêche.

Le transport routier est utilisé d'une façon intensive par l'industrie, principalement pour l'expédition de produits congelés. Cependant, certains camions sont aussi utilisés pour l'envoi de poisson frais sur glace.

A certaines saisons, cependant, lorsque les restrictions de poids sont imposées sur certaines routes, il s'ensuit des inconvénients majeurs, et des dépenses supplémentaires; nous demandons donc que toutes les nouvelles grandes routes soient construites selon des normes qui permettent de les utiliser toute l'année, et qu'il y ait une uniformité entre les provinces concernant le poids et la dimension des camions.

Il y a une grande expansion de la pêche au hareng sur la côte depuis quelques années, et une autre expansion semblable est attendue, ce qui a produit une augmentation substantielle de la production de farine et d'huile de poisson, et un usage accru de wagons-trémies pour l'expédition en vrac de farine de poisson et de wagons-citernes pour l'expédition d'huile de poisson. Une grave pénurie de wagons-trémies à l'été et à l'automne de 1968 a causé un stockage de quantités considérables de farine de poisson dans les entrepôts d'usines pour une période anormale.

Il y a eu une détérioration de la qualité et une perte de valeur dues directement à l'incapacité des compagnies de chemins de fer de procurer ces wagons-trémies. La même chose s'est produite aussi pour l'huile de poisson qui a été perdue à cause de l'arrivée tardive de wagons-citernes.

Le 10 février 1969, les producteurs de farine de poisson du sud-ouest de la Nouvelle-Écosse ont été informés par le National-Canadien qu'à partir du 15 février 1969, il y aurait un embargo sur l'utilisation de grands wagons-trémies dans cette région.

Étant donné que certains producteurs avaient déjà décidé de vendre presque toute leur farine de hareng de 1969 en vrac, leur coût de transport pour expédier leurs produits au Canada et aux États-Unis sera donc plus élevé à cause du taux supplémentaire

[*Text*]

ative that this embargo on large hopper cars be lifted and that the carriers provide an adequate supply of suitable hopper cars for the transport of fish meal, or alternatively that compensatory adjustments be made in the freight rate on less than 100,000 lb. carloads.

Fish meal is used as an ingredient in poultry and animal feeds and must be competitive with different types of agricultural products that are used for the same purpose. Many of these agricultural products enjoy the advantage of freight assistance so that any increases in freight rates on fish meal worsen the competitive position of the industry.

Herring and other marine oils must also compete with vegetable oils, as well as with imported marine oils which have the benefit of low ocean freight rates to inland destinations through the St. Lawrence seaway, so that tank car rail rates on marine oils are very important to this developing East Coast Canadian industry.

The fishing industry like most primary industries serving a Canada-wide and world market has always had many serious problems and has operated close to the marginal line. It is, and has to be, extremely cost conscious in every aspect of its operations. The industry is in the midst of one of its most difficult periods of world fish surpluses and price declines.

For six months in 1968, the Canadian Atlantic Coast groundfish industry was assisted to the extent of some millions of dollars by the Federal Government in order that fishermen might not suffer greatly reduced earnings and to prevent a widespread cessation of processing operations. Notwithstanding this assistance several large firms went out of business within the past year. There has been no significant improvement in these conditions and prospects for an early improvement are not encouraging.

Fishermen and fish processors, supported by their Members of Parliament, are continuing to appeal to the Federal Government for a reinstatement of last year's assistance, and the Minister of Fisheries has stated that he will be making an announcement in this connection within the next few weeks. In these

[*Interpretation*]

applicable aux chargements de moins de 000 livres. Il est essentiel que cet embarg les grands wagons-trémies soit retiré e les compagnies de chemins de fer proc un nombre suffisant de wagons-trémies le transport de la farine de poisson, elles préfèrent, de verser des ajuste compensatoires sur le tarif de tran visant les chargements de moins de 1 livres.

La farine de poisson est utilisée comm ingrédient pour les moulées destinées volailles et au bétail et doit concurrencer différents types de produits agricoles qui utilisés aux mêmes fins. Le transport de sieurs de ces produits agricoles est sub tionné ce qui fait que toute augmentatio tarif de transport visant la farine de po nuit à la position compétitive de cette i trie.

L'huile de hareng et les autres huiles nes doivent aussi concurrencer avec les h végétales, aussi bien qu'avec les huiles nes importées qui bénéficient de tau transport maritime très bas vers l'inté du pays, en utilisant la Voie maritim Saint-Laurent. Ainsi, le tarif de transpor wagons-citernes pour les huiles marines très importants pour le développemen l'industrie canadienne de la côte est.

L'industrie de la pêche, comme la pl des industries primaires desservant to marché canadien et les marchés mondiau toujours eu à faire face à de sérieux pr mes et ont été exploités sans grands béné Cette industrie est nécessairement extr ment consciente des coûts dans tous aspects de ses opérations. L'industrie actuellement au milieu d'une de ses pér les plus difficiles à cause des surplus de son dans le monde et de la chute des prix.

Pour les six premiers mois de 1968, l'ir trie de la pêche du poisson de fond de la atlantique du Canada a reçu quelques lions de dollars du gouvernement fédéral, que les pêcheurs ne souffrent pas d'une b considérable de revenu et afin de préven fermeture d'usines de préparation. M cette aide, plusieurs grandes industries fermé leurs portes au cours de l'année nière. Il n'y a eu aucune amélioration no dans les conditions et les perspectives amélioration à court terme ne sont encourageantes.

Les pêcheurs et les apprêteurs de pois soutenus par leurs représentants au P ment, continuent d'en appeler au gouv ment fédéral pour rétablir l'aide de l'a dernière. Le ministre des Pêcheries a même annoncé qu'il ferait une déclarati ce sujet d'ici quelques semaines. Dans

Texte]

ircumstances we urge that the present freeze" on freight rates be extended beyond larch 23, 1969, until the Government can ring into force a rational regional transpor- tion policy and program.

Because of the time factor we have been nable to develop more specific examples of eas in which we feel transportation service ould and should be improved. We feel we ould however, make some brief reference the need for improvement in transportation frozen fish products, in particular to the aribbean. There is an increasing market in ich countries as Puerto Rico, Jamaica and rinidad for these products and because of ck of refrigeration facilities together with e need for more frequent sailings we are nable to compete in these markets with .S.A. and European suppliers.

In summary, our fishing industry in Nova otia and in the other Atlantic Provinces as ell, must sell more than four-fifths of its tput in other areas of Canada and in export arkets; its main products are among the ost perishable of all foodstuffs; transporta- on is of paramount importance to the dustry and, therefore, it must be not only aintained but upgraded in terms of service, cilities and equipment.

And while cognizant of the problems faced the carriers and not asking for unrealisti- lly low rates we do seek the opportunity to t our products to the domestic and world arkets at costs that will enable us to be mpetitive in the very highly competitive od industry. There are many foods which mpete with fish and seafood for the house- ife's dollar. Many of these are produced in eas adjacent to the centres of large con- mption and consequently are not affected to e same degree by transportation costs. Any rtailment of services and/or increases in tes could be very detrimental to the future owth of all segments of the important Nova otia fishing industry.

The foregoing is respectfully submitted, r. Chairman.

The Chairman: Thank you very much. Mr. oberg.

Mr. Skoberg: In looking at the first para- aph of your brief on the second page, you id that in 1967 the rail carriers served tice that only fresh fish shipped in leak- oof containers would be transported and en you go on to explain that you still had

[*Interprétation*]

circonstances, nous demandons instamment que le présent gel des taux de transport soit prolongé après le 23 mars 1969, jusqu'à ce que le gouvernement puisse mettre en vigueur une politique et un programme rationnel de transport régional.

A cause du manque de temps, nous avons été incapables d'élaborer davantage sur d'autres exemples de régions où il nous semble qu'on devrait et qu'on pourrait améliorer les services de transport. Toutefois, nous voulons mentionner en passant qu'il faut améliorer le transport des produits congelés du poisson, en particulier vers les Caraïbes. Il y a un marché croissant dans de tels pays, comme Porto-Rico, la Jamaïque et Trinidad et, en raison du manque d'aménagements de réfrigération, en plus du besoin de départs plus fréquents, nous sommes incapables de soutenir la concurrence des États-Unis et des pays européens.

En résumé, notre industrie de la pêche en Nouvelle-Écosse et dans les provinces de l'Atlantique doit vendre plus des quatre cinquièmes de sa production dans d'autres régions du Canada et aux marchés d'exportation. Les principaux produits sont parmi les plus périssables. Les transports sont donc d'importance capitale pour l'industrie, ce qui veut dire qu'on doit non seulement maintenir le service des transports mais l'améliorer sous forme de services, d'aménagement et d'équipement.

Nous connaissons les problèmes des transporteurs, mais nous ne demandons pas des taux tellement bas; nous demandons seulement de pouvoir envoyer nos produits vers les marchés domestiques et internationaux à des prix qui nous permettront de faire concurrence dans cette industrie hautement concurrentielle de l'alimentation. Il y a plusieurs aliments qui font la concurrence avec le poisson et les autres produits de la mer pour obtenir le dollar ménager. Plusieurs sont produits dans des régions avoisinant les centres de grande consommation et par conséquent ne sont pas affectés de la même façon par les frais de transport. Toute réduction de services ou toute augmentation des taux pourraient nuire à la croissance future de tous les aspects de cette importante industrie.

Ceci vous est respectueusement soumis, monsieur le président.

Le président: Je vous remercie. Monsieur Skoberg.

M. Skoberg: Je vois à la deuxième page de votre présentation, au premier alinéa, que vous avez dit, qu'en 1967 les transporteurs ferroviaires ont annoncé que le poisson frais ne serait expédié que dans des contenants étanches et vous continuez en disant qu'il y a

[*Text*]

co-operation there. I am wondering whether or not you could supply the Committee with a letter of intent of the rail carriers saying that they would only ship your fish if leak-proof containers were provided?

Mr. Smith: I do not know, sir, whether we have such official notice from the railways. I will have to ask Mr. Johnson if he knows.

Mr. R. F. Johnson (Nova Scotia Fish Packers Association): Mr. Chairman and gentlemen. We had received through the Maritimes Transportation Commission advice of the changes which the railways were making at that time.

Mr. Skoberg: Well, did you receive that in writing.

Mr. Johnson: Yes, in the form of a bulletin from the Maritimes Transportation Commission.

Mr. Skoberg: Could you possibly supply it to the Committee...

Mr. Johnson: Yes.

Mr. Skoberg: ...at a later date.

How many people are actually engaged in the fishing industry in your area?

Mr. Smith: There are, as I said in the brief, sir, about 13,000 fishermen and in Nova Scotia I would say there are probably 8,000 employed in shore plants—that may be a little high, 5,000 roughly. I do not have the figures, sir, but I would estimate at least 5,000.

Mr. Skoberg: Are the rails used only when necessary; and what assurance have the railway companies of being given any traffic by your industry?

Mr. Smith: Well, for the transportation of fresh fish rail service is used very extensively. There has been some diversion of traffic in the last number of years from rail to truck transport, the reason being the speed of service. For instance, a truck from Nova Scotia to Boston will go there roughly in 28 hours, to New York roughly in 48 hours, but it is much faster than rail can handle it.

Mr. Skoberg: Are you using inter or intra refrigerated truck facilities?

Mr. Smith: We use both, sir. For instance, a good deal of Nova Scotian fish goes to the United States. There are trucks that come straight through, say, from Boston to Halifax

[*Interpretation*]

encore collaboration. Pourriez-vous fournir au Comité une déclaration d'intention des transporteurs ferroviaires selon laquelle ils n'expédieront le poisson que si les contenants étanches sont fournis?

M. Smith: Nous ne savons pas si nous avons reçu un avis officiel des compagnies de chemins de fer. Je dois demander à M. Johnson s'il le sait.

M. R. F. Johnson (Association des Conserveries de poisson de la Nouvelle-Écosse): Monsieur le président et messieurs, la Commission des transports des Maritimes nous a informés que les compagnies de chemins de fer procédaient aux changements à ce moment-là.

M. Skoberg: Est-ce que cet avis a été envoyé par écrit?

M. Johnson: Ce fut envoyé par écrit sous forme de bulletin.

M. Skoberg: Pourriez-vous le fournir au Comité plus tard?

M. Johnson: Oui.

M. Skoberg: D'accord. Combien de personnes font la pêche dans votre région?

M. Smith: Comme je l'ai dit dans notre mémoire, environ 13,000 pêcheurs et, en Nouvelle-Écosse, je dirais qu'il y en a peut-être 8,000, disons plutôt 5,000 qui travaillent dans les usines. Ce n'est pas le chiffre mais c'est une évaluation approximative.

M. Skoberg: Est-ce que les chemins de fer sont utilisés seulement lorsque c'est nécessaire, et quelle assurance ont des compagnies ferroviaires quant au trafic de votre industrie?

M. Smith: Nous utilisons vraiment beaucoup le service ferroviaire pour le transport du poisson frais. Mais, depuis quelques années, on tend de plus en plus à adopter le transport par camion à cause de la rapidité du service. Un camion peut prendre 28 heures pour aller de Nouvelle-Écosse à Boston, et 48 pour se rendre à New York. C'est beaucoup plus rapide que par chemin de fer.

M. Skoberg: Est-ce que vous utilisez les services internationaux ou domestiques de camions réfrigérés?

M. Smith: Les deux. Ainsi, il y a une bonne partie du poisson de la Nouvelle-Écosse qui est acheminée vers les États-Unis. Il y a des camions qui viennent directement des États

[*Texte*]

and other points and then there are Nova Scotia-based trucking companies that transport a good deal of the fish to the American market, particularly, and to the upper Canadian markets too.

Mr. Skoberg: Does your company have any interests at all in any truck lines?

Mr. Smith: No, we do not, sir. However, one of our companies owns and operates quite a number of trucks used in the lobster industry, for instance, but these are used practically for our own purposes.

Mr. Skoberg: What name do they run under?

Mr. Smith: The name of the company is Maturel Division of National Sea Products in Shediac, N.B.

Mr. Skoberg: On page 3, sir, you refer to the severe shortage of hopper cars. I presume that you made an appeal to the railway companies in this regard?

Mr. Smith: I will ask Mr. Cunningham if he would answer that question.

The Chairman: Will you repeat your question, Mr. Skoberg.

Mr. Skoberg: I am referring to the top of page 3, your first paragraph. You are referring to the fact that a severe shortage of hopper cars was experienced. Of course this brief was presented in 1968. I am wondering whether or not you made any appeal to the railway companies and the official representatives of these companies regarding the shortage of hopper cars?

Mr. A. Cunningham (Nova Scotia Fish Packers Association): Yes, we have. We have recently been informed that in so far as the rail line is concerned from Caraquet and Shippegan to Bathurst, N.B. and the south shore points from Yarmouth to Halifax the rail lines will not handle these larger hopper-type cars. Now apparently the characteristics of the large cars—wheel base, speed of train and spacing of the rail joints—prevent their use. The railway will only supply cars of a capacity not exceeding 3,000 cubic feet, which is not large enough to load 100,000 pounds.

Mr. Skoberg: Well, you have suggested here that it is imperative that this embargo on large hopper cars be lifted. Is this embargo still on?

Mr. Cunningham: Yes, it went on last Friday, I think, and was effective then. It has

[*Interprétation*]

Unis vers Halifax et les compagnies de camionnage de la Nouvelle-Écosse transportent aussi beaucoup de poisson vers les marchés américains et aussi vers le Canada central.

M. Skoberg: Est-ce que votre compagnie a des intérêts particuliers dans des services de camionnage?

M. Smith: Non. Cependant, une de nos sociétés est propriétaire et exploite un certain nombre de camions pour l'industrie du homard, mais simplement pour notre propre usage.

M. Skoberg: Quel est son nom?

M. Smith: *Patural Division of National Sea Products,* à Shédiac (N.-B.)

M. Skoberg: A la page 3 du mémoire, vous parlez de l'insuffisance de wagons-trémie. Alors est-ce que vous avez fait une demande aux sociétés ferroviaires à cet égard?

M. Smith: Je demanderai à M. Cunningham de bien vouloir répondre à cette question.

Le président: Pourriez-vous répéter la question, monsieur Skoberg.

M. Skoberg: Au haut de la page 3, le premier alinéa, vous dites qu'il y a pénurie de wagons-trémie, c'était en 1968 au moment où le mémoire a été présenté. Est-ce que vous avez demandé aux représentants des sociétés ferroviaires de supprimer cette pénurie de wagons-trémie?

M. A. Cunningham (Association des Conserveries de poisson de la Nouvelle-Écosse): Oui, et on nous a dit qu'en ce qui concerne le service ferroviaire entre Caraquet, Shippegan et Bathurst, au Nouveau-Brunswick, et de Yarmouth à Halifax, le chemin de fer, n'utilisera pas ces wagons-trémie plus grands. Apparemment, les caractéristiques de ces wagons, comme leur empattement, la vitesse du train et l'espacement des joints des rails empêchent leur utilisation. Ils utilisent les wagons d'au plus 3,000 pieds cubes, ce qui ne suffit pas pour charger 100,000 livres.

M. Skoberg: Vous dites aussi qu'il est essentiel que cet embargo sur les grands wagons-trémie soit enlevé. Est-ce que cet embargo existe toujours?

M. Cunningham: Oui, il est entré en vigueur vendredi dernier. Cela a été annoncé

[*Text*]

been announced for southern Nova Scotia but it is now going on in the northern New Brunswick area as well.

Mr. Skoberg: Have you indicated your displeasure at the availability of these cars to the Minister of Transport?

Mr. Cunningham: No, we have not—not thus far. The industry is just developing to a point now where this year, for example, the volume of traffic out of the northern New Brunswick area—out of the Gulf—if fishing comes up to expectations and with the plant capacity up there, might be three times what it was last year.

Mr. Skoberg: Have you indicated your displeasure at all to the Canadian Transport Commission? Have you made any direct representation to them?

Mr. Cunningham: We have made no direct representation, no.

Mr. McGrath: Mr. Chairman, I wonder if I could supplement that. We have the Director of Traffic for the CTC with us; he has been following our Committee around and listening attentively to all the evidence. I wonder if perhaps he could answer a question?

The Chairman: I am sorry, Mr. McGrath, he is not an official spokesman of the government. He is only here as an observer. If you want any information you could sit down with Mr. Henry and I am sure he will be glad to give you the information you wish.We cannot treat him as a witness.

Mr. McGrath: We cannot call him as a witness?

The Chairman: No.

Mr. Skoberg: Mr. Chairman and gentlemen, what specific solution is your association suggesting in the second paragraph on the fourth page of your brief? You have the facts well drawn out in this well-prepared brief, but I am wondering if you could give a specific recommendation to this Committee in regard to your problem at this time?

Mr. Smith: Well, on this question of shipping to the West Indies the services there by steamship are most infrequent and it is almost impossible to develop a business in that area unless you are able to supply the market on a regular basis. An improvement in the type of transportation to those areas would, feel sure, enable Nova Scotia oper-

[*Interpretation*]

pour le sud de la Nouvelle-Écosse, mais aus pour le Nord du Nouveau-Brunswick.

M. Skoberg: Est-ce que vous avez indiqu au ministre des Transports le fait que vou étiez mécontents de la pénurie de wagons?

M. Cunningham: Non. L'industrie est e train de se développer et on est rendu a point où, par contre, cette année le volum pour le Nord du Nouveau-Brunswick et d Golfe, si les opérations de pêche sont aus bonnes que prévues et avec la capacité de usines qu'on y trouve, devrait être trois fo supérieur à celui de l'année dernière.

M. Skoberg: Est-ce que vous avez fait pa de votre mécontentement à la Commissio canadienne des Transports? Est-ce que vou avez fait des instances directement?

M. Cunningham: Non, nous n'en avons p fait.

M. McGrath: Monsieur le président, ur question complémentaire. Nous avons Directeur du trafic de la CTC ici qui accon pagne notre comité, il a assisté à toutes l réunions. Peut-il répondre à une question?

Le président: Je m'excuse, monsieu McGrath, il n'est pas autorisé à prendre parole en tant que fonctionnaire. Il n'est i qu'en tant qu'observateur. Pour obtenir d renseignements, vous n'avez qu'à vous adre ser à M. Henry. Je pense qu'il se fera u plaisir de vous faire part de ces renseign ments. Nous ne pouvons pas l'assigner comm témoin.

M. McGrath: Nous ne pouvons l'assign comme témoin?

Le président: Non.

M. Skoberg: Monsieur le président, me sieurs, à la quatrième page de votre mémoi deuxième alinéa, quelle solution précise vot association, propose-t-elle en ce qui concer cette situation? Les fait sont très bien prése tés mais pourriez-vous nous donner d recommandations plus précises pour ce q est du problème qui se présente?

M. Smith: Pour ce qui est des expéditio vers les Antilles, les services par navire sont pas tellement fréquents et il est à p près impossible de mettre sur pied une ent prise quelconque à moins que nous puissio approvisionner ce marché assez régulièr ment. Je suis sûr qu'une amélioration transport vers ces régions permettrait a

[*Texte*]

ators to develop a regular business in the West Indies. Does that answer your question, sir?

Mr. Skoberg: Have you any recommendations to make in so far as land traffic is concerned in your area?

Mr. Smith: We did not have too much to complain about in respect of the land services provided. But with fresh fish, for instance, when things go wrong and a car gets delayed there is only one thing you can do with the fish...

An hon. Member: Throw it out.

Mr. Smith: That is right.

The Chairman: Mr. Skoberg, you have questioned for over 15 minutes now and I think you should give others a chance to put questions.

Mr. Thomas (Moncton): Sir, Mr. Skoberg has asked most of the questions I had in mind in transportation. However, I have one or two other follow up questions. What is the difference, sir, between the 100,000 pound carload rate—you said the CNR has now put on an embargo—and the under 100,000 pounds crate? And do you then go to what used to be called the L.C.L. rate, or do you get another rate for 50,000?

Mr. Smith: I will ask Mr. Cunningham to speak to this, but there are different rates for minimum weights.

Mr. Thomas (Moncton): But do you have to go down to the less than carload rate then?

Mr. Cunningham: I would be speaking specifically of carload loadings. Now if you are talking about L.C.L. loadings, naturally they do not load either fishmeal or oil in L.C.L. shipments.

Mr. Thomas (Moncton): You mentioned that the railway will not supply the large hopper cars under 1,000 pounds so you cannot get that rate, but do they supply, say, for 50,000 pounds and give you a carload rate on that?

Mr. Cunningham: 3,000 cubic feet hopper cars, but it depends upon the density of the product. Now the density of fishmeal will vary in relationship to the process used in manufacturing it—if it is a steam dried meal it will be fluffier and bulkier than from a

[*Interprétation*]

entrepreneurs de la Nouvelle-Écosse de met-Antilles. Est-ce que cela répond à votre question?

M. Skoberg: Est-ce que vous auriez des recommandations à formuler pour ce qui est de la circulation routière dans votre région?

M. Smith: Les services qui nous sont fournis, nous n'avons pas tellement à nous en plaindre. Mais, avec le poisson frais, disons, lorsque les choses vont mal et que les wagons sont retardés, il n'y a rien d'autre à faire avec le poisson...

Une voix: Que de le jeter.

M. Smith: C'est exact.

Le président: Monsieur Skoberg, je voudrais vous rappeler que vous avez pris quinze minutes. Je pense que vous devriez donner l'occasion à d'autres de poser des questions.

M. Thomas (Moncton): M. Skoberg a posé la plupart des questions auxquelles je songeais en matière de transport, mais il y aurait une ou deux autres questions pour reprendre sa ligne de pensée. Quelle différence existe-t-il entre les taux pour les 100,000 livres d'une wagonnée alors sur lesquels vous dites que le National-Canadien met un embargo et le taux des chargements de moins de 100,000 livres. Ensuite est-ce que vous adoptez le tarif des chargements incomplets ou est-ce que vous avez un autre tarif pour les chargements de 50,000 livres?

M. Smith: Je demanderai à M. Cunningham de vous en parler, mais il a des taux différents pour les poids minimums.

M. Thomas (Moncton): Alors est-ce qu'il faut passer au taux des chargements incomplets?

M. Cunningham: Je parlerais plutôt de chargements complets. Maintenant, si vous parlez de chargements incomplets, les compagnies ne transportent pas de farine de poisson ou d'huile à chargement incomplet.

M. Thomas (Moncton): Vous dites que les chemins de fer ne voulaient pas vous fournir les grands wagons-trémie à moins de 1000 livres. Est-ce qu'ils vous en donnent pour 50,000 livres, et vous accordent le taux de chargement complet?

M. Cunningham: Des wagons de 3000 pieds cubes. Tout dépend de la densité du produit. La densité de ces mélanges à poisson varie suivant le procédé de transformation. Si c'est de la farine séchée à la vapeur, elle sera plus légère et encombrante que celle qui est séchée

[*Text*]

flame dryer. We understand these 3,000 cubic feet cars will load perhaps 90,000 to 95,000 pounds. Now assuming your loading is 95,000 pounds, then you have to figure whether it is better to pay the rate on 100,000 minimum or go back to the 80,000 minimum. There are minimums now of 50,000, 60,000, 80,000 and 100,000. So if you get in between an incentive rating you have to make up your mind whether it is more economical for you to pay the full rate on the full car or to go to the lower rate, depending on the quantities in it.

Mr. Thomas (Moncton): Sir, how many of these fish plants would have rail siding facilities? Do all of them have rail siding facilities? Are they all able to ship by rail or are some removed from rail facilities?

Mr. Cunningham: Well, unfortunately, the ones that are off rail have to haul to the rail.

Mr. Thomas (Moncton): This is what I was wondering about. What do these plants do in that period every spring when our roads are closed because of weight restrictions. How do they get their shipments out from their plant to the siding?

Mr. Cunningham: Well, they are mostly short hauls and they have to get down to extracts so that they will be carrying less weight.

Mr. Thomas (Moncton): So this, too, would add to the costs of your transportation because you have to haul smaller loads and make more frequent trips.

Mr. Cunningham: That is right.

Mr. Thomas (Moncton): That is all I have, Mr. Chairman. Thank you.

The Chairman: Mr. McGrath.

Mr. McGrath: Mr. Chairman, I have a few brief questions but, before putting them, I would like to suggest, Mr. Chairman, that this Committee endeavour to find out why it is that the railways could place an embargo on hopper cars which is seriously affecting a very important exporting industry in this way, and why the full weight of the facilities of the CTC and our silent partner over there, the Director of Traffic,—I do not mean that in a disparaging way, Mr. Chairman, because we all appreciate Mr. Hanley's presence here—should not be brought to bear on this situation. Why should an act of the railways, have this very serious effect on the industry? I just say that for the record.

My question, Mr. Chairman, is regarding the lack of reefers for the Caribbean market, which is referred to on page 4 of your brief.

[*Interpretation*]

à la flamme. Ces wagons à 3,000 pieds cubes prendront de 90,000 à 95,000 livres. Si, disons, vous chargez 95,000 livres, alors il nous faut voir s'il est préférable de payer le tarif pour un minimum de 100,000 ou passer à 80,000 comme minimum. Il y a des minimums de 50,000, 60,000, 80,000 et 100,000. Si vous êtes entre un taux stimulant il vous faut décider s'il est plus rentable de payer le plein tarif sur un wagon plein ou un tarif inférieur, selon la quantité.

M. Thomas (Moncton): Combien de ces usines de transformation pour le mélange à poisson ont des voies d'évitement? Est-ce qu'elles peuvent toujours faire des expéditions par rail?

M. Cunningham: Ceux qui ne sont pas près des voies d'évitement doivent s'y rendre.

M. Thomas (Moncton): Je voulais simplement savoir ce que font ces lignes lorsque les routes sont fermées. Au printemps alors, comment font-elles pour faire la livraison de leur poisson jusqu'à la voie d'évitement?

M. Cunningham: Ce ne sont pour la plupart que de petites distances et il leur faut alléger le chargement.

M. Thomas (Moncton): Il faut donc faire un plus grand nombre de voyages, ce qui ajoute à vos frais de transport.

M. Cunningham: C'est exact.

M. Thomas (Moncton): C'est tout ce que j'avais, monsieur le président, merci.

Le président: Monsieur McGrath.

M. McGrath: Monsieur le président, j'ai quelques questions très brèves à poser, mais avant de ce faire, je voudrais proposer, monsieur le président, que ce Comité essaie de voir pourquoi les chemins de fer peuvent imposer un embargo sur les wagons-trémies qui affecte vraiment une industrie importante pour l'exportation et pourquoi on n'a pas recours à la CCT ou au directeur du trafic, on n'a pas recours à ses bons services. Nous apprécions beaucoup le fait qu'il soit ici avec nous maintenant, mais c'est une question très importante afin de savoir le pourquoi, une décision des chemins de fer pourrait avoir des effets pour l'industrie.

Ma question, monsieur le président, a trait à l'expédition vers les marchés des Caraïbes comme vous le dites à la page 4 de votre

[*Texte*]

You make no specific recommendation in this area. You just referred to the lack of refrigerated ships but you did not come to any specific conclusions. Do you have any specific recommendations to make in this regard?

Mr. Smith: In very general terms, to increase the services that are now almost non-existent.

Mr. McGrath: They are non-existent.

Mr. Smith: I do not think so. Would you like to speak to that, Mr. Johnson?

Mr. Johnson: Mr. Chairman and gentlemen, there were some shipping lines which provided refrigerated service to the Caribbean. However, these were discontinued and at the moment, so far as I am aware, there is no such service available. We, the association and the industry, have talked with one of the shipping lines that operate a regular service.

They are now making a survey of their service and have indicated that they might be able to provide something along this line for us.

Mr. McGrath: In essence then, what you are referring to is the lack of an ocean-going Canadian fleet of reefer ships out of Halifax.

I note that the Newfoundland Associated Fish Exporters Ltd. have a brief which calls for subsidies in the area of shipping so that they can get to the Caribbean market to sell fish.

Would it not have been better, sir, for the industry as a whole in the Atlantic Provinces to get together and submit a brief? What association does your association have with the Newfoundland Associated Fish Exporters?

Mr. Smith: No very close association, sir, but on certain common problems we do talk with them. But the transportation problem in Newfoundland is quite different from the transportation problems in Nova Scotia.

Mr. McGrath: Will you clarify that?

Mr. Smith: Our geographical situation is much more favourable than Newfoundland's.

Mr. McGrath: But you are both exporting to the same market?

Mr. Smith: That is right, sir. But, for instance, where we ship a great deal of fresh or frozen fish to the markets of Ontario, Quebec and the eastern states, there is practically none of this coming out of Newfoundland.

[*Interprétation*]

mémoire. Vous ne formulez pas de recommandation précise. Vous parlez simplement du manque de navires frigorifiques, mais vous ne donnez pas de conclusions précises. Est-ce que vous avez des recommandations à faire là-dessus?

M. Smith: Dans l'ensemble, oui, pour augmenter les services qui sont à peu près inexistants.

M. McGrath: Ils sont non existants.

M. Smith: Je ne crois pas. Aimeriez-vous parler, monsieur Johnson?

M. Johnson: Monsieur le président, messieurs, il y a eu des transporteurs maritimes qui ont assuré un tel service vers les Caraïbes, mais on a discontinué ces services et en ce moment il n'y a pas de services de ce genre. Nous, l'association et l'industrie, nous en sommes entretenus avec des lignes de navigation qui exploitent un service régulier.

Elles sont maintenant en train de faire un relevé de leurs services et elles nous ont indiqué qu'elles seraient peut-être en mesure d'assurer un service de ce genre.

M. McGrath: Ce dont vous parlez en fait, c'est l'absence d'une flotte de frigorifiques canadiens qui serait basée à Halifax.

La *Newfoundland Associated Fish Exporters, Ltd.* a préparé un mémoire dans lequel elle demande des subventions dans le domaine du transport maritime afin de pouvoir vendre du poisson dans les Caraïbes.

Alors, est-ce qu'il n'aurait pas été préférable pour l'ensemble de l'industrie dans les provinces de l'Atlantique de se réunir pour présenter un mémoire? Quels rapports avez-vous avec la *Newfoundland Associated Fish Exporters Ltd.*?

M. Smith: Rien de très étroit. Nous avons certains problèmes communs dont nous discutons avec eux. Mais les problèmes de transport à Terre-Neuve, diffèrent vraiment de ceux de la Nouvelle-Écosse.

M. McGrath: Pourriez-vous préciser, s'il vous plaît, monsieur Smith?

M. Smith: Vu l'emplacement géographique, c'est beaucoup plus favorable ici qu'à Terre-Neuve.

M. McGrath: Mais vous exportez tous deux vers le même marché?

M. Smith: C'est juste, mais, par exemple, lorsque nous expédions beaucoup de poisson frais, non congelé, vers les marchés de l'Ontario, du Québec et de l'Est des États-Unis, il nous en vient très peu de Terre-Neuve.

[*Text*]

Mr. McGrath: I have just one final observation, Mr. Chairman. This is perhaps hypothetical, but I just want to note for the record that the Minister of Fisheries will be making a statement today—he promised to make a statement regarding aid to the industry—and if he does continue with the deficiency payment program would this have any bearing whatsoever on some of the problems you raised in your brief?

Mr. Smith: I would not think so, sir.

Mr. McGrath: They are not related?

Mr. Smith: They are unrelated.

The Chairman: Mr. Nowlan.

Mr. Nowlan: Mr. McGrath touched on one of my two questions, that having to do with refrigeration service. While you mentioned one line in this connection—I understand that Saguenay will be going down there with a form of refrigeration service on a regular basis—could you comment briefly on the situation when Canadian National had refrigeration boats going to the Caribbean before the war, and if access to the Caribbean market was easier before the war than it is today because of the depletion in this service?

Mr. Smith: I certainly think it would have been if they had provided a regular service. Things have changed so much since that time in the way of product lines, for instance. At that time it was mostly a salt fish market area. This was before the days of fish sticks and prepared fish when the consumer packed fillets and so on. So the same situation did not exist in regard to products to be moved.

Mr. Nowlan: I understand from your answer then that because of the change in the fish industry and fish products there is actually more need now for refrigeration services to get the frozen fish down there now than it was before the war?

Mr. Smith: That is right.

Mr. Nowlan: Am I not correct that—we have experienced the same thing with natural fruit products from the Annapolis Valley—because of this change in fish products and in the fruit processing industry there actually is more need for a refrigeration service now to open up markets than there was when there was a service?

Mr. Smith: That is correct, sir.

Mr. Nowlan: My last question has to do with the freeze on L.C.L. rates which are

[*Interpretation*]

M. McGrath: Une dernière observation monsieur le président. Je sais que c'est purement hypothétique, mais je voudrais dire au compte rendu que le ministre des Pêches et Forêts a proposé, a l'intention de faire une déclaration aujourd'hui au sujet de l'aide à l'industrie et s'il maintient le programme de versement d'appoints, est-ce que cela se rapportera ou se rattachera aux problèmes que vous soulevez dans votre mémoire?

M. Smith: Je ne crois pas.

M. McGrath: Cela n'aura aucun rapport?

M. Smith: Aucun rapport.

Le président: Monsieur Nowlan.

M. Nowlan: M. McGrath a posé une de mes questions au sujet du service avec réfrigération. Vous avez dit qu'une compagnie de transport, la Saguenay Shipping, je crois, va offrir un service régulier de frigorifiques. Et alors pourriez-vous faire un commentaire plutôt bref sur ces navires frigorifiques du National-Canadien qui faisaient vers les Caraïbes le service avant la guerre, et si l'accessibilité à ces marchés était plus facile avant la guerre qu'elle ne l'est aujourd'hui à cause de l'affranchissement de ce service?

M. Smith: Oui, ce serait plus facile s'il y avait eu un service régulier. Les choses ont tellement changé depuis lors, les produits que nous offrons, par exemple. C'était alors la zone du marché du poisson salé surtout. C'était avant les bâtonnets de poisson, avant le poisson préparé pour la consommation alors que le consommateur empaquetait les filets. La même situation n'existait pas pour ce qui était des produits à transporter.

M. Nowlan: Je crois comprendre, d'après votre réponse, qu'en raison des modifications qui sont intervenues dans l'industrie du poisson et de ses produit, on a en fait davantage besoin de services de réfrigération pour transporter le poisson congelé là-bas à l'heure actuelle qu'avant la guerre?

M. Smith: C'est exact.

M. Nowlan: Si je comprends bien, nous avons connu la même chose avec les fruits de la vallée d'Annapolis. A cause de ces changements dans l'industrie des produits du poisson et des fruits, on a maintenant beaucoup plus besoin d'un service de navires frigorifiques pour accéder aux marchés que lorsqu'il y avait un service régulier?

M. Smith: C'est exact, monsieur.

M. Nowlan: Ma dernière question a trait au gel du tarif de transport des marchandises

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ing to expire on March 23—and we certain- urge that these be extended until there is a ansportation policy. Have you, as an sociation, communicated that desire to the inister?

Mr. Smith: No, I do not believe we have,

Mr. Nowlan: Well, I must say, Mr. Chair- n, if many organizations and associations ve set out the same request in their briefs this Committee, I think it might help in tending the freeze if a formal communica- n were communicated to the Minister owing their concern. It is not that this mmittee is not going to take your recom- ndation into account, but time is of the ence. The premiers already have sent a egram and I would think that any interest- parties wanting to extend the freeze would d it constructive to join in with the Pre- ers or, on their own, express their concern some formal way.

Mr. Smith: Thank you for your suggestion, We work very closely with the Maritime nsportation Commission.

Mr. Nowlan: I appreciate that, Mr. Smith, we are here listening to transportation blems. We are politicians and the Minister Transport is also a politician. The fact is t if we do not hear from anybody down e on this problem and you leave it to the ritime Transportation Commission, which orking on this in a technical way, you are going to build up public concern to nd the freeze. There has not been an anization yet that I know of—I do not w about Fredericton—that has been com- nicating their concern directly to the ister. It has been left to the premiers. I the more communications, the better it be.

he Chairman: Mr. Horner.

Mr. Horner: I was interested, Mr. Smith, in umber of questions Mr. Skoberg asked n regard to 100,000 pound carload lots, but ill let that go for now.

have one question with regard to the lication of the Maritime Freight Rates in the future. I note that you are erned about moving foodstuffs and products by air, by truck and by rail. ld it be worked and would it be more ficial to your industry if it were

[Interprétation]

par chargement incomplet, qui va expirer le 23 mars—et nous demandons que ce tarif soit prolongé jusqu'à ce qu'on ait établi une politique en matière de transport. Est-ce que vous avez, en tant qu'association, fait part de ce désir au ministre?

M. Smith: Non, je ne crois pas, monsieur.

M. Nowlan: Je dois dire, monsieur le président, que si de nombreuses associations ont formulé la même demande dans les mémoires qu'ils ont présentés à ce Comité, je pense que cela pourrait aider à prolonger le gel, si ces associations faisaient part au ministre de leurs préoccupations dans une communication officielle. Ce n'est pas que le Comité ne tiendra pas compte de vos recommandations, mais le temps est un facteur essentiel. Les premiers ministres provinciaux ont déjà envoyé un télégramme, et j'imagine que toute partie intéressée à faire prolonger le gel pourrait avoir intérêt à s'associer aux premiers ministres ou à faire part officiellement, de son côté, de ses préoccupations à cet égard.

M. Smith: Merci pour votre suggestion, monsieur. Nous travaillons en collaboration très étroite avec la Commission des transports des Maritimes.

M. Nowlan: Je m'en rends compte, monsieur Smith, mais nous étudions ici les problèmes du transport. Nous sommes des hommes politiques, de même que le ministre des Transports. La vérité, c'est que si vous ne parlez pas de ces problèmes ici, et que vous laissiez la chose à la Commission des transports des Maritimes, qui étudie ces problèmes du point de vue technique, vous n'allez pas soulever l'opinion publique de manière à amener une prolongation du gel. A ma connaissance, il n'y a pas encore d'association—je ne sais ce qu'il en est de Fredericton—qui ait communiqué cette préoccupation directement au ministre. On en a laissé le soin aux premiers ministres. A mon avis, plus il y aura de communications, mieux ce sera.

Le président: Monsieur Horner.

M. Horner: J'ai été intéressé, monsieur Smith, par un certain nombre de questions qu'a posées M. Skoberg relativement aux wagonnées de 100,000 livres, mais je vais laisser cela de côté pour le moment.

J'ai une question relative à l'application future de la Loi sur les taux de transport des marchandises dans les provinces Maritimes. Je vois que vous désirez transporter des denrées alimentaires et des produits du poisson par avion, par camion et par chemin de fer. Est-ce qu'il serait possible, et plus avanta-

[*Text*]

paid to the shipper rather than the shipping company hauling the products? In other words, if your freight bill on a product was X number of dollars and the government picked up, say, 20 per cent or a little better of it, which is nearly covered now under the MFRA on rail, would this be more beneficial to your company?

Mr. Smith: If the subsidy were paid directly to the shipper?

Mr. Horner: Yes.

Mr. Smith: I think it would be, sir.

Mr. Horner: I asked this question because a number of interested companies have requested it be made applicable to the trucking industry and I can foresee a bit of difficulty in making the payments to the various truckers. If it was made beneficial maybe a lot of the big truckers would move in from the Montreal or other areas of Canada and take advantage of it. But if it was paid directly to the industry in freighting their product out of the Maritimes, or even in the Maritimes, you think it might be more beneficial to your industry?

Mr. Smith: I would think so, sir. I can see some great problems in doing it, but it probably would be beneficial.

Mr. Horner: That is fine. I will not ask any more questions.

The Chairman: Mr. Nesbitt.

Mr. Nesbitt: Very briefly, Mr. Chairman, as a layman on these matters I would like to ask the gentleman if perhaps he could clarify something for us. The brief refers to the difficulties concerned with the hopper type cars. Could you describe what kind of cars these are, what makes them especially adaptable for your product, and since we cannot find out from other sources at the moment why they would not be available, if you have any idea why these cars might not be available to your industry when, apparently, they are able to some others. In other words, what other kinds of product do these cars carry?

Mr. Smith: Would you care to answer that, Mr. Cunningham?

[*Interpretation*]

geux pour votre industrie, de faire des vers ments à l'expéditeur plutôt qu'à la compagn d'expédition qui fait le transport des pr duits? Si, disons, la feuille de route pour produit était de X dollars, et que le gouvern ment en paie 20 p. 100, ou un peu pl comme le prévoit, pour le transport ferr viaire, la Loi sur les taux de transport d marchandises dans les provinces Maritim est-ce que ce serait plus avantageux po votre société?

M. Smith: Si la subvention était pay directement à l'expéditeur?

M. Horner: Oui.

M. Smith: Je pense que oui, monsieur.

M. Horner: J'ai posé cette question par qu'un certain nombre de sociétés intéressé ont demandé que cela s'applique à l'industr du camionnage, et que je conçois qu'il pou rait y avoir pas mal de difficultés pour fai les versements aux diverses sociétés camionnage. Si cela rapportait, peut-êt qu'un grand nombre des grosses sociétés camionnage de Montréal ou d'autres régio du Canada essaieraient d'en bénéficier. M l'on faisait des versements directs à l'indu trie pour le transport de ses produits à l'ex rieur des Maritimes, ou même dans les Ma times, vous pensez que ce serait peut-êt plus avantageux pour votre industrie?

M. Smith: Oui, je crois, monsieur. J'im gine que cela serait assez difficile à réalis mais ce serait sans doute avantageux.

M. Horner: Très bien. Je n'ai plus questions.

Le président: Monsieur Nesbitt.

M. Nesbitt: En bref, monsieur le préside je ne suis pas spécialiste de la question, j'aimerais demander à monsieur de nous do ner quelques précisions. On parle, dans mémoire, des difficultés que posent wagons-trémies. Pourriez-vous décrire ce sorte de wagons, nous dire ce qui les re particulièrement adaptables à vos produi et, vu que nous ne pouvons, pour le m ment, apprendre d'autres sources pourq ils ne sont pas disponibles, nous expliq pourquoi on ne pourrait les mettre à la d position de votre industrie, alors qu'appare ment ils sont disponibles pour d'autr Autrement dit, quels autres types de produ transportent les wagons de ce genre?

M. Smith: Voudriez-vous répondre à ce question, monsieur Cunningham?

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Mr. Cunningham: Mr. Chairman and gen-men, bulk hopper cars are used for various ds of commodities, for bulk feeds and so The advantage of the closed hopper-type is the convenience of loading through the f of the car as well as the convenience of oading from the bottom. You can unload per cars right from the bottom. There is a rcity of these cars, in my opinion, because railway has not kept pace with the move-nt of products in bulk. They do not have icient hopper cars to handle that type of ffic and I firmly believe they have fallen n in that particular area. In lieu of closed per cars they will often give us a boxcar. v while we will load cars in bulk they are y inconvenient because it requires a scoop vel to load them. There are no openings ugh the roof of the car and they have to loaded through the doors. At destination must use scoops again to take the erial out rather than just opening the bot- and flowing it out.

r. Nesbitt: I think I know the answer to question but I would like it confirmed for record. If regular refrigerated steamship ice were provided between the Atlantic vinces and the West Indies and perhaps tern Europe, would this greatly help the ort of your product?

r. Smith: The answer to that is yes, sir.

ne Chairman: Mr. Perrault.

r. Perrault: Mr. Chairman, I would like sk Mr. Smith a question which arises out paragraph on page 2 of his brief, which I e:

Lower rates for air shipments of fresh fish would be a great boon to the fishing industry.

n he carries on page 4 to say:

Transportation is of paramount impor-tance to the industry.

so on. Would you like to see an extension ansportation subsidies to air transport as s your products are concerned?

. Smith: Yes, if that would lower the —certainly.

. Perrault: What is the estimated extent e subsidies you propose, either in per-ge terms or in dollar terms? What would st the Treasury of Canada to provide subsidies? Have you worked that out?

691—13

[Interprétation]

M. Cunningham: Monsieur le président, messieurs, on peut utiliser les wagons-trémies pour différents types de denrées—fourrages en vrac, et ainsi de suite. L'avantage des wagons-trémies fermés, c'est que l'on peut les charger par le toit et les décharger par le bas. On peut les décharger directement par le dessous. Il n'y en a pas beaucoup de ce genre parce que, je crois, les chemins de fer n'ont pas réussi à progresser au même rythme que le transport des produits en vrac. Ils n'ont pas suffisamment de wagons-trémies pour répondre aux besoins, et je considère qu'ils ont réellement échoué dans ce domaine. Au lieu de wagons-trémies fermés, ils nous donnent souvent des wagons couverts. Nous pouvons charger les wagons couverts en vrac, mais ils sont très peu commodes, car il faut les charger à la pelle. Il n'y a pas d'ouverture dans le toit des wagons, et il faut les charger par les portes. Puis, une fois les wagons rendus à destination, il faut les décharger à la pelle, au lieu d'ouvrir simplement le fond et de laisser couler la marchandise.

M. Nesbitt: Je pense avoir la réponse à ma question, mais, pour le compte rendu, j'aimerais en avoir confirmation. Si l'on assurait un service régulier de navires à vapeur réfrigérés entre les provinces Atlantiques et les Antilles, et peut-être l'Europe occidentale, est-ce que cela aiderait beaucoup l'exportation de votre produit?

M. Smith: Oui, monsieur.

Le président: Monsieur Perrault.

M. Perrault: Monsieur le président, je voudrais poser à M. Smith une question qui m'est suggérée par un paragraphe de la page 2 de son mémoire, où il dit qu'un tarif moins élevé pour l'expédition par avion de poisson frais serait très avantageux pour l'industrie. Puis il dit, à la page 4, que le transport est de toute première importance pour cette industrie, et ainsi de suite. Est-ce que vous voudriez que l'on étende au transport aérien, en ce qui concerne vos produits, les subventions au transport?

M. Smith: Bien entendu, si cela peut diminuer le coût.

M. Perrault: De quel ordre seraient, selon vous, ces subventions, soit en dollars soit en pourcentage? Qu'en coûterait-il au Trésor du Canada pour fournir ces subventions? Avez-vous fait le calcul?

[*Text*]

Mr. Smith: Do you mean to equate them with other forms of transportation?

Mr. Perrault: Well, you regard air transport being important to get a perishable product to market quickly and the present cost, ostensibly, is too high. What effective reduction in rates would you like to see as far as air transport is concerned?

Mr. Smith: Of course, we would like the rates to be as low as they possibly could be. I would not like to put a percentage on it at the present time.

Mr. Perrault: It has not been worked out in that detail yet?

Mr. Smith: No.

Mr. Perrault: In your view, how long would such additional subsidies be required? Do you have a target date?

Mr. Smith: Speaking particularly on air transport, I think you would always need some form of sudsidization because you are moving, let us say, cod or haddock fillets or something that is of comparatively low value.

Mr. Perrault: What do you regard as your normal market so far as the marketing of these products is concerned? Are you talking in terms of central Canada or are you talking about New York?

Mr. Smith: New York, Boston; with regular air service you could cover the whole North American continent.

Mr. Perrault: You are talking about putting cod fillets into Vancouver, subsidized by...

Mr. Smith: It would be possible to do that sir.

Mr. Perrault: This is of interest to me as a West Coaster. My final question, Mr. Chairman, is this: do you see any technological or product-marketing advances which may, in the future, eliminate the need for transportation subsidies so far as your industry is concerned? Is any research proceeding in the fishing industry which will enable this industry to achieve greater economic help than perhaps it enjoys at the present time? Are processes being developed?

I have in mind, you know, the protein fishmeal research going on in North America at the present time. I understand that a plant is being opened on the East Coast. Will that assist the industry here?

[*Interpretation*]

M. Smith: Pour que ce soit sur un p d'égalité avec les autres modes de transp Est-ce là ce que vous voulez dire?

M. Perrault: Vous estimez que le transp aérien est important pour acheminer rapi ment une denrée périssable vers le marché le coût actuel en est, de toute évidence, t élevé. Quelle réduction aimeriez-vous voir pratique dans le tarif du transport aérien?

M. Smith: Bien entendu, nous aimeri que le tarif soit aussi bas que possible. Je voudrais pas donner de pourcentage pour moment.

M. Perrault: On n'a pas encore fait de cul détaillé?

M. Smith: Non.

M. Perrault: A votre avis, pendant comb de temps devrait-on verser ces subventi supplémentaires? Avez-vous fixé une d limite?

M. Smith: Pour ce qui est du transp aérien en particulier, je pense qu'il faud toujours une forme de subvention, car transporte, disons, des filets de morue ou hareng, ou un produit quelconque d' valeur relativement peu élevée.

M. Perrault: Qu'est-ce que vous considé comme vos débouchés normaux en ce concerne la commercialisation de ces p duits? Est-ce que vous parlez du Canada c tral ou de New-York?

M. Smith: New-York, Boston, avec un s vice aérien régulier on peut couvrir tout continent nord-américain.

M. Perrault: Vous voulez mettre des fi de morue à Vancouver, subventionnés par.

M. Smith: Ce serait possible.

M. Perrault: Cela m'intéresse en tant d député de l'Ouest. Une dernière quest monsieur le président. Est-ce que vous pou voir des progrès technologiques ou de co mercialisation qui à l'avenir pourraient fa disparaître le besoin de ces subventions p les transports en ce qui concerne vo industrie?

Je pense à la recherche sur les protéines poisson actuellement en cours en Amérique Nord. Si je comprends bien il y a une us qui a été ouverte sur le littoral est. Est-ce cela pourrait vous aider, ici?

[*exte*]

Mr. Smith: It would be an entirely new pe of industry. There has not been sufficient rketing of this type of product to know st where it could go.

Mr. Perrault: Yes.

Mr. Smith: But per unit of protein it would tainly cut your transportation cost, cause you would be reducing your weight product by about 80 per cent.

Mr. Perrault: Would you agree that the end ect of subsidies should really be eventually eliminate the need for subsidies?

Mr. Smith: I cannot quite see how that uld ever happen. Due to our geographical ation, I think we would always require a m of cheap transportation to get into the rket. Now, if this has to be done by sub- zation I think you will always require sidization.

Mr. Perrault: Let me ask you this: Do you e difficulty marketing some of your prod- s in the United States? Are there tariff bar- s against certain of your products?

Mr. Smith: There are tariff barriers against od many of them.

Mr. Perrault: Would negotiations between ada and the United States for a reduction those barriers assist the industry?

Mr. Smith: Under the Kennedy Round e of these reductions will come in over next four years.

Mr. Perrault: Yes, thank you.

The Chairman: Before going any further, I just asked by Station CGCH whether could come inside and film a silent film for the day. I cannot take it upon myself lecide, so I am asking the Committee for r views, will you allow them to come in?

Mr. McGrath: I had a question which I did raise at the time, Mr. Chairman. I did ce there was a man there shooting stills, I do not recall the Committee's giving nission for this. This is a privilege that is nded by the Committee and I suggest we take care to make sure it does not pen again.

The Chairman: Are we going to allow this ht film?

Some hon. Members: Agreed.

Mr. Turner (London East): Mr. Smith, you in your brief that effective February 15,

[*Interprétation*]

M. Smith: Ce serait un type entièrement nouveau d'industrie. Il n'y a pas eu suffisamment d'études de marché de faites sur ce produit pour savoir où on pourrait le vendre.

M. Perrault: Oui.

M. Smith: Mais, cela pourrait diminuer nos frais de transport car avec ces protéines le poids est diminué dans une proportion de 80 p. 100.

M. Perrault: Êtes-vous d'avis que l'objet de la subvention devrait être de faire disparaître le besoin de tels subsides?

M. Smith: Je ne peux voir comment cela pourrait se produire. Vu notre situation géographique, il nous faudra toujours un mode de transport peu coûteux pour acheminer nos produits. S'il faut le faire par des subsides, alors il faudra toujours des subsides.

M. Perrault: Permettez-moi de vous poser une autre question. Est-ce que vous éprouvez des difficultés à vendre certains de vos produits aux États-Unis? Est-ce qu'il y a des barrières tarifaires à l'égard de certains de vos produits?

M. Smith: Oui, il y a des barrières pour nombre d'entre eux.

M. Perrault: Est-ce que des négociations entre le Canada et les États-Unis pour abaisser ces barrières vous aideraient?

M. Smith: En vertu des négociations Kennedy certaines réductions interviendront dans les quatre ans.

M. Perrault: Oui, merci.

Le président: La station CGCH vient de me demander s'ils ne pourraient pas prendre un film muet ici, maintenant. Je ne peux pas prendre cela sur moi je voudrais donc savoir ce que vous en pensez? Est-ce que vous les autoriseriez à venir?

M. McGrath: J'avais une question que je n'ai pas posée sur le moment, monsieur le président. J'ai vu qu'on prenait des photos et je ne me souviens pas que le Comité en ait donné l'autorisation. C'est un privilège qui appartient au Comité et je propose que nous prenions des mesures pour que cela ne se produise plus.

Le président: Est-ce que nous autorisons ce film muet?

Des voix: Oui.

M. Turner (London-Est): Monsieur Smith, vous dites dans votre mémoire que le Cana-

[*Text*]

1969 the CNR said there would be an embargo on these large hopper cars in your area. Do you know the reason why this embargo was put on?

Mr. Cunningham: Mr. Chairman, I believe I already pointed that out. Because of the characteristics of the car, the wheel base and the spacing of the rail joints, they cannot operate these cars; they become top heavy and they roll off the rails.

Mr. Turner (London East): Did you ever have a derailment in this area?

Mr. Cunningham: I believe there have been in the southwest and they have had problems down in southwestern Nova Scotia.

Mr. Turner (London East): Thank you.

Mr. Cunningham: Mr. Chairman, we were speaking about minimum carloadings. Now, I would like to ask the question why the Canadian National Railways require a minimum carloading of 110,000 pounds, whereas the minimum carloading to the United States is 100,000 pounds. The CNR or the other railway are prepared to accept 100,000 pounds going into the United States but we have to load to 110,000 pounds in Canada. Why the differences in the two minimum carloadings? Why should it be 110,000 in Canada and 100,000 in the United States?

The Chairman: Mr. McCleave?

Mr. McCleave: A brief multi-million dollar question, Mr. Chairman. Would Mr. Smith comment on what prospects there would be for more sales of his product if there were refrigeration facilities at the major Canadian airports?

Mr. Smith: I did not catch the last part of your question.

Mr. McCleave: If there should be refrigeration facilities at the major Canadian airports.

Mr. Smith: I think there would be greatly increased prospects for business. This is some problem too, getting it there by air and then getting it away from the airport after you get it there. It would be very helpful. Is that the answer to your question, Mr. McCleave?

Mr. McCleave: It is. Have you ever taken this up with the Department of Transport or seriously explored the matter, sir?

[*Interpretation*]

dien National a dit, qu'à partir du 15 fév 1969, il y aurait un embargo sur les gra wagons-trémie dans votre région. Savez-v pourquoi ils ont imposé cet embargo?

M. Cunningham: Monsieur le président pense que je l'ai déjà signalé. A cause caractéristiques des wagons, de l'écartem des roues et l'espacement des joints des ra ils ne peuvent utiliser ces wagons, ils viennent trop lourds vers le haut et déraill

M. Turner (London-Est): Est-ce qu'il déjà eu un déraillement dans cette région?

M. Cunningham: Oui, je pense qu'il y e eu dans le sud-ouest et ils ont des problè dans le sud-ouest de la Nouvelle-Écosse.

M. Turner (London-Est): Merci beaucoup

M. Cunningham: Monsieur le présid nous parlions des chargements minimum. voudrais poser une question pour sa pourquoi le Canadien National exige un m mum de chargement de 110,000 livres, a que le chargement minimum pour les Ét Unis est de 100,000 livres. Le Canadien Na nal et les autres compagnies ferroviaires ac tent 100,000 livres pour aller aux États-U mais il nous faut charger 110,000 livres Canada. Pourquoi y a-t-il cette distinct entre les deux minimums? Pourquoi es 110,000 au Canada et 100,000 aux États-Uni

Le président: Monsieur McCleave?

M. McCleave: Une question très brève, quelques millions de dollars, monsieur le p sident. M. Smith pourrait peut-être nous quelles seraient les perspectives d'augmer tion des ventes de son produit s'il y avait installations de réfrigération dans les p grands aérogares du Canada.

M. Smith: Je n'ai pas entendu la fin votre question.

M. McCleave: S'il y avait des installati de réfrigération aux plus grands aérop canadiens?

M. Smith: Je pense que cela pourrait a menter considérablement nos possibilités vente. C'est aussi un problème, il faut f l'envoi par avion, il faut aller le cherche l'aérogare par la suite, mais ça aider Est-ce que j'ai répondu à votre question, m sieur McCleave?

M. McCleave: Oui. Est-ce que vous en a saisi le ministère des Transports, ou sérieu ment étudié cette possibilité?

exte]

Mr. Smith: No, I do not think we have. I ieve there are some small facilities provid- now at some of the airports for refrigerat- merchandise, but to get a volume move- nt of fresh fish these would have to be reased very materially, I should think.

Mr. McCleave: Have you or your company ried out market studies in this direction?

Mr. Smith: No, we have not. I should say have not done too much in the way of rket studies but we are using air to a ch greater extent than ever before.

Mr. McCleave: In that regard, are these are shipments within Canada, Mr. Smith, as ll as abroad?

Mr. Smith: As well as abroad.

Mr. McCleave: In which direction does st of this go by air?

Mr. Smith: For instance, our off-shore ship- nts of live lobster are all by air now.

Mr. McCleave: Do you suffer much loss of perishable food because of lack of refrig- tion at airports?

Mr. Smith: No, we do not.

Mr. McCleave: I suppose the lobsters are pped live, are they not?

Mr. Smith: They are shipped alive and they picked up on arrival of the plane.

Mr. McCleave: What about the fish that are shipped live?

Mr. Smith: You must make arrangements handle them very quickly at the other end, it would be helpful if refrigeration facili- were available at the various airports to dle these products.

Mr. McCleave: Thank you.

The Chairman: This is the end of our ques- n period, Mr. Smith, and I would like to nk you very much indeed.

Our next brief will be from the Nova tia, New Brunswick, Prince Edward nd, Newfoundland Federations of Labour.

Mr. J. K. Bell: Mr. Chairman and gentle- n, we are very sorry our chief spokesman, Carew, just stepped out, apparently at crucial moment. This brief was originally pared by the four Federations of Labour roximately a year ago. We have not

[*Interprétation*]

M. Smith: Non, je ne crois pas que nous l'ayons fait. Je pense qu'il y a actuellement de petites installations de réfrigération à certains aéroports mais il faudrait qu'elles soient considérablement accrues pour que nous puissions transporter un fort volume de poissons frais.

M. McCleave: Est-ce que vous avez fait des études de marché à cette fin?

M. Smith: Non. Nous avons fait peu d'études de marché mais nous utilisons les transports aériens, notablement plus qu'autrefois.

M. McCleave: A cet égard, il s'agit là d'expéditions au Canada, aussi bien qu'à l'étranger?

M. Smith: Aussi bien qu'à l'étranger.

M. McCleave: Dans quelle direction allez-vous par air?

M. Smith: Les expéditions de homards vivants se font toutes par air, maintenant.

M. McCleave: Est-ce que vous encourez beaucoup de pertes de ces denrées périssables, du fait du manque de réfrigération aux aéroports?

M. Smith: Non.

M. McCleave: Les homards sont expédiés vivants?

M. Smith: Oui et quelqu'un vient les chercher à l'arrivée de l'avion?

M. McCleave: Que dire des poissons qui ne sont pas expédiés vivants?

M. Smith: Il faut prendre des dispositions pour aller les chercher assez rapidement à leur point d'arrivée. Ce serait alors fort utile s'il y avait des installations de réfrigération dans les divers aéroports pour la manutention de ces produits.

M. McCleave: Merci.

Le président: Voilà la fin de votre période de question, monsieur Smith, et je voudrais vous remercier.

Notre prochain mémoire sera celui des Fédérations des travailleurs de la Nouvelle-Écosse, du Nouveau-Brunswick, de l'Île du Prince-Édouard et de Terre-Neuve.

M. J. K. Bell: Monsieur le président, messieurs, je m'excuse, notre porte-parole principal M. Carew, vient de s'absenter, apparemment au moment crucial. Le mémoire a été préparé par les quatres fédérations provinciales du travail, il y a environ un an. Nous

[*Text*]

revised the brief because we feel that the main basic points we wish to bring before this Committee are essentially still with us. Our problems are basically still the same and for this reason, while it may perhaps need a slight updating, we feel that the general points in the brief are certainly ones that are as in need of consideration now as in the past.

This brief is being presented by the four federations of trade unions in the Atlantic Provinces, and we point out that our views on the need for a comprehensive regional economic policy for the Atlantic region has recently been made known to the federal government. It is only within the context of this over-all policy that our attitude on matters of transportation can be fairly judged.

The economic problems of the Atlantic provinces are such that they will yield to nothing short of a massive program of co-ordinated and comprehensively planned regional economic development.

To this end, we suggest that the Federal Government take the initiative by establishing a single agency, or department of government and since we have written this brief we do know the regional disparity council has been formed. After looking over the estimates that have been provided by the government we feel that this still falls far short of the economic needs if we are going to give the necessary stimuli, the shot in the arm, to the economy of this particular region.

At this particular point I see that my confrere, Mr. Carew, is here and I am going to ask him to take over if you do not mind, Mr. Chairman.

Mr. A. B. Carew (Director of Research, Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland Federations of Labour): Do you wish me to go ahead with reading the brief?

The Chairman: As we have so many briefs, please summarize it briefly.

Mr. Carew: Well, as Mr. Bell has pointed out, we are extremely concerned with the continuing stagnation of this Maritime economy and we believe, as we have stated to the government before, that it is only going to yield to a massive injection of capital in a co-ordinated and comprehensively planned regional economic development.

Because of the disadvantageous state of the economy we feel that a regional transportation policy for the Maritimes requires a different emphasis from that which one finds in

[*Interpretation*]

n'avons pas revisé le mémoire car nous p sons que les points principaux sont toujo les mêmes. Nos problèmes sont pratiquem toujours les mêmes et pour cette raison b que le mémoire ait probablement besoin d tre mis à jour, nous estimons que les poi principaux du mémoire sont ceux qui doiv être étudiés maintenant tout comme par passé.

Ce mémoire est présenté aux noms quatre fédérations provinciales du travail provinces de l'Atlantique. Nous disons jus ment que nos opinions concernant une pol que de transport ont récemment été comm niquées au gouvernement fédéral. C'est seu ment dans ce contexte que notre attitude matière de transport peut être adéquatem jugée. Les problèmes économiques des p vinces de l'Atlantique sont d'un tel ordre leur solution exigera la mise en vigueur d programme de développement coordonné p tant sur toute l'économie de la région d son ensemble.

A cette fin, nous suggérons donc que gouvernement fédéral prenne l'initiative établisse soit une agence, soit un minist gouvernemental qui sera la seule autorité r ponsable. Depuis que nous avons rédigé mémoire, nous savons que le Conseil sur disparités régionales a été établi, mais examinant les prévisions budgétaires du g vernement, nous estimons que cela ne va assez loin quant aux besoins économiques, nous voulons donner un encouragem sérieux à l'économie de cette région.

Je vois, maintenant, que M. Carew est je vais donc lui demander de continuer, vous n'y voyez aucune objection, monsieur président.

M. A. B. Carew (Directeur de la recherc Fédérations du travail de Nouvelle-Écosse, Nouveau-Brunswick, de l'Île du Prin Édouard et de Terre-Neuve): Voulez-vous q nous lisions le mémoire?

Le président: Non, je préférerais que v le résumiez, étant donné le nombre mémoires que nous avons.

M. Carew: Comme M. Bell l'a suggéré, n sommes très préoccupés par le marasme p manent de l'économie dans les Maritimes nous pensons, comme nous l'avons déjà dit gouvernement, que ce qu'il faut c'est u injection de massive de capitaux dans un p gramme coordonné et planifié de développ ment régional.

Du fait de l'état déplorable de l'économ nous pensons qu'une politique régionale transports dans les Maritimes devrait ê établis sur des bases entièrement différen

[exte]

MacPherson Commission Report on which National Transportation Act was based. e objective of the Transportation Act was isolate the transportation policy from pub- policy essentially, the public policy consid- tions, and that a system be created where- competing modes of transport would carry ffic according to their natural cost advan- e, and under which subsidies which had viously distorted the competitive picture re to be gradually eliminated. This is the ic concept which we agree with; organized our has agreed with this position.

Thus, as a basic principle, the transporta- n system was not to be inextricably bound with public policy considerations so as to der it fundamentally inefficient in the way t it has been over the years. But under rticular circumstances it is entirely appro- ate for the government to use transporta- n to subsidize communities and areas ich are at an economic disadvantage or for ne other public policy reason require sub- ization. We feel that this argument applies ticularly to the Maritime region at the ment.

While we feel that there is a definite need subsidization, we also feel that the princi- of the MacPherson Royal Commission and National Transportation Act should not be orted and so we feel that so as not to ert from the basic principles underlying it, government must equalize its subsidies r various transportation modes, thus rding against any distortion of the natural t relationships under which an efficient tem must be based.

This type of subsidization has its precedent the Maritime Freight Rates Act of 1927, we feel that this should be continued h some definite changes, both qualitative quantitative.

We feel that the Freight Rates Act has been dequate because with the 20 per cent roll- k on intra-Maritime region freight move- nts and the 30 per cent rollback on ght originating within the Maritime region moving west, this has still not enabled Atlantic shipper to compete effectively in markets of central Canada.

To rectify this we suggest that the extra of transportation falling on Atlantic ducers as a result of the length of haul ween the Maritimes and central Canada be pletely underwritten by the government. It means that we would suggest that the 20 cent or 30 per cent rollback be scrapped that the total amount of the extra cost of nsportation for shippers in this area be ered by the federal government.

[*Interprétation*]

de celles du rapport de la commission MacPherson sur lequel, d'ailleurs, la *Loi nationale sur les transports* a été fondée. Le but de la Loi était d'isoler la politique en matière de transport des considérations de la politique publique et de créer un système des modes de transport concurrentiel en fonction de leurs avantages naturels et aux termes desquels les subventions qui avaient préalablement déformé la concurrence seraient progressivement éliminées. C'est le concept de base que nous acceptons; le syndicalisme a toujours été d'accord avec cette attitude.

Tout d'abord, comme principe de base, les réseaux de transport ne devraient pas être liés inextricablement aux questions de politique pour les rendre foncièrement inefficaces comme il l'a été depuis un certain nombre d'années. Mais, vu les circonstances particulières, il devient très approprié pour le gouvernement de subventionner les transports dans les régions où il y a un désavantage économique ou sil y a une autre raison pour la justifier. Nous croyons que cet argument s'applique tout particulièrement aux Maritimes à l'heure actuelle.

Bien que nous soyons d'accord et que nous convenions qu'on a besoin de subventions, nous admettons aussi que le principe du rapport de la commission MacPherson et de la *Loi nationale sur les transports* ne doit pas être déformé. Évidemment le principe de base qui l'anime, donc, veut que le gouvernement égalise ces subventions et les répartisse sur les divers modes de transport, éliminant ainsi les différences qu'il y a entre les divers modes de transport.

Ce type de subvention a son précédent dans la Loi sur les tarifs de transport dans les Maritimes de 1927 et nous pensons que cela doit continuer avec quelques changements qualitatifs et quantitatifs.

Nous estimons que la Loi sur les taux de transport des marchandises des provinces Maritimes a été inadéquate, étant donné la réduction de 20 p. 100 à l'intérieur des Maritimes et la réduction de 30 p. 100 du tarif marchandises dont l'origine est dans les Maritimes et qui sont transportées vers l'Ouest ce qui n'a pas encore permis à l'expéditeur de l'Atlantique de faire la concurrence sur les marchés du centre du Canada. Pour corriger cette situation, nous suggérons que les frais supplémentaires de transport pour les producteurs de l'Atlantique, du fait du long parcours entre les Maritimes et le centre du Canada, soient complètement défrayés par le gouvernement. En d'autres termes, nous suggérons que les 20 p. 100 ou les 30 p. 100, la réduction de 20 ou de 30 p. 100 soit éliminée et que le total des frais supplémentaires de transport

[*Text*]

We feel that this could be done, as was suggested by the Maritime Transportation Commission before the MacPherson Royal Commission, on the basis of the 1 per cent waybill analysis under which you would take any given commodity sold in central markets and shipped from the Atlantic region and over a period of a year you would find out what the cost of shipping a certain quantity or a certain weight would be, and compare it with the cost of shipping the same commodity from other areas of Canada to the central Canadian market. This is what we suggested in terms of a quantitative improvement of the Maritime Freight Rates Act.

Qualitatively we feel that this subsidization should be offered to all modes of transportation so as not to distort, as we say, the natural competitive picture. In the railway industry, for instance, this would include the extension of any subsidization offered to express freight, which at the moment I understand is excluded from the freight rate subsidization under the Act. We feel that it should be extended to this area.

A point that we did not bring out in our brief at the time this was presented, but which is now, perhaps, a more relevant aspect, is that in view of the anticipated blossoming of Halifax as the natural focal point in the North American land-bridge transportation network, and since it appears to be the fundamental fact the federal government is relying upon to inject some stimulant into the Maritime economy, the stimulus for indigenous industries within this area, we feel that the subsidization under the Maritime Freight Rates Act should be extended also to cover the following types of shipment which have so far been excluded from its coverage.

First of all, we feel that traffic originating in or destined for the United States should also be covered by this type of subsidy because, if Halifax is to become the focal point of this containerization unit train system, it would be drawing on traffic originating in or bound for the United States. In effect, it would be competing with New York and if it is to be effective it has to win the American traffic that would otherwise go to New York.

Second, we feel that import traffic should now be covered by the freight rates subsidization which is not the case at the moment. Third, export traffic not originating within

[*Interpretation*]

pour les expéditeurs de cette région soi couverts par le gouvernement fédéral.

Nous croyons qu'on pourrait le faire com il a été suggéré par la Commission des tra ports maritimes devant la Commission roy d'enquête MacPherson, sur la base de l'a lyse de 1 p. 100 des feuilles de route p certaines marchandises expédiées des régi de l'Atlantique au cours d'une année et v sauriez alors ce que serait le coût d'expé tion pour un produit donné. Vous pourr ensuite le comparer aux frais de transport la même denrée d'autres parties du Cana vers les marchés du centre du Canada. C' ce que nous avons suggéré sous forme d'ar lioration quantitative de la Loi sur les ta des transports dans les Maritimes.

Du point de vue de la qualité, nous e mons que cette subvention devrait être offe à tous les modes de transport afin de ne déformer la nature de la concurrence na relle. Dans l'industrie des chemins de fer, exemple, ceci comprendrait l'extension toute subvention jusqu'aux messageries marchandises, parce que, si j'ai bien comp cela n'est pas compris. Nous croyons co prendre que les transports des marchandis messageries sont à l'heure actuelle exclus la Loi. Nous estimons qu'on devrait l'éten à ce domaine.

Un point que nous n'avons pas soulevé d notre mémoire, au moment où nous l'av rédigé, et qui serait peut-être mainten beaucoup plus pertinent, c'est que, vu développement possible d'Halifax comme t de pont de l'Amérique du Nord. Le fait que gouvernement fédéral compte sur cela, jus ment pour encourager le pays et stimuler conomie des Maritimes, stimuler les ind tries indigènes de cette région, nous estim que la subvention, en vertu de la Loi sur taux de transport des marchandises dans provinces Maritimes, devraient aussi s'éte dre à d'autres secteurs, qui, jusque-là, n' pas été visés.

Tout d'abord, nous croyons que le tra dont l'origine ou la destination est les Éta Unis devrait aussi être visé par ce genre subventions, car si Halifax devient la tête pont du système de trains unitaires et transport par cadres, il aura un trafic ven des, et destiné aux États-Unis. En fait, il f concurrence à New York. Si, donc, on veut rendre efficace, il doit gagner le trafic amé cain qui autrement serait destiné à New Yor

Deuxièmement, nous croyons que le tra d'importation devrait aussi être maintena visé par la subvention, ce qui n'est pas le à l'heure actuelle. Troisièmement, les exp

Texte]

ne Maritime freight rate area should be cov-ed. At the moment export traffic originating ithin the area is eligible for subsidization. Ve feel that this should be extended to traffic iat originates east of the Atlantic region.

This is the substance of our original sub-ission. We would also like to point out that e feel less than elated about the proposed evelopment plan for the Atlantic area which as announced earlier this week by the Min-ter of the new department—the regional onomic expansion department, I believe it called. It seems to us that what the Atlantic gion is being offered here is some more "ad ocery". There is still no cover-all plan for e Atlantic region that would make any kind sense of the piecemeal developments that e taking place.

Included in this is the very transportation olicy which your Committee is considering w, which the Department of Transport has en working on for this region for the last uple of years. It seems to us that the gov-nment has not brought its various depart-ents together in considering this. Depart-ent of Manpower is, from our experience, adequate and not equipped to deal with the nd of problems that will be facing it if this jection of capital in particular regions with-the Atlantic area goes ahead.

It seems to us rather senseless that a trans-rtation policy is being considered separate d apart from the regional economic devel-ment program itself, and while we agree th the establishment of the department, we el that the timing and the co-ordination of activities has been less than adequate.

The Chairman: Mr. Allmand?

Mr. Allmand: Mr. Chairman, in the brief Federation of Labour suggests that the bsidies that presently apply to railways be tended to truckers. When we were in New unswick and heard the Trucking Federa-n I was surprised to learn that most of the cking industry in New Brunswick is not ionized.

Mr. Carew: Yes.

Mr. Allmand: What is the situation in Nova otia and the other Atlantic provinces with pect to the trucking industry?

[*Interprétation*]

tations qui n'ont pas leur origine dans la région visée par la Loi devraient faire l'objet de subventions. A l'heure actuelle, les exportations venant de l'extérieur de la région sont visées par les subventions, et nous trouvons que cela devrait s'appliquer aussi au trafic qui vient de l'est de la région de l'Atlantique.

Voilà le cœur même de notre mémoire original. Nous voudrions aussi signaler que nous ne sommes moins qu'enthousiastes au sujet du projet de développement de la région de l'Atlantique qui a été annoncé, plus tôt cette semaine, par le ministre du nouveau ministère de l'expansion économique régionale. Il nous semble que ce qu'on offre à la région de l'Atlantique maintenant c'est encore des mesures temporaires et il n'y a aucun plan d'ensemble pour la région de l'Atlantique qui donnerait un certain sens au développement fractionnaire qu'on a favorisé jusque là.

Et la preuve c'est justement la politique sur les transports que votre Comité étudie à l'heure actuelle et que le ministère des Transports essaie de développer dans cette région depuis quelques années.

Il nous semble que le gouvernement n'a justement pas coordonné ses différents ministères sur cet aspect. Le ministère de la Main-d'œuvre, d'après notre expérience, est insuffisant et n'est pas organisé de façon à pouvoir régler le genre de problèmes auxquels il devra faire face si le capital et les investissements dans cette région de l'Atlantique se poursuivent.

Il nous semble plutôt stupide qu'une politique en matière de transport soit étudiée indépendamment du programme de développement économique régional lui-même.

Nous croyons tout simplement que le moment choisi, bien que nous soyons d'accord sur le principe même de la politique, pour mettre en vigueur cette politique, semble loin d'être adéquat.

Le président: Monsieur Allmand.

M. Allmand: Monsieur le président, dans le mémoire, la Fédération du travail suggère que les subventions qui s'appliquent à l'heure actuelle aux chemins de fer s'appliquent aussi aux camionneurs. Quand nous étions au Nouveau-Brunswick, nous avons entendu la Fédération des camionneurs, j'ai été surpris d'apprendre que la plus grande partie de l'industrie du camionnage n'est pas syndiquée.

M. Carew: Exact.

M. Allmand: Quelle est la situation en Nouvelle-Écosse et dans les autres provinces, à cet égard?

[*Text*]

Mr. Bell: Pretty well the same; the trucking industry in this part of the country, the entire Atlantic region, is not organized to the same extent that the rail industry is. Nevertheless, we look upon highway transportation as being tied up with highway transportation equally in the over-all solution to the problem. For this reason, while we regret the fact that they are not organized, nevertheless we feel that industry should also be developed to a greater degree than is the case at the moment.

Mr. Allmand: Despite the fact that it is not organized, are the wage rates in the trucking industry on a par with wage rates in the railway industry and trucking in other parts of Canada?

Mr. Bell: No, but at least they are covered by the Canada Labour (Standards) Code which does provide minimum standards such as limitation on hours or work, overtime, the question of hours per week and the minimum wage under the federal code, which is perhaps a factor of unfair competition. We acknowledge that but at the same time we are naturally hopeful that in time this unfair competition will be eliminated by standards being improved.

There is also the question of supply and demand. Competent truckers are scarce; they are a skilled type of workman and in the general play of supply and demand naturally the wage rates of truckers and conditions of employment now are naturally substantially better than what they were in the past, even though they are still below the standards of the railway workers who are organized.

Mr. Allmand: Do you have any information on how well the trucking companies are doing? We sort of get the impression that the trucking companies in the Maritime provinces are doing quite well now without the subsidies.

Mr. Bell: We are thinking in terms of promoting a type of subsidy that will encourage perhaps an organized, scheduled long-haul type of arrangement, not the inter-regional transportation that perhaps you have heard about in Fredericton. We are thinking in terms of promoting and encouraging road transport to the point where we will have scheduled services to other parts of Canada, and perhaps this type of service would call for some type of subsidization.

Mr. Carew: May I make a point on that particular aspect? At the bottom of page 6 of the brief you will notice that we mention that

[*Interpretation*]

M. Bell: Pratiquement la même; l'industr du camionnage, dans cette partie du pays dans toute la région de l'Atlantique n'est p syndiquée de la même façon que l'industr du chemin de fer l'est. Néanmoins, nous es mons que le problème des transports est au problème des transports pour la soluti d'ensemble au problème. Pour cette raiso bien que nous regrettions que cette industr ne soit pas syndiquée, nous estimons qua même que l'industrie devrait être développ plus qu'elle ne l'est à l'heure actuelle.

M. Allmand: Malgré le fait qu'elle ne s pas organisée, est-ce que les salaires da l'industrie du camionnage sont sur un pi d'égalité, par exemple, avec les salaires pay dans l'industrie du chemin de fer dans d'a tres parties du Canada?

M. Bell: Non, mais au moins ils sont co verts par la Loi sur le code du travail q prévoit certaines normes, des limites sur l heures de travail, qui prévoit des heures su plémentaires, et la question des heures travail par semaine. Le salaire minimu garanti, etc .. En même temps, nous esp rons à la longue que cette concurren déloyale sera éliminée par l'amélioration d normes.

Il y a aussi la question d'approvisionn ment. Les camionneurs compétents sont rar C'est un travail spécialisé et même en l'a sence de syndicats, les conditions de trav et les salaires sont beaucoup mieux qu'ils l'étaient autrefois, bien qu'ils soient enco inférieurs au niveau des chemins de fer. C les employés des chemins de fer so organisés.

M. Allmand: Auriez-vous des renseign ments quant aux résultats obtenus par l sociétés de camionnage? Nous avons l'impre sion que ces compagnies réussissent ass bien maintenant sans la subvention.

M. Bell: Nous songeons à promouvoir genre de subventions qui pourraient peut-êt encourager un programme intégré, et non p le transport régional dont on vous a peut-êt parlé à Frédéricton. Nous songeons surtout promouvoir et à encourager le transport ro tier au point où nous aurons un programm déterminé, un horaire déterminé, vers l autres endroits du Canada. Ce genre de se vice exigerait peut-être une certaine forme subventions.

M. Carew: Est-ce que je pourrais ajout quelque chose à ce que vous avez dit sur c aspect? A la page 6 de notre mémoire, vo

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e want the subsidization extended to all odes of transport, but we would also like me study made of hidden subsidization, and is is a very complex area. We are not par-cularly interested in doing the truckers a g favour by advocating that they be given a g hand-out in the same way as the railways, ecause we feel that the truckers here are ready subject to a considerable amount of dden subsidization.

One of the points you raised, the abysmally w wage rate in this region for truckers, is itself a form of subsidization. There is also e subsidization of the road system. We feel at the truckers probably do not pay anywhere near their fair share of the cost of ads; they use them, in effect, as private izens. They are not really contributing to e upkeep of the roads in the way the railys are forced to keep up their own rail twork, so we feel that as part of the quid o quo of extending subsidization to the ucking industry, there would also be an amination made of all kinds of hidden subsdies to that industry.

Mr. Allmand: Going to another point, in ur brief at page 7 you state that following e change of rates for L.C.L. freight there re 700 lay-offs in the Maritimes, and you re or less imply that the 700 lay-offs were e to the change in rates. I notice your ures are for September, 1967 and it is my derstanding that since that time total tonge railway traffic in the Maritimes has reased.

Mr. Carew: We have later figures now for t. In actual fact, total carload freight in Maritimes has increased since that period. the last four quarters, that is, say, the iod from September, 1967 to September, 8 total carload traffic in the Maritimes has reased by about 8 per cent.

n the last twelve-month period less-than-load traffic has been 75 per cent less than was in the twelve-month period preceding change in freight rates, and this has had a ect effect on employment. Employment in railway industry in the Atlantic region is nething like 17 per cent less than it was 18 nths ago.

Mr. Allmand: I felt that the cargo connecin that you tried to make, between the nge in the LCL rates and unemployment, y not have been quite fair because of the t that I think total tonnage has increased. what areas were these 700 laid off? Were y in the running trades?

[*Interprétation*]

remarquerez que nous avons mentionné que la subvention s'applique à tous les modes de transport. Nous voudrions aussi qu'on fasse une étude des subventions cachées, c'est un domaine très complexe. Nous ne sommes pas tellement intéressés à faire des faveurs pour les camionneurs en leur donnant les mêmes choses que les chemins de fer, car nous estimons que les camionneurs ont déjà l'avantage de subventions cachées.

Un des points que vous avez soulevés vous-même, soit les salaires très bas dans cette région pour les camionneurs, est dans une certaine mesure une forme de subventions. Il y a aussi la subvention du réseau routier. Nous estimons que les camionneurs ne paient pas vraiment leur juste part du coût de l'entretien des routes, dans le sens qu'ils les emploient à titre de citoyens normaux. Ils ne contribuent vraiment pas au maintien et à l'entretien des grandes routes, tout comme les chemins de fer, par exemple, doivent le faire pour leur propre réseau de ligne. Et alors, la raison d'être des extensions et des subventions à l'industrie du camionnagé comportent aussi ces subventions cachées.

M. Allmand: Dans votre mémoire, à la page 7, vous dites qu'à la suite du changement de tarif pour les chargements incomplets il y a eu 700 mises en disponibilité dans les Maritimes. Et, vous prétendez que cela est dû justement au changement de structure des taux. Mais, je remarque que vos chiffres remontent à septembre 1967. Si j'ai bien compris, depuis ce temps-là, le trafic total dans les Maritimes a augmenté.

M. Carew: Nous avons des chiffres plus récents à cet égard. En fait, le volume total des marchandises depuis ce temps a augmenté. Au cours des quatre derniers trimestres, soit de septembre 1967 à septembre 1968, le total a augmenté d'environ 8 p. 100. Depuis douze mois, le trafic des chargements incomplets a passé de 75 p. 100 par rapport à la période de douze mois qui a précédé la modification du tarif-marchandises, ce qui a évidemment influé sur l'emploi. L'emploi dans l'industrie ferroviaire de la région de l'Atlantique est environ 17 p. 100 moins élevé qu'il y a dix-huit mois.

M. Allmand: J'estimais que le lien avec le frêt que vous essayiez d'établir entre la modification du tarif des chargements incomplets et le chômage n'était pas tout à fait juste en raison du fait que le volume des marchandises transportées a augmenté. Mais, dans quels secteurs ces 700 ont-ils été mis à pied? S'agit-il du personnel roulant?

[*Text*]

Mr. Carew: No; I believe they were mostly in express freight, the cartage section of the railway industry.

Mr. Allmand: Most of them were in express freight?

Mr. Carew: I believe so; those involved in pickup and delivery, warehousing, and so on.

Mr. Allmand: Were they more or less spread out throughout the Maritimes or were they centered in one region, such as Moncton?

Mr. Carew: Perhaps Mr. Abbott could answer that question. Mr. Abbott is from the Canadian Brotherhood of Railway Transport and General Workers.

Mr. L. K. Abbott (Canadian Brotherhood of Railway Transport and General Workers): Mr. Chairman, at the time of the sudden layoff last year approximately 500 people were laid off from the express freight services; others were laid off from the Moncton shops, and these were machinists or federated craft people. Actually 700 was the figure, but there were more than that, because of spare employees who had been working at the time who also were laid off. Therefore, the actual figure would be more than 700 at that time.

Mr. Allmand: Since that time, sir, have any of these men been back on or has there been an increase in employment on the railways in other areas?

Mr. Abbott: There has been some increase. An important matter for the Committee to bear in mind is that the flow of traffic at the moment is fairly steady, but a lot of this is due to the dock strikes in the United States. We feel that as soon as these strikes are settled the traffic is going to decline again and we will probably be faced with another layoff on the railway. But we hope not.

Mr. Allmand: That is all, Mr. Chairman.

The Chairman: Mr. Perrault?

Mr. Perrault: Mr. Chairman, I would like to ask a question arising out of the suggestion that subsidies should be extended.

First of all, on the proposal that there should be a subsidy paid to the trucking industry, I would like to ask the labour

[*Interpretation*]

M. Carew: Non, je crois que c'est plutôt d service marchandises rapide, le secteur factage de l'industrie ferroviaire.

M. Allmand: La plupart étaient dans le se vice de factage?

M. Carew: Oui, je le crois. Ceux qui tr vaillaient dans les entrepôts, aux livraison etc.

M. Allmand: Est-ce qu'ils étaient de tout les parties des Maritimes ou d'un endroit e particulier, comme Moncton?

M. Carew: M. Abbott pourrait peut-êt répondre à votre question. M. Abbott repr sente la Fraternité canadienne des chemino et employés des transports et autres ouvriers

M. L. K. Abbott (Fraternité canadienne d cheminots et employés des transports autres ouvriers): Au moment de la mise disponibilité l'an dernier, environ 500 perso nes ont été mises en disponibilité du servi de factage; d'autres employés des ateliers Moncton ont été mis en disponibilité. Il s'agi sait surtout de machinistes ou des hommes métier. On a cité le chiffre de 700, mais il en avait plus en raison des surnuméraires q travaillaient en ce moment-là et qui ont ég lement été mis à pied. En d'autres termes, chiffre total aurait été de plus de 700 à moment-là.

M. Allmand: Depuis ce temps, monsieu est-ce que certains de ces hommes ont é rappelés au travail ou est-ce qu'il y a eu u augmentation du nombre d'emplois offerts p les chemins de fer dans d'autres régions?

M. Abbott: Oui, il y a eu une augmentatio Je crois que la Commission ne devrait p oublier que même si, à l'heure actuelle, trafic est plutôt constant, c'est dû en gran partie aux grèves des débardeurs aux État Unis. Nous estimons que du moment que grève des débardeurs aux États-Unis se réglée, le trafic diminuera encore une fois nous aurons probablement à faire face à u autre mise en disponibilité de la part d chemins de fer. Nous espérons que non.

M. Allmand: C'est tout, monsieur président.

Le président: Monsieur Perrault?

M. Perrault: J'aimerais poser une questi relative à la proposition qu'on devrait prolo ger les subventions.

Tout d'abord, la proposition de verser u subvention à l'industrie du camionnage. J'a merais demander aux représentants synd

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epresentatives here whether or not, in their iew, the suggestion seems to ignore the fact iat it would still be impossible to ensure that ie carrier passes the benefit on to the ship-er? It seems to ignore the difficulty of defin-ig the phrase "trucking industry". Would is subsidy extend only to public carriers, or ould shippers operating a private means of ansport receive some kind of benefit?

Let me explain, Mr. Chairman. If a shipper ith a private mode of transport is denied e subsidy will he not be encouraged to form s own public company, thereby encouraging proliferation of truckers? I think the impor-nt thing is to make certain that the benefit passed on. Could they comment on that?

The Chairman: I would rather have them swer a question.

Mr. Perrault: That is a question.

The Chairman: It is not a question; it is a mment. If we ask everyone to answer a mment...

Mr. Perrault: Mr. Chairman, that is a ques-n and they are ready to answer it. Let us ar their answer.

Mr. Bell: I would prefer that it be passed to the shipper. I also think it should be ntingent on the shipper receiving the ulti-ate benefit.

Mr. Perrault: You suggest there is a dan-r, though. Do you think this is a valid...

Mr. Carew: I think this is a danger. If a uation such as you describe arose perhaps s would be a matter that the Prices and come Board, which has just been estab-hed here, would have the power to look at d report on.

Mr. Perrault: It was suggested that the 1 r cent waybill analysis be used as a basis comparing charges paid by Atlantic area ppers with those paid by their competitors.

s breaking down a 1 per cent sample to npare individual movements statistically id? It seems to be very roughly worded.

Mr. Carew: I am not a transportation nomist myself, but I believe this is a sys-n which is used by the CTC for analyzing

[Interprétation]

caux ici, si, à leur avis, la suggestion semble ignorer le fait qu'il serait toujours impossible d'assurer que le transporteur fasse bénéficier l'expéditeur de cette économie. On semble négliger la difficulté de définir «l'industrie du camionnage». Est-ce que cette subvention s'appliquerait simplement aux transporteurs publics ou si les expéditeurs qui avaient leurs propres moyens de transport en bénéficieraient aussi?

Permettez-moi d'expliquer, monsieur le président. Si un expéditeur ayant ses propres moyens de transport n'a pas droit à la subvention ne serait-il pas alors tenté de former sa propre société constituée, augmentant ainsi le nombre de camionneurs? A mon avis, l'important est de s'assurer que l'expéditeur bénéficie de cet avantage. Je me demande s'ils pourraient commenter a ce sujet.

Le président: Je préférerais qu'ils répondent à une question.

M. Perrault: C'en est une.

Le président: Non, ce n'est pas une question mais bien un commentaire. Si on demande à chacun de donner la réplique à un commentaire...

M. Perrault: Il s'agit bel et bien d'une question et ils sont prêts à nous donner la réponse. Écoutons donc leur réponse.

M. Bell: Nous préférerions que l'expéditeur bénéficie des économies entraînées. Il faudrait en faire une condition nécessaire.

M. Perrault: Vous laissez entendre qu'il y a un risque, cependant. Vous croyez que c'est valide...

M. Carew: Je crois que c'est un risque. Si la situation était telle que vous la décrivez, il s'agirait d'un domaine où la Commission des prix et des revenus, qu'on vient de créer ici, pourrait faire enquête et présenter un rapport.

M. Perrault: On a proposé qu'on utilise l'analyse de 1 p. 100 de la feuille de route pour comparer les tarifs payés par les expéditeurs de la région de l'Atlantique avec ceux de leurs concurrents.

Est-ce qu'il serait valide du point de vue statistique de ventiler un échantillon de 1 p. 100 pour comparer des expéditions individuelles? Il me semble que c'est exprimé assez vaguement.

M. Carew: Je ne suis pas économiste dans le domaine des transports, mais je crois comprendre que la CCT emploie ce système pour

[*Text*]

all kinds of aspects of transportation in Canada. I understand it is the most convenient way they have of analyzing trends in freight shipping, and so on.

Mr. Perrault: It seems to be a very small sample on which to determine policy.

Mr. Carew: You would be basing that sample on the performance of a whole year. We are suggesting that it would be taken over a year. You are testing a fairly wide net over that length of time. It is 1 per cent for the whole year.

Mr. Perrault: Mr. Chairman, the Canadian Labour Congress has pointed out on many occasions, and again recently, the danger of inflation in this country, and we are all concerned about it. On page 6, where we read of subsidies paid to transportation facilities, this phrase appears:

> Such a program need not be too cumbersome

Obviously, there has been some analysis of the cost to the Canadian treasury of providing these additional subsidies. Would you provide us with a suggested estimated burden which will not be too cumbersome?

Mr. Carew: We have no figures on that. The reference there to the system being cumbersome is not to the amount of money implicit in the subsidization, as you would go about analyzing freight shipped. We are suggesting that the 1 per cent waybill analysis is not cumbersome. I feel that the subsidization may be very handy.

Mr. Perrault: So the word "cumbersome" refers to the method of analyzing how the subsidy can be determined.

This is my final question, Mr. Chairman. In your view should subsidies be paid for an indeterminate length of time, or do you regard a program of increased subsidization as one step, in conjunction with other measures, to build up the economic health of the Maritimes, and that eventually subsidies can be removed?

Mr. Carew: On principle, I do not feel that subsidies should be continued indefinitely, but in the absence of any comprehensive, regional economic plan for this area—and a comprehensive and economic plan, I would imagine, would set time limits and precise goals—I feel that the subsidization has to continue on and on until some change is detected in the quality of economic life in this region.

[*Interpretation*]

analyser de nombreux aspects des transpor au Canada. Si j'ai bien compris, c'est la mei leure façon, à l'heure actuelle, d'analyser l' volution des expéditions et ainsi de suite.

M. Perrault: Il me semble que l'échantillo est plutôt restreint pour qu'on puisse y bas une politique.

M. Carew: Votre échantillon sera basé s le rendement d'une année entière. Nous pr posons que ce soit étendu sur une année. U telle période de temps nous permet d'analys un champs assez vaste. C'est 1 p. 100 de tou l'année.

M. Perrault: Monsieur le président, le Co grès du travail du Canada a signalé à pl sieurs reprises, et encore récemment, le da ger d'inflation dans notre pays, et cela no préoccupe tous. A la page 6, lorsque vo parlez de subventions versées aux transpo teurs, vous dites:

> «un tel programme ne sera pas nécessa rement trop lourd»

Évidemment, il y a eu une certaine analys du coût de ces subventions supplémentaire au Trésor canadien. Est-ce que vous pourrie nous donner le coût estimatif du fardeau e cause qui ne serait pas trop lourd?

M. Carew: Nous n'avons pas de chiffres ce sujet. Lorsqu'on dit que le système const tue un lourd fardeau, on ne parle pas de l somme d'argent en cause pour les subver tions, c'est plutôt la façon dont on fait l'ana lyse des expéditions. Nous proposons que l'a nalyse de 1 p. 100 des feuilles de route n serait pas compliqué. Il me semble que le subventions seraient utiles.

M. Perrault: Donc lorsqu'on parle de lou deur on parle de la façon dont on établit l subvention.

Et ma dernière question, est-ce que, à votr sens, on devrait verser des subventions per dant un temps illimité ou est-ce que vou estimez qu'un programme de subvention accrues est un pas, entre autres mesures, ver une amélioration de l'économie des Maritime et qu'à la longue nous pourrions les enlever?

M. Carew: En principe, je n'estime pa qu'on doive continuer les subventions indé finiment. Mais en l'absence d'un programm économique régional d'ensemble pour ce sec teur, et j'imagine qu'un tel programme d'en semble comporterait aussi des objectifs préci ainsi que des dates limites, il me semble qu'i faudrait maintenir la subvention jusqu'à c qu'il y ait un changement notable dans l

[*Texte*]

I feel that this is a very unsatisfactory way going about it, but until the federal gov-ment is prepared to state some precise als in its regional economic policy, in its gional program, I think our policy for nsportation has to be just as vague.

Mr. Perrault: I was interested in . . .

Mr. Bell: Mr. Chairman, if I may interrupt, r view on the questions of the justification , and the continuation of, subsidization in s particular region, being an economic dis-rity region, is that they are justified as long they are economic pump-primers. To the nt that we can get into the main flow of economic stream of the nation we feel t subsidization can be justified in a region economic disparity.

Mr. Perrault: But you would like to see a ble economic base estabished, which would ntually eliminate the need for subsidies?

Mr. Bell: Yes, certainly; if we can come up the national standards. You have got in-ion. We see no signs of inflation in this t of the country. You may be constipated British Columbia or Ontario, but we are from constipated down here!

Mr. Perrault: Yes, I know; but the cost of ng is disturbingly high in the Maritimes, ether with other parts of the country.

et me just end with an observation, Mr. airman. I think that a week after a region-levelopment policy has been announced is soon really to condemn it as ineffectual.

Mr. Trudel: Mr. Chairman, I would like to r to the second paragraph of the brief, in ch it is stated:

> deterioration of the economic standing of our region vis-à-vis the rest of Canada.

elative to that same period of time, is it true that in the region labour conditions contracts that have been signed have been the increase rather than on the decrease, efore there is no deterioration in that ect?

Mr. Carew: I am sorry, Mr. Chairman, I not get all of that question.

The Chairman: Would you please repeat r question, Mr. Trudel?

[*Interprétation*]

qualité même de la vie économique de cette région.

Je trouve que c'est une façon peu satisfaisante de procéder, mais jusqu'à ce que le gouvernement fédéral soit prêt à énoncer les objectifs précis de sa politique de développement régional, j'ai l'impression que notre politique en matière de transport doit être tout aussi vague.

M. Perrault: J'étais intéressé à . . .

M. Bell: Si vous me le permettez, monsieur le président, notre opinion en ce qui concerne la justification de la continuation des subventions dans cette région en particulier, étant donné que la région est défavorisée au point de vue économique, est qu'elles sont justifiées aussi longtemps qu'elles constituent un stimulant économique. Jusqu'à ce que nous fassions partie de l'économie du pays, il nous semble que la subvention peut se justifier dans une région de disparité économique.

M. Perrault: Mais vous voudriez qu'on établisse une base économique viable afin que nous puissions, à la longue, éliminer les subventions?

M. Bell: Certainement, si nous pouvons atteindre le niveau national. Vous avez de l'inflation, mais il n'y en a pas dans ce coin du pays. Vous souffrez peut-être de constipation en Colombie-Britannique et en Ontario, mais ce n'est pas le cas ici.

M. Perrault: Oui, mais le coût de la vie est très élevé dans les Maritimes en comparaison des autres parties du pays.

Permettez-moi de terminer par une observation. Je crois qu'une semaine après avoir annoncé une politique de développement économique régional, c'est trop tôt pour la condamner.

M. Trudel: J'aimerais parler du deuxième paragraphe du mémoire, où l'on dit:

> la détérioration du niveau économique de notre région par rapport au reste du Canada

Au cours de la même période de temps, n'est-il pas vrai que les conditions de travail des contrats qui ont été signés ont augmenté et non pas diminué, et par conséquent, il n'y a pas de détérioration à cet égard.

M. Carew: Je m'excuse, je n'ai probablement pas saisi toute votre question.

Le président: Est-ce que vous pourriez répéter votre question, monsieur Trudel?

[*Text*]

Mr. Trudel: I am referring to the second paragraph of the brief, where it is stated?

> deterioration of the economic standing of our region vis-à-vis the rest of Canada

I am suggesting to the witness that labour conditions, where there is unionized labour in the region, have not been on the down trend but rather on the up trend?

Mr. Carew: You are suggesting that it has been on the up trend?

Mr. Trudel: Yes; that wage conditions and wage parity compared with other areas of Canada have not been detrimentally affected in this area?

Mr. Carew: I think you are right when you are referring to organized labour, but I do not think that there has been any noticeable improvement in income levels in the Maritime region, as a whole, in relation to the rest of the country. I do no have any figures to support one on this, but it is my impression that over the last 10 or 15 years the situation has not improved in any noticeable way.

Mr. Trudel: I gather from your answer, then, that organized labour in this area has not been suffering particularly, compared to the other areas of Canada?

Mr. Bell: Our complaint is that we are usually the last to feel the effects of national prosperity and the first to feel the effects of national depression. We seem to get it both ways. We get the tail end of prosperity and take the first count on depression. However, we do agree that the general improvements in labour standards across the country certainly have not been of any economic disadvantage to this particular region.

Mr. Trudel: That answers my question, Mr. Chairman. I have one other point which I believe has been partially answered. It is on page 7, relative to the decrease in carload loading by 15 per cent. You corrected that figure, I believe, when you gave an answer to Mr. Allmand.

This is a subsidized and highly organized part of the transport industry in the Maritimes. We have had presentations by other people, also in the transport industry in the Maritimes, referring to the same period of time that you are referring to; they are not organized; they are not subsidized; and yet they have been able to show increases of 25 per cent year after year.

Mr. Carew: These are truckers?

[*Interpretation*]

M. Trudel: Je me reporte au deuxièr paragraphe où vous parlez de «la détérior tion du niveau économique de notre régi par rapport au reste du Canada». Je dis q les conditions de travail, lorsque le syndi lisme existe dans cette région, ne se détér rent pas mais s'améliorent plutôt.

M. Carew: Vous suggérez qu'el s'améliorent?

M. Trudel: Oui. La parité de salaire et conditions de travail avec les autres régio du Canada ne s'est pas détériorée dans ce région.

M. Carew: Je crois que vous avez rais quand vous parlez du syndicalisme, mais ne crois pas qu'il y ait eu des améliorati sensibles du niveau des salaires dans région des Maritimes, dans l'ensemble, p rapport au reste du pays. Je n'ai pas les ch fres à l'appui, mais j'ai l'impression q depuis 10 ou 15 ans, la situation ne s'est p tellement améliorée.

M. Trudel: D'après ce que vous dites, syndicalisme n'a pas souffert tout particuli rement dans cette région par rapport a autres régions du Canada?

M. Bell: Nous nous plaignons de ce q nous sommes les derniers à sentir les effets la prospérité nationale et nous sommes l premiers à souffrir de la dépression nationa Par conséquent, nous sommes privés dans l deux sens. Nous sommes les derniers à jou de la prospérité et les premiers à souffrir la regression économique. Nous estimons to tefois que les améliorations des conditions travail dans tous le pays n'ont pas été u désavantage économique pour cette région particulier.

M. Trudel: Cela répond à ma questio J'aurais un autre point à soulever auquel crois que vous avez répondu en partie. A page 7 en ce qui a trait à la diminution de p. 100 du volume de trafic. Je crois que vo avez corrigé ce chiffre en réponse à M Allmand.

Il s'agit d'une partie subventionnée et tr bien organisée de l'industrie des transpor des Maritimes. Nous avons reçu des comm nications de la part de certaines autres pe sonnes de l'industrie des transports d Maritimes relatives à la même période d temps. Ils ne sont pas syndiqués ni subver tionnés, mais ils ont pu tout de même réalis des augmentations de 25 p. 100 année apr année.

M. Carew: Il s'agit de camionneurs?

exte]

Mr. Trudel: Yes.

Mr. Bell: Of course, the situation is rather nplex. For example, those who presented previous brief indicated that they ship a of their fish from here to the United tes. These trucks that come in from the ited States are organized; the truck ship- nts that we get from central Canada and stern Canada into this part of the country organized; and they take out outgoing oments.

ctually the big problem relative to organi- on and wages, as we see it, is largely the r-regional trucking; not so much the king that comes in and out of the region, ause generally speaking there is very little that that originates here. There are no king companies of any consequence in the on with regular services outside the ntic region. A large part of our trucking iness carried on the highways is by com- ies which come from outside the region pick up and lay down cargoes.

Mr. Trudel: In other words, the area is also osed, and has access, to facilities originat- from outside this area?

Mr. Bell: Yes.

Mr. Trudel: Thank you, Mr. Chairman.

Mr. Nesbitt: Yes, Mr. Chairman; I have a very brief question of Mr. Carew. In hearing at Fredericton we heard from the or transport industry certain evidence in er specific figures, as I recall, that wages he trucking industry were relatively the e in the Atlantic provinces as they were in ario, or just very slightly below; and also ber of figures to show that the trucking stry paid its full share in the unkeep and tenance of the highways.

your reply to a question a little earlier indicated otherwise. As I recall, you tioned the effect of abysmally low wages also that you did not feel that the truck- industry was paying its full share in ces and the like.

that we may have some information on could you give us some figures? You not have them with you, I realize, but aps you could forward them to the Clerk ne Committee at some later date. I think matter of hidden subsidies is very impor- relative to any report we may wish to e.

[*Interprétation*]

M. Trudel: Oui.

M. Bell: Évidemment, la situation est un peu complexe. Par exemple, le mémoire précédent indiquait qu'on expédie beaucoup de poissons aux États-Unis. Les camions qui nous viennent des États-Unis sont organisés en syndicat, les expéditions que nous recevons de la partie centrale et de l'Ouest du Canada dans les Maritimes sont organisées, et ils prennent des livraisons destinées à d'autres endroits.

Évidemment le gros problème, comme nous l'envisageons, quant aux problèmes d'organisation et des salaires, c'est le camionnage inter-régional; non pas particulièrement le camionnage de marchandises vers ou à partir de la région, car il y a, effectivement, très peu de marchandises dont le point d'origine est ici. Il n'y a pas d'entreprise de camionnage importante dans cette région qui offre des services réguliers vers l'extérieur. Une bonne part du camionnage qui se fait dans la région est confiée à des entreprises de l'extérieur qui viennent ici livrer des cargaisons et repartent avec d'autres.

M. Trudel: En d'autres termes, la région est ouverte et a accès à des services qui proviennent de l'extérieur.

M. Bell: Oui.

M. Trudel: Merci, monsieur le présient.

M. Nesbitt: Je voudrais poser une question très brève à M. Carew. A Fredericton, lorsque nous avons entendu l'industrie du transport routier, on nous a donné des chiffres très précis, si je me souviens bien, à l'effet que les salaires dans l'industrie du camionnage étaient à peu près les mêmes dans les provinces de l'Atlantique et dans l'Ontario, ou peut-être juste un peu moins élevés. Et on nous a cité certains chiffres pour indiquer que l'industrie du camionnage payait sa juste part en ce qui concerne l'entretien des grandes routes. Je crois qu'en réponse à une question un peu plus tôt, vous avez dit le contraire. Si je me souviens bien, vous avez mentionné l'effet des salaires extrêmement bas et aussi le fait qu'à votre avis l'industrie du camionnage ne payait pas sa part des frais en ce qui concerne les permis d'exploitation, et ainsi de suite.

Je me demande si vous pourriez nous donner des renseignements à ce sujet, ou des chiffres. Vous ne les avez peut-être pas avec vous, je comprends, mais vous pourriez peut-être les communiquer au Secrétaire du Comité plus tard. Je crois que cette question de subventions cachées est importante pour tout rapport que nous ferons.

[*Text*]

Mr. Carew: Yes, I think we could do that. I do not have figures here now.

It seems to me, from my experience, that rates of pay for truckers in this area, as compared with, say, those working in southwestern Ontario, are about half as much as they are there. I may say that this is just a very rough approximation. It is based on my experience of people who are organized within my own union in this area and those working in the same industry in Ontario under agreements negotiated by my organization.

Mr. Nesbitt: I would be very grateful if you could produce at a later date and forward to the Committee some specific information. Thank you.

Mr. Rock: What co-operation would the railway companies receive from labour if through experiments with turbo-trains, it were found feasible to put into operation new turbo freight trains, with new type of cars and with speeds as high as 150 to 160 miles an hour, to be used as a land bridge for a containerization system?

Mr. Carew: I think you could expect the same kind of co-operation that labour always gives to Canadian railways when they introduce...

Mr. Rock: Let me put it another way. If the train were to travel twice as fast it would mean that the worker would work half the amount of hours. Do you expect them to get the same amount of pay for half the amount of time? This is the co-operation I am asking about.

Mr. Bell: Our problem to date has been that most of the technological advances that have been introduced by industry have been introduced without prior consultation with unions and have been unilaterally and arbitrarily imposed.

We live in the present-day society, and we appreciate and recognize the technological progress with which we are going to be confronted. We know we have to be flexible and have to negotiate on these technological changes. Our big problem is the fact that up until now there has been no actual honest contract between management and labour to give us advance notice.

These things are usually planned and it takes a year or two years to bring them into being. We do not hear about them until the actual equipment arrives on the scene, and within a matter of a week or so beforehand

[*Interpretation*]

M. Carew: Oui, je crois que nous pourri le faire. Je n'ai pas les chiffres en main.

Il me semble que d'après ma propre ex rience, le taux de salaires des camionneurs cette région, en comparaison de ceux qui t vaillent, par exemple, dans le sud-ouest l'Ontario, sont d'environ la moitié. Evide ment, il s'agit d'un chiffre approximatif est fondé sur ma propre expérience de ce de mon propre syndicat dans cette région ceux qui travaillent dans le même indus en Ontario en vertu de conventions collecti négociées par mon organisation.

M. Nesbitt: Nous serions très reconnaissa si vous pouviez nous communiquer des ch fres précis à ce sujet. Merci.

M. Rock: Quelle collaboration les chem de fer recevraient-ils des syndicats si, ap les essais avec les turbo-trains, on décidait mettre en exploitation de nouveaux tur trains de marchandises, avec de nouvea wagons qui atteindraient une vitesse de ou 160 milles à l'heure et serviraient jus ment de pont terrestre pour le système cadres?

M. Carew: Je crois qu'on aurait le mê genre de collaboration que les syndicats d nent toujours aux chemins de fer lorsqu introduisent...

M. Rock: Permettez-moi de m'exprir autrement. Si le train voyage à une vite deux fois plus grandes, les employés feron moitié moins de travail. Est-ce que vous v attendez à ce qu'ils obtiennent le mê salaire pour la moitié du temps? Voilà genre de collaboration dont je parle.

M. Bell: Le problème jusqu'ici c'est que plupart des progrès technologiques qui s introduits par les industries, l'ont été s consultation préalable avec les syndicats et été imposés unilatéralement et arbitrai ment. Dans la société actuelle, nous rec naissons qu'il faut toujours affronter le p grès technologique. Nous savons qu'il f être souple, qu'il nous faut négocier au su de ces modifications technologiques. Le gr problème qui se pose c'est que jusqu'ici il a pas eu de contacts sérieux entre la dir tion et les syndicats pour nous donner préavis.

Ces choses sont habituellement prévues l'avance, et il faut deux ou trois ans pour mettre en vigueur. On n'en entend jam parler avant que l'équipement soit arrivé place, et on est mis au courant qu'

exte]

are practically told what the program is. I nk that has created the conflict.

do not think that organized labour is ng to be a stumbling block to technological ancement in this country. It has not been the past, providing there has been some sible relationship on it.

Ir. Rock: I am glad to hear that. I did not the same answer out West two years ago, I am very happy that you fellows here that way.

o you feel, then, that with the time factor ced the cost of shipping would be ced?

Ir. Carew: We would hope so. You are ing about the land bridge?

Ir. Rock: I am talking about the new tech- l change that I believe is going to take e in Canada.

Ir. Carew: I think it is inevitable that the factor will...

Ir. Rock: And do you think that this will have a lot to do with the possible elimi- on of subsidies?

r. Carew: One would hope so, eventually,

r. Rock: Thank you.

r. Skoberg: Mr. Carew, is the Federation esented on the task force for the Atlantic vinces?

r. Bell: What task force? We have had ral.

Ir. Skoberg: The Premier's task force?

Ir. Bell: No; we have made no representa- s, nor are we represented on it.

Ir. Skoberg: You are not represented. e you asked to be represented on these ous boards that are in effect in the Atlan- rovinces?

Ir. Bell: Yes; we have made a continual of representation to governments, on ers that affect the welfare and the well- g of the general public and the work , that we be represented on agencies and ds set up by either provincial or federal rnments.

r. Skoberg: Yesterday a representation e us suggested that the present modes of portation were not sufficient, and I ve it was suggested that we should, if ssary, purchase the roadbed and the

[Interprétation]

semaine ou deux avant quel sera le programme. Et c'est ce qui crée le conflit.

Je ne crois pas que le syndicalisme puisse nuire au progrès technologique dans ce pays. Ce ne fut pas le cas par le passé lorsqu'il y avait des rapports adéquats.

M. Rock: Je suis fort aise de l'entendre. Ce n'est pas la réponse qu'on m'a donnée dans l'Ouest, il y a deux ans. Mais je suis très heureux de voir que vous avez ce sentiment.

Alors, croyez-vous que, le facteur temps étant ainsi réduit, le coût de l'expédition sera abaissé?

M. Carew: Nous l'espérons. Est-ce que vous parlez du pont terrestre?

M. Rock: Oui. Je parle des nouvelles évolutions technologiques qui se produiront probablement au Canada.

M. Carew: Je crois qu'il est inévitable que le facteur temps...

M. Rock: Croyez-vous également que cela entraînera l'élimination possible des subventions?

M. Carew: Nous l'espérons, éventuellement. Oui.

M. Rock: Merci.

M. Skoberg: Monsieur Carew, est-ce que la Fédération est représentée sur l'équipe spéciale des provinces de l'Atlantique?

M. Bell: Quelle équipe spéciale? Il y en a eu plusieurs.

M. Skoberg: Celle du premier ministre.

M. Bell: Non, nous n'avons pas formulé d'instances, et nous ne sommes pas représentés dans cette équipe spéciale.

M. Skoberg: Est-ce que vous avez demandé d'y être représentés sur les différentes commissions des provinces de l'Atlantique?

M. Bell: Oui. Nous n'avons pas cessé de faire des instances auprès des gouvernements sur les questions qui affectent le bien-être de l'ensemble de la population, et aux équipes spéciales, pour que nous soyons représentés au sein d'offices et de commissions créés par le gouvernement provincial ou fédéral.

M. Skoberg: Hier, nous avons été saisis d'une soumission qui laissait entendre que les modes actuels de transport ne sont pas suffisants et je pense qu'on a même dit qu'il nous faudrait acheter l'équipement et le ter-

[*Text*]

equipment to create a new transportation system.

Of course, one of the prime questions that had been put by the member for Burnaby-Seymour, on the cost of this to the public, was not asked by that individual at that time.

Do you, or do you not, consider that the present modes of transportation are sufficient? Perhaps they need upgrading, but do you consider with what we have in Canada and in the Maritime provinces are sufficient at this time?

Mr. Bell: Are you speaking about the Maine corridor?

Mr. Skoberg: No; all modes of transportation—trucking, railway and airlines?

Mr. Bell: We believe it is certainly necessary to have greater capital expenditure on upgrading and improving our modes of transportation out of the Maritimes to central Canada and the New England states. We feel that this is one of the compensating considerations that the federal government should give to the Atlantic provinces in view of the large expenditures they are making relative to the Seaway, which has been detrimental to the interest of this particular region. This is one of the counter-balancing types of considerations we have been asking for.

Mr. Skoberg: I have one final question, sir. I think you should be commended for your immediate look at the new proposed legislation. I do not agree with any member here who says that it is against any principle to have a very close look at this before it becomes legislation. I think this is what we are talking about when we refer to the dialogue in democracy.

What I would like to know is how you think it would actually affect the individual growth areas in the Atlantic provinces that are really concerned about growth. Are you in agreement that a growth area should be included in the legislation, and, if so, how large should that particular growth area be?

Mr. Carew: I think we agree in principle with the idea of the growth areas. One of the drawbacks to earlier plans for regional economic development in this area has been that the designated areas have been too small to become viable focal points. Therefore, we are happy that the federal government is taking to itself the power to designate a much broader area based on urban points that have shown some growth potential. This is fine.

[*Interpretation*]

rain pour créer un nouveau réseau transport.

Évidemment, une des principales questi posées par le député de Burnaby-Seymc ayant trait au coût pour le public, ne fût posée à ce moment-là.

Pourriez-vous me dire si vous considé les motifs actuels de transport suffisar Peut-être faut-il les mettre à jour, mais tr vez-vous que ce que nous avons au Canada dans les provinces Maritimes soient suffisa en ce moment?

M. Bell: Est-ce que vous parlez du corri du Maine?

M. Skoberg: Non, de tous les modes transport, camions, chemins de fer, lig aériennes.

M. Bell: Nous croyons qu'il est essen d'accroître les dépenses en immobilisati pour améliorer les modes de transport partent des Maritimes vers le Canada cen et les états de la Nouvelle-Angleterre. N sommes d'avis que c'est une des considé tions que le gouvernement fédéral dev accorder aux provinces de l'Atlantique vu fortes dépenses qui sont consacrées à la v maritime qui nuit aux intérêts de c région. C'est donc une de ces compensati que nous avons toujours réclamées pour re blir l'équilibre.

M. Skoberg: Une dernière question. pense qu'on doit vous féliciter d'avoir étu de près cette nouvelle mesure législative. ne suis pas d'accord avec ceux qui disent c'est contre tout principe d'étudier la mes avant qu'elle ne devienne Loi. Je pense c'est ce dont nous parlons lorsque nous p lons de dialogue à l'intérieur de démocratie.

Mais comment voyez-vous que les régi individuelles des provinces de l'Atlanti vraiment préoccupées de leur expansion trouveront affectées. Mais êtres-vous d'acc pour que la Loi prévoit une région d'exp sion et quelle serait son étendue?

M. Carew: Je pense que nous sommes d cord en principe avec l'idée d'une rég d'expansion. Une des difficultés des prem programmes d'expansion économique ré nale dans cette région c'est que certai régions désignées n'étaient pas assez gran pour devenir un centre d'attraction via Nous sommes donc heureux que le gouver ment fédéral ait assumé la responsabilité désigner une région plus grande d'après centres urbains, qui semblent indiquer possibilité d'expansion. C'est très bien.

[Texte]

We are a little worried, though, that backlaters are going to be created in this process, nd this is inevitable. We would not be too orried about that either if we felt that some lequate supplementary planning was going take care of this.

For example, we understand that the epartment of Manpower has not been fully ought into this picture at all. The Departent of Manpower programs are far too inxible to cope adequately with the kind of slocation that will come about if this proam of regional expansion gets under way. e understand that they have no trouble at finding new jobs and being able to locate skill, but their ability to find new bdes of employment for people with half ills, or no skills at all, is very slight.

This is what is going to happen in smaller eas that are washed to the side in this plang program. It is not a planning process; it is a program. Places like Halifax will benefit m it, and smaller outlying areas are going t lose employment potential and people there e going to have to move. Yet they do not calify for relocation grants, and to a large tent they do not qualify for upgrading proams. It seems to us that this is a basic ficiency in the whole concept.

Mr. Skoberg: Could you put on the record, you have had time to consider it, how large a rowth area should be?

Mr. Carew: I do not know whether I would prepared to specify that in any detail, sir. I ink the fact that the whole Atlantic region now potentially a designated area, and that Minister has flexibility in this program, is ood point.

The Chairman: Mr. Mahoney, on a plementary?

Mr. Mahoney: Has the witness had an portunity to examine the legislation setting the department of regional economic pansion, which was introduced in the use of Commons the day before yesterday?

Mr. Bell: We have looked at the meat of the estimates.

Mr. Mahoney: The estimates for this parlar department? The legislation has just n introduced in the House. Have you mined it in detail up to this point?

[Interprétation]

Nous nous inquiétons du fait que ce processus pourra entraîner des remous, ce qui est inévitable. On ne s'en préoccuperait pas tant si nous savions qu'une planification additionnelle y remédierait.

Nous croyons comprendre, par exemple, que le ministère de la Main-d'œuvre n'a pas vraiment été engagé dans ce programme. Son programme est trop rigide pour faire face à la dislocation qui pourrait se présneter à la suite de la mise en vigueur de ce programme d'expansion régionale. Je crois comprendre qu'ils n'ont pas de difficulté à trouver de nouveaux emplois dans d'autres régions, pour les ouvriers spécialisés; mais ils éprouvent plus de difficulté à trouver de nouveaux emplois pour les personnes qui n'ont pas de spécialisation ou qui ne sont qu'à demi-spécialisés.

Voilà ce qui va se produire dans les petites régions qui sont ainsi poussées de côté dans ce programme de planification. Ce n'est pas un processus de planification mais un programme. Des endroits comme Halifax en bénéficieront, et les petites régions périphériques vont perdre des possibilités d'emplois et les gens de ces régions devront se déplacer. Et ils ne sont pas, pour la plupart, admissibles aux subventions de déplacement et ne peuvent pas participer aux programmes de recyclage. À notre avis, c'est donc une faiblesse de tout ce concept.

M. Skoberg: Pourriez-vous verser au compte-rendu, si vous avez le temps d'étudier la question, quelle devrait être la dimension d'une région d'expansion, pour déterminer quelles zones?

M. Carew: Je ne sais pas si je serais prêt à vous le préciser. Je pense qu'il est bon que toute la région de l'Atlantique est, en puissance, une région désignée et que le Ministre jouit d'une certaine souplesse dans ce programme.

Le président: Une question complémentaire, monsieur Mahoney?

M. Mahoney: Le témoin a-t-il eu l'occasion d'étudier le projet de loi visant à constituer le ministère d'Expansion économique régionale, qui fut présenté à la Chambre des communes avant-hier?

M. Bell: Nous en avons vu l'essentiel, les prévisions budgétaires.

M. Mahoney: Les prévisions budgétaires de ce ministère? Mais le projet de loi vient à peine d'être présentée à la Chambre. Est-ce que vous l'aviez étudié en détail?

[*Text*]

Mr. Carew: We have had a chance to look at it, and we have taken the trouble to talk with some of the senior officials in that department. We were quite surprised and disappointed when they told us that planning, as such, was no longer a priority.

Mr. Mahoney: Have you seen the bill?

Mr. Carew: Yes.

Mr. Mahoney: When?

Mr. Carew: I saw it two days ago, when it was introduced.

Mr. Mahoney: Were you here or in Ottawa?

Mr. Carew: I was in Ottawa.

Mr. Mahoney: Thank you.

The Chairman: Mr. Rose?

Mr. Rose: What stimulated my question was your suggestion that the truckers should be included in the 20 per cent MFRA subsidy. This was briefly examined and discussed in answer to Mr. Perrault's question. Have you any particular idea of how this subsidy might trickle down to the shipper, or would it be absorbed by the carrier?

Mr. Carew: I have no firm ideas on this. I fully appreciate the difficulty that has been raised here—the fact that the consumer may not, in the end, be the beneficiary. This has to be guarded against.

My immediate reaction is that if cases arose, as they probably would, where a consumer was not benefiting, then we would immediately present this problem for examination by the Prices and Income Board which has been set up under the Department of Consumer and Corporate Affairs.

Mr. Rose: This is what concerns me about the total picture in the Maritimes. I have not been really satisfied that the hidden subsidy of low wages and transportation subsidy and all this sort of thing actually trickles down to consumers. I am concerned about that. Can you tell me what percentage of the labour force in the Maritimes is organized?

Mr. Bell: The general percentage, taking everybody into account, including those employed in industry and service trades, and

[*Interpretation*]

M. Carew: Nous avons eu l'occasion de vo ce qu'il en est et nous avons pris la peine nous entretenir avec certains hauts fonctio naires de ce ministère. Nous étions vraime étonnés et même déçus lorsqu'ils nous ont d que la planification comme telle n'avait pl la priorité.

M. Mahoney: Est-ce que vous avez vu projet de loi?

M. Carew: Oui.

M. Mahoney: Quand?

M. Carew: Il y a deux jours, lorsqu'il f présenté.

M. Mahoney: Étiez-vous ici ou à Ottawa?

M. Carew: J'étais à Ottawa.

M. Mahoney: Merci.

Le président: Monsieur Rose?

M. Rose: Ce qui m'a poussé à poser u question ce fut la proposition que vous av faite pour que les camionneurs soient incl dans les subventions de 20 p. 100 de la L sur le taux de transport des marchandis dans les provinces Maritimes. Nous avo étudié et discuté la question brièvement réponse à la question posée par M. Perrau Est-ce que vous avez une idée comment ce subvention sera versée à l'expéditeur est-ce qu'elle sera absorbée par le tra porteur?

M. Carew: Je n'en suis pas certain. Je co prends très bien qu'il y a des difficultés qui présentent du fait que le consommateur n' bénéficiera pas en dernière analyse. Je cr qu'il faut s'efforcer d'éviter une te possibilité.

Ma réaction immédiate c'est que si un c de ce genre se présente, ce qui est presq inévitable, ou le consommateur n'en bér ficierait pas, nous soumettrions immédia ment le problème à la Commission des prix du revenu du ministère de la Consommati et des Corporations pour qu'elle l'étudie.

M. Rose: C'est ce qui me préoccupe dans perspective d'ensemble des Maritimes. Je suis pas encore convaincu que les consomm teurs bénéficient, en dernière analyse, c subventions cachées des salaires inférieurs des subventions aux transports. J'en s inquiet. Pourriez-vous me dire quel pource tage de la main-d'œuvre des Maritimes syndiqué?

M. Bell: Je pense que le pourcentage, tenant compte de toutes les personnes, que soit des employés des industries, des servic

Texte]

hat sort of thing, is around the 30 per cent ark. But if you confine it to industry it is round 70 per cent.

Mr. Rose: I suppose it resides largely in the igger industries, does it? I was thinking of ie chocolate industry, for one. That is organ-ed, is it?

Mr. Bell: Yes.

Mr. Rose: I would like to go on to another pic. It deals with the so-called growth areas. o you find that unemployment here is nfined to any one area? Is it perhaps more rominent in the so-called rural areas as pposed to the growth areas?

Mr. Carew: Well, the regional statistic at ie moment, I believe, is 10 per cent of per-ns unemployed, and I think that perhaps at ne moment where we do have a bit of con-ntrated industrial development, for exam-le at Hawkesbury, and there is—I would say iat generally speaking it is pretty well divid-l evenly throughout both the urban and ural districts of the region. I do not think iere is any large noticeable differential in ercentage.

Mr. Rose: Perhaps the regional statistics do ot give the whole picture because the Prov-ce of Newfoundland is included as well, and erhaps it is considerably higher.

Mr. Carew: That is right.

Mr. Rose: We heard yesterday that the election of the so-called growth areas was at ast in part political, that is, the designation, nd I do not want to confuse that term with esignated areas. Do you have any quarrel ith the areas that were suggested as growth reas?

Mr. Bell: The original growth areas, as you now, excluded Halifax, Saint John, Freder-ton, and Moncton. Organized labour took ie position that economic conditions in the rban centres in the Atlantic Provinces were qually as critical as they were in other parts f the provinces, and we have certainly sup-orted the representations that have been ade by local governments, municipalities, nd Members of Parliament in the area that ie entire region justifies the designation of n economic disparity region.

Mr. Rose: Would you agree that unless the ssistance is in a comprehensive form, includ-ng upgrading of skills and all the rest

[*Interprétation*]

et ainsi de suite, est d'environ 30 p. 100. Mais si l'on s'en tient à l'industrie, c'est environ 70 p. 100.

M. Rose: J'imagine que cela se fait surtout dans les plus grandes industries, n'est-ce pas? Je pensais à l'industrie du chocolat, par exemple.

M. Bell: Oui.

M. Rose: Je voudrais passer à un autre sujet, celui des régions d'expansion. Croyez-vous que le chômage ici soit confiné à une zone donnée? Est-il peut-être plus marqué dans les régions rurales contrairement aux régions de croissance?

M. Carew: Les statistiques sur le plan régional en ce moment nous disent que 10 p. 100 des personnes sont sans travail. Et peut-être qu'en ce moment, où nous avons une certaine concentration d'activité industrielle, par exemple, à Hawkesbury, je dirais qu'en règle générale, le chômage est assez bien réparti, tant dans les centres urbains que dans les régions rurales. Je ne crois pas que le pourcentage différentiel soit très évident.

M. Rose: Peut-être que les statistiques régionales ne donnent pas une bonne idée d'ensemble parce que Terre-Neuve y est incluse, et il se peut que les chiffres soient bien plus élevés.

M. Carew: C'est juste.

M. Rose: Hier, nous avons entendu que le choix de ces soi-disant régions de croissance était partiellement d'ordre politique, du moins pour ce qui est de la désignation et je ne veux pas confondre ce terme avec les régions désignées. Avez-vous quelque objection en ce qui concerne les régions qui ont été proposées comme étant des régions de croissance?

M. Bell: Comme vous le savez le premier choix des régions de croissance excluait Halifax, Saint-Jean, Fredericton et Moncton. Les organismes syndicaux étaient d'avis que la situation économique des centres urbains dans les provinces de l'Atlantique était tout aussi critique qu'elle ne l'était dans les autres régions des provinces, et nous avons certainement appuyé les instances qui ont été faites par les gouvernements locaux, les municipalités, les députés dans ces secteurs disant que toute la région devait être désignée comme étant une région de disparité économique.

M. Rose: Croyez-vous qu'à moins que l'aide soit générale et qu'elle comprenne le recyclage et les divers autres aspects, le pauvre

[*Text*]

of it, what is going to happen with these growth areas is that the rural, unskilled poor will be forced into the cities to become the urban poor?

Mr. Bell: That is a very good point, because right now we find that the situation is that, for example, in the Atlantic Provinces we have a surplus of skilled welders and yet we have a shortage of welders. We attribute this to the fact that the government has assisted a number of unskilled people to become trained in an elementary sort of way to establish what they think is a classification. Yet when they apply for job opportunities with industry, they are told that they have not the necessary skills for a specific industry. And therefore you have got that contradiction. You could have people registered at local manpower offices as welders, and yet industry is asking for welders.

I think we certainly need a plan, and the other point that Mr. Carew was making is that even where we do have growth areas, we do not seem to see any overlap or overplay of economic improvement in the region as a whole. It merely seems to solve the economic problem of the immediate locality.

And for this reason we feel that there should be some type of co-ordinated plan by which we are going to locate industries and promote industry in particular areas that in some way will be tied in, so that they give general growth to the region.

Mr. Rose: My final question then, along the same lines. Would you in principle believe it is wiser to move people to the industries or the industries to the people?

Mr. Bell: I know that we have been told that we are a lost cause down here and we should all migrate to greener fields, but I think there is still some hope for us down here and I think there is quite a bit of potential. I think what is happening is that you people are polluting yourselves to death up there, you know, in the Niagara Peninsula. I think that whether you like it or not you will have to allow us a share of industry.

The Chairman: Mr. Turner.

Mr. Turner (London East): Mr. Carew, do you think that all forms of transportation should be nationalized in this Maritime area?

[*Interpretation*]

ouvrier rural non spécialisé sera forcé quitter ces régions de croissance, pour dev nir le pauvre citoyen des centres urbains?

M. Bell: C'est une excellente observatio Nous avons cette situation qui se préser dans les provinces de l'Atlantique où no avons un excédent de soudeurs qualifiés to en ayant un manque de soudeurs. Cette situ tion provient du fait que le gouvernement aidé un certain nombre de personnes à spécialiser de façon élémentaire, pour qu puisse établir ce qu'il pensait être une clas fication. Et cependant lorsque ces personn se présentaient pour occuper des postes da l'industrie, on leur disait qu'ils n'avaient p les qualités voulues pour une industrie do née. Voilà pourquoi vous avez cette contradi tion. Vous pourriez avoir des soudeurs q s'inscriraient comme tels aux bureaux de main-d'œuvre alors que certaines industri sont en quête de soudeurs.

Je pense qu'il nous faut vraiment un pr gramme bien établi, et l'autre observati que M. Carew a faite, c'est que, même lor que nous avons des régions de croissan nous ne semblons pas voir l'amélioration éc nomique s'étendre à toute la région dans s ensemble. Cela semble simplement résoud les problèmes économiques de la localité cause.

Et c'est pourquoi, nous sommes d'avis qu devrait y avoir une certaine planificati coordonnée au moyen de laquelle nous insta lerons et encouragerons les industries à s'ét blir dans les régions données, lesquell industries s'y attacheront en quelque sorte façon à favoriser la croissance générale de région.

M. Rose: Une dernière question, suivant même ligne de pensée. Croyez-vous en pri cipe qu'il faille amener les industries à population ou la population aux industries?

M. Bell: On nous a dit que c'est une cau perdue ici, et que nous devrions tous no déplacer vers des régions plus prometteus mais je pense qu'il y a encore des possibilité Ce qui arrive, c'est que vous autres êtes train de vous rendre la vie dure dans péninsule du Niagara. Que cela vous plaise pas, vous devrez nous allouer une part l'industrie.

Le président: M. Turner.

M. Turner (London-Est): Croyez-vous qu tous les modes de transport devraient êt nationalisés dans les régions des Maritimes?

Texte]

Mr. Carew: My personal opinion is yes. I m not speaking on behalf of the Federations f Labour.

Mr. Turner (London East): We have heard rong rumors down in this area that there is n empire builder down here of roughly 600,000,000. Now, if this is a depressed area, an you tell us how one man can set up an mpire of $600,000,000?

Mr. Carew: I do not know the man.

The Chairman: I do not think we should llow this question. Gentlemen, this is the nd of our question period, and I would like thank the gentlemen who appeared.

At this time I would call upon Stanld Limited. I have here on my right Mr. homas Stanfield, who will give us a résumé the brief. I hope it will be short, Mr. anfield.

Mr. Thomas Stanfield (Stanfield's Limited): r. Chairman and gentlemen, I will read the nclusions and recommendations that were cluded in the memorandum submitted last ebruary.

This brief is intended to present a point of ew. The recommendations of this Committe may have a substantial bearing on the velopment of an adequate transportation stem within the Atlantic Region that takes the economic characteristics of the carriers d the needs of the region.

The region needs a transportation system at is reasonable in cost and fast and icient in the handling of freight. This eans recognizing the problems that carriers the transportation industry face. We are t seeking dual transportation costs, but we e seeking the opportunity to compete as irly as possible for a share of the total nadian market. We are not afraid of comtition, but the transportation industry is a ol by which we can be competitive and we ould like to see it used this way.

The Maritime Freight Rates Act could posly be criticized for not equalizing the oprtunity for firms operating in the Atlantic gion to compete in the central Canadian rket with manufacturers located in that rket. This I believe was the intention of s freight rate Act. Opportunity cannot be ualized for everyone, and it is most difficult determine when opportunity is equalized. wever, attempts must be made to try to nieve the goal of equal opportunity.

[*Interprétation*]

M. Carew: A mon avis, oui. Je ne parle pas au nom de la Fédération du Travail.

M. Turner (London-Est): On a entendu des rumeurs dans cette région voulant qu'il y ait un bâtisseur d'empire d'environ 600 millions de dollars. Si c'est une région sous-développée pouvez-vous nous dire comment un homme peut se tailler un empire de 600 millions de dollars?

M. Carew: Je ne connais pas cet homme.

Le président: Je ne crois pas que ce soit une question qu'on puisse poser. Messieurs, c'est la fin de la période des questions, et je voudrais remercier ceux qui ont bien voulu comparaître.

Maintenant, je demanderais le représentant de la *Stanfield Limited.* J'ai à ma droite M. Thomas Stanfield qui nous donnera un résumé de sa présentation. J'espère qu'elle sera brève, monsieur Stanfield.

M. Thomas Stanfield (Stanfield's Limited): Monsieur le président, messieurs, je lirai simplement les recommandations et les conclusions incluses dans la soumission du mois de février dernier.

Le présent mémoire a pour objet de présenter un point de vue. Les recommandations que ce Comité adoptera pourront influer considérablement sur le développement d'un réseau de transport satisfaisant à l'intérieur de la région de l'Atlantique qui tiendra compte des caractéristiques économiques des transporteurs et des besoins de notre région.

La région a besoin d'un système de transport dont le coût soit raisonnable, et qu'il soit rapide et efficace dans le transport des marchandises. Ce qui veut dire que l'on reconnaît les problèmes auxquels doit faire face l'industrie du transport. Nous ne voulons pas un service gratuit de transport, mais nous voulons qu'on nous donne les moyens de soutenir la concurrence afin de nous tailler une place sur le marché canadien. Nous n'avons pas peur de la concurrence, mais l'industrie du transport est un outil qui nous permettra de soutenir la concurrence. Et nous voulons qu'on s'en serve à cette fin.

On peut reprocher à la Loi sur les taux de transport des marchandises dans les Maritimes de n'avoir pas donné aux entreprises faisant affaire dans la région de l'Atlantique la chance de concurrencer, sur le marché du Canada central, les entreprises établies à l'intérieur de ces marchés. C'était, je crois, le but de cette Loi. Il est à peu près impossible de donner à tous une chance égale. Il est très difficile de constater quand cette chance est égale pour tous. Il faut toutefois tenter d'at-

[*Text*]

ETA 100 in its present form is unsatisfactory. The hidden or so-called surcharges should be removed and the cost of insurance should be borne by the railway, since it is their responsibility to make sure that the merchandise is handled properly and delivered in good condition.

The cubic density regulation should either be abandoned in favour of actual weight or reduced to five pounds per cubic foot. Attempts should be made to institute full-car service on west-bound traffic to the central Canadian market. Piggy-back service, full-car service and less-than-carload service would provide three basic ways for the manufacturer to reach the market, depending upon the size of the shipment and the location of the customer.

Special consideration should be given to raw materials being brought into the Maritimes for manufacture. These raw materials should come under the Maritime Freight Rates Act and be subject to special rates.

The railways must improve their service. They should be encouraged to continue to develop a piggy-back and containerization service, and in the use of highway vehicles in conjunction with rail equipment to provide the area with the best service at reasonable rates. Truckers should likewise be encouraged to develop in those areas where they are best equipped to provide a real service to the region.

The Chairman: Mr. Portelance.

Mr. Portelance: Mr. Stanfield, what percentage of your business would be done in the Maritimes?

Mr. Stanfield: Not more than 15 per cent.

Mr. Portelance: That means 85 per cent would be made outside.

Mr. Stanfield: That is right, sir.

Mr. Portelance: And apparently in B.C., which is one of the furthest places for you, you are doing extremely well, or in the western part of Canada.

Mr. Stanfield: That is correct, sir.

Mr. Portelance: How would you explain? Is it because you have a 20 per cent free transportation which helps you out?

Mr. Stanfield: I think first of all, that some of the reasons why we do so well in B.C. are historical. One reason was that we were established there a lot longer than anybody else.

[*Interpretation*]

teindre ce but. L'ETA 100, dans sa for actuelle, ne donne pas satisfaction. Les fr additionnels cachés doivent être abolis et coût pour l'assurance doit être versé par compagnie ferroviaire puisqu'il lui apparti de faire en sorte que la marchandise s manipulée avec soin et livrée en bon état.

Le règlement concernant la densité cubiq devrait être soit rayé pour qu'on tien compte du poids réel ou encore réduit à livres par pied cube. On devrait tenter d'i tituer un service de transport en commun destination du marché du Canada central. service rail-route, le service en commun et service d'envoi en lots brisés permettrai aux manufacturiers d'avoir accès au marc selon l'importance de la cargaison et du li de résidence du client.

On devrait accorder une attention spéci aux matériaux bruts qui sont introduits da les Maritimes pour y être manufacturés. C matériaux devraient être soumis à la Loi s les taux de transport des marchandises da les provinces Maritimes et jouir de taux pré rentiels. Les compagnies de transport par r devraient également améliorer leurs servic On devrait les encourager à continuer d'am liorer leur service rail-route, et le service d wagons spéciaux, et à utiliser des véhicu afin de fournir à la région le meilleur servi possible aux taux les plus bas possible. L'i dustrie du camionnage devrait égalem prendre de l'expansion dans les endroits elle est la mieux en mesure d'offrir les me leurs services à la région.

Le président: Monsieur Portelance.

M. Portelance: Monsieur Stanfield, que proportion de votre chiffre d'affaires ser réalisé dans les Maritimes?

M. Stanfield: Pas plus de 15 p. 100.

M. Portelance: Cela veut dire que 85 p. 1 du chiffre d'affaires vient de l'extérieur.

M. Stanfield: C'est juste.

M. Portelance: Et, il paraît qu'en Colomb Britannique, qui est pour vous l'un des ma chés les plus éloignés de l'ouest du Cana vous faites de très bonnes affaires.

M. Stanfield: C'est juste.

M. Portelance: Comment expliquez-vo cela? Est-ce parce que vous avez une pos bilité de 20 p. 100 de transport gratuit pourrait vous aider?

M. Stanfield: Je pense tout d'abord qu'u des raisons pour lesquelles nos affaires so bonnes, en Colombie, c'est que, sur le pl historique, nous y étions avant bien d'autr

[Texte]

his goes way back to the early 1900s. But econdarily, we can reach the B.C. market heaper than we can reach Montreal or oronto, and reach it faster. We can ship om Truro to Vancouver in two weeks.

It takes the best part of 10 days to get to oronto on LCL. Four days is not very much o go an extra 1,500 to 2,000 miles. Another ing is that there is an agreed charge from lontreal to Vancouver that is competitive ith a round the Panama Canal waterways, hich we can take advantage of. We can ship piggy-back lots to Montreal, so the rate to ancouver is not that much higher, and cerinly it is lower in equivalent terms than om Truro to Toronto or Montreal.

Mr. Portelance: Do you also use warehousg in the west part of Canada?

Mr. Stanfield: Yes, sir, we have three warehouses, one in Toronto, one in Edmonton and ne in Vancouver.

Mr. Portelance: Most of these complaints om customers regarding—you are shipping O.B. mill are you?

Mr. Stanfield: Yes.

Mr. Portelance: Most of the complaints ould be on part shipment, would they not? a customer.

Mr. Stanfield: Yes, that is true.

Mr. Portelance: That is where the biggest mplaint comes from.

Mr. Stanfield: Yes. You have to realize that e are not shipping a television set or someing that might weigh two or three hundred unds. We have a very low-density product, d the customer, if he is only, say, buying o hundred packets of merchandise, it may ry in cubic density, something in the order three hundred on a cube rule, at ten unds per cubic foot. This is the problem at he has, and that we have.

Mr. Portelance: Thank you.

Mr. Chairman: Mr. Turner.

Mr. Turner (London East): Mr. Stanfield, w much of your goods do you ship by truck d how much by rail?

[Interprétation]

soit au début des années 1900. Mais deuxièmement, nous pouvons atteindre le marché de la Colombie plus vite et moins cher que pour ce qui est des marchés de Toronto et de Montréal. Nous pouvons expédier de Truro à Vancouver en deux semaines.

Il faut près de dix jours pour aller à Toronto avec des chargements incomplets. Ce n'est pas tellement de parcourir 1,500 milles à 2,000 milles de plus en quatre jours. D'autre part, il existe des tarifs convenus entre Montréal et Vancouver qui peuvent concurrencer avec les tarifs maritimes, pour le transport à travers le Canal de Panama, ce dont nous pouvons tirer profit. Nous pouvons nous servir du transport rail-route vers Montréal, ce qui fait que le taux pour Vancouver n'est pas tellement plus élevé et certainement inférieur aux conditions de transport de Truro à Toronto ou à Montréal.

M. Portelance: Est-ce que vous utilisez aussi des entrepôts dans la région ouest du Canada?

M. Stanfield: Oui, nous en avons trois, un à Toronto, un à Hamilton et un à Vancouver.

M. Portelance: La plupart de ces plaintes formulées par vos clients concernant...Expédiez-vous vos marchandises f.a.b. à l'usine, n'est-ce pas?

M. Stanfield: Oui.

M. Portelance: Donc, la plupart des plaintes seraient à propos des livraisons partielles à vos clients, n'est-ce pas?

M. Stanfield: Oui.

M. Portelance: C'est de là que proviennent vos principaux griefs.

M. Stanfield: Oui. Nous n'expédions pas un appareil de télévision qui pourrait peser 200 ou 300 livres. Nous avons un produit à faible densité et le client, s'il n'achète que, disons, 200 colis de marchandise, celle-ci peut varier selon la densité en brique, c'est-à-dire quelque chose dans l'ordre de 300, à raison de dix livres par pied cube. C'est là son problème et en même temps notre problème.

M. Portelance: Merci.

Le président: Monsieur Turner.

M. Turner (London-Est): Monsieur Stanfield, quelle proportion de vos livraisons se fait par camions et quelle autre se fait par rail?

[*Text*]

Mr. Stanfield: Do you consider piggy-back to be trucks?

Mr. Turner (London East): Yes.

Mr. Stanfield: Well then, we ship 100 per cent of the merchandise into Western Canada by piggy-back and then by pool car forwarding, so you have to say 50 per cent of that would be going in trucks as far as Montreal. We do not use trucks in a great deal of places with the exception of within the Maritime Region, to service P.E.I., New Brunswick and Nova Scotia. We do use some trucks to Montreal.

Mr. Turner (London East): Is your shop a union shop?

Mr. Stanfield: No.

Mr. Turner (London East): How do your wages compare with...?

Mr. Stanfield: They are competitive. With what I know of the wages—I do not know them all—I would say our wages compare reasonably favourably, from what I have seen.

The Chairman: Mr. Horner.

Mr. Horner: Mr. Stanfield, have you ever tried the pool car service, or has any real attempt been made to use the pool car service out of Truro?

Mr. Stanfield: There is not such a thing. This is one of the recommendations that I had in my brief. You have pool car service from Montreal and Toronto into this region, but you do not have anything in reverse that approximates this type of service. This is something that I think should be looked into.

Mr. Horner: Just to clear it up in my mind, you envision, say, two or three different manufacturers in the Truro area loading the same car. This is what you mean by pool car service?

Mr. Stanfield: Yes, this could be. Or it could work this way. For instance, we have to bring all our raw materials from some place in central Canada with the exception of very few products, and they may be from Saint Hyacinthe, Three Rivers, or some such place outside of Montreal. They will ship it into Montreal, and it will come by pool car service to Truro. I can envision the same thing; maybe we cannot have pool car service in Truro. I would like to see it, but at least we could have it out of Halifax, which would be a help.

[*Interpretation*]

M. Stanfield: Considérez-vous le transp rail-roule comme étant un camion?

M. Turner (London-Est): Oui.

M. Stanfield: Nous expédions la totalité notre marchandise par rail-route vers l'ou du Canada, et par le service de transport commun, ce qui veut dire que 50 p. 100 acheminé par camion jusqu'à Montréal. No n'utilisons pas de camions dans beauco d'autres endroits sauf dans la région d Maritimes pour desservir l'Île du Princ Édouard, le Nouveau-Brunswick ou la No velle-Écosse, et quelques camions à Montré

M. Turner (London-Est): Êtes-vous sync qués?

M. Stanfield: Non.

M. Turner (London-Est): Comment v salaires se comparent-ils...?

M. Stanfield: Ils soutiennent la concurren Malgré mes connaissances limitées à ce suj je dirais que les nôtres se compare favorablement.

Le président: Monsieur Horner?

M. Horner: Monsieur Stanfield, n'avez-vo jamais essayé le service de transport en co mun ou avez-vous déjà utilisé un tel service partir de Truro?

M. Stanfield: Cela n'existe pas. C'est u des recommandations formulées dans mémoire. Vous avez des services de transpo en commun à partir de Toronto et de Mon réal vers cette région, mais rien en se inverse, qui puisse égaler ce genre de servic Nous devrions étudier cette question, à m avis.

M. Horner: Si je comprends bien, vous pr voyez, disons, deux ou trois différents fabr cants dans la région de Truro qui chargent même wagon. C'est ce que vous entendez p transport en commun?

M. Stanfield: Oui, ça se pourrait. Ou enco de cette façon. Par exemple, nous fero apporter toutes nos matières premières quelque part dans le Canada central, à l'e ception de quelques produits qui seraie commandés à St-Hyacinthe, Trois-Rivières ailleurs à l'extérieur de Montréal. Ils l expédieront à Montréal, et ce sera à bo d'un wagon de transport en commun qu'i arriveraient à Truro. Je conçois la mêm chose. Peut-être que nous ne pourrions p avoir un service de transport en commun Truro. Mais si nous pouvions l'avoir au moi à partir de Halifax, ce serait une grande aide

[Texte]

Mr. Horner: Have you ever suggested it to ıe railroads?

Mr. Stanfield: I have suggested it to the ilroads and I have suggested it to the May-, that a couple of pool-car operators should ow come east-bound, and they say that it is question of regulation or it is a question of emand. I understand one of them is looking to it, but I have not seen anything in the apers or anything further on it.

Mr. Horner: I hope the representative of e C.T.C. here takes cognizance of the fact at the question is worthy of looking into.

Mr. Chairman: Mr. Trudel.

Mr. Trudel: Mr. Chairman, I would like to k Mr. Stanfield if he has discussed this with e Maritime Transportation Commission, this uestion of pooling.

Mr. Stanfield: I personally have not dis-ssed it with the men at the Transportation ommission, but a representative of the firm s talked to the Commission and they are vare of this brief.

Mr. Trudel: Do you agree, Mr. Stanfield, at this pooling is possible between local ippers here. I mean, it does not necessarily st on the railroad, that local manufacturers uld pool and be accepted by the railway out the area.

Mr. Stanfield: If people can pool it in other eas, we are not different down here. There no reason why they could not do the same ing.

Mr. Trudel: Do you feel that through your aritime Transportation Commission this uld be achieved?

Mr. Stanfield: Yes, but let me say one thing re about this. You have to realize that there a lot more east-bound freight than there is st-bound freight. This is the basic problem hich you are all very familiar with. This is obably one reason why some of the carriers y be hesitant about this thing, why the ol carriers may be hesitant about instituting ng west-bound. But I submit that this uld probably be the single cheapest way the area to achieve an efficient, fast trans-rtation service.

Mr. Trudel: Thank you, Mr. Chairman.

The Chairman: Mr. Thomas.

[*Interprétation*]

M. Horner: L'avez-vous déjà proposé aux chemins de fer?

M. Stanfield: Oui, je l'ai proposé aux chemins de fer ainsi qu'au maire, pour que quelques opérateurs de service de transport en commun viennent vers l'est. Mais ils nous disent que c'est une question de règlement, une question de demande. Je sais que la question est à l'étude, mais je n'ai absolument rien vu dans les journaux à ce sujet.

M. Horner: J'espère que les représentants de la Commission canadienne des transports, ici présents prennent connaissance du fait que cette question mérite d'être étudiée.

Le président: Monsieur Trudel.

M. Trudel: Monsieur le président, je voudrais demander à M. Stanfield s'il a parlé avec la Commission des transports des Maritimes, de cette question du transport en commun.

M. Stanfield: Non, je n'en ai pas parlé personnellement à la Commission, mais un représentant de notre société en a parlé à la Commission, et ils sont au courant de ce mémoire.

M. Trudel: Est-ce que vous convenez que cette mise en commun est possible entre les expéditeurs locaux, qu'il n'incombe pas nécéssairement aux chemins de fer de le faire, et que les fabricants locaux pourraient le faire?

M. Stanfield: Si d'autres peuvent mettre le transport en commun dans d'autres régions, nous ne différons pas d'eux. Je ne vois pas pourquoi nous ne pourrions pas faire la même chose ici.

M. Trudel: Croyez-vous que, par l'entremise de la Commission des transports des Maritimes, cela pourrait se faire?

M. Stanfield: Oui, mais laissez-moi vous dire une chose à ce sujet. Il faut reconnaître qu'il y a beaucoup plus de traffic vers l'est que vers l'ouest. C'est là le principal problème. C'est peut-être une des raisons pour lesquelles certains expéditeurs hésitent un peu à ce sujet, et que les transporteurs en commun hésitent aussi à le faire en direction de l'ouest. Mais j'estime que ce serait la seule façon la plus économique d'obtenir un service de transport rapide et efficace.

M. Trudel: Merci, monsieur le président.

Le président: Monsieur Thomas.

[*Text*]

Mr. Thomas (Moncton): I was very interested in your remarks on the lack of pool car service east to west, because being in business myself in Moncton I know what you are up against.

And I think what is not understood here, and I would like to clarify it with you, is that provision of pool car services is not a railway service. This is done by private companies who use the rail facilities. In other words, Maritime Forwarding would have to be satisfied that the demand was here in Truro before they put the service on. You do not go to the railway and ask them to put on a pool car. This is operated by private companies. Am I right?

Mr. Stanfield: This is correct.

Mr. Thomas (Moncton): So you would have to satisfy them that the need was there.

Mr. Stanfield: My point there, sir, is that if they can provide east-bound, they already have the facilities. There is no reason why they could not provide west-bound if they were asked to, or required to as part of their license to come east-bound.

Mr. Thomas (Moncton): As a private company, not as...

Mr. Stanfield: That is correct. I do not think the government should get involved.

Mr. Thomas (Moncton): The government would have nothing to do with it anyway; it is a private service.

The Chairman: Mr. Perrault, a supplementary question.

Mr. Perrault: Yes, just a brief question, Mr. Chairman. In the brief submitted in 1968 by Mr. Stanfield, the argument was advanced that there should be no subsidization of motor carriers. The motor carriers are not bearing a fair share of user-cost of building and maintaining our highway system. Now, this viewpoint has been opposed in other parts of our hearings in the Maritimes. I wonder if you still feel that way about it? It is rather emphatically stated here in your March 1968 brief.

Mr. Stanfield: Yes, I do, and in spite of what I have read in the newspapers and the other briefs I read that were mailed to me. They did not present anything that would materially change my mind about it, but I did state that they were an inter-region concept,

[*Interpretation*]

M. Thomas (Moncton): J'ai été très int ressé par ce que vous avez dit au sujet manque de wagons est-ouest. Et étant don que je suis en affaires à Moncton moi-mêm je réalise les difficultés que vous éprouvez.

Je crois que ce qui n'est pas compris ici, que j'aimerais tirer au clair avec vous, c'e que les services de transport en commu n'appartiennent pas aux chemins de fer. service est assuré par des compagnies privé qui utilisent les installations ferroviaires. d'autres termes, *Howell Forwarding* ou *Mar Time Forwarding* devraient être sûrs de demande à Truro avant d'installer le servic Ce n'est pas quelque chose qu'on peut dema der aux chemins de fer. C'est fait par d compagnies privées. Ai-je raison?

M. Stanfield: C'est juste.

M. Thomas (Moncton): Alors il faut les co vaincre que la demande existe.

M. Stanfield: Ce que je veux dire, c'est q s'ils peuvent assurer le service vers l'est, i ont déjà les aménagements. Je ne vois p pourquoi ils ne pourraient pas assurer transport vers l'Ouest, si on le leur demand ou si on les y oblige puisque cela fait part de leurs franchises pour assurer l'expéditi vers l'est.

M. Thomas (Moncton): Oui, mais à titre société privée, comme...

M. Stanfield: Vous avez raison. Je ne pen pas que le gouvernement devrait se mêler.

M. Thomas (Moncton): De toute façon, gouvernement n'a rien à y voir; c'est un se vice privé.

Le président: M. Perrault, une questi supplémentaire.

M. Perrault: Une brève question, monsie le président. Dans le mémoire présenté e 1968 par M. Stanfield, il a soutenu qu'il devrait pas y avoir des subventions pour l transporteurs routiers car il ne contribue pas à la construction et à l'entretien des gra des routes. Ce point de vue a été opposé da d'autres parties du témoignage dans les Mar times. Je me demande si vous êtes toujou du même avis, étant donné que vous avi tellement insisté dans votre mémoire du mo de mars 1968?

M. Stanfield: Oui. Malgré ce que j'ai l dans les journaux, dans les autres mémoir et périodiques, qui m'ont été envoyés. Pe sonne n'a présenté quoi que ce soit pour m faire changer d'idée. J'ai dit toutefois qu' s'agissait d'une idée interrégionale et non pa

[*Texte*]

ot an intra-region concept. That is the way I el about it, as far as the Atlantic Region is ncerned.

Mr. Perrault: You would not favour subsi-es to the truckers or to air transport in the ea then.

Mr. Stanfield: Well, truckers I would not pport subsidies for at this point in time. Air avel—I really do not think that air travel in nada, or air freight, let us put it this way, ith the exception of perhaps frozen foods, in is area is really a feasible thing because ere are not enough aircraft flying in and t and they cannot take enough freight.

Mr. Perrault: Thank you, Mr. Chairman.

The Chairman: Mr. Rose.

Mr. Rose: Mr. Stanfield, one of the prob-ms the railroads have is with what they call mattress-type cargo. In other words, it kes up a great deal of space, but it does not eigh very much. And yours is a product hich is a high-quality, fairly high-priced oduct, but it does not weigh very much. Do u feel—it is a relatively high-quality, low-eight product. What do you feel the rail-ads should charge for your kind of product shipping?

Mr. Stanfield: Well, I think that the...

Mr. Rose: Excuse me, it would not be the me as something like raw steel that eighed a great deal and yet it was not as pensive per unit as yours, or per unit of ace.

Mr. Stanfield: I think this is one of the oblems perhaps that the railway has with r product, that it is about eight pounds to e cubic foot rather than the ten pounds that y use. And from the point of view of retail ople, it has therefore a high percentage of ail selling price for transportation. For stance, underwear may go anywhere from o to five per cent, depending on where it is ing. Whereas it may be a half to one per nt on the steel, or even less than a half per nt.

As to what the railways should charge, in r estimation the railway here should charge ual weight because I do not think that it sts them that much more to handle addi-nal boxcars on a unit train going from here Montreal or Toronto. What they should arge I do not know. I am not familiar with

[*Interprétation*]

intra-régionale. C'est ce que j'en pense, du moins pour ce qui est de la région de l'Atlantique.

M. Perrault: Alors vous n'êtes pas en faveur des subventions aux camionneurs ou au transport aérien dans la région.

M. Stanfield: Je n'appuierais pas les subventions aux camionneurs à l'heure actuelle. En ce qui concerne le service de transport aérien, je ne crois pas vraiment que le *freight* aérien à l'exception peut-être des aliments congelés, soit vraiment pratique car les avions qui desservent la région ne sont pas suffisants pour prendre assez de marchandises.

M. Perrault: Merci, monsieur le président.

Le président: Monsieur Rose.

M. Rose: Monsieur Stanfield, un des problèmes que les chemins de fer éprouvent est à l'égard de ce qu'ils appellent une cargaison du genre «matelas». En d'autres termes, des marchandises qui occupent beaucoup d'espace sans être trop pesantes. Et le vôtre est un produit de haute qualité au prix assez élevé, tout en ne pesant pas grand-chose. Croyez-vous que c'est un produit relativement de haute qualité qui ne pèse pas grand-chose. Combien croyez-vous que les chemins de fer devraient vous charger pour les frais d'expédition?

M. Stanfield: Je pense que le...

M. Rose: Excusez-moi, ce ne serait pas quelque chose comme l'acier brut qui pesait beaucoup mais qui par unité d'espace, ne coûtait pas autant que le vôtre.

M. Stanfield: Je pense que c'est une des difficultés justement que les chemins de fer éprouvent avec notre produit, c'est-à-dire qu'il y a environ 8 livres par pied cube plutôt que les 10 pieds cube qu'ils emploient. Et du point de vue des détaillants, le prix de vente au détail est par conséquent élevé à cause du transport. Par exemple, les sous-vêtements peuvent avoir des frais de transport de 2 à 5 à 10 p. 100 selon la destination, tandis que l'acier pourrait avoir des frais de transport de 0.5 à 1 p. 100, ou même moins que 0.5 p. 100.

En ce qui concerne ce que devraient charger les chemins de fer, à mon avis, les chemins de fer ici devraient charger le poids réel, car je ne crois pas que cela leur coûte tellement plus de manutentionner plus de wagons dans un train unitaire allant d'ici à Montréal ou à Toronto. Ce qu'ils devraient

[*Text*]

all their costs. That is a very loaded question to ask.

Mr. Rose: It is a loaded question, but it seems to me that perhaps a cargo that was less valuable should probably be carried—you see, we are talking about subsidies and this sort of thing. Your firm is a very successful one and you seem to be able to have prospered in spite of the fact that you claim that you have been at a severe disadvantage because of freight rates and your location.

Mr. Stanfield: That is right.

Mr. Rose: I want to ask you something else. Do you own any trucks, sir?

Mr. Stanfield: No.

Mr. Rose: Do you ship any of your material by truck? Your company owns no trucks?

Mr. Stanfield: We do not own any trucks.

Mr. Rose: Is there any reason for this? Do you think you could gain any advantage by owning your own trucks?

Mr. Stanfield: The problem with trucks for us is that they would always be eastbound and coming back empty westbound because the yarn comes in huge quantities and is knitted into merchandise that is as wide as the table as opposed to half the table in raw materials. You would run up against that and I do not think that it would be feasible for us to use trucks for that reason.

Mr. Rose: Would it not be because your products take up so much space, according to their weight, that they are really not worth it? They are really not worth it to do this?

Mr. Stanfield: It is not worth it mainly because we cannot come westbound loaded. If you come back empty this is the problem of people leaving here and going back to central Canada after they come here full eastbound.

Mr. Rose: I would be interested in your opinion of how any subsidy that you might gain, that your company might gain or your area might gain through this transportation MFRA would be passed on and improve the prosperity of the people in your area.

[*Interpretation*]

charger, je ne le sais pas. Je ne connais p tous leurs frais, tous leur tarifs. C'est u question très acablante à poser.

M. Rose: La question est peut-être ac blante, mais il me semble que, peut-être, u cargaison de moindre valeur devrait prob blement être transportée. Voyez-vous, no parlons de subventions et de choses du gen Vous avez une entreprise qui réussit très bi en affaires et vous semblez avoir prospé malgré le fait que vous prétendez avoir eu grand désavantage en raison du tarif ma chandises et votre emplacement.

M. Stanfield: C'est exact.

M. Rose: Je voudrais vous poser une aut question. Possédez-vous des camions, Mo sieur?

M. Stanfield: Non.

M. Rose: Expédiez-vous de vos matéria par camion? Votre société ne possède pas camions?

M. Stanfield: Non, nous ne possédons p de camions.

M. Rose: Est-ce qu'il y a une raison à cel Croyez-vous qu'il y aurait un avantage ayant vos propres camions?

M. Stanfield: Le problème, si nous avio des camions, c'est qu'ils viendraient toujou vers l'Est et qu'ils reviendraient toujou vides vers l'Ouest, car le fil arrive en gran quantité et est tricoté pour donner une ma chandise est aussi grande que la table p raport à la moitié de la table en matiè première. Ce serait alors un problème, et c'e pourquoi je ne crois pas que ce serait pra que pour nous d'utiliser des camions.

M. Rose: Est-ce que parce que vos produi prennent trop d'espace par rapport au poi que cela ne vaut pas la peine? Ils ne vale pas la peine que vous le fassiez?

M. Stanfield: Ça ne vaudrait pas la pei de le faire car nous ne pouvons venir ve l'Ouest avec des camions chargés. S'ils revie nent vides, c'est le problème des personn qui partent d'ici et retournent au Canada ce tral après être venus ici, vers l'Est, avec d camions chargés.

M. Rose: Je serais intéressé de savoir, votre avis, comment une subvention qu vous, votre société ou votre région pourra obtenir grâce à la Loi sur le taux de transpo de marchandises des provinces Maritime pourrait être passée aux consommateurs votre région pour améliorer leur situatio économique.

Texte]

Mr. Stanfield: I think if we do more busi-ess it is bound to help Truro, it is bound to lp Nova Scotia but more particularly uro, just because we are a labour intensive dustry, you might call it. Every time we ll "x" more dozens we have to have "x" ore sewing machines to sew them. Our lume is directly related to the prosperity of e region.

Mr. Rose: I was thinking more in terms of ages as far as your company's employees e concerned.

Mr. Stanfield: In what regard?

Mr. Rose: You answered another question rlier here saying that you were unorganized d I was wondering, since you were talking rlier in the previous speech about getting osidies, if perhaps your firm might not be example of this—that your workers were fact subsidizing the firm through lower ges.

Mr. Stanfield: No, I do not think this is e. Not from what I know about competitors, es, of which I see some. Naturally they not send me the whole structure.

Mr. Rose: That is from central Canada.

Mr. Stanfield: Yes, I am talking about cen-l Canada.

Mr. Nowlan: I think Quebec is not noted high wages either.

Mr. Chairman, before we carry on this eco-nic council study of Mr. Rose's I think the ness has already answered one of the stions I had about the amount of transpor-ion costs there was in your product. You d it rises between 2 per cent and 5 per t, depending on the way it is going.

Mr. Stanfield: Yes, you have to separate rself from Montreal, Toronto, Winnipeg, monton and Vancouver into situations like ebec City, North Bay, Ontario, Dauphin, n Flon or Prince Albert and places like s—all these places to which we ship. They ve naturally a higher percentage. You have remember too that all the department res in Canada have their own forwarding npany called Tormon and this, of course, ers their transportation costs.

[*Interprétation*]

M. Stanfield: Si nous faisons plus d'affaires cela doit nécessairement aider Truro et la Nouvelle-Écosse, et plus particulièrement Truro. Parce que nous sommes une société ayant une forte densité de main-d'œuvre, pourrait-on dire. Chaque fois que nous vendons x fois plus de douzaines, nous devons avoir x fois plus de machines à coudre pour les coudre. Notre volume de production est directement relié à la prospérité de la région.

M. Rose: Je pensais plus en fonction des salaires pour autant que vos employés sont concernés.

M. Stanfield: Qu'est-ce que vous voulez dire?

M. Rose: Vous avez répondu à une question antérieure en disant que vous n'étiez pas syndiqués, et je me demandais, étant donné que nous parlions plus tôt, dans le discours antérieur, d'obtenir des subventions, si votre entreprise ne serait pas un exemple de ceci, savoir, que vos employés, de fait, subventionnent l'entreprise par leurs salaires peu élevés.

M. Stanfield: Non, je ne crois pas que ce soit exact. Du moins, pas d'après ce que je connais des taux de salaire de nos concurrents, dont je vois quelques-uns. Évidemment ils ne m'envoient pas la structure complète.

M. Rose: Vous parlez du Canada central.

M. Stanfield: Oui, je parle du Canada central.

M. Nowlan: Le Québec n'est pas reconnu pour avoir des hauts salaires non plus, vous savez.

Monsieur le président, avant de continuer cette étude de conseil économique de M. Rose, je crois que le témoin a déjà répondu à une question que j'avais en tête au sujet de la somme des frais de transport qu'il y avait dans votre produit. Vous avez dit que cela se monte entre 2 à 5 p. 100 selon la distance à parcourir.

M. Stanfield: Oui, il faut s'éloigner de Montréal, Toronto, Winnipeg, Edmonton et Vancouver, pour aller dans des endroits comme Québec, North Bay (Ontario), Dauphin, Flin Flon ou Prince-Albert et autres endroits du genre, tous des endroits où nous expédions nos produits. Naturellement, le pourcentage y est plus élevé. Il faut se rappeler aussi que tous les magasins à rayons du Canada ont leur propre entreprise de transport, appelée *Tormon*, ce qui réduit énormément leurs frais de transport.

[*Text*]

To answer your question very directly most retailers use a factor of between 4 and 5 per cent as their transportation costs.

Mr. Nowlan: And this would apply basically to yourself.

Mr. Stanfield: We have to figure it in the mark-up that we have to give them. Although we are not paying that transportation cost it has to be figured in our selling price because they have to have an adequate mark-up in order to do business.

Mr. Nowlan: When you mentioned there is an agreed charge between Montreal and Vancouver, that the time element was almost equivalent to Montreal and Toronto, did you also say that the agreed charge was almost not that much more?

Mr. Stanfield: Not related to distance, it is not. It is more, not related to distance.

Mr. Nowlan: And for other shippers shipping to the west is there a sort of land bridge concept in agreed charge rates?

Mr. Stanfield: Yes. People in Montreal can take advantage of this rate in Quebec, or in Ontario.

Mr. Nowlan: This is a kind of thing within the industry.

Mr. Stanfield: You see, this is one of our problems. We can reach Western Canada more easily than we can reach central Canada, and central Canada is two thirds of the market. So we have to operate on an east and west concept in a lot of cases.

Mr. Nowlan: I see.

Mr. Horner: On that very point, will the disappearance of the bridge subsidy to western Canada which is now being phased out be phased out over a three-year period? Will this change that aspect of your freight costs?

Mr. Stanfield: I was not aware that this was going to be phased out.

Mr. Horner: The bridge subsidy in western Canada, yes. It is being phased out right now.

Mr. Stanfield: I think that any increase above normal in transportation costs is bound

[*Interpretation*]

Pour répondre à votre question très dir tement, la plupart des détaillants emploi un facteur entre 4 et 5 p. 100 comme frais transport.

M. Nowlan: Cela s'appliquerait fondamen lement à vous aussi.

M. Stanfield: Nous devons le calculer d la marge de prix que nous devons leur d ner. Bien que nous ne payions pas les frais transport, il faut que cela figure dans no prix de vente évidemment, car il faut qu aient une marge appropriée eux aussi, p faire des affaires.

M. Nowlan: Quand vous avez mentionné tarif convenu entre Montréal et Vancouv que le facteur temps était presque le mê pour Montréal et Toronto, avez-vous dit au que le taux convenu était presque pas bea coup plus que cela?

M. Stanfield: Pas par rapport à la distan ce ne l'est pas. C'est plus, sans égard à distance.

M. Nowlan: Et pour les autres expéditeu qui envoient leurs produits vers l'Ouest, a-t-il une sorte de principe de transport dir dans les taux convenus?

M. Stanfield: Oui. Les gens de Montr peuvent profiter de ce taux dans le Québec dans l'Ontario.

M. Nowlan: Oui, c'est un genre de cho dans l'industrie.

M. Stanfield: Evidemment, c'est un de n problèmes. Nous pouvons justement atteind l'Ouest beaucoup plus facilement que Canada central, et ce dernier constitue deux-tiers du marché. Nous devons do fonctionner suivant un principe d'est d'ouest dans beaucoup de cas.

M. Nowlan: Je vois.

M. Horner: Sur ce point-là précisémen est-ce que la disparition de la subvention pont pour l'ouest du Canada, qui subit actue lement une diminution progressive sera dim nuée progressivement dans une période trois ans? Est-ce que cela changera cet aspe de vos frais de transport?

M. Stanfield: Je ne savais pas qu'on allai la diminuer progressivement.

M. Horner: Oui, la subvention de pont po l'ouest du Canada. On est en train de la dim nuer progressivement.

M. Stanfield: Je crois que toute augment tion au-dessus de la normale dans les frais

[*exte*]

hurt us more than anybody else because have to get from here to central Canada fore we start to ship. They are already re and shipping from there. If we were re then we would be treated on the same is; they would have the same transporta- n costs. But we have to get that far before start being competitive.

Mr. Nowlan: The ETA-100 in its present m is unsatisfactory according to the last e of your brief. Is it unsatisfactory in the y you have set it out there, or is there—do insurance charges and the density regula- n...

Mr. Stanfield: I think the most unsatisfacto- thing about it is probably the density regu- on, as far as we are concerned.

Mr. Nowlan: Which leads me to part of the stion Mr. Rose was asking. We had a brief night on another product that was very t and bulky and was also caught in this sity problem. From your experience there ld not be another category. You have not lored the possibility or made any resentations to have a special category or ssification to get away from this 10 pounds the cubic foot?

Mr. Stanfield: We have not done it within A-100, but we have made representations category changes within carload and with- classifications that the pool trucks use. It is ery interesting situation that for trucks y were classified as class 55 and for the ways they were classified as class 70. It is ery interesting situation.

Mr. Nowlan: That is very technical. What s that mean?

Mr. Stanfield: They go by classification— numbers mean nothing. As you go down n 100 to zero your rates get lower and as go up they get higher. The trucks have n able to get the regulating board to give m a class 55 for our merchandise whereas railways have not been able to obtain the e thing.

Mr. Nowlan: And for the railways it is 70.

Mr. Stanfield: Yes.

Mr. Nowlan: I see. Are you considering a mmended change in ETA-100?

[*Interprétation*]

transports inévitablement nous fera tort plus qu'à tout autre car il nous faut nous rendre au Canada central avant de pouvoir l'expédier plus loin. Les autres concurrents sont déjà là et expédient de là. Si nous y étions installés, alors nous serions traités de la même manière; ils auraient les mêmes frais de transport. Mais il nous faut nous rendre là avant de pouvoir commencer à être concurrentiels.

M. Nowlan: D'après la dernière page de votre mémoire, le tarif ETA-100 est peu satisfaisant. Est-ce en raison de l'explication que vous avez donnée ou est-ce en raison des frais d'assurance et du règlement sur la densité.

M. Stanfield: Je crois que là c'est le règlement sur la densité qui est le moins satisfaisant, pour autant que nous sommes concernés.

M. Nowlan: Ce qui m'amène à une partie de la question de M. Rose. Nous avons eu un mémoire, hier soir, au sujet d'un autre produit qui était très léger et prenait beaucoup plus de place, et qui avait le même problème au sujet de la densité. D'après votre expérience, il ne pourrait y avoir une autre catégorie. Vous n'avez pas étudié la possibilité ou présenté des instances pour avoir une catégorie ou une classe spéciale afin d'éviter justement cete exigence de 10 livres au pied cube.

M. Stanfield: Nous ne l'avons pas fait pour le tarif ETA-100, mais nous avons présenté des instances pour avoir des changements de catégorie dans les chargements et les classifications qu'emploient les camions en commun. C'est une situation très intéressante que cela ait été classé à 55 pour les camions et à 70 pour les chemins de fer. C'est une situation très intéressante.

M. Nowlan: C'est très technique. Qu'est-ce que cela veut dire?

M. Stanfield: Cela se fait par classification. Les chiffres ne signifient rien. Mais au fur et à mesure que vous baissez de 100 à 0, vos taux baissent, et à mesure que vous montez, vos taux augmentent. Les camions ont pu obtenir de l'Office de réglementation, une catégorie de 55 pour nos marchandises, alors que les chemins de fer n'ont pas pu obtenir la même chose.

M. Nowlan: Et pour les chemins de fer c'est 70.

M. Stanfield: Oui.

M. Nowlan: Je vois. Envisagez-vous de recommander un changement du tarif ETA-100?

[*Text*]

Mr. Stanfield: From our firm point of view I am hoping that we will get pool car service and that would be our answer to it. For the smaller shippers it will be their answer too if they can ship to a central point and take advantage of the pool cars.

Mr. Nowlan: The pool car concept would...

Mr. Stanfield: A pool truck, but I would take the pool car.

Mr. McCleave: One point I would like to have expanded, Mr. Chairman. On page 593, Mr. Stanfield has said:

> Special consideration should be given to raw materials being brought into the Maritimes for manufacture.

First, in dealing with your own industry, Mr. Stanfield, where do these raw materials come from?

Mr. Stanfield: I think that the biggest percentage of raw materials that we deliver are yarns, knitted yarns which come mainly from the province of Quebec—about 80 per cent—and about 20 per cent is from the province of Ontario. Then there is the foreign element in that too.

Mr. McCleave: You asked that special consideration should be given to these. In what way? By subsidies on the payment of this material coming in, or just what?

Mr. Stanfield: I do not know if you could call this a subsidy or not. I think that if raw materials are coming in here for manufacture there should be some set of rates set up that would allow them to come in as reasonably as possible.

This does not necessarily involve subsidy because there is a lot of it, for instance, coming in by truck that could go by rail, or the other way around. I do not think this involves that much subsidy. I think that it would help a lot of manufactuers in this area and help potential manufacturers in this area if their raw materials could come in here as quickly and as efficiently as possible. Some of us have them coming this way and some of us do not.

Mr. McCleave: Is this then the key to industrial growth in Atlantic Canada, in your opinion, Mr. Stanfield?

[*Interpretation*]

M. Stanfield: Du ferme point de vue d notre société, j'espère que nous obtiendron un service de wagons en commun, et ce serai là notre réponse à cela. Ce serait aussi l réponse des petits expéditeurs, s'ils peuven expédier vers un point central du Canada e profiter des wagons en commun.

M. Nowlan: Le principe de wagon e commun ...

M. Stanfield: Un camion en commun, mai je prendrais le train en commun.

M. McCleave: J'ai un point pour lequel j'ai merais un éclaircissement. A la page 593, M Stanfield a dit:

> «On devrait accorder une attention spé ciale aux matériaux bruts qui sont intro duits dans les Maritimes, pour y êtr manufacturés.»

En parlant d'abord de votre propre industri monsieur Stanfield, d'où viennent ces maté riaux bruts?

M. Stanfield: Je crois que le plus gro pourcentage de matériaux bruts que nou délivrons sont des fils, des tricots qui nou viennent surtout du Québec, soit environ 8 p. 100, et peut-être 20 p. 100 de l'Ontario. Il a aussi les matières premières qui nous vien nent de l'étranger.

M. McCleave: Vous avez demandé qu'o leur accorde une attention spéciale. De quell façon? Par des subventions sur les matériau qui arrivent ou comment?

M. Stanfield: Je ne sais pas si vous pouve appeler cela une subvention. Je crois que des matériaux bruts sont introduits ici au fins de fabrication, on devrait établir un série de taux qui leur permettraient d'êtr introduits à un taux aussi raisonnable qu' est possible. Cela n'implique pas nécessaire ment une subvention, car il y a bien de matériaux, par exemple, arrivant par camio qui pourraient venir par chemin de fer, réciproquement.

Ça n'implique pas tellement une subver tion. Mais je crois que cela aiderait beaucou de fabricants et de futurs fabricants de l région, si leurs matériaux bruts pouvaien arriver ici le plus rapidement et le plus eff cacement possible. Certains d'entre nous on cet avantage et d'autres pas.

M. McCleave: Est-ce la clé vers la croi sance économique de la région atlantique, votre avis, monsieur Stanfield?

[*Texte*]

Mr. Stanfield: Just one of the keys. Transportation in general is one of the keys. There are other factors too, but one of your biggest roadblocks if you are dealing in a service industry, which we are as we have to service our retailers, is that you have to service them. If you cannot get it there fast enough and at the right price compared with somebody else you are a dead duck. This is one of the problems that all industries face in this area.

The Chairman: Mr. Stanfield, this is the end of our question period and I would like to thank you very much for your brief.

Our next group will be the Truro Area Industrial Commission. I would call upon Mr. John M. Murphy.

Mr. J. M. Murphy (Secretary, Truro Area Industrial Commission): Mr. Chairman and gentlemen, the brief was prepared a year ago. Other than just a couple of paragraphs or so in it which are a little out of date, the rest of the brief, the theme of it, pretty well stands. It is a short brief in itself and with your permission, Mr. Chairman, I will summarize here two or three of the paragraphs and just give the gist of the brief.

The Chairman: You will find the brief on page 594.

Mr. Murphy: This submission is for and on behalf of The Truro Board of Trade, The Council of the Town of Truro, The Council of the Town of Stewiacke, The Council of the Municipality of Colchester County, The Council of the Municipality of East Hants, and The Truro Area Industrial Commission, whose members take the view that the Atlantic Provinces have very legitimate and important transportation needs for which national policies must be modernized or developed, or both.

These needs are as real and vital to the people of the Atlantic Provinces as were, for example, the aspirations of the citizens of the St. Lawrence Seaway area for construction of the seaway and for maintenance of tolls which are less than compensatory, or the Western grain growers' need for export rates on grain to remain at the 1897 level.

The Atlantic Provinces transportation needs can no more be met by a uniform national transportation policy than either of the above needs could be met by such a policy.

[*Interprétation*]

M. Stanfield: C'est une des clés seulement. Le transport en général est l'une des clés. Il y a d'autres facteurs aussi. Mais si vous traitez dans une industrie de services, ce que nous faisons puisque nous desservons nos détaillants, l'un des obstacles les plus importants que vous rencontrez est qu'il faut absolument desservir le détaillant. S'il est impossible de lui livrer ses produits assez vite et à un prix concurrentiel convenable alors vous perdez tout. C'est le problème qui confronte la majeure partie des industries de la région.

Le président: Voilà la fin de notre période de questions, monsieur Stanfield. Je voudrais vous remercier beaucoup pour votre mémoire.

Le prochain mémoire nous vient de la Commission industrielle de la région de Truro. Je demanderais à M. John M. Murphy de venir à l'avant.

M. J. M. Murphy (secrétaire de la Commission industrielle de la région de Truro): Monsieur le président, messieurs, le mémoire a été préparé il y a un an. A part quelques paragraphes qui s'y trouvent, et qui sont désuets, le reste du mémoire demeure à peu près le même. Le mémoire lui-même est très court, et avec votre permission, monsieur le président, je résumerai deux ou trois paragraphes et je donnerai seulement l'essence du mémoire.

Le président: Vous trouverez le mémoire à la page 594.

M. Murphy: Le mémoire est présenté au nom de la Chambre de Commerce de Truro, le Conseil de la ville de Truro, le Conseil de ville de Stewiacke, le Conseil de la municipalité du comté de Colchester, le Conseil de la municipalité d'East Hants, la Commission industrielle de la région de Truro, dont les membres croient que les provinces de l'Atlantique ont des problèmes légitimes et importants de transport, pour lesquels il faut moderniser ou développer des programmes nationaux ou encore adopter ces deux points de vue.

Ces besoins sont aussi réels et vitaux pour la population des provinces maritimes que l'étaient, par exemple, les aspirations des citoyens de la région de la Voie maritime du Saint-Laurent, en faveur de la construction de cette voie navigable et du maintien des taux de péage qui sont moins que compensatoires et les besoins des producteurs de céréales de l'Ouest qui exigeaient que les taux à l'exportation demeurassent au niveau de 1897.

On ne peut répondre aux besoins de transport des provinces maritimes par l'adoption d'une politique nationale et uniforme de transport, pas plus qu'on ne pouvait répondre

[*Text*]

It is important, therefore, that these less-than-carload rates be reinstated as they were prior to September 5, 1967, at least until a suitable and adequate regional transportation policy has been developed and implemented.

The effect of the new tariff appears to fall most heavily on local manufacturers attempting to supply local markets in competition with manufacturers outside the Atlantic region. Certainly the new rates discourage the development of local industry for local markets, something the Government of Canada tells us we should be doing.

Evidence tends to point to the Atlantic Provinces being asked to bear a greater portion of the railways' increased revenue needs because it appears that the increase in the Atlantic region was greater than elsewhere; that is, our rate was frequently lower prior to September 5, 1967, but is now generally the same as, or higher than elsewhere in Canada.

This not only imposes an unfair burden on the people of the Atlantic Provinces, who are the greatest users per capita of railway non-carload service than any other region of Canada except Saskatchewan, but we do not have an alternative means of transportation such as is the case in Central Canada.

In consideration of the latter, may we suggest that Maritime Freight Rates Act subsidies be extended to the movement of goods by other modes of transport such as highway carriers, this step being deemed most important to assist in the development of a more effective and competitive transportation climate in this part of Canada.

May we suggest your Committee make a review of the terms and conditions under which Nova Scotia entered Confederation, the main consideration of which was that a railway be built linking Nova Scotia with the central provinces.

Coupled with this construction was the promise of a freight rate structure to meet the needs of our commerce. This was given quasi official recognition by the Royal Commission on Maritime Claims (the so-called Duncan Commission of 1926) and it said on page 21 and I quote:

[*Interpretation*]

aux besoins déjà mentionnés par l'adopti d'une politique semblable.

Il est donc important de rétablir ces ta qui s'appliquent aux envois en lots brisés à qu'ils étaient avant le 5 septembre 1967, moins jusqu'à ce qu'on ait trouvé une poli que régionale de transport convenable appropriée et qu'on l'ait mise en vigueur.

Ces nouveaux tarifs frappent plus du ment les manufacturiers locaux qui tentent répondre aux besoins du marché local en sc tenant la concurrence des producteurs deme rant hors de la région de l'Atlantique. C nouveaux tarifs ont tendance à décourag le développement de certaines industries loc les, ce que le gouvernement du Canada aim rait pourtant voir.

Avec preuve à l'appui, nous pouvons di que les provinces maritimes sont appelées combler une plus grande partie des besoi accrus en revenus des chemins de fer, par que l'augmentation des taux a été plus impo tante dans la région de l'Atlantique que n'i porte où ailleurs; ainsi notre taux était gér ralement plus bas jusqu'au 5 septembre 19(mais il est actuellement égal et même sup rieur à celui qui est en vigueur dans l autres régions du Canada.

Cette situation en plus de constituer nouveau fardeau pour les gens des Maritim qui font un plus grand usage des envois lots brisés que toute autre région à l'exclusi de la Saskatchewan, laisse ces gens sa moyen de transport contrairement au Cana central.

En tenant compte de ce fait, pouvons-no proposer que les subsides versés en vertu la Loi sur les taux de transport des marcha dises dans les Maritimes servent égaleme au transport des marchandises par d'autr modes de transport comme le transport ro tier. Une telle mesure contribuerait au dév loppement d'un système de transport pl efficace et plus concurrentiel dans cette régi du Canada.

Pouvons-nous également proposer q votre Comité fasse une revue des ententes des conditions qui ont donné suite à l'entr de la Nouvelle-Écosse dans la Confédératio une des conditions principales de cette enten était la construction d'un chemin de f devant relier la Nouvelle-Écosse aux provi ces centrales.

La construction de cette voie ferrée deva s'accompagner d'une structure tarifaire prop à satisfaire les besoins commerciaux de not région. La Commission royale d'enquête s les revendications des provinces maritimes, Commission Duncan de 1926, a donné u reconnaissance presque officielle à ces dema

[*Texte*]

"The Intercolonial Railway was completed in 1876, and it would appear from the evidence we have received that from then until 1912 the interests of the Maritime Provinces were fairly well safeguarded, the freight rate structure being such as to take into account the requirements of their traffic. The lower level of rates that prevailed on the Intercolonial Railway System prior to 1912 is, in our view, rightly to be interpreted as the fulfillment by successive governments of the policy and *pledges* that surrounded the railway from its inception, whatever impressions may have been created by the form of administration."

nd of quote.

We are not suggesting, gentlemen, that the eight rates in the Atlantic region should be t back to the same structure as prevailed in 912 but we do suggest that they be adjusted the extent that we continue to enjoy the me competitive advantages in the transportion of goods as was promised Nova Scotia the time of Confederation.

In summary, Mr. Chairman and gentlemen, e ask only that the policy and pledges hich surrounded the railway's inception not ow be arbitrarily abrogated as was done ith the institution of the new tariffs on September 5, 1967.

Just as much as the citizens of Central anada depend upon the St. Lawrence Seaay for the development of their economy, e in Nova Scotia depend upon the railway our "Seaway". For our economic survival e must have railway freight rates low ough to maintain our industries in a comtitive position with industries in other parts Canada until such times as an alternative ode of transportation to make this possible provided.

The Chairman: Mr. Thomas.

Mr. Thomas (Moncton): Mr. Chairman and r, possibly you know what we heard from a roup yesterday who tossed out all the ideas nd anything I had ever studied or learned bout the origin of Confederation. Would you gree—your brief seems to indicate—and is it our feeling that we in the Maritime Provnces were not only guaranteed access to the ntral Canadian markets in the original rms of Confederation and the context of roceedings and remarks by statesmen at the

[*Interprétation*]

des quand elle déclare à la page 21 de son rapport, et je cite:

«Le chemin de fer Intercolonial a été terminé en 1876 et il semble, d'après les témoignages que nous avons recueillis, que, jusqu'à 1912, on a sauvegardé de façon satisfaisante les intérêts des provinces maritimes, la structure tarifaire étant établie de façon à tenir compte de leurs besoins. Les taux inférieurs qui étaient en vigueur avant 1912 remplissaient, selon nous, l'engagement pris par les gouvernements successifs relativement à la construction de cette voie ferrée, quelle que soit l'impression qui ait été créée par la forme de l'administration.»

Nous ne prétendons pas, messieurs, que le taux de transport dans la région de l'Atlantique devrait être le même que celui qui prévalait en 1912, mais nous proposons qu'il soit modifié afin de nous permettre de continuer à profiter des avantages de la concurrence qui ont été promis à la Nouvelle-Écosse au moment de la Confédération en ce qui a trait au transport de la marchandise.

En résumé, monsieur le président, messieurs, nous demandons simplement que la politique et les promesses qui ont donné naissance au chemin de fer, pas celles qui existent actuellement, soient arbitrairement abrogées comme on l'a fait avec l'adoption des nouveaux tarifs le 5 septembre 1967.

La Nouvelle-Écosse compte sur son chemin de fer comme les citoyens du Canada central comptent sur la Voie maritime du Saint-Laurent pour l'expansion de leur économie et considère ce chemin de fer comme sa propre «voie maritime». Pour permettre à notre économie de survivre, nous devons bénéficier de taux de transport assez bas pour que nous puissions soutenir la concurrence des industries des autres régions du Canada jusqu'à ce que d'autres moyens de transport qui rendront la chose possible soit mis à notre disposition.

Le président: Monsieur Thomas.

M. Thomas (Moncton): Monsieur le président et monsieur, vous savez peut-être ce que nous a dit hier un groupe qui mettait de côté toutes les idées et tout ce que j'avais étudié ou appris au sujet de l'origine de la Confédération. Êtes-vous d'accord, et votre mémoire semble l'indiquer, et croyez-vous que nous, dans les provinces maritimes, avons reçu non seulement une garantie d'accès aux marchés du Canada central, dans les conditions originales de la Confédération, le contexte des

[*Text*]

time, but also that this is essential to our survival here as an economic entity?

We must be able to compete on the central Canadian markets on equal terms. That was agreed in 1864, I think, at the conference of all delegates.

Whether this be by so-called subsidies or further massive assistance in supplying alternative modes of transportation so that our rates will be competitive is a matter of question, but what would you suggest as aid to the region to enable us to compete successfully?

Mr. Murphy: I think our freight rates, our less-than-carload rates, should be set back exactly as they were to September 5, 1967, until such time as your Committee comes up with some new policy which will provide us with a chance to compete on an equal plane with the rest of Canada.

Mr. Thomas (Moncton): In other words, what would your opinion be then on the present two-year freeze on carload rates which is due to expire on March 23 of this year? How do you feel about that?

Mr. Murphy: We think that should be continued until such time as you people make your deliberations and report.

Mr. Thomas (Moncton): Would your group be prepared to make representations to the government to ask that this freeze be extended?

Mr. Murphy: Definitely.

Mr. Thomas (Moncton): Thank you.

The Chairman: Mr. Horner.

Mr. Horner: I was interested in your remarks with regards to your rights under Confederation, but in the setting of rates do you not believe, and are you not really saying this in your brief, that the Maritimes position has been eroded greatly by the use of the clause in the Maritime Freight Rates Act which suggests that express shipments are exempt from it?

In other words, what I am saying is that it was not the intention in the Maritime Freight Rates Act in 1927 to exempt less-than-carload lots. It was the intention to exempt express packages travelling with a passenger and so

[*Interpretation*]

procédures et les observations des homm d'État de l'époque, mais encore que cela e essentiel pour notre survie comme enti économique?

Nous devons pouvoir faire concurrence s les marchés du Canada central aux mêm conditions. Je crois que cet engagement a é pris en 1864, à la conférence de tous l délégués.

Que ce soit par de supposées subventio ou par une autre aide massive en fournissa d'autres modes de transport afin que nos tau soient concurrentiels, cela peut se discute mais qu'est-ce que vous proposeriez pou nous aider à faire la concurrence avec succè

M. Murphy: Je crois que les taux de tran port de marchandises, nos taux d'envois e lots brisés, devraient être rétablis exactemer à ce qu'ils étaient jusqu'au 5 septembre 196 jusqu'au moment où votre Comité propos une nouvelle politique qui nous assurera l'occasion de pouvoir faire la concurrence s un pied d'égalité avec le reste du Canada.

M. Thomas (Moncton): En d'autres terme qu'est-ce que vous pensez alors du gel d deux ans, à l'heure actuelle, sur les taux d chargement complet, qui doit expirer le 2 mars de cette année? Qu'en pensez-vous?

M. Murphy: Nous estimons que cela devra être continué jusqu'au moment où vous aure fait vos délibérations et votre rapport.

M. Thomas (Moncton): Est-ce que votr groupe sera prêt à présenter des instances a gouvernement pour demander qu'on étende c gel?

M. Murphy: Définitivement.

M. Thomas (Moncton): Merci.

Le président: Monsieur Horner.

M. Horner: J'étais intéressé dans vos obser vations au sujet de vos droits en vertu de l Confédération, mais dans l'établissement de taux, ne croyez-vous pas, et n'est-ce pas pré cisément ce que vous dites dans votr mémoire, que la situation des Maritimes a ét affectée grandement par cette disposition d la Loi sur les taux de transport des marchan dises dans les provinces Maritimes qui sug gère que les expéditions de messageries e soient exemptées?

En d'autres termes, je dis que dans la Lo sur les taux de transport des marchandise dans les provinces maritimes, en 1927, on n'a vait pas l'intention d'exempter les envois e lots brisés. On avait l'intention d'exempter le

Texte]

orth, but not less-than-carload lots. Would ou agree with me on this?

I just wonder if what you are saying in our brief is that under the 1927 Act all eight moving in and out of the Maritime gion or the special region, as it was called, ould move at a reduced rate except—and e Act says, "except passenger movement d express movement."

It is under this clause that the railroads on ptember 5 decided that they could move in d increase the rates drastically on less-an-carload loadings. They consider that as press, whereas it certainly was not the tent of the Act in 1927. Would you not ree with me on that?

Mr. Murphy: I am sorry I cannot agree th you. I would agree with the basic funda-ental part of it that we were guaranteed wn here that we could market our goods up central Canada.

Mr. Horner: Did this include all movements did it include a specific area that was empt from that?

Mr. Murphy: At that time presumably it eant all movements of all products.

Mr. Horner: Of all products, yes. This is in sense what I am saying, that this was the ent at that time. Now it is not being lfilled by the way in which the railroads e getting around it.

Mr. Murphy: These new less-than-carload riffs are just abrogating the whole ndamentals.

Mr. Horner: Yes.

The Chairman: Mr. Pringle.

Mr. Pringle: I just have one small question. am quite interested—and have heard this d I agree and I am not arguing the point or puting it, that there was a guarantee given be able to market the products or produce you say central Canada. I did not know re was a central Canada in 1834. I thought vas probably Upper Canada.

Mr. Murphy: I am sorry, sir, 1864.

[*Interprétation*]

colis des messageries qu'un voyageur transportait, et ainsi de suite, mais non pas les envois en lots brisés. Êtes-vous d'accord avec moi sur ce point?

Je me demande seulement si ce que vous dites dans votre mémoire est, qu'en vertu de la Loi de 1927, tous les mouvements de marchandises entrant et sortant de la région des Maritimes, de la région spéciale, comme on l'a nommée, devraient se faire à un taux réduit, sauf, comme le dit la Loi, «les mouvement des voyageurs et les mouvements des messageries».

C'est en vertu de cette disposition que les chemins de fer, le 5 septembre, ont décidé qu'ils pouvaient justement augmenter les tarifs rigoureusement pour les chargements de moins d'une wagonnée. Ils estiment cela comme étant des messageries, alors que ce n'était certainement pas l'objet de la Loi en 1927. N'êtes-vous pas d'accord avec moi à ce sujet?

M. Murphy: Je regrette, je ne peux être de votre avis. Je serais d'accord avec la partie fondamentale de la Loi à l'effet qu'on nous avait garanti que nous pourrions envoyer nos produits sur les marchés du Canada central.

M. Horner: Est-ce que cela comprenait tous les mouvements ou est-ce que cela incluait une région précise qui était exemptée de cela?

M. Murphy: A ce moment-là, probablement, cela voulait dire les mouvements de tous les produits.

M. Horner: Oui, de tous les produits. C'est dans un sens ce que je dis, que c'était l'objet à ce moment-là. Et à l'heure actuelle, on ne fait pas cela, de la façon dont les chemins de fer procèdent.

M. Murphy: Ces nouveaux tarifs pour les envois en lots brisés abrogent tout simplement tout le concept fondamental.

M. Horner: Oui.

Le président: Monsieur Pringle.

M. Pringle: J'aurais juste une petite question à poser. Je suis très intéressé, j'ai entendu dire cela et je suis d'accord, et je ne veux pas mettre le point en doute ou en discuter, qu'il y a eu une garantie de donnée pour permettre d'acheminer les produits vers le Canada central ou de les y fabriquer. Je ne savais pas qu'il existait un Canada central en 1824. Je croyais qu'il s'agissait du Haut-Canada.

M. Murphy: Je regrette, monsieur, 1864.

[*Text*]

Mr. Pringle: Eighteen sixty-four, pardon me. First of all, have you in effect ever received what you expected or what you deemed to be the fulfillment of this promise over the years? From the very day it was given?

Mr. Murphy: I wonder if I may refer again to a section of the brief. I omitted a paragraph there. This is the position that was taken by the Nova Scotia delegation in discussions bearing on Confederation at the time of the Duncan Royal Commission.

> "An Intercolonial Railway would give the means of communication at present wanting. It would open to Canada an Atlantic seaboard on British soil, from which she is now cut off; and it would offer to the Lower Provinces *a ready access to the vast field of enterprise and progress occupied by their fellow subjects in the interior*. It would prove a benefit of incalculable value, should it be the precursor of, as it is an absolute necessity towards, a legislative union of Her Majesty's North Atlantic Provinces—*a measure essential to the full development of the power which their situation and character are calculated to confer* and without which they can never attain the high position to which their united energies and advantages would lead them."

Mr. Pringle: I do not know whether I can interpret the answer to the question from that remark, but it says "ready access". I heard that in there. Have you not always had access? I am just really interested because it seems to me that we keep getting back to this promise, this right of access, or right of marketing as a result of an agreement or a deal made at a time prior to Confederation. Is there a possibility that this has inhibited the people of the area with regard to expanding and developing and industrializing this area? Because as I understand it we still are deemed to be a designated area, to a degree a distressed area, in the Maritimes.

When the original arrangement was made there must have been, I would think, an arrangement made regarding this right of access or this ready access. Do you feel it was ever fulfilled, or from the outset did it just never happen?

Mr. Murphy: I suppose there was a certain degree of fulfillment, and the degree of

[*Interpretation*]

M. Pringle: 1864, en effet. Tout d'abor avez-vous reçu de fait, ce que vous vo attendiez de recevoir ou ce que vous jugi être la tenue de cette promesse au cours d années, à partir du moment de l'engageme même?

M. Murphy: Est-ce que je pourrais maint nant référer à une partie du mémoire. J' omis un paragraphe de mon mémoire. Voici position prise par la délégation de la Nouve le-Écosse lors des discussions portant sur Confédération, à l'époque de la Commissi royale d'enquête Duncan:

> «Un chemin de fer Intercolonial répo drait aux besoins actuels de communic tion. Il ouvrirait au Canada une porte s littoral dont il est détaché actuellement il offrirait aux basses provinces accès a vaste domaine de l'entreprise et du pr grès déjà occupé par leurs amis à l'int rieur des terres. Il serait d'une vale incalculable pour permettre l'union légi lative des provinces de l'Atlantique no de sa Majesté, il est d'une absolue néce sité pour atteindre à cette fin, et cet mesure est essentielle pour réaliser plein développement de la puissance q leur position et leur caractère sont des nées à leur conférer et sans lequel ell n'atteindront jamais à la haute situati vers laquelle leurs énergies combinées leurs avantages les conduiraient».

M. Pringle: Je ne sais pas si je puis inte préter la réponse à la question d'après cet observation, mais vous avez parlé d'«accè facile. Je l'ai entendu. N'avez-vous pas to jours eu accès? Je suis vraiment intéres parce qu'il me semble que nous revenons to jours à cette promesse, ce droit d'accès droit de commercialisation, à la suite d'u accord ou d'un marché conclu à un mome antérieur à la Confédération. Est-ce qu'il y une possibilité que cela ait nui aux gens de région en ce qui a trait à l'expansion, développement, à l'industrialisation de région? Car, si j'ai bien compris, on considè toujours qu'il s'agit d'une région désignée, jusqu'à un certain point, une région détresse, dans les Maritimes.

Quand on a formulé l'accord original, j'im gine qu'on a dû tenir compte de ce dr d'accès ou de cet accès facile. Croyez-vo qu'on a déjà donné suite à cet engagement croyez-vous que dès le début cela ne s'e jamais produit?

M. Murphy: J'imagine que dans une ce taine mesure on l'a rempli, et cette mesure

[*Texte*]

fulfillment is borne out by discussions at the ime of the Duncan Royal Commission.

The serious part of it today is that we in he Maritimes without less-than-carload new ariffs, the fundamental deal was back at Confederation that we could market our goods n central Canada, but today you cannot. You an barely manufacture in Nova Scotia and narket in Nova Scotia in competition with Ontario.

Mr. Pringle: Thank you.

The Chairman: Mr. Thomas.

Mr. Thomas (Moncton): Just a short supplementary here. Sir, is it not fair to state that up until 1927 these promises had been fairly well carried out?

We had the old Duncan Royal Commission and the freight rates set, but the whole thing we are trying to get at in these two weeks is the fact that since 1927 the position has been steadily eroded by these horizontal freight increases right across the country. They have destroyed our position, they have eroded our position from what it was 40 years ago.

The Chairman: A last question by Mr. McCleave.

Mr. McCleave: I wonder, Mr. Chairman, if Mr. Murphy can comment on the point made by the previous witness, Mr. Stanfield, about the raw materials. Mr. Murphy and his Commission have had success in attracting industry to Truro, but is there a possibility—I will just ask for a comment on Mr. Stanfield's point that special consideration should be given to raw materials being brought into the Maritimes for manufacture.

Mr. Murphy: I am sorry, Mr. Chairman, I cannot answer that. It is unfortunate that I had Mr. McLeod of Crossley Karastan Carpets Ltd. here as part of the delegation and that he had to leave. He perhaps could have answered that quite fully.

The Chairman: Mr. Nowlan.

Mr. Nowlan: This brief is by the Truro Area Industrial Commission and, Mr. Chairman, I would like to ask this witness if Truro is looking with anticipation or expectation, or some other type of station—hesitation—if Truro is going to be a growth area within the concept of this new act when you have Truro related to Halifax.

[*Interprétation*]

été prouvée par les discussions qui ont eu lieu au moment de la Commission royale d'enquête Duncan.

Ce qu'il y a de grave aujourd'hui, c'est que nous, dans les Maritimes, sans les nouveaux tarifs pour envois en lots brisés, l'entente fondamentale remonte à la Confédération, à l'effet qu'on devait pouvoir envoyer nos produits vers le Canada central, mais aujourd'hui on ne peut même pas le faire. On peut à peine fabriquer et vendre en Nouvelle-Écosse en concurrence avec l'Ontario.

M. Pringle: Merci.

Le président: Monsieur Thomas.

M. Thomas (Moncton): Une brève question complémentaire monsieur, n'est-il pas juste de dire que jusqu'en 1927, ces promesses avaient été assez bien remplies.

Nous avions les tarifs établis par l'ancienne Commission royale d'enquête Duncan, mais ce à quoi nous voulons en venir, au cours de ces deux semaines, c'est que depuis 1927, la position a été régulièrement affectée à la suite de ces augmentations horizontales du transport des marchandises dans tout le pays qui ont détruit notre position comparativement à ce qu'elle était il y a 40 ans.

Le président: Une dernière question posée par M. McCleave.

M. McCleave: Monsieur le président, M. Murphy peut-il faire des observations sur le commentaire du témoin précédent, M. Stanfield, au sujet des matières premières? M. Murphy et sa Commission ont réussi à attirer des industries à Truro, est-ce qu'il y a possibilité, enfin je demande simplement un commentaire sur le point de vue énoncé par M. Stanfield, qu'une attention particulière soit accordée aux matières premières qui sont introduites dans les Maritimes aux fins de fabrication?

M. Murphy: Je m'excuse, monsieur le président, je ne saurais répondre à cette question. Il est malheureux que M. McLeod, de Crossley Karastan Carpet Ltd. ne soit pas ici en ce moment. Il a dû quitter la salle. Il pourrait répondre à votre question.

Le président: Monsieur Nowlan.

M. Nowlan: Ce mémoire est présenté par la Commission industrielle de la région de Truro, et, monsieur le président, voici, je voudrais demander au témoin si Truro envisage avec un certain sentiment d'espoir, ou avec stoïcisme, de devenir une région de croissance suivant le concept de cette nouvelle loi, si vous reliez Truro à Halifax.

[*Text*]

This is not too related to the brief, but has your Commission had time to even think about Truro? Truro has been a fairly active growth area itself as far as western Nova Scotia is concerned, but now with the new concept and if there is going to be one in the province, I just wonder if your Industrial Commission feels it should go out of business.

Mr. Murphy: No, as far as we are concerned as members of the Industrial Commission, Truro is going to be a growth area. We do not care what the government says.

The Chairman: I will call upon the Maritime Cans Limited. The Polymer International (N.S.) Limited. St. Peters Board of Trade. Shelburne District Board of Trade. They have left?

Gentlemen, this is the end of our agenda for this morning. I would like to ask all the members to get their luggage ready at noon, but leaving it in your rooms.

I understand that the luggage will be picked up in your rooms at the hotel and taken by truck to the airport. So please have it ready in your own rooms. Yes, Mr. Nesbitt?

Mr. Nesbitt: Mr. Chairman, in view of the fact that we have a relatively small number of briefs in any event this afternoon, perhaps you might extend the time to 2.30 p.m. in view of the fact that there are two hotels to get to and that bags have to be packed.

The Chairman: Mr. Nesbitt, we still have eight briefs this afternoon.

Mr. Nesbitt: Are they all here, though?

The Chairman: As you know our agenda is to leave the hotel at six o'clock by bus. So I think we will adjourn until two o'clock this afternoon.

AFTERNOON SITTING

The Chairman: Good afternoon ladies and gentlemen. Our first brief this afternoon is from the Maritime Lumber Bureau. It will be presented by Mr. Bragg. I will now call upon him to give us a resumé of his brief.

Mr. C. E. Bragg (Past Chairman, Transportation Committee, Maritime Lumber Bureau): Mr. Chairman and gentlemen of the Committee, I really only want to make two main points in our brief and I believe you all have copies of the brief before you.

[*Interpretation*]

Ce n'est pas tellement rattaché disons votre mémoire, mais est-ce que votre Commission a eu le temps même de songer à Truro? Truro a été un centre de croissance assez actif pour ce qui est de l'ouest de la Nouvelle Écosse mais avec le nouveau concept d'un pa province, est-ce que votre Comission industrielle est d'avis qu'elle devrait s démembrer?

M. Murphy: Non, en ce qui concerne le membres de notre Commission, peu import ce que dit le gouvernement, Truro sera un région de croissance.

Le président: Maintenant, je cède la parol aux représentants de *Maritime Cans Limited* Le *Polymer Internat onal (N.S.) Limited, S Peter's Board of Trade*, le *Board of Trade* d district de Shelburne. Ils ont quitté la salle.

Alors, messieurs, voici la fin de la rubriqu prévue ce matin. Je demanderais à tous le membres de préparer leurs bagages à mid mais laissez-les dans vos chambres.

Nous avons prévu que vos bagages seron cueillis dans vos chambres à l'hôtel, et seron transportés par camion à l'aérogare. Veuille les préparer, mais laissez-les dans vos cham bres. Oui, monsieur Nesbitt?

M. Nesbitt: Vu que nous avons un pet nombre de mémoires à entendre cet après midi, peut-être que nous pourrions prolonge la période à 2 h 30, vu que nous devons nou rendre à deux hôtels et que nous devons fair les bagages.

Le président: Monsieur Nesbitt, nous avon huit mémoires à entendre.

M. Nesbitt: Mais on ne sait pas s'ils son tous là.

Le président: Notre ordre du jour prévo que nous quitterons l'hôtel à six heures pa autobus. Donc, nous levons la séance jusqu deux heures cet après-midi.

SÉANCE DE L'APRÈ-MIDI

Le président: Bon après-midi, mesdames messieurs. Notre premier mémoire, cet après midi, sera celui de la *Maritime Lumbe Bureau*. Il sera présenté par M. Bragg.

Je lui demanderais donc de nous résume son mémoire.

M. C. E. Bragg (Ancien président, comi des transports, Maritime Lumber Bureau Monsieur le président, messieurs les membr du Comité, je crois que je voudrais tout sim plement insister sur deux points de not mémoire. Je crois que vous avez tous mémoire devant vous.

[*Texte*]

I would like to go back to December of 1966 and the early part of 1967. At this time the Department of Transport brought in this rate freeze on certain commodities from the Maritimes. At that time it came to our attention that lumber was not included and on behalf of the Maritime Lumber Bureau I called the Minister of Transport's office and spoke to the Minister about this matter. He agreed that leaving out lumber was merely an oversight and that it would be included, and this was done at a later date. This Act was passed and proclaimed on March 23, 1967, and the effective date was March 23, 1967. The expiry date of this freeze was March 23, 1969. The freeze on lumber rates was not allowed by the transportation company. They took the attitude that lumber was not shipped on commodity rates but was shipped under competitive rates.

Our contention is merely that this action was contrary to the intent of Parliament because the inclusion of lumber was passed in the House without any opposition. The only opposition recorded in *Hansard* was some very brief opposition to the manner in which this was introduced but there was no opposition to the inclusion of lumber. We contend that disallowing the freeze on lumber is contrary to the intent of Parliament. We would also like to ask for the extension of this freeze until legislation is provided to take care of this matter.

The second point I would like to make is that we in the lumber industry would like to ask for the extension of the subsidy to all other modes of transportation as well as to rail transportation, and more particularly to truck transportation, in which case I believe we would then have truly competitive rates. We also ask that this subsidy be paid to either the carrier, the shipper or to the receiver so that the benefit of this will really be a benefit to the ultimate user of the product. Thank you very much, Mr. Chairman.

The Chairman: Mr. Corbin?

Mr. Corbin: I have a very brief question, Mr. Chairman. You say that the Maritime Lumber Bureau is a non-profit organization, and so on, but does it comprise industry from every area of the Maritimes?

Mr. Bragg: It is chiefly from Nova Scotia and New Brunswick. There is very little shipment of lumber, if any, from the Province of

[*Interprétation*]

Je remonterais à décembre 1966 et au début de 1967, au moment où le ministère des Transports a imposé le gel sur les tarifs marchandises des Maritimes. A ce moment-là, on nous a dit que le bois de sciage n'était pas inclus, et, au nom de *Maritime Lumber Bureau,* je me suis mis en communication avec le cabinet du ministre des Transports, et j'ai parlé au ministre lui-même à ce sujet. Il était d'accord que si on n'avait pas inclus le bois de sciage, c'était tout simplement un oubli et qu'on l'inclurait. Ce qui a été fait d'ailleurs un peu plus tard. La loi a été sanctionnée le 23 mars 1967, et la date de mise en vigueur a été le 23 mars 1967. Le gel devait expirer le 23 mars 1969. Le gel des tarifs du bois de sciage n'a pas été accepté par les compagnies de transport. Elles ont pris l'attitude que le bois le sciage n'était pas transporté en raison des tarifs des marchandises, mais plutôt aux taux concurrentiels.

Ce que nous prétendons, c'est que cette mesure était contraire à l'intention du Parlement, car l'inclusion du bois de sciage avait été prévue par la Chambre des communes, sans opposition. La seule opposition qu'on trouve dans le *Hansard* c'est une opposition très brève au sujet de la façon dont on a présenté la chose, mais il n'y avait pas d'opposition au fait que l'on inclue le bois de sciage. Nous prétendons donc que ce gel est contraire aux intentions du Parlement. Nous voudrions aussi demander l'extension de ce gel jusqu'à ce qu'une mesure législative soit prévue pour y remédier.

Le deuxième point que je voudrais soulever ici à ce sujet, c'est que dans l'industrie du bois de sciage, nous aimerions demander l'extension de la subvention à tous les autres modes de transport, et que cela s'applique non seulement aux chemins de fer, et plus particulièrement au transport par camions; dans ce cas, je crois que nous aurions vraiment des taux concurrentiels. Nous demandons aussi que cette subvention soit payée soit au transporteur, soit à l'expéditeur, soit au destinataire, afin que l'usager puisse vraiment en profiter, étant donné que c'est lui qui prend le produit. Merci beaucoup, monsieur le président.

Le président: Monsieur Corbin?

M. Corbin: Une question très brève, monsieur le président. Vous dites que la *Maritime Lumber Bureau* est une organisation sans but lucratif; mais est-ce que cela comprend des industries de toutes les régions des Maritimes?

M. Bragg: Principalement de la Nouvelle-Écosse et du Nouveau-Brunswick. Il y a très peu d'expéditions de bois de sciage, s'il y en a,

[*Text*]

Prince Edward Island and it does not include Newfoundland. There is shipment of lumber to the Province of Newfoundland from both Nova Scotia and New Brunswick. The same applies to Prince Edward Island.

Mr. Corbin: But do a majority of the sawmill operators belong to your organization?

Mr. Bragg: Yes, sir, they do.

Mr. Corbin: Thank you.

The Chairman: Are there any other questions, gentlemen?

Mr. Bragg: Mr. Chairman, if you would like to refer to the bottom of page 5, I think you will see that it sets out my first point. Also, the second paragraph at the bottom of page 8 relates to my second point.

The Chairman: Thank you very much.

I will now call upon the Simpsons-Sears Limited of Halifax to present the next brief. We have before us Mr. R. Mossman, Assistant to the Operating Superintendent and Mr. C. A. MacDonald, Traffic and Customs Manager. I will ask Mr. Mossman to summarize his brief.

Mr. Mossman: Thank you, sir. On behalf of Simpsons-Sears Limited in the Atlantic Provinces we wish to thank the Standing Committee on Transport and Communications for this opportunity to appear before them to outline our brief which was mailed in its complete form to the Committee in February of 1968.

In the fifty years of serving our customers in the Atlantic Provinces we have developed to the point where we expend in excess of $2½ million on the transportation of merchandise into and within the Atlantic Provinces each year. The point of our submission is that of necessity this cost must be passed on to the consumer, decreasing his buying power. We have attempted to prove that the increase is unnaturally high as it applies to the Atlantic Provinces—higher, in fact, than in the rest of Canada—making disproportionate the burden placed upon the consumer here. We have tried, and continued to try, all means possible to alleviate the burden of the cost of distributing our merchandise which our customers must eventually bear.

[*Interpretation*]

à partir de l'Île du Prince-Édouard, et cela n comprend pas Terre-Neuve. Il y a des expédi tions de bois de sciage vers Terre-Neuve, partir de la Nouvelle-Écosse et du Nouveau Brunswick. Il en est de même pou l'Île du Prince-Édouard.

M. Corbin: Mais, est-ce que la majorité de employés des scieries font partie de votr organisation?

M. Bragg: Oui, monsieur.

M. Corbin: Merci.

Le président: Y a-t-il d'autres questions messieurs?

M. Bragg: Monsieur le président, si vou voulez vous reporter au bas de la page 5, j crois que vous verrez qu'on y expose le pre mier point que j'avais soulevé. Ensuite, a bas de la page 8, au deuxième paragraphe vous trouverez mon deuxième point.

Le président: Je vous remercie beaucoup.

Maintenant, je vais demander à *Simpsons Sears Limited* d'Halifax de présenter le pro chain mémoire.

J'ai ici devant moi, MM. R. Mossman adjoint au surintendant de l'exploitation, e C. A. MacDonald, directeur du trafic et d service de la clientèle.

Je vais donc demander à M. Mossman d résumer son mémoire.

M. Mossman: Merci, monsieur. Au nom d *Simpsons-Sears Limited,* des provinces d l'Atlantique, nous voulons remercier l Comité permanent des transports et des com munications de nous donner l'occasion d comparaître devant lui pour résumer l mémoire qui a été envoyé au Comité en fé vrier 1968.

Depuis 50 ans que nous desservons notr clientèle des provinces de l'Atlantique, nou avons réussi à nous développer au point d dépenser plus de $2,500,000 par an pour l transport des marchandises dans les province de l'Atlantique. Le point de notre mémoire c'est qu'essentiellement, ces frais doivent êtr passés aux consommateurs dont le pouvoi d'achat est ainsi réduit. Nous avons essayé d prouver que l'augmentation, pour ce qui es des provinces de l'Atlantique, est beaucou plus élevée que dans le reste du Canada, c qui veut dire que le fardeau imposé aux con sommateurs, ici, est disproportionné. Nou avons toujours essayé, par tous les moyen possibles, d'alléger le fardeau du coût de l distribution de notre marchandise, que l client doit éventuellement assumer.

Texte]

We work closely with the railways to find reas where their costs can be reduced ecause of the volume and handling, and onsequently we can be relieved from the full pplication of tariff rates. Such negotiations ust of necessity be done on a national basis nd the benefits therefrom apply nationally, hich minimizes their effect in the Atlantic rovinces.

Because truly competitive means of transrtation are not fully available in the Atlanc region we are powerless to improve our lationship to the rest of Canada. The only liable means of local arbitration of rates is take the traffic from the railways, and this quires a satisfactory alternative which is ot freely available in sufficient areas in the tlantic Provinces. The examples attached to ur brief specifically indicate the effect of the pplication of the ETA tariff 100 rates to the stribution of our merchandise.

The Chairman: Thank you very much. Mr. errault?

Mr. Perrault: Mr. Chairman, is it the ggestion here that transport subsidies be tended to trucking as well?

Mr. Mossman: I would agree, yes.

Mr. Perrault: We had a submission this orning from one Nova Scotia company, I ink it was Stanfield's Limited, that this was t a good idea, it would not be beneficial, d this is the reason I asked the question.

Mr. Mossman: I consider that this would pend upon the distribution pattern that is tablished between companies.

Mr. Perrault: Yes. Let me ask you this estion. Have high transport costs in the aritimes influenced you to purchase more of ur products from Maritime industries? For ample, does Simpsons-Sears purchase stoves anufactured in New Brunswick by Enterise and Fawcett, and other lines of that nd?

Mr. Mossman: If you are speaking of these ecific manufacturers, no. Generally we buy thin the Atlantic Provinces those products at we can obtain in sufficient quantities.

[*Interprétation*]

Nous avons travaillé en étroite collaboration avec les chemins de fer pour essayer de trouver un moyen de réduire leurs frais, en raison du volume et de la manutention, et par conséquent, nous pourrions alors éviter le plein tarif des marchandises. Ces négociations doivent nécessairement se faire sur une base nationale, et les avantages s'appliqueraient par conséquent sur le plan national, ce qui minimiserait les effets dans les provinces de l'Atlantique.

Car des moyens de transport vraiment concurrentiels ne sont vraiment pas disponibles dans la région de l'Atlantique, et par conséquent, nous sommes incapables d'améliorer nos relations avec le reste du Canada. Le seul moyen sûr d'arbitrer ces taux dans la région serait de les enlever aux chemins de fer, et cela exige un choix satisfaisant qui n'est pas vraiment possible dans un assez grand nombre de régions des provinces de l'Atlantique. Nous insistons dans notre mémoire sur les effets du tarif 100 de l'Association des messageries sur la distribution de nos marchandises.

Le président: Merci beaucoup. Monsieur Perrault?

M. Perrault: Monsieur le président, est-ce qu'on suggère ici que les subventions au transport soient étendues au camionnage en même temps?

M. Mossman: Oui, je serais d'accord pour cela.

M. Perrault: Dans son mémoire, une des compagnies de la Nouvelle-Écosse, je crois qu'il s'agit de la *Stanfield's Limited*, nous a dit ce matin que ce ne serait pas à l'avantage des sociétés. C'est la raison pour laquelle je pose la question.

M. Mossman: Je crois que tout dépendrait du système de distribution établi entre les compagnies.

M. Perrault: Oui. Permettez-moi de vous poser cette question: est-ce que les frais élevés de transport dans les Maritimes vous ont poussé à acheter plus de produits aux industries situées dans les Maritimes? Par exemple, est-ce que *Simpsons-Sears* achète des cuisinières fabriquées au Nouveau-Brunswick par *Enterprise* et *Fawcett*, et autres compagnies du genre?

M. Mossman: Si vous parlez de ces marques de commerce précises, non. Généralement, nous essayons d'acheter au sein des provinces de l'Atlantique les produits que nous pouvons trouver en quantité suffisante.

[*Text*]

Mr. Perrault: What kinds of products would those be?

Mr. Mossman: Upholstered furniture, mattresses...

Mr. Perrault: You buy in the Maritimes when you are able to do so.

Mr. Mossman: When they can be supplied in sufficient quantities.

Mr. Perrault: Thank you, Mr. Chairman.

Mr. Chairman: Any other question, gentlemen? Mr. Portelance?

Mr. Portelance: Does Simpsons-Sears not also use the Torman car from Toronto or Montreal?

Mr. Mossman: From Toronto and Montreal to Halifax, yes, sir.

Mr. Portelance: This must help you in reducing...

Mr. Mossman: Definitely.

Mr. Portelance: Do you work it the same way back to Montreal?

Mr. Mossman: There is no service going back.

Mr. Portelance: Thank you.

The Chairman: Mr. Corbin?

Mr. Corbin: Is the warehouse in Saint John one way you have of fighting high freight rates within the Maritimes?

Mr. Mossman: The warehouse in Saint John is representative on the warehouses that we have distributed around the Atlantic Provinces to assist us in the distribution pattern, yes, so that we can move in bulk. The warehouse in Moncton was specifically set up to eliminate the problem of distribution of white goods, which is refrigerators, ranges, washers, and that sort of thing, to a central point in bulk so that they can be distributed more economically.

Mr. Corbin: And you consider Moncton to be sort of the hub of the Maritimes.

Mr. Mossman: Yes.

Mr. Corbin: Thank you, sir.

The Chairman: Mr. McGrath?

Mr. McGrath: I just have one question, Mr. Chairman. You refer to transportation costs and you calculate them to be about 25 per cent in the Atlantic Provinces. Is this re-

[*Interpretation*]

M. Perrault: Quel genre de produits?

M. Mossman: Les meubles rembourrés, l matelas...

M. Perrault: Vous achetez autant que pos ble dans les Maritimes?

M. Mossman: Autant que possible, lo qu'on n'utilise pas aussi les wagons de la co

M. Perrault: Merci, monsieur le président.

Le président: D'autres questions, me sieurs? Monsieur Portelance?

M. Portelance: Chez Simpsons-Sears, est qu'on n'utilise pas aussi les wagons de la co pagnie Tormon de Montréal ou de Toronto?

M. Mossman: De Toronto et Montréal Halifax, oui, monsieur.

M. Portelance: Cela doit vous aider réduire...

M. Mossman: En effet.

M. Portelance: Est-ce que vous n'emplo pas les mêmes moyens de transport pour retour à Monréal?

M. Mossman: Cela n'existe pas pour retour.

M. Portelance: Merci.

Le président: Monsieur Corbin?

M. Corbin: Est-ce que l'entrepôt situé Saint-Jean est un moyen de combattre taux élevés de transport dans les Maritimes?

M. Mossman: L'entrepôt de Saint-Jean représentatif des entrepôts que nous avo partout dans les provinces Maritimes po nous aider à effectuer la distribution en gr L'entrepôt de Moncton a été établi préci ment pour éliminer le problème de la dist bution des produits tels que les réfrigér teurs, les cuisinières, les machines à lav etc., vers un point central, afin de le fa d'une façon plus économique.

M. Corbin: Et vous considérez que Monct est en quelque sorte le centre des Maritim

M. Mossman: Oui.

M. Corbin: Merci, monsieur.

Le président: Monsieur McGrath?

M. McGrath: Une seule question, monsie le président. On a parlé des frais de transp et vous les calculez à environ 25 p. 100 d les provinces de l'Atlantique. Est-ce que c

Texte]

ected in your retail prices when compared ith similar stores in Central Canada?

Mr. Mossman: The pricing is substantially igher in the Atlantic Provinces.

The Chairman: Mr. Trudel?

Mr. Trudel: Do you use road transportation xclusively in the Maritimes or do you use il?

Mr. Mossman: We use both.

Mr. Trudel: Both. Would you give us the rcentage?

Mr. Mossman: Within Nova Scotia I would ink truck transport would account for about per cent of the volume. Outside Nova otia it would be almost entirely rail.

Mr. Trudel: Do your own trucks in the aritime Provinces do some of this delivery?

Mr. Mossman: No. We have used them of cessity on occasion during a rail strike, and s sort of thing.

Mr. Trudel: You mentioned, I believe, if I ard you correctly, that your transport cost tor is 25 per cent. How would this compare th similar areas, possibly, in Western nada? Are you able to give us a percentage mparison?

Mr. Mossman: I think there is probably a ference in the range of 7 to 9 per cent.

Mr. Trudel: This would be what, ntral...

Mr. Mossman: Central and Western, right the coast.

Mr. Trudel: Thank you, Mr. Chairman.

Mr. Perrault: A supplementary, Mr. airman.

The Chairman: Mr. Perrault?

Mr. Perrault: How do you bring goods in m the United States? Are they brought in ough Central Canada?

Mr. Mossman: No.

Mr. Perrault: You bring them up through w England.

Mr. Mossman: Basically by truck transport.

[*Interprétation*]

se reflète dans vos prix de détail lorsqu'on les compare à ceux des magasins semblables dans le centre du Canada?

M. Mossman: Les prix de vente sont substantiellement plus élevés dans les provinces de l'Atlantique.

Le président: Monsieur Trudel?

M. Trudel: Est-ce que vous employez le transport routier exclusivement, dans les Maritimes, ou employez-vous les chemins de fer?

M. Mossman: Les deux.

M. Trudel: Les deux. Pourriez-vous nous donner le pourcentage?

M. Mossman: En Nouvelle-Écosse, pour ce qui est des camions, je dirais environ 20 p. 10 du volume. A l'extérieur de la Nouvelle-Écosse, ce serait pratiquement tout par chemins de fer.

M. Trudel: Vos propres camions, dans les provinces Maritimes, font-ils la livraison?

M. Mossman: Non. De temps à autre, nous avons employé des camions, au cours de la grève des chemins de fer, par exemple.

M. Trudel: Vous avez mentionné, je crois, si j'ai bien compris, que vos frais de transport seraient de l'ordre de 25 p. 100. Comment cela se compare-t-il avec les autres régions du Canada, par exemple l'Ouest du Canada? Pouvez-vous nous donner une idée de la comparaison en pourcentage?

M. Mossman: Je dirais qu'il y a peut-être une gamme de 7 à 9 p. 100 de différence.

M. Trudel: Ce serait dans le centre ..

M. Mossman: Dans le centre et dans l'Ouest, jusqu'à la côte.

M. Trudel: Merci, monsieur le président.

M. Perrault: Une question supplémentaire, monsieur le président.

Le président: Monsieur Perrault?

M. Perrault: Comment importez-vous les produits à partir des États-Unis? Est-ce qu'ils passent par le centre du Canada?

M. Mossman: Non.

M. Perrault: Par la Nouvelle-Angleterre?

M. Mossman: Tout particulièrement par camions.

[*Text*]

Mr. Perrault: What percentage of the goods provided by Simpsons-Sears would originate in the United States?

Mr. Mossman: I would think about 35 per cent.

Mr. Perrault: Thank you.

Mr. Pringle: I have a supplementary. You mentioned 25 per cent. Is that entirely transportation costs or are any distribution costs included in that?

Mr. Mossman: Distribution costs.

Mr. Pringle: What proportion of the distribution costs would the freight be?

Mr. Mossman: I do not know but I would think that the distribution aspect of it would really be very minimal. The major portion of it would be transportation.

Mr. Pringle: Thank you.

The Chairman: Mr. Carter?

Mr. Carter: I wonder if the witness could tell the Committee how the wages paid in Newfoundland and the other Maritime Provinces compare with wages in Central Canada, Ontario. .

Mr. Mossman: By our company?

Mr. Carter: Yes.

Mr. Mossman: They are substantially lower in areas that we control from Halifax than from Vancouver, for instance, which is on a higher level than we are. It is probably nearly comparable with the Prairie Provinces and just slightly lower than Toronto.

Mr. Carter: Would this not be reflected in the final cost of the goods? A moment ago you mentioned that a full 25 per cent of your costs, I believe, was freight. Did you not say that?

Mr. Mossman: No, no.

Mr. Carter: Added to your cost is this 25 per cent freight charge. Would not the fact you are paying lower wages in places like Newfoundland and the other Maritimes offset part of your freight costs and reduce this 25 per cent somewhat?

Mr. Mossman: We have two areas here. In Newfoundland, for example, we have autonomous stores that control their own wages.

[*Interpretation*]

M. Perrault: Quel pourcentage des ma chandises de Simpsons-Sears vient d États-Unis?

M. Mossman: Environ 35 p. 100.

M. Perrault: Merci.

M. Pringle: Une question supplémentair Vous avez mentionné des frais de transpo de 25 p. 100. Est-ce seulement pour le tran port, ou y a-t-il des frais de distribution auss

M. Mossman: Des frais de distributi aussi.

M. Pringle: Quel serait le pourcentage d frais de distribution attribuable au fret?

M. Mossman: Je ne sais pas, mais j'ai l'i pression que les frais de distribution seraie très minimes effectivement. La plus gran partie serait les frais de transport.

M. Pringle: Merci.

Le président: Monsieur Carter?

M. Carter: Je me demande si le témo pourrait dire au Comité si les salaires q sont payés à Terre-Neuve et dans les aut provinces des Maritimes se comparent a salaires versés dans le centre du Canada, Ontario. . .

M. Mossman: Par notre compagnie?

M. Carter: Oui.

M. Mossman: En fait, ils sont beauco moins élevés dans les régions que nous c trôlons d'Halifax que, par exemple, de Va couver, qui est à un niveau supérieur nôtre. Ils sont probablement comparab d'assez près à ceux des provinces des Prair et juste un peu moins élevés qu'à Toronto.

M. Carter: Est-ce que cela se reflèter dans le coût final des produits? Il y a moment, vous avez mentionné qu'il y a 25 100 de vos frais qui sont représentés par marchandises, n'est-ce pas?

M. Mossman: Non.

M. Carter: Ajoutés à vos frais, ces 25 p. représentent les tarifs marchandises? Le de payer des salaires moins élevés dans endroits comme Terre-Neuve et les provin Maritimes ne compense-t-il pas pour une p tie de vos frais de transport en réduis ainsi quelque peu ces 25 p. 100.

M. Mossman: Il y a deux régions. A Ter Neuve, par exemple, nous avons des magas autonomes qui contrôlent leurs propres sa

Texte]

The areas that we control from Halifax are on the same plane in Newfoundland as they are in any other Atlantic province. This would be a standardized area.

Mr. Carter: I presume your criterion is the wages paid in other stores in the same area.

Mr. Mossman: Yes, that is correct. This is done on a survey basis right across Canada.

The Chairman: Mr. Pringle?

Mr. Pringle: Is it possible for this gentleman to give us some detail with regard to this 25 per cent? When you say 25 per cent, being your distribution and freight handling costs, it is 25 per cent of what?

Mr. Mossman: This 25 per cent that we are talking of is an increase of 25 per cent. This is not a 25 per cent factor. There are transportation factors apart from that factor.

Mr. Pringle: Thank you. That settles that.

The Chairman: Any other questions, gentlemen? I want to thank you Mr. Mossman and Mr. MacDonald.

At this time I call the Canadian Keyes Fibre Company, Limited. Gentlemen, I am going to ask Mr. Pugsley to read a summary of his brief.

Mr. R. E. Pugsley (Solicitor, Canadian Keyes Fibre Company): Mr. Chairman, with me are Mr. Holmes and Mr. Dillman of Canadian Keyes Fibre Company Limited. We thank you for the opportunity of presenting our views to you.

Canadian Keyes Fibre Company is located at Hantsport, Nova Scotia, has approximately 300 employees and manufacturers molded wood pulp products such as egg cartons, carry boxes, trays for packing eggs, disposable tableware and a variety of other items, all from pulp wood and natural resources of the Province of Nova Scotia Eighty-three per cent of the market for the Company's goods is outside the Atlantic Region.

Transportation costs amount to 11.48 per cent of gross sales. While theoretically one can argue that the company is not captive to the railway because it is actually possible to ship goods by truck, the company's experience has been that highway carriers are only interested in moving the products until they

[*Interprétation*]

res. Les régions que nous contrôlons d'Halifax sont au même niveau que Terre-Neuve, comme dans les autres provinces de l'Atlantique. Il s'agit d'une région normalisée.

M. Carter: Je présume que votre critère, ce sont les salaires que versent les autres magasins, dans la même région.

M. Mossman: Oui, en effet. La même chose se produit à travers le Canada, selon un relevé.

Le président: Monsieur Pringle?

M. Pringle: Je me demande s'il serait possible pour ce monsieur de nous donner des détails au sujet de ces 25 p. 100. Quand nous parlons de 25 p. 100 des frais de distribution et de transport, qu'est-ce que nous voulons dire, 25 p. 100 de quoi?

M. Mossman: Les 25 p. 100 dont nous parlons, correspondent à une augmentation de 25 p. 100. Ce n'est pas un facteur de 25 p. 100. Il y a des facteurs de transport, qui sont distincts de ce facteur.

M. Pringle: Je vous remercie, cela règle la question.

Le président: Y a-t-il d'autres questions? Donc, je veux vous remercier monsieur Mossman et monsieur MacDonald.

Je voudrais maintenant demander à la *Canadian Keyes Fibre Company Limited.*

Messieurs, je demanderais à monsieur Pugsley de donner un résumé de son mémoire.

M. R. E. Pugsley (Solliciteur, Canadian Keyes Fibre Company Limited): Monsieur le président, j'ai avec moi messieurs Holmes et Dillman de la *Canadian Keyes Fibre Company Limited*, et nous vous remercions de l'occasion de vous présenter notre point de vue. La *Canadian Keyes Fibre Company Limited* est située à Hantsports (Nouvelle-Écosse) et elle compte environ 300 employés. On y fabrique des produits de pâte de bois moulu tels que les cartons pour les œufs, les casseaux de fruits, les boîtes d'œufs, des nappes en papier et une variété d'autres produits, tous à partir du bois de pâte et d'autres ressources naturelles de la Nouvelle-Écosse: 83 p. 100 du marché se trouve à l'extérieur de la région de l'Atlantique.

Les frais de transport se chiffrent par 11.48 p. 100 des ventes brutes. Bien qu'en théorie en pourrait dire que la compagnie n'est pas soumise aux chemins de fer parce qu'il est en fait possible d'expédier les marchandises par camion, la compagnie sait par expérience que les transporteurs routiers étaient seulement

[*Text*]

are able to find customers with higher density items. The large bulk and low unit rate militate against the company's ever meeting its transportation requirements outside the Atlantic Region by anything other than the railways.

For the most part, the Company pays class rates which are the highest scale of rates charged by the rail carriers. If the freeze in non-competitive carload rail rates is not extended beyond March 23 the Company foresees the following problems: First, trade from Eastern Canada to Western Canada moving through Franz on the CPR and Oba and Herst on the CNR is being subsidized under the provisions of CFA Tariff 76-D CTC. This subsidy is being removed in stages under the provisions of the National Transportation Act and, in fact, has been reduced almost 50 per cent in other parts of Canada, and would have been reduced here except for the freeze. Hence, if the freeze is lifted one would expect that the rail carriers will increase their rates at least to an amount equal to that part of the subsidy that has been removed.

The company anticipates that this will increase its freight costs by an amount of $3,000 per annum.

One can also anticipate that carload rates will be advanced by amounts ranging from 8 to 17 per cent, as these percentages represent the increases that have been applied to corresponding rates elsewhere in Canada, during the period the freeze has been in effect.

The increased costs resulting to the company in this regard will amount to an additional $26,000 per annum. These two increases amount to $30,000, and this is really the minimum—and I emphasize this—really the minimum increase the company anticipates it will suffer if the freeze is lifted.

The company suffers a further disadvantage in that it is required to route its goods by the Dominion Atlantic Railway to Truro and then transfer to the CNR. Examples of the higher freight rates charged as a consequence of the use of these two railway lines are illustrated on the schedule of the company's brief, a copy of which has been filed with each of you.

The alternative to shipping via Truro is to ship via Digby, and this simply does not appear to be practical. Since the distance from Hantsport to Truro is approximately the same as the distance from Halifax to Truro,

[*Interpretation*]

intéressés à transporter les produits jusqu ce qu'ils puissent trouver des clients aya des produits d'une plus forte densité. U grande quantité et un tarif unitaire bas mi tent contre la compagnie qui doit répond aux exigences à l'extérieur de la région l'Atlantique par des moyens de transpo autres que les chemins de fer.

En grande partie, la compagnie paie d taux de classement qui sont les plus élev chargés par les chemins de fer. Si le gel s le tarif ferroviaire de chargements compl non concurrentiel n'est pas prolongé au-de du 23 mars, la compagnie prévoit les probl mes suivants: tout d'abord, les marchandis qui vont de l'Est du Canada vers l'Ouest passant par Franz par le Pacifique-Canadi et par Oka et Herst avec les chemins de f Nationaux du Canada sont subventionnées vertu du tarif nº 76-D CCT de la CFA. Ce subvention est enlevée par étapes en vertu la Loi nationale sur les transports et, en fa a été réduite de 50 p. 100 dans d'autres pa ties du Canada, et il l'aurait été ici si n'eut été du gel. Par conséquent, si on élimi le gel on pourrait s'attendre à ce que transporteurs par chemins de fer augmente leurs taux au moins jusqu'à un montant éga cette partie de la subvention qui a enlevée.

La compagnie prévoit donc que cela au mentera leurs frais de transport de $3,000 p année. On pourrait aussi prévoir que les ta de chargement complet augmenteront de 8 17 p. 100 étant donné que ces chiffres rep sentent les augmentations qui ont été app quées ailleurs au Canada au cours de période du gel.

Les taux augmentés pour la compagnie cet égard s'élèveront à $26,000 par année. I deux augmentations se chiffrent donc à $3 000 et c'est là le minimum et j'insiste pc dire que c'est le minimum. La compagnie p voit en être touchée si le gel est enlevé.

Il y a un autre désavantage dû au f qu'elle doit acheminer ses produits par le *I minion Atlantic Railway* jusqu'à Truro ensuite transférer au CN. Vous trouverez exemples de l'augmentation des taux transport chargés à la suite de l'emploi deux lignes de chemins de fer dans l'anne du mémoire de la compagnie dont vous a reçu copie.

La solution de rechange pour le transp via Truro est le transport via Digby, ce qui semble pas pratique. Étant donné que la d tance qui sépare Hantsport de Truro est en ron la même qu'entre Halifax et Tru

Texte]

ie company submits that the Committee ıould give consideration to making recom-endations to government so that the Hants-ort rates can be reduced to the Halifax level. this were accomplished it would result in a ving of approximately $17,000 per annum to ie company.

In the last few years the Company has nbarked on an extensive expansion program hich was greatly influenced by the grants ailable under the Area Development Act. ad freight rates been substantially increased this interval, the grants received from the deral government under ADA could very sily have been more than offset, and the mpany would have had to restrict its pansion plans.

In brief, the Company recommends that the llowing action be taken:

1. Government action to see that rate increases are held to a level which will not jeopardize existing markets or prevent reaching new markets by some form of assistance on transportation being maintained, especially on finished goods being sold outside the Atlantic region, this action to be taken prior to lifting of the rate freeze.

2. Rates from Hantsport be reduced to the Halifax level.

3. Subsidization be extended to raw materials for manufacturing purposes which must be purchased outside the region.

4. Continued federal government assistance to Nova Scotia for building of all-weather trunk highways.

5. Any assistance given to rail also be extended to trucking.

As I indicated, Mr. Holmes and Mr. Dillan are here, and they would be most eased to answer any questions, Mr. Chairan, that you may care to direct to them.

The Chairman: Thank you, very much. Mr. ringle?

Mr. Pringle: Thank you, Mr. Chairman. ould you tell me, sir, how long your plant as been located here in Nova Scotia?

Mr. E. L. Dillman (Traffic Manager, anadian Keyes Fibre Company): It started peration in 1934.

Mr. Pringle: Since 1934?

[Interprétation]

la compagnie, indique le Comité, devrait apporter une attention spéciale et peut-être demander et présenter des propositions au gouvernement de façon à réduire les taux de Hantsport au niveau de ceux de Halifax. Si cela était réalisé, il y aurait une épargne d'environ $17,000 par année pour la compagnie.

Au cours des dernières années, la compagnie a entrepris un programme d'expansion qui a été grandement influencé par les subventions offertes en vertu de la Loi sur le développement de certaines régions. Si les taux de transport avaient sensiblement augmenté pendant cet intervalle de temps, les subventions reçues du gouvernement fédéral en vertu de la Loi auraient pu facilement être plus que contrecarrées et la compagnie aurait été obligée de limiter son programme d'expansion.

Bref, la compagnie recommande qu'on prenne les mesures suivantes:

1. Que le gouvernement veille à garder les majorations de tarifs à un niveau qui ne mettrait pas les débouchés en péril ou n'empêcherait pas l'acquisition de nouveaux marchés, à l'aide d'assistance au transport, surtout des produits finis vendus en dehors de la région de l'Atlantique.

2. Réduction des taux de Hantsport à parité de ceux d'Halifax.

3. Extension des subventions aux matières premières destinées à la fabrication, en provenance de l'extérieur de la région.

4. Maintien de l'aide du gouvernement fédéral à la Nouvelle-Écosse pour la construction de grandes routes carrossables à l'année longue.

5. Extension aux camionneurs de toute subvention accordée aux chemins de fer.

Comme je l'ai dit, messieurs Holmes et Dillman seraient heureux de répondre aux questions que vous aimeriez poser.

Le président: Merci. Monsieur Pringle?

M. Pringle: Pourriez-vous me dire, monsieur le président, depuis combien de temps votre fabrique est établie en Nouvelle-Écosse?

M. E. L. Dillman (gérant du trafic, Canadian Keyes Fibre Company): Depuis 1934.

M. Pringle: Depuis 1934?

[*Text*]

Mr. Dillman: Right.

Mr. Pringle: Then you have been here for some considerable time. You did not establish on an incentive program. Was it because of supply and labour that you came here?

Mr. Dillman: That is right; this is an expansion to an existing facility.

Mr. Pringle: Since we have heard quite a number of briefs and statements with regard to operating here in the Maritimes, how do you find productivity here as compared to some of your other Canadian plants, especially on unit costs and unit labour costs?

Mr. Dillman: Compared with what type of manufacturing?

Mr. Pringle: I am thinking of the same type of product.

Mr. Dillman: There is only one other manufacturer in Canada.

Mr. Pringle: I am sorry; I understood you had another plant in Ontario, but you do not?

Mr. Dillman: No.

Mr. Pringle: I see. You distribute, of course, throughout the length and breadth of Canada because we see your product in British Columbia a lot. So you do not really have a comparable cost. Then can you tell me if you have seen any improvement in unit cost of over, say, the last few years?

Mr. Dillman: We are continually striving to mechanize and reduce the labour content in our articles. We have been able to keep about the same labour content over the last several years.

Mr. Pringle: Thank you, very much.

The Chairman: Mr. McGrath?

Mr. McGrath: How much of your market do you enjoy in the Atlantic provinces?

Mr. Dillman: I would say the majority of the market.

Mr. McGrath: I beg your pardon?

Mr. Dillman: We have the majority of the market in the Atlantic Provinces in moulded pulp articles.

Mr. McGrath: There is a competition factor, though?

[*Interpretation*]

M. Dillman: Oui.

M. Pringle: Donc, vous êtes ici depuis ass longtemps, et vous ne vous êtes pas install en vertu d'un programme d'encouragemer Était-ce à cause de la main-d'œuvre et d produits que vous êtes venus ici?

M. Dillman: Vous avez raison; c'est l'expa sion d'une installation déjà existante.

M. Pringle: Étant donné que nous avo entendu plusieurs mémoires et déclaratio sur les Maritimes, comment trouvez-vous productivité ici en comparaison avec certain autres usines du Canada, et tout particulièr ment en ce qui concerne le coût unitaire et coût uniforme de la main-d'œuvre?

M. Dillman: Par rapport à quel genre fabrication?

M. Pringle: Je songeais au même genre produits.

M. Dillman: Il n'y a qu'un seul autre fabr cant de ces produits au Canada.

M. Pringle: Je m'excuse. J'avais compr que vous aviez une autre usine en Ontar mais vous n'en avez pas.

M. Dillman: Non.

M. Pringle: Et alors vous assurez la distr bution d'un bout à l'autre du Canada car vois vos produits en Colombie-Britanniqu Par conséquent, nous ne pouvons pas comp rer les frais. Pouvez-vous me dire si vo avez vu une amélioration du coût unitaire cours des dernières années?

M. Dillman: Nous essayons constamment mécaniser et de réduire la main-d'œuvre da nos dépenses. Nous avons pu maintenir même quantité de main-d'œuvre au cours d dernières années.

M. Pringle: Merci.

Le président: Monsieur McGrath.

M. McGrath: Quel est le pourcentage votre marché dans les provinces l'Atlantique?

M. Dillman: J'oserais dire la majorité marché.

M. McGrath: Pardon?

M. Dillman: Nous avons la majorité marché dans les provinces de l'Atlantiq pour ce qui est des produits de la pâte.

M. McGrath: Il y a la concurrence toutefoi

[Texte]

Mr. Dillman: Yes.

Mr. McGrath: From whence does it manate?

Mr. Dillman: Brantford, Ontario.

The Chairman: Mr. Rose?

Mr. Rose: Mr. Chairman, this morning we eard Mr. Stanfield say—I believe it was Mr. tanfield—that the concept of air freight was remature. Would you agree with that as far s your company is concerned, gentlemen?

Mr. C. C. Holmes (Treasurer, Canadian eyes Fibre Company): Yes, I would say if I ay that as far as our company is concerned, ue to the nature of our goods, air freight is ot going to play a very large role in our tal transportation requirements.

Mr. Rose: Because your product is too ulky for air freight?

Mr. Holmes: Yes.

Mr. Rose: I am told that there is an air eight service flying into this area—I believe Halifax—of approximately five or six lanes a day loaded which go out empty, or irtually so. Do you believe that more of the cal industries should take advantage of this resent air freight because it is dead-heading ne way? We have heard arguments this orning that the dead-heading is the other ay.

Mr. Holmes: Of course I cannot speak for ther industries, but I cannot see how our ndustry could make use of an air freight ervice at this time or in the foreseeable ture because of the nature of our product. is a bulky item and it is a light item per be.

Mr. Rose: You have never investigated this ourself, have you?

Mr. Holmes: No.

Mr. Rose: I was interested too, although our group did not mention it, in the land ridge concept. This is a similar problem and has been mentioned in several other briefs at the land bridge idea is a great thing—it like motherhood, and all the rest of it; we hould be very interested in it—but apparent- one of the big problems with the land ridge idea is that there is much more com- ng from west to east than there is from east

[*Interprétation*]

M. Dillman: Oui.

M. McGrath: D'où provient-elle?

M. Dillman: En grande partie de Brantford (Ont.).

Le président: Monsieur Rose.

M. Rose: Ce matin, nous avons entendu monsieur Stanfield, dire, je crois, que le concept du transport aérien était prématuré. Est-ce que vous êtes d'accord en ce qui concerne votre compagnie, messieurs?

M. C. C. Holmes (Trésorier de la Canadian Keyes Fibre Company Limited): Oui, si vous me permettez de répondre je dirais qu'en ce qui concerne notre compagnie et en raison de la nature même de nos produits, le transport aérien ne jouerait pas un très grand rôle dans l'ensemble des exigences en matière de transport.

M. Rose: Parce que votre produit est trop lourd pour le service aérien?

M. Holmes: Oui.

M. Rose: On me dit qu'il y a un service de transport aérien dans cette région, je crois vers Halifax, composé de cinq ou six avions par jour qui arrivent chargés mais qui retournent vides ou presque. Croyez-vous que plus d'industries locales devraient profiter du service actuel étant donné qu'ils retournent dans un sens? Ce matin, on nous a dit justement que les voyages vides étaient dans l'autre sens.

M. Holmes: Je ne saurais parler au nom d'aucune des autres industries mais je ne vois pas du tout comment notre industrie pourrait profiter d'un service de transport aérien maintenant ou dans un avenir prévisible en raison de la nature même de notre produit. Il s'agit de quelque chose de léger au cube mais de grande dimension.

M. Rose: Vous n'avez jamais fait enquête à ce sujet?

M. Holmes: Non.

M. Rose: J'étais très intéressé, même si votre groupe ne l'a pas mentionné, dans le concept du pont terrestre. C'est un problème analogue et qui a été souligné dans plusieurs autres mémoires à savoir que ce serait une grande chose tout comme la maternité, et tout le reste; nous devrions nous y intéresser, mais apparemment, un des grands problèmes de ce concept vient de ce qu'il y a beaucoup plus de marchandises qui viennent de l'Ouest vers

[*Text*]

to west. Would that not be a problem of dead-heading as well?

Mr. Holmes: Yes, probably there would be a problem of dead-heading, but the land bridge concept, as I understand it, is not going to benefit our industry.

Mr. Rose: Not yours particularly.

Mr. Holmes: No.

Mr. Rose: Following up Mr. Pringle's question, I was wondering about your labour cost compared to similar plants in other parts of the country. Is your plant organized?

Mr. Dillman: Yes.

Mr. Rose: It is organized. Are your labour costs substantially cheaper here?

Mr. Dillman: On skilled trades, no.

Mr. Rose: But on unskilled labour?

Mr. Dillman: Our general labour rates are somewhat lower here than they are in Ontario.

Mr. Rose: Would you say the productivity is as high here as with a more skilled labour force in, say, Ontario?

Mr. Dillman: Well, I have heard it stated that the productivity may not be as high.

Mr. Rose: But the productivity would be the responsibility of the firm, perhaps, rather than labour in instituting new machines, new techniques and that sort of think. Would you agree with that?

Mr. Dillman: Yes.

Mr. Rose: It is up to the firm, really, to establish the productivity rather than the work force.

Mr. Dillman: Exactly.

Mr. Rose: Thank you.

The Chairman: Mr. Horner?

Mr. Horner: With retard to your third recommendation that all raw materials coming in for manufacturing purposes that are purchased outside the region should be subsidized, do you envision any real difficulty in differentiating between the raw materials

[*Interpretation*]

l'Est que de l'Est vers l'Ouest. Et alors est-qu'il ne s'agirait pas encore une fois d' problème de voyage vide aussi?

M. Holmes: Oui. Il y aurait probableme le problème du voyage libre mais l'idée pont terrestre si j'ai bien compris, n'avan gerait pas notre industrie.

M. Rose: Pas la vôtre en particulier.

M. Holmes: Non.

M. Rose: Pour faire suite à la question monsieur Pringle, je me demandais quel éta le coût de votre main-d'œuvre par rapport celui des usines semblables dans d'autres pa ties du pays. Est-ce que votre usine e organisée?

M. Dillman: Oui.

M. Rose: C'est organisé. Est-ce que le co de votre main-d'œuvre est sensibleme moins élevé ici?

M. Dillman: Pour la main-d'œuvre spécia sée, non.

M. Rose: Mais pour la main-d'œuvre n spécialisée?

M. Dillman: Pour la main-d'œuvre gén rale, elle est un peu moins élevée qu'e Ontario.

M. Rose: Et est-ce que la productivité e aussi élevée ici qu'avec une main-d'œuv plus spécialisée dans l'Ontario disons?

M. Dillman: J'ai déjà entendu dire que productivité peut ne pas être aussi élevée.

M. Rose: Mais la productivité se trouve relever de la compagnie plutôt que la mai d'œuvre qui installe de nouvelles machine introduit de nouvelles techniques et ainsi suite, n'est-ce pas?

M. Dillman: Oui.

M. Rose: En fait, il revient à la compagn de déterminer le rendement plutôt qu'à main-d'œuvre.

M. Dillman: En effet.

M. Rose: Merci.

Le président: Monsieur Horner.

M. Horner: Quant à la troisième recommar dation où vous dites que toutes les matière premières destinées à la fabrication, en pro venance de l'extérieur de la région devraier être subventionnées, voyez-vous une difficult réelle en ce qui a trait à la distinction

Texte]

oming in to the Maritimes and, say, finished aterials or partly finished materials?

Mr. Holmes: No, I envisage this as applying materials that would have to be proven to e federal agency, or whoever it might be, at the materials brought in were used irectly in the manufacturing of a finished roduct.

Mr. Horner: There is one other word that others me in that recommendations and that the word "must"—"which must be purased outside the region". You mean there, I ould imagine, raw materials that could not e purchased in the Maritime area.

Mr. Dillman: We are not recommending at subsidies be extended to materials rought in from outside the area which would ork to the detriment of suppliers within the gion.

Mr. Horner: But you can see the difficulty a federal agency's deciding that A compoent is nearly as good as B and asking why ou did not buy A, because while it may not the same it still could be used in a fibre dustry such as yours. Do you see any fficulty there? You know the industry better an I do.

Mr. Holmes: Not really because most of the roducts that we would bring in are of the ture of chemicals and resins, and this type item, that would not presumably be rought into the province in any great nount for any purpose other than what we e using them for.

Mr. Horner: From your recommendation umber 2, I see that there is only two miles fference between Hantsport and Halifax, d yet a fair amount of difference in the rail tes. What do the CNR give you as an cuse as to why they have to have more? I e where you handle 904 box cars a year.

Mr. Holmes: I think it is a general practice rate making that where two railways are volved your rates are going to be higher an they would be if you had one carrier. ow, my argument is that because of the fact at we happen to be located on the DAR in ova Scotia, why should we be discriminated ainst over the same mileage of rails as the oducers, say, in Halifax?

[*Interprétation*]

établir entre les matières brutes en provenance des provinces Maritimes, et disons, les produits finis ou en partie finis?

M. Holmes: Non. Je trouve qu'il s'agit là de matériaux où il faudrait prouver à l'organisme fédéral ou à quiconque qu'ils ont servi, dès leur arrivée, directement à la fabrication des produits finis.

M. Horner: Il y a une autre chose aussi qui me préoccupe et c'est le sens d'obligation dans l'expression «en provenance de l'extérieur de la région». Vous voulez dire par là, je crois, les matières premières qui ne peuvent pas être achetées dans la région des Maritimes?

M. Dillman: Nous ne recommandons pas que la subvention s'applique aux matières que l'on prend de l'extérieur de la région, ce qui nuirait à l'industrie de la région.

M. Horner: Vous pouvez voir la difficulté à ce qu'un organisme fédéral essaie de décider si le composant A est presque aussi bon que B et à se demander pourquoi vous n'avez pas acheté A, parce que même si ce n'est pas la même chose, cela pourrait servir dans une industrie du textile comme la vôtre. Y voyez-vous certaines difficultés? Vous connaissez cette industrie mieux que moi.

M. Holmes: Pas nécessairement parce que la plupart des produits que nous importerions sont des produits chimiques, de résines et ce genre de produits qui ne seraient pas importés en grande quantité dans la province pour une raison ou pour une autre pour laquelle nous les employons.

M. Horner: Dans votre deuxième recommandation, je vois qu'il n'y a qu'une distance de deux milles entre Hantsport et Halifax, et qu'il y a une différence considérable dans le tarif ferroviaire—qu'est-ce que le CN vous donne comme prétexte pour en avoir plus? Je vois où vous prenez 904 wagons par année.

M. Holmes: Je crois que pour les taux, la pratique courante veut que lorsqu'il y a deux chemins de fer en cause, les taux seront plus élevés que s'il n'y avait qu'un seul transporteur. Maintenant, parce que nous sommes situés sur le réseau de la *Dominion Atlantic Railway*, en Nouvelle-Écosse, pourquoi devrait-il y avoir une distinction injuste à notre égard quand il s'agit du transport des marchandises sur la même distance que le producteur d'Halifax, par exemple.

[*Text*]

Mr. Horner: Let me understand this. The DAR runs through Hantsport to Truro, and the rest is CNR.

Mr. Holmes: Right.

Mr. Horner: What would be that distance?

Mr. Holmes: Sixty-two miles.

Mr. Horner: Has the CNR granted any permission to run trains over that distance? Or do you think there could be an agreement worked out for a rationalization of that line use?

Mr. Holmes: This would involve an engine and quite an involved process between the two rail carriers and the federal government and so on. But we are recommending that it should be looked into.

Mr. Horner: It used to be when I was moving some cars around, that it cost $5 a car to ship from a CP line to a CN line. Would this rate be greater than that, or less? This is years ago, mind you, but would it amount to more or less than that amount?

Mr. Holmes: In the appendix in the back there, it indicates the differential, Halifax in favour of Hantsport. We are primarily interested in carload rates, and our commodities move across 45. You see the case of Calgary, for example, with a differential of 16 cents per hundredweight. And now if you multiply that by a car of 25,000 pounds, that would give you your answer. In the case of Winnipeg, of course, Winnipeg and Saskatoon, it has a differential of 18 cents on a car of say 25,000.

Mr. Horner: Just looking at that quickly, that looks like, in the Calgary case, $58, which is quite a substantial amount. Have you taken this case to the railroads or to the Transport Commission, this newly formed body, the Canadian Transport Commission? Have you made any attempt to appeal to them for...?

Mr. Pugsley: Not as yet, but it is definitely in the realm of possibility for the future.

Mr. Horner: Well, I would recommend that you do that, and I would be very interested in hearing a reply on it, because I think that Canadians and shippers generally should make themselves more aware. It is a newly formed body, and I think the Chairman of the Committee and the rest of the Committee

[*Interpretation*]

M. Horner: Je ne suis pas sûr de compre dre ce que vous venez de dire. Le *Domini Atlantic Railway* va de Hantsport à Truro, le National-Canadien fait le reste?

M. Holmes: C'est exact.

M. Horner: Et quelle serait la distance?

M. Holmes: Soixante-deux milles.

M. Horner: Le CN a-t-il obtenu la perm sion de faire le parcours sur la même lign Est-ce qu'à votre avis, on pourrait en venir un accord pour rationaliser l'emploi de ce ligne?

M. Holmes: Cela supposerait l'emploi d'u locomotive et une série d'ententes complex entre les deux sociétés ferroviaires et le go vernement fédéral, etc. Mais nous recomma dons qu'on étudie la chose.

M. Horner: Autrefois, pour déplacer c wagons, il en coûtait $5 pour faire passer wagon de la ligne du CP sur la ligne du C Est-ce que le taux est demeuré le même? Il a quelques années de cela, et je me deman si le taux est resté plus ou moins le même.

M. Holmes: Dans l'Annexe, à la fin mémoire, vous verrez quel est le taux dif rentiel entre Halifax et Hantsport, en fave de cette dernière localité. Nous nous intér sons surtout au taux par wagonnée, et r produits traversent la frontière américai Voyez le cas de Calgary, par exemple, où taux différentiel est de 16 cents du ce livres. Si vous faites le calcul pour un wag de 25,000 livres de capacité, vous aurez réponse à votre question. Dans le cas de W nipeg, bien entendu, Winnipeg et Saskato il y a un taux différentiel de 18 cents, pc un wagon, disons, de 25,000 livres.

M. Horner: En faisant le calcul rapideme on arrive, dans le cas de Calgary, à $48., qui représente une somme assez substantie tout de même. Est-ce que vous en avez pa aux sociétés de chemin de fer ou à la Co mission canadienne des transports?

M. Pugsley: Non, pas encore, mais c' certainement possible dans un avenir as rapproché.

M. Horner: Je vous recommanderais de faire et je serais vraiment intéressé à ent dre la réponse que vous obtiendrez, parce q je pense que les Canadiens et les expédite dans l'ensemble devraient être plus co cients. La Commission est un nouvel or nisme, et je pense que le président et

Texte]

vould agree with me that with a newly ormed administrative body, the only way we an know its limitations and capabilities is to rmly test it in all areas. I wish you would, nd let me know the results.

The Chairman: Mr. Trudel.

Mr. Trudel: Mr. Chairman, so far we have eard several briefs and in many of them the orth-south flow was mentioned, even going s far as saying that the tariff barrier pre- ented these people from enjoying a large mount of the market. Here we have a com- any that is shipping—at least from what I ather from their brief—they are going east nd west and doing about 90 per cent of their usiness in the central and western markets. lave you explored the possibilities of this orth-south factor in your business?

Mr. Dillman: We are a licensee of an merican company, so that this would pre- lude us from marketing anything in the .S.A.

Mr. Trudel: That answers my question, hank you.

The Chairman: Any further questions, gen- emen? I want to thank you gentlemen for oming.

At this time I will call upon Anil Canada imited. Mr. L. H. Coffin. I will ask Mr. offin to make a resumé of his brief.

M. L. H. Coffin (Directeur Général, Anil anada Limited): Monsieur le président, en uelques mots je voudrais vous souhaiter la ienvenue en Nouvelle-Écosse.

Le président: C'est très bien, merci.

M. Coffin: Amis canadiens-français, je vous emande votre indulgence parce que la tra- uction n'est pas faite. Elle le sera peut-être i semaine prochaine.

Thank you, gentlemen. I trust you all have copy of the brief. I will try and deal with icts and be as short and as quick as I can. o put it briefly, we find ourselves as a ianufacturing plant in Nova Scotia at a very erious disadvantage because of our transpor- ition costs. Transportation cost expressed as per cent of sales averages between 19 and) per cent. Now, to bring this figure into ontext, we can compare with similar Ameri-

[*Interprétation*]

membres du Comité conviendront avec moi que la seule façon de connaître les possibilités et les limitations d'un nouvel organisme est de le mettre à l'épreuve dans tous les domaines. Je serais curieux de connaître les résultats de vos démarches.

Le président: Monsieur Trudel.

M. Trudel: Monsieur le président, jusqu'ici nous avons entendu bon nombre de mémoires et, dans plusieurs cas, on a parlé d'un flux de marchandises nord-sud et on a même dit que les barrières tarifaires empêchaient ces personnes de profiter d'une bonne partie du marché. Dans le cas qui nous occupe, il s'agit d'une société qui, selon ce que je peux en voir dans ce mémoire, fait des expéditions, à l'est et à l'ouest et dont 90 p. 100 des affaires se font sur les marchés de la région centrale et de l'Ouest. Est-ce que vous avez exploré la possibilité de profiter de cette tendance aux échanges nord-sud dans la conduite de vos affaires?

M. Dillman: Nous sommes concessionnaires d'une société américaine, ce qui nous empêche de commercialiser quoi que ce soit aux États-Unis.

M. Trudel: Bon, cela répond à ma question, je vous remercie beaucoup.

Le président: Auriez-vous d'autres questions à poser messieurs? C'est tout. Je vous remercie, messieurs, d'être venus.

Maintenant, je cède la parole à la société *Anil Canada Limited* représentée par Monsieur L. H. Coffin. Je demanderais à Monsieur Coffin de faire un résumé de son mémoire, s'il vous plaît.

M. L. H. Coffin (Directeur général, Anil Canada Ltd): Mr. Chairman, I would like to welcome you to Nova Scotia.

The Chairman: I thank you very much.

Mr. Coffin: My French Canadian friends, I would like to ask your indulgence because we do not have a translation of our brief. Perhaps you will have it next week.

Merci Messieurs. J'espère que vous avez tous un exemplaire du mémoire. J'essaierai de m'en tenir aux faits et d'être aussi bref que possible. En résumé, donc, nous sommes, en tant que manufacturiers situés en Nouvelle-Écosse, très défavorisés par les frais de transport. Le coût du transport, exprimé en pourcentage de nos ventes, représente en moyenne 19 à 20 p. 100. Pour replacer ces données dans leur contexte, nous pouvons les

[*Text*]

can producers who operate with a freight or transportation cost of 7.5 per cent of sales. Correspondingly, we find ourselves perhaps a larger branch employer of the railroads rather than of our local labour force. Our transportation cost is roughly equivalent to all of our raw material costs, and is even larger than our total wages, all of our salaries.

This is a subject that we have discussed with the various transportation committees and the railways. We have examined ocean freight, and we would be prepared to answer any questions you might have on that. We would also be prepared to discuss any questions you have on our markets.

Rather briefly, we have three basic recommendations for your consideration. First, a reduction of rail rates to at least the equivalent of other Canadian manufacturers with respect to the major Canadian markets, namely Ontario and Quebec. Secondly, with respect to American or export shipments, the provision of a government subsidy to cover cost of transportation to border crossing points. We have not included any subsidy for transportation beyond, because we realize this presents an international problem.

Thirdly, a revision of the Canadian rail rate structure to provide a more realistic incentive for large carload shipments. Basically, we are asking for the same incentive structure as is available on American railroads.

Gentlemen, I would be prepared to answer any questions.

Mr. Trudel: On the last portion of your statement, would you elaborate, sir, as to what is available on the American railroad that you do not find on the Canadian railroad.

Mr. Coffin: I have to search in my ammunition file. This, I believe, will answer your question. If any other members of the Committee are interested. This is a comparison of the incentive rail rates in the American railroads as compared to Canadian. I think that will illustrate our problem. Mr. Chairman, are any of the others interested in it?

[*Interpretation*]

comparer aux données de certains pr ducteurs américains, œuvrant dans le mêr domaine que nous et dont les frais de tran port représentant 7½ p. 100 de leurs vent Ainsi, nous sommes peut-être un plus impo tant employeur de cheminots que de mai d'œuvre spécialisée travaillant dans not usine. Nos frais de transport sont à peu pr égaux au coût de toutes nos matières pr mières et sont même plus élevés que le tot de la rémunération que nous donnons à n employés.

Nous avons décrit cette situation à tous l comités de transport et aux sociétés chemin de fer. Nous avons étudié les frais transport par bateaux, et nous sommes prê à répondre à toutes vos questions sur ce suj Nous serions prêts aussi à répondre aux que tions que vous auriez à poser sur nos marché

En résumé, nous avons trois recommand tions à vous présenter. Tout d'abord: u diminution des tarifs ferroviaires qui puis nous permettre, pour le moins, d'avoir d tarifs équivalents à ceux des autres fabrican canadiens qui expédient de la marchandi vers les principaux marchés, c'est-à-di l'Ontario et le Québec. Deuxièmement, ce qui concerne nos expéditions vers l États-Unis ou nos exportations, nous aimerio avoir de la part du Gouvernement une su vention qui couvrirait nos frais de transpo jusqu'aux postes frontières. Nous n'avo pas demandé de subvention pour les tran ports au-delà de la frontière parce que no nous rendons compte que cela présente u problème sur le plan international.

Troisièmement, une revision du mode d'a plication des tarifs ferroviaires canadiens vue d'encourager de plus gros chargement Fodamentalement, nous demandons l mêmes avantages dont bénéficient les chemi de fer américains au point de vue tarifs.

Messieurs, je me ferai un plaisir de répo dre aux questions que vous voudrez bien m poser.

M. Trudel: Dans la dernière partie de vot déclaration pourriez-vous préciser les avant ges dont bénéficient les chemins de fer amér cains et que vous n'avez pas au Canada?

M. Coffin: Sûrement. Je dois consulter m dossiers. Ceci, je crois, va répondre à v questions. Si cela intéresse d'autres membr du Comité, voici une comparaison entre l tarifs d'encouragement aux expéditions q existent aux États-Unis et ceux du Canad Cela vous donne une idée de notre problèm Est-ce qu'il y a d'autres membres qui so intéressés?

[*Texte*]

Mr. Trudel: May I ask another question, Mr. Chairman?

The Chairman: Yes.

Mr. Trudel: Is this a wholly owned company, or is it a branch of an American company?

Mr. Coffin: No, sir, this is a wholly owned company. It is a subsidiary of an Indian company, from Bombay, India.

Mr. Trudel: In your brief you mention that you have door coverings and we now find, at least in the central markets, that the competition is not from Canadian companies, but it is mostly from others, Israel or even Poland. In central Canada this is where we are finding our problems. You are centering a lot of your complaints on transportation.

Mr. Coffin: You are quite correct, actually imports in some of our basic commodities. Import competition is more serious than is domestic competition. Domestic competition itself cannot, like us, compete with foreign imports, not effectively that is.

Mr. Trudel: One of the reasons that we have received in the other part of the country that they were using water transportation, and I think in your original statement you mentioned that you had explored this possibility to the inland market. Would this be of some advantage to you?

Mr. Coffin: Frankly, no. I have to acknowledge that our present rail rates are far cheaper than any water rates that I have been able to negotiate. But I believe our major problem with imports—they come from countries such as Poland and Russia in Canada particularly—is the lower labour rates and the fact that they do subsidize exports.

Mr. Trudel: You mention that the rates are maybe not favourable but reasonable. With the continuation of these rates, do you feel that you can meet the competition?

Mr. Coffin: I would say that we must at least continue the present rates. But to say that we can continue and grow and expand

[*Interprétation*]

M. Trudel: Est-ce que je peux poser une autre question, monsieur le président?

Le président: Oui.

M. Trudel: Est-ce une société à part entière ou une filiale d'une société américaine?

M. Coffin: Non, c'est une Société à part entière. C'est la filiale d'une société indienne de Bombay, en Inde.

M. Trudel: Dans votre mémoire, vous dites que vous avez des protections douanières et nous constations, au moins sur les marchés de la région centrale, que la concurrence ne vient pas de sociétés canadiennes mais d'autres sociétés, société israélienne ou même polonaise. C'est dans la région centrale du Canada que nous avons des problèmes. Vous faites porter une bonne partie de vos griefs sur des questions de transport.

M. Coffin: Vous avez tout à fait raison, du moins en ce qui concerne les importations de certains produits de base. La concurrence des produits importés est plus forte que celle des produits nationaux. La production nationale, comme dans notre cas, ne peut concurrencer les importations étrangères, du moins pas efficacement.

M. Trudel: Une des raisons qui a été évoquée dans les autres régions du pays, c'est que les concurrents utilisaient le transport par eau et je pense que dans votre première déclaration, vous avez mentionné que vous aviez étudié cette possibilité pour les marchés de l'intérieur. Est-ce que cela vous serait plus avantageux?

M. Coffin: Franchement, non. Je dois reconnaître que le tarif ferroviaire que nous payons actuellement est beaucoup moins élevé que tous les tarifs maritimes que j'ai pu négocier jusqu'ici. Je pense que le principal problème qui se présente pour les importations —dans le cas du Canada, elles nous viennent particulièrement de la Pologne et de la Russie —c'est que les taux de rémunération de la main-d'œuvre y sont plus faibles et que ces pays subventionnent leurs moyens de transport.

M. Trudel: Vous avez dit que les tarifs ne sont peut-être pas favorables, néanmoins raisonnables. Si on maintient ces tarifs au même niveau, croyez-vous que vous pouvez faire face à la concurrence?

M. Coffin: Je pense qu'il nous faut au moins maintenir le tarif actuel. Mais, à savoir si nous pouvons prendre de l'expansion avec

[*Text*]

under these rates, that is a very doubtful question.

Mr. Trudel: Thank you, Mr. Chairman.

The Chairman: Mr. Corbin.

Mr. Corbin: Mr. Chairman, since we are nearing the end of our sittings here in Halifax, I wonder if the witness would like to philosophise with me for a minute or so. I would like to know, first of all, sir, if you are a native Maritimer? It really does not matter, but just for...

Mr. Coffin: That is a good question. I suppose I am a Quebecois or a Gaspésien.

Mr. Corbin: I see.

Mr. Coffin: I went to school in Nova Scotia, and after the war and since I have spent most of my industrial life in Quebec and Ontario.

Mr. Corbin: I see. A lot has been said about giving a fair deal to Maritime products, Maritime industries, to facilitate easy access of their goods, on a competitive basis that is, into central Canada. Have you ever considered that perhaps people in central Canada would rather not have your competition? And in that respect competition-wise do you feel that they would have any serious grievances about a Maritime product entering their market?

Mr. Coffin: Two months ago I had another hat on my head; I was in that position. You are quite right. There is no question about whether they would object. They are objecting. They are waiting with considerable interest on our brief for this reason. This is a major problem, where you are trying to subsidize an industry in one area, you do enforce competition elsewhere. I realize this. They realize it. But I have my case to fight.

Mr. Nowlan: A supplementary question on the same subject, Mr. Chairman. I wonder if the witness would agree that also in the East there is legitimate complaint, not only because we do not have access to the central Canadian market, but because of the tariff structure we have to play that way and our natural flow is north and south. So you have a sort of stand-off, do you not?

[*Interpretation*]

ces mêmes tarifs, c'est une question plut douteuse.

M. Trudel: Merci, monsieur le président.

Le président: Monsieur Corbin?

M. Corbin: Monsieur le président, vu q nous sommes à peu près à la fin de nos a diences ici à Halifax, je me demande si le t moin accepterait de philosopher un peu av moi. Je voudrais tout d'abord savoir si vo êtes originaire des Maritimes. Cela impor peu, vraiment, mais j'aimerais savoir.

M. Coffin: C'est une excellente questio J'imagine que je suis un Québécois, ou, plu précisément, un Gaspésien.

M. Corbin: Je vois.

M. Coffin: Je suis allé à l'école en Nouve le-Écosse et, depuis la fin de la guerre, j' passé la plus grande partie de ma vie à m'o cuper d'industrie dans le Québec et l'Ontario.

M. Corbin: Merci beaucoup. On a beaucou parlé de la possibilité de donner un traite ment juste aux produits des Maritimes, d leur faciliter l'accès sur une base concurrer tielle, au Canada central. Ne vous êtes-vou jamais demandé si les gens du Canada centra préféreraient ne pas avoir cette concurrence Croyez-vous que ces gens pourraient proteste sérieusement en voyant un produit des Mari times envahir leur marché?

M. Coffin: Il y a quelques mois, j'avais u autre point de vue. Vous avez raison. Ils s' opposeraient, vous pouvez en être certain. D fait, ils s'y opposent. Ils attendent avec u vif intérêt la présentation de notre mémoir pour cette raison. C'est un problème de taill que nous abordons: lorsque vous subvention nez une industrie dans une région, vous aug mentez la concurrence ailleurs par le fai même.

Je m'en rends compte, ils s'en renden compte eux-mêmes, mais je dois lutter pou ma cause.

M. Nowlan: J'ai une question supplémen taire sur le même sujet, monsieur le prési dent. Le témoin conviendra-t-il avec moi qu l'Est a des griefs tout à fait légitimes, non pa simplement du fait que nous n'avons pa accès aux marchés du Canada central, mai aussi à cause de la structure tarifaire qu nous est imposée. Il nous faut adopter ce comportement. N'oublions pas de plus que la tendance normale des échanges est nord-sud Ainsi donc, vous en arrivez à une espèce de position d'équilibre, n'est-ce pas?

Texte]

Mr. Coffin: Exactly. I agree. I am not dis-ussing the pros and cons. The question is ere.

The Chairman: Mr. Corbin.

Mr. Corbin: This may not be a fair ques-on, and if it is not...

Mr. Coffin: Well, if it is not, you said it.

Mr. Corbin: I am going to take a chance. o you feel that Maritimers have a persecu-on complex in relation to...

The Chairman: Mr. Horner.

Mr. Corbin: Well, some do, let us be onest.

The Chairman: Order, please. Mr. Horner.

Mr. Horner: With regards to your recom-endation on page 2, the second recommen-ation you make with regard to the govern-ent subsidy, I imagine you are referring to ie MFRA rate to be applied to shipments to ie border. Do you anticipate any difficulty on ie valuation for duty of goods at the border you did receive a subsidy on your goods oing to the border?

Mr. Coffin: Quite frankly, any of the ecommendations are fraught with problems. 'e recognize this. We recognize that as soon s we start tampering with international rates iat have been set up, we have to deal with ie Interstate Commerce Commission. I am ot entirely familiar with these bodies, but I o know that this is a problem.

Mr. Horner: Are you shipping goods now to ie United States?

Mr. Coffin: Very much so.

Mr. Horner: Just to give the Committee ome idea, what is the difference in the rates etween Chester, Nova Scotia, and Boston, ay, and between Chester and Montreal? Is iere any difference, or which one is the igher? Can you give us some idea?

Mr. Coffin: Can you just give me one inute? Yes, the rate to Boston is 65 cents a undred-weight, and the rate to Montreal is 8 cents a hundredweight.

Mr. Horner: On the rate to Montreal you ould receive the MFRA subsidy for the dis-ance that those goods remain in the select rea. Am I right?

[*Interprétation*]

M. Coffin: Je suis d'accord. Je ne discute pas le pour et le contre de ce problème, mais les faits sont là.

Le président: Monsieur Corbin?

M. Corbin: Ce n'est peut-être pas juste de poser la question que j'ai à l'esprit...

M. Coffin: De toutes façons, posez-la.

M. Corbin: Je vais essayer tout de même. Croyez-vous que les gens des Maritimes ont un complexe de persécution...?

Le président: Monsieur Horner?

M. Corbin: Certains ont un tel complexe, il faut l'avouer.

Le président: A l'ordre. Monsieur Horner?

M. Horner: Je me reporte à votre recommandation, qu'on trouve à la page 2, la deuxième recommandation que vous formulez en rapport avec les subventions du gouvernement. J'imagine que vous voulez parler du tarif appliqué en vertu de la Loi sur les taux de transport des marchandises dans les provinces Maritimes, tarif qui pourrait s'appliquer dans le cas des expéditions vers la frontière. Prévoyez-vous des complications pour l'évaluation des marchandises par la douane à la frontière, si les marchandises que vous passez ont été subventionnées?

M. Coffin: Sincèrement, toutes les recommandations présentent des problèmes. Nous le reconnaissons. Nous savons par exemple que, dès que nous commençons à jouer avec les tarifs fixés par une entente internationale, il nous faut alors faire affaire avec la Commission du commerce inter-états. Je ne suis pas tout à fait renseigné sur ce sujet mais je sais que c'est un problème.

M. Horner: Est-ce que vous expédiez des produits vers les États-Unis, en ce moment?

M. Coffin: Beaucoup, oui.

M. Horner: A titre d'exemple, pourriez-vous nous donner la différence des tarifs entre Chester, en Nouvelle-Écosse et Boston et entre Chester et Montréal? Est-ce qu'il y a une différence? Quel est le tarif le plus élevé? Pourriez-vous nous en donner une idée?

M. Coffin: Un instant, s'il vous plaît. Oui, le tarif pour Boston est de 65 cents le cent livres et, pour Montréal, 48 cents le cent livres.

M. Horner: Dans le cas du tarif pour Montréal, vous allez bénéficier de la subvention au titre de la Loi sur les taux de transport des marchandises dans les provinces mariti-

[*Text*]

Mr. Coffin: That is correct.

Mr. Horner: So there is justification for you asking for that to apply and to lower the rates to Boston, because the Boston rate is higher.

Mr. Coffin: That is correct.

Mr. Horner: If the Boston rate is lower, then that would weaken your case. Seeing that it is higher, you as a Maritime firm would be equally justified in asking for either a special rate to get you into central Canada or a special rate to get you into another market area or a comparable market area. This is your logic, I would assume.

Mr. Coffin: That is the basis for our recommendation.

Mr. Horner: You have not attempted to approach the government. Right now the government is carrying on—and we and the Task Force are part of it—an intensified study on whether or not to re-introduce the Maritime Freight Rates Act as it was or to remove it completely. You have not made any other submission to the Minister of Transport?

Mr. Coffin: No.

Mr. Perrault: Mr. Chairman, I would like to ask what influenced this company to locate in the Maritimes in view of what is termed "serious disadvantages in comparison with other Canadian manufacturers"? It is encouraging to see this vote of confidence in the Maritimes and I wondered what factors influenced this company to locate here?

Mr. Coffin: Well, I cannot honestly speak for all of the factors. I was not present in the initial design or building of the plant. I have been there roughly a year. However, I would assume that it was basically that Nova Scotia wished to have an industry that would provide employment and utilize their own native raw materials.

Mr. Perrault: Were incentives provided for the establishment of this company?

Mr. Coffin: There were.

Mr. Perrault: As a per cent of sales, your transportation cost seems to be abnormally

[*Interpretation*]

mes, pour la distance que ces marchandis auront parcourue dans la région désigné Est-ce correct?

M. Coffin: Oui.

M. Horner: Vous avez donc raison d demander une réduction des tarifs pour Bo ton, parce qu'ils sont plus élevés.

M. Coffin: C'est juste.

M. Horner: Si le tarif pour Boston éta plus bas, cela pourrait affaiblir votre positio Comme il est plus élevé, vous pourri demander, avec raison, en tant que socié des Maritimes, un tarif spécial pour expédi vos marchandises dans le Canada central o encore pour acheminer vos produits vers u autre marché de taille comparable.

M. Coffin: Oui, c'est là le fondement d notre recommandation.

M. Horner: Vous n'avez pas tenté de pres sentir le gouvernement sur cette question.

Maintenant, le gouvernement étudie l question. Nous et l'équipe spéciale prenon part à une étude vraiment intense afin d savoir si on doit introduire de nouveau la Lo sur les taux de transport des marchandise dans les Maritimes telle quelle ou la fair disparaître complètement. Est-ce que vou avez présenté d'autres instances au ministr des Transports?

M. Coffin: Pas du tout.

M. Perrault: Monsieur le président, je vou drais demander qu'est-ce qui a influencé cett société à venir s'établir dans les Maritime alors que cela représente «des désavantage sérieux par rapport aux autres sociétés»? I est très encourageant de voir ce vote d confiance à l'égard des Maritimes et je vou drais savoir quels facteurs ont influencé cett société pour qu'elle vienne s'établir ici?

M. Coffin: Je ne puis vous en parler, parc que lorsque l'on a construit et aménagé cett usine, je n'y étais pas. Je suis ici seulemen depuis un an à peine. Toutefois, j'imaginerais que c'est essentiellement que la Nouvelle-Écosse désirait une industrie qui donnerait de l'emploi et utiliserait les matières premières locales.

M. Perrault: Est-ce qu'on a donné des encouragements pour l'établissement de cette société?

M. Coffin: Oui.

M. Perrault: En pourcentage des ventes, vos coûts de transport semblent être énormé-

[*Texte*]

gh. Is one of the factors low labour costs? Is ur labour force paid abnormally low wages cause of lack of competition?

Mr. Coffin: No, I would say not. To be ctual, we are currently slightly under com- rable industries in Ontario. Our labour con- ict within one and a half years will be on a r with Upper Canada.

Mr. Perrault: Your transportation cost per- ntage figure is one of the highest we have en in these hearings. Is there a special fac- r in this type of industry which leads to is.

Mr. Coffin: It is a very very heavy product, ry dense.

Mr. Perrault: Would you like to see the vernment of Canada pay a transportation osidy to all companies in the Maritimes porting to the United States?

Mr. Coffin: I would have no objection natsoever.

Mr. Perrault: Have you estimated the cost such a program?

Mr. Coffin: I have not, sir.

Mr. Perrault: Would you like to see this nd of subsidization extended to companies the rest of Canada to encourage U.S. ports?

Mr. Coffin: I would think this would have ne rather interesting sidelights because ny of the other companies either have nerican subsidiaries or are controlled by nerican companies and as such do not have ready access to the American market. We

Mr. Perrault: As an alternative to transpor- ion subsidies would you like to see free de in forest products between Canada and United States and, if so, would it work to ur benefit?

Mr. Coffin: Yes, it would work to our nefit.

Mr. Perrault: And you would choose this as alternative to transportation subsidies?

Mr. Coffin: That is correct.

Mr. Perrault: Thank you, Mr. Chairman.

Mr. Rose: I am interested in the idea of an lantic free trade area with the United ates. That implies a customs set-up with

[*Interprétation*]

ment élevés. Est-ce que le coût de la main-d'œuvre en est un facteur? Est-ce que la main-d'œuvre a des salaires très bas par suite de l'absence de concurrence?

M. Coffin: Non, je ne dirais pas cela. En fait, nous sommes présentement un peu plus bas que les industries comparables de l'Ontario. Notre contrat de travail dans un an et demi sera au pair avec le Haut-Canada.

M. Perrault: Les chiffres donnés ici pour ce qui est du pourcentage des frais de transport sont parmi les plus élevés que nous ayons vus à nos séances. Est-ce qu'il y a un facteur particulier pour ce genre d'industrie?

M. Coffin: C'est un produit très lourd, très dense.

M. Perrault: Est-ce que vous aimeriez voir le gouvernement du Canada payer une subvention pour le transport à toutes les sociétés des Maritimes exportant vers les États-Unis?

M. Coffin: Je ne m'y opposerais pas du tout.

M. Perrault: Est-ce que vous avez évalué le coût d'un tel programme?

M. Coffin: Non, monsieur.

M. Perrault: Aimeriez-vous que des subventions de ce genre soient aussi prévues pour les autres sociétés dans le reste du Canada pour encourager les exportations vers les États-Unis?

M. Coffin: Cela pourrait avoir des aspects assez intéressants parce que bon nombre des autres sociétés ont soit des filiales américaines ou un contrôle venant de sociétés américaines et, de ce fait, n'ont pas accès aux débouchés américains. Mais nous avons un tel accès.

M. Perrault: Comme une alternative aux subventions de transport, aimeriez-vous voir un libre-échange pour les produits forestiers entre le Canada et les États-Unis et, dans l'affirmative, est-ce que ce serait à votre avantage?

M. Coffin: Oui, sûrement que ce le serait.

M. Perrault: Et vous choisiriez cette alternative aux subventions de transport?

M. Coffin: C'est exact.

M. Perrault: Merci, monsieur le président.

M. Rose: Je m'intéresse à la question d'une région Atlantique de libre-échange avec les États-Unis. Il faudrait établir une barrière

[*Text*]

a barrier between the free trade area and the rest of Canada, or it might be done, like in the auto industry, through an industry agreement. What concerns me about the concept is the reciprocal arrangements of it. I would think that we are a highly exporting nation now. As a matter of fact, one of our problems is that we are exporting too much raw products and not enough manufactured articles. What do you envisage would be the result of this kind of arrangement as far as American exports reciprocally into this area is concerned—because I cannot see the Americans participating in this.

Mr. Coffin: You are quite right, this is not a simple problem. But to perhaps illustrate our specific problem in greater detail, our basic raw material product has a duty equivalent to 7.5 per cent. In other words, we can in effect ignore the tariff on our basic board assuming equivalent dollars. But as soon as we move into a finished product where there has been painting or additional labour input then the duty—well at one stage it was 30 per cent and with the Kennedy Round it has been dropping now to 21 per cent.

Mr. Rose: Could you explain why you can ignore the tariff of 7 per cent?

Mr. Coffin: Well, there is the exchange on the dollar.

Mr. Rose: And would it have anything to do with your productivity or labour costs compared to, say, a similar American product?

Mr. Coffin: We compare manufacturing costs with a similar American plant.

Mr. Rose: And you are lower.

Mr. Coffin: We are slightly lower.

Mr. Rose: And it is largely because of the difference in the exchange rate.

Mr. Coffin: Oh, no. I am talking equivalent dollars now. I think the simplest way to put it is that we ignore the fact that they are paying in American dollars.

Mr. Rose: Thank you.

Mr. Rock: In your brief you have compared your freight rates with sales rather than with actual costs—19 to 20 per cent in Canada compared to 7.5 per cent in the United States. This chart shows that in Canada you start off with $1.60 for 50,000, which is the same as in

[*Interpretation*]

douanière entre cette zone de libre-échange le reste du Canada, ou encore cela pourra être accompli, comme dans l'industrie aut mobile par une entente industrielle. Ce q m'inquiète à propos de ce concept, c'est réciprocité. Je crois que nous sommes u nation qui exporte beaucoup maintenant. c'est un de nos problèmes, du fait que no exportons beaucoup de matières premières non pas suffisamment de produits finis. Alo qu'est-ce que vous prévoyez à la suite d'u telle entente en autant que cela concerne réciprocité des exportations américaines ve cette région, car je ne puis voir les Amé cains y participer.

M. Coffin: Vous avez tout à fait raison, n'est pas là le seul problème. Mais pour vo donner un exemple plus en détail, notre pri cipale matière première fait l'objet d'un ta équivalent à 7.5 p. 100. En d'autres mots, no pouvons ne pas tenir compte du tarif s notre bois brut en supposant l'équivalence d dollars. Mais seulement dès que nous no acheminons vers un produit fini où il y a une main-d'œuvre additionnelle pour le pr duire, alors le tarif qui à une époque était 30 p. 100 et, avec le *Kennedy Round*, a bais et est maintenant à 21 p. 100.

M. Rose: Pourriez-vous nous dire pourqu vous n'avez pas à tenir compte de ce tarif 7 p. 100?

M. Coffin: Il y a l'échange sur le dollar.

M. Rose: Est-ce que cela a quoi que ce s à voir avec votre productivité et le coût de main-d'œuvre par rapport, disons, à un pr duit américain analogue?

M. Coffin: Nous comparons nos coûts fabrication avec une usine américai analogue.

M. Rose: Et c'est moins élevé chez vous.

M. Coffin: C'est un peu moins élevé.

M. Rose: Et c'est essentiellement à cau d'une différence entre les taux d'échange.

M. Coffin: Oh non. Je parle d'équivalen en dollars. Je pense que c'est la façon la pl simple d'en parler. Nous ignorons le fait qu' nous paient en dollars américains.

M. Rose: Merci.

M. Rock: Dans votre mémoire, vous av comparé votre tarif-marchandises avec ventes plutôt qu'avec le coût réel, de 19 à p. 100 au Canada comparativement à 7.5 100 aux États-Unis. Ce tableau ici nous mo tre qu'au Canada vous commencez avec $1.

Texte]

ie United States; then in the United States ey have a lower tariff, $1.40 and $1.20 for),000 and 100,000, while we still remain at 1.60. Is that right?

Mr. Coffin: I am not exactly sure of your gures, but I believe that is so.

Mr. Rock: This is actually a rate that goes om Chester, Nova Scotia to a U.S. point. ou have not actually supplied us with other pes of freight costs throughout the United ates and compared them with ours. You ve just done this as a percentage of sales.

Mr. Coffin: Maybe I have misled you. These gures represent the incentive rates on merican railroads, which I have checked ith other companies as well and they are e same. In other words, if I have a 50,000 ound car my rate is so much; if I now load e car to a 100,000 pounds my rate or cost r unit is less—it is about 22 per cent less on merican railroads and about 10 per cent in nada.

Mr. Rock: Well, your chart shows that the te in Canada remains the same at $1.60. his is from Chester, Nova Scotia to the U.S. elow here you have the Canadian rate and ove you have the American rate. Is that not ur comparison?

Mr. Coffin: The one with Canadian on it is ere.

Mr. Rock: That is what I say. This is the ie of Canada.

Mr. Coffin: There is another sheet...

The Chairman: Mr. Mahoney, did you have supplementary question?

Mr. Mahoney: No, I just wanted to make re that Mr. Rock gets everything he needs.

Mr. Rock: I will study this, Mr. Chairman.

Mr. Horner: Do all your goods go from ester through to the Boston area or do any your supplies go to the New England ates via Montreal? Do you understand what mean?

Mr. Coffin: To answer the first part of that estion, if we are shipping to Boston our ains our routed Montreal, yes. If we ship to rtland, Maine they generally go through anceboro. However, I cannot overemphasize at our shipments cover a much wider range an the neighbouring United States. I have

[*Interprétation*]

pour 50,000, ce qui est à peu près le même qu'aux États-Unis; et ensuite aux États-Unis, ils ont un tarif inférieur de $1.40 et de $1.20 pour 70,000 et 100,000, alors que nous demeurons toujours à $1.60. C'est juste?

M. Coffin: Je ne suis pas tout à fait sûr de vos chiffres, mais je pense qu'il en est ainsi.

M. Rock: Réellement, il s'agit d'un taux qui va de Chester, Nouvelle-Écosse, à des points aux États-Unis. Vous ne nous avez pas donné les autres coûts du transport de marchandises aux États-Unis comparativement aux nôtres. Vous l'avez fait simplement en raison du pourcentage des ventes.

M. Coffin: Je vous ai induit en erreur. Ces chiffres représentent les taux d'encouragement pour les chemins de fer américains qui ont aussi été vérifiés auprès d'autres sociétés et ils sont les mêmes. En d'autres mots, si j'ai un wagon de 50,000 livres, le taux est de tant, et si je le porte à 100,000 livres, mon taux au coût par unité est moins élevé; soit 22 p. 100 moins élevé sur les chemins de fer américains, et environ 10 p. 100 au Canada.

M. Rock: Eh bien, votre tableau montre que le taux au Canada demeure le même, soit $1.60. Cela va de Chester en Nouvelle-Écosse aux États-Unis. En bas ici, vous avez le taux canadien et au-dessus vous avez le taux américain. N'est-ce pas la comparaison?

M. Coffin: Celui montrant le taux canadien est ici.

M. Rock: C'est ce que je dis. C'est celui du Canada.

M. Coffin: Il y a une autre feuille.

Le président: Monsieur Mahoney, avez-vous une question supplémentaire?

M. Mahoney: Non, je voulais simplement être sûr que M. Rock obtienne tout ce dont il a besoin.

M. Rock: Je vais étudier ce tableau, monsieur le président.

M. Horner: Est-ce que tous vos produits vont de Chester vers la région de Boston ou est-ce que vous en expédiez vers les États de la Nouvelle-Angleterre par Montréal? Vous comprenez ce que je veux dire?

M. Coffin: Pour répondre à votre question, je pense, tout d'abord, pour la première partie, à savoir si nous expédions vers Boston, nos trains doivent passer par Montréal. La réponse est oui. Si nous expédions à Portland, Maine, ils passent par Vanceboro. Toutefois, on ne saurait trop signaler que nos expédi-

[*Text*]

here a listing of shipping destinations in the last 5½ week period. We cover in Nova Scotia and the Atlantic Provinces, we go as far as Jamaica, Alabama, Georgia, Virginia, Texas—it reads like a roll call of the United States.

Mr. Horner: Well, I commend you for your enterprise in getting into that market, but I want to clear up my previous question with regard to rates. Now, I mentioned from Chester to Boston, and you said 65 cents per hundred.

Mr. Coffin: That is correct.

Mr. Horner: And 48 cents per hundred to Montreal. Now would that shipment going to Boston at that rate go via Montreal?

Mr. Coffin: It would.

Mr. Horner: Suppose it was only boated to Montreal and you received a subsidy on it as far as Montreal. Would it then be feasible to rebill it to Boston—although it may not be morally honest?

Mr. Coffin: I do not know whether it is morally honest but we tried it anyway. Unfortunately, through rates are generally cheaper than the shorter hauls.

Mr. Horner: But you would agree this shows a weakness.

Mr. Nesbitt: I have one question, Mr. Chairman. In one part of your brief you mentioned that you faced a great deal of trouble with imports of similar products because of certain low-costing in other countries such as Poland and so on, with the result that the Canadian market for your product was much more inland. Later on in your brief, however, you mention that your exports to the United States were quite large, and particularly you mentioned the areas of Georgia and Texas. Now both of these of course have seaports, such as Savannah and so on. Apart from that, do you ever attempt to ship any of your products to Georgia or Texas or any of those areas by water rather than land?

Mr. Coffin: No, we have not. I have to asknowledge that with rail shipment we can ship relatively small quantities from our

[*Interpretation*]

tions comprennent une plus grande gam que celles de nos voisins aux États-Unis. ici une liste des points de destination pour période des cinq semaines et demie dernièr Nous couvrons la Nouvelle-Écosse et les p vinces de l'Atlantique, nous allons jusqu'à Jamaïque, l'Alabama, la Georgie, la Virgi le Texas, et c'est à peu près une carte déta lée des États-Unis.

M. Horner: Je vous félicite de vous ê engagés dans ce marché, mais ma derni question a trait aux taux. Maintenant, mentionné de Chester à Boston, et vous di 65c. le cent livres.

M. Coffin: C'est exact.

M. Horner: Et 48c. le cent livres à Mo réal. Est-ce que ce chargement qui va à B ton à ce tarif ira par Montréal?

M. Coffin: Oui.

M. Horner: Disons que vous recevez u subvention pour aller jusqu'à Montréal. Su poson que votre ligne de route n'était qu bateau jusqu'à Montréal. Vous pourriez al la réacheminer vers Boston, peut-être, mê si ce ne serait pas honnête?

M. Coffin: Je ne sais si c'est moralem honnête, mais enfin nous l'avons essayé. M habituellement, c'est moins coûteux si cela en ligne directe que lorsque le parcours moins long.

M. Horner: Mais, vous serez d'accord q ceci indique une faiblesse de système?

M. Nesbitt: J'ai une dernière question poser, monsieur le président. Je vois q dans une partie de votre mémoire, vous di que vous devez faire face à beaucoup difficultés face aux importations de produ analogues et qui coûtent peu cher, concu rence qui vient de la Pologne et ainsi suite. Il en résulte que le marché canadi pour votre produit se trouve plus à l'intérie du pays. Plus tard, dans votre mémoire, tc tefois, vous parlez du fait que vos expor tions aux États-Unis étaient assez importa tes, surtout vous parlez des régions de Georgie et du Texas. Chacune de ces régio a un port maritime, comme Savannah, etc. plus de cela, est-ce que vous n'avez jam essayé d'expédier vos produits à la Georg au Texas, ou à une autre partie de c régions, par eau plutôt que par rail?

M. Coffin: Non, nous n'avons pas essayé. dois reconnaître que, pour les expéditions fe roviaires, nous pouvons expédier de petit

[Texte]

ant directly to our customer's plant thereby voiding any in-between transit or handling.

Mr. Nesbitt: How about distances such as exas or Georgia?

Mr. Coffin: Well, even with Texas and eorgia it is possible we could, and we have oked into this. But if we were to ship large uantities, say, 600 tons, we could ship eaper by water to Mobile, Alabama. Unfornately the plants that we are supplying are nsiderably away from the seaports.

Mr. Nesbitt: Have you made any enquiries ether or not if you should decide to do this at you could find shipping space, or indeed ips?

Mr. Coffin: This is one of the problems. It very difficult to get a shipping company to mmit itself to any extended tonnage. Curntly Halifax is not a port of call for a great mber of lines.

Mr. Nesbitt: You feel then that you probaly could not even consider this because of e lack of regular ships calling at Halifax.

Mr. Coffin: I would not say exactly that, t there is no question that this is a major tor.

The Chairman: Gentlemen, this completes s witness's brief and I would like to thank n for coming.

Our next brief will be from the Shubenacae River Crossing Committee. I have on my mediate right Mr. MacDuffie. He will give a ort briefing.

Mr. H. MacDuffie (Shubenacadie River ossing Committee): Mr. Chairman, ladies d gentlemen, I will give a short brief on e Shubenacadie River Crossing which, as we ll all know, has been under study for sevl years. For the past six years I have been airman, and there have been several surys conducted. The Department of Highways nducted one in 1962, ARDA conducted one, D. Margison and Associates Ltd. conducted e and there was one by Acadia University.

Now our problem of course is, firstly, mile. We are, of course, of the North Hants a which, as well as being a great centre, is best market, our best shopping area, has

[*Interprétation*]

quantités à partir de notre usine directement jusqu'à l'usine de notre client, évitant ainsi tout transit et toute manutention intermédiaire.

M. Nesbitt: Que dire des distances telles que pour aller jusqu'au Texas ou en Georgie?

M. Coffin: Même pour aller jusqu'à la Georgie ou au Texas, nous pourrions le faire et nous avons étudié cette possibilité. Mais si nous devions expédier de grandes quantités, soit 600 tonnes, nous pourrions le faire à meilleur coût par eau à Mobile, Alabama. Malheureusement, les usines que nous approvisionnons sont assez éloignées des ports maritimes.

M. Nesbitt: Est-ce que vous vous êtes informés afin de voir si vraiment, si vous décidiez de le faire, vous pourriez trouver des navires pour transporter vos produits?

M. Coffin: C'est assez difficile d'avoir un armateur pour transporter un certain tonnage. En ce moment, Halifax n'est pas un port d'arrêt pour un très grand nombre de lignes.

M. Nesbitt: Alors, vous croyez que vous ne pourriez peut-être pas y songer vu qu'on n'a pas suffisamment de facilité pour faire de tels acheminements à partir de Halifax.

M. Coffin: Ce n'est pas tout à fait ce que je dirais, mais il est bien évident que c'est là un facteur important.

Le président: Messieurs, ceci complète la présentation de ce témoin et je tiens à le remercier d'être venu.

Maintenant, nous entendrons la présentation du *Shubenacadie River Crossing Committee*. J'ai à ma droite M. MacDuffie qui nous fera une brève présentation de cette soumission.

M. H. MacDuffie (Shubenacadie River Crossing Committee): Monsieur le président, mesdames et messieurs, je vous donnerai un bref résumé de la traversée de la rivière Shubenacadie. Comme vous le savez, cela a fait l'objet d'une étude depuis bon nombre d'années. Depuis les six dernières années, je suis président de cette Commission d'étude. Il y a bon nombre de relevés qui ont été faits, le ministère de la Voirie en a fait un en 1962, ARDA en a fait un, A. D. Margison and Associates Ltd. en ont fait une autre, et l'Université Acadia a fait aussi un relevé.

Notre problème alors en est un qui a trait tout d'abord au millage. Nous sommes de la région de *North Hants*, qui tout en étant un grand centre, est notre meilleur marché,

[*Text*]

the best facilities for education—especially in the North Hants section of East Hants. Our religious education is very definitely tied in with that area. Our hospitalization is very definitely tied in with the town of Truro. From a standpoint of industry many of our people go into Truro for employment.

As Chairman of Industrial Development, we have approached many secondary industries to settle in East Hants but the same answer comes up all the time— that we are too far away. Mileage and transportation is a real factor and it has always handicapped us.

Our area is shown here on the map. If there were a crossing of the river here, we would be exactly 12 miles from Truro. As of now our people from all this area have to drive away down here to Shubenacadie.

From all of this section of East Hants we have to drive from Maitland to Shubenacadie, which is approximately 25 miles, and then 23 miles down the other way, which makes a total from Maitland to Truro of 48 miles.

If a crossing were implemented we could go to Truro. It would not be more than 15 miles to almost any point of central Truro which, of course, would be a tremendous advantage to our farmers, schools, hospitals and church operations. Surveys have been conducted as this report will show that we have handed to you. The last one conducted by ARDA, I think it was, showed a 75 per cent feasibility on a traffic count alone. That did not include by any means of the intangibles that would go along with it.

I do not think any of us locally visualize the entire value that crossing would be to both Hants and Colchester. For example, here is a note I received from the Department of Manpower and Immigration. I will read you the four items that he has pointed out:

> It will make it possible for East Hants residents to compete effectively in the Truro labour market by placing them within convenient commuting distance. At the present time a resident of Maitland has a choice of travelling approximately 60 miles to the Avon River valley area, the same distance to Halifax-Dartmouth, or 35 miles to Truro to seek work, whereas with the crossing that same person would only be 12½ miles from the Truro labour market.

[*Interpretation*]

notre meilleur centre de service pour l'édu tion de nos enfants, surtout dans la pa nord des *East Hants*. L'éducation religie est rattachée à cette région. Sûrement l'hos talisation est aussi rattachée à la ville Truro. Pour ce qui est de l'industrie, nombre des nôtres vont à Truro pour trou de l'emploi.

A titre de président de la Commiss de développement industriel, nous av demandé à bon nombre d'industries second res de s'établir à *East Hants*, mais nous so mes toujours parvenus à obtenir la mê réponse. Nous sommes trop éloignés qu aux milles et aux possibilités de transp C'est là un facteur, c'est toujours handicap.

Notre région est indiquée ici sur la ca S'il était possible de traverser la rivière nous nous trouverions à exactement 12 mil de Truro. Alors que, maintenant, toute population de cette région doit aller jusq Shubenacadie.

Les habitants de la région de *East Ha* doivent passer de Maitland à Shubenacadi environ 25 milles, puis parcourir 23 milles sens inverse jusqu'à Truro, ce qui fait total de 48 milles.

Si la traversée était possible, nous po rions nous rendre à Truro, qui se trouverai 15 milles, ce qui serait évidemment un t grand avantage pour les agriculteurs, les é les, les hôpitaux et les églises. Des études été faites à ce sujet, et figurent dans le r port que nous avons distribué. La p récente, effectuée par l'ARDA, établit la r tabilité du projet à 75 p. 100 sur le seul p de la circulation routière. On ne fait aucu ment état des impondérables.

Je me demande si nous nous rendons vr ment compte des avantages que ce pass représente pour Hants et Colchester. Vo une lettre que j'ai reçue du ministère de Main-d'œuvre et de l'Immigration. Je v donnerai lecture des quatre éléments qu'e contient:

> Ce passage permettra à East Hants e ses habitants de concurrencer effica ment le marché ouvrier de Truro en plaçant à une portée raisonnable. l'heure actuelle, les résidents de Maitla doivent soit parcourir 60 milles jusqu'à vallée de la rivière Avon—la même d tance qu'entre Halifax et Dartmouth—s parcourir 35 milles jusqu'à Truro, p trouver un emploi, alors, qu'avec un p sage ces personnes ne seraient plus q 12 milles et demi du marché ouvrier Truro.

[*Texte*]

The added work force of approximately 4,700 adults within convenient commuting distance would make Truro more attractive to industry as a place to locate plants, warehouses and branch offices.

The savings in travel and transfer expenses for residents of East Hants, who would not be obliged to drive to Halifax through the Avon valley area to find work, would generate more local business in the East Hants area.

It would be a considerable net gain to the community through lower social assistance requirements and concomitant higher tax collections.

All of the above effects would result to a considerable and easily measurable degree upon completion of this important project. I trust that this considered expression of opinion will be useful to you in your efforts.

The Chairman: Thank you, very much.

Mr. MacDuffie: There are many other factors at we should include. There is the fact of rism. I believe tourism is becoming recoged as the second largest industry in Cana. We have a beautiful area there as the map ll show. Tourists love to come there. We ve the highest rise and fall of tide in the rld, a rise and fall of 53 feet at mean high le.

If the Fundy Trail should come to pass, ich we hope it will, our contribution in va Scotia—the crossing of the Shubenacae River in the Maitland-Princeport area—uld constitute 95 per cent of Nova Scotia's ntribution to a Fundy Trail.

I have here with me Mr. Murphy, Mr. Johnn and our member from the area. Perhaps ey could add something or if there are any estions perhaps I or the others can answer em.

The Chairman: Mr. McCleave?

Mr. McCleave: Mr. Chairman, first of all I nk when the map was held up west was in e usual north position and east in south sition, which may have confused some of e members. Mr. MacDuffie, what you are ring to prove or argue first of all is that s would be a very natural part of the ndy Trail around the northwestern end of va Scotia.

Second, I suggest that you are trying to gue too that when the Bay of Fundy power velopment takes place, a multibillion dollar position, that the roadway from Truro to

[*Interprétation*]

Ce supplément de main-d'œuvre de 4,700 adultes, qui se trouvent à une distance raisonnable, permettrait à Truro d'accueillir des industries, des usines, des entrepôts et des bureaux.

Les économies en frais de transport et de déplacement qu'effectueraient les habitants de East Hants, qui n'auraient plus besoin de se rendre à Halifax par la vallée de l'Avon pour trouver du travail contribueraient à stimuler les entreprises de la région de East Hants.

La localité bénéficierait énormément de ce projet, qui lui permettrait de réduire quelque peu l'assistance sociale et de percevoir plus d'impôts.

Tous ces avantages découleraient de l'exécution de cet important projet. Je suis sûr que notre déclaration vous sera utile dans vos efforts.

Le président: Merci beaucoup.

M. MacDuffie: Il y a beaucoup d'autres facteurs qui entrent en jeu, comme le tourisme. Le tourisme est considéré comme la seconde industrie la plus importante au Canada. Nous avons une magnifique région, comme on peut le voir sur la carte. Les touristes aiment s'y rendre. Nous avons les plus fortes variations de marée au monde, soit 53 pieds en moyenne.

Si la route de la baie de Fundy devenait une réalité, comme nous l'espérons, notre contribution en Nouvelle-Écosse—le passage de la rivière Shubenacadie dans la région de Maitland-Princeport—se chiffrerait à 95 p. 100 de la contribution de la Nouvelle-Écosse pour la route de la baie de Fundy.

Il y a ici MM. Murphy, Johnston et le député de la région. Ils pourraient peut-être ajouter quelques observations; si vous avez des questions à poser, nous tâcherons d'y répondre.

Le président: Monsieur McCleave.

M. McCleave: Monsieur le président, lorsqu'on nous a montré la carte, l'ouest était dirigé vers le nord et l'est vers le sud, ce qui a pu entraîner une certaine confusion. Monsieur MacDuffie, vous voulez sans doute montrer qu'il serait normal que la route de la baie de Fundy longe l'extrémité nord-ouest de la Nouvelle-Écosse.

Deuxièmement, vous prétendez que lorsque l'aménagement hydroélectrique de la Baie de Fundy sera terminé, la route de Truro à Windsor deviendra une voie naturelle d'ache-

[*Text*]

Windsor would be a natural way to bring material in for the development of the Bay of Fundy power. Am I correct in that?

Mr. MacDuffie: Yes, sir.

Mr. McCleave: You have not argued this, but would not part of your argument be that if the Trans-Canada Highway system were to be developed—a secondary highway system—this would be part of that as well? That is, to go east-west in Nova Scotia rather than the trail from Cape Breton Island through to New Brunswick. Am I right in that?

Mr. MacDuffie: Yes.

Mr. McCleave: For the benefit of the members who are not familiar with this area, when you speak about a crossing you do not commit yourself to either a causeway or bridge, but leave that point to be decided later on.

Mr. MacDuffie: Yes; I am glad you brought that out.

Mr. McCleave: You speak about tourism. Could you tell the members of Parliament not familiar with the area about the fact that Maitland, which would be near one side of the crossing, was once the site of the most developed shipbuilding industry in Canada and the world.

Mr. MacDuffie: Yes sir, I would like to tell them that. The Township of Maitland, in the days of the wooden shipbuilding industry, was one of the most industrious areas in Nova Scotia. The largest sailing ship that was built in Canada, the *W. D. Lawrence,* was constructed right near the mouth of Shubenacadie River. A cairn has been erected there in commemoration of that, and the province has bought the Laurence homestead, which is to be known as the Lawrence House, a museum commemorating the days of wooden shipbuilding.

Mr. McCleave: Finally, Mr. MacDuffie, we have heard a lot in this Committee and in Parliament about a link between the Annapolis Valley and New Brunswick through Digby and Saint John, but would this not also provide a link between the Annapolis Valley and the eastern part of New Brunswick, namely the Moncton area, by means of cutting across northwestern Nova Scotia?

Mr. MacDuffie: It would; it would cut the mileage down considerably. It would cut approximately 50 miles off the distance now travelled.

[*Interpretation*]

minement des matériaux pour le développe ment hydroélectrique de la Baie de Fundy.

M. MacDuffie: C'est juste.

M. McCleave: Bien que vous ne l'ayez pa dit expressément, n'êtes-vous pas d'avis qu si le réseau de la Trans-canadienne était éte du—un second réseau d'autoroutes—ce résea pourrait être compris dans votre projet? L'o pourrait traverser la Nouvelle-Écosse d'est e ouest plutôt que de suivre l'île du Cap-Breto par le Nouveau-Brunswick. Ai-je raison?

M. MacDuffie: Oui.

M. McCleave: Pour les députés qui ne co naissent pas cette région, précisons que p passage nous n'entendons pas nécessaireme une chaussée, ou bien un pont, mais que no réservons la décision pour plus tard.

M. MacDuffie: Je suis heureux que vous e ayez parlé.

M. McCleave: Vous parlez du tourism pourriez-vous dire aux députés qui ne co naissent pas cette région, que Maitland, q serait près du passage, était autrefois le cha tier naval le plus important du Canada même du monde.

M. MacDuffie: Je le leur dirai. Le canton Maitland, à l'époque où l'on construisait d navires en bois, était l'une des régions l plus industrieuses de la Nouvelle-Écosse. l plus gros navire qui ait été fabriqué Canada, le *W. D. Lawrence,* a été constru près de l'embouchure de la rivière Shuben cadie. Un monument commémoratif a é édifié à cet endroit et la province a récupé le *W. D. Lawrence,* qui deviendra le *La rence House,* un musée destiné à commémor l'époque où les navires étaient en bois.

M. McCleave: On a beaucoup parlé, au se du Comité et au Parlement, de relier la vall d'Annapolis et le Nouveau-Brunswick, p Digby et Saint-Jean; cela ne permettrait pas également de relier la vallée d'Annapo à la partie est du Nouveau-Brunswic c'est-à-dire la région de Moncton, en passa par le nord-ouest de la Nouvelle-Écosse?

M. MacDuffie: Oui; cela réduirait considér blement la distance, de cinquante mill environ.

[*Texte*]

Mr. McCleave: Mr. Chairman, I realize I m here perhaps on sufferance because I am ot a regular member of the Committee, but ay I just make a twenty-second observation hat if the members in dealing with this ould look at Volume II of the Atlantic Provnces Transportation Study, page iii, where it eals with the development of a highway sysem in Nova Scotia and page 74 I think they ould have a greater appreciation of what Ir. MacDuffie and his group in dealing with he Shubenacadie River Crossing are trying o convey to the Committee. Thank you very uch.

The Chairman: Mr. Perrault?

Mr. Perrault: Mr. MacDuffie, this is an xcellent brief. During this tour a number of odies have suggested a number of projects, ncluding bridges and highways and that kind f thing, and they have asked for federal overnment financing of these projects. Under erms of Confederation roads and bridges vere established as a provincial responsibility nd nowhere in this brief is there the suggesion that there is a clear national benefit to e derived from this crossing, meritorious as t is.

It has been suggested in part that the rans-Canada Highway could possibly be reouted. Could you provide some justification or the federal government rather than the rovincial government to build this bridge? hat is my first question.

Mr. MacDuffie: Sir, I do not think in the irst place we are asking the federal governnent to build it in its entirety. We are asking he federal government to share the cost.

Mr. Perrault: What percentage would that e?

Mr. MacDuffie: Fifty per cent.

Mr. Perrault: Would the provincial governnent assume the other portion?

Mr. MacDuffie: Yes; I understand that the rovincial government would.

Mr. Perrault: That, in effect, is the Transanada Highway formula, is it not? Fifty per ent of two lanes; is that right?

Mr. MacDuffie: I suppose so, yes.

Mr. Perrault: That was the extent of my uery. I think many excellent ideas have een advanced in this brief. Just attempting o establish the national priority, did the tlantic Development Board establish this roject in its list of priorities?

[*Interprétation*]

M. McCleave: Monsieur le président, je sais que je suis ici par tolérance, car je ne suis pas membre régulier du Comité, mais j'aimerais faire une brève observation; les députés pourront consulter le volume 2 de l'étude sur les transports dans les provinces maritimes, page iii, où l'on traite de l'aménagement d'un réseau routier en Nouvelle-Écosse, et également la page 74; je pense qu'ils comprendront mieux ce que veulent dire M. MacDuffie et son groupe, au sujet du passage de la rivière Shubenacadie. Merci beaucoup.

Le président: Monsieur Perrault?

M. Perrault: M. MacDuffie, voilà un excellent mémoire. Au cours de la tournée, un certain nombre d'organismes nous ont présenté certains projets, dont la construction de ponts et de routes; ils ont demandé au gouvernement fédéral de financer ces projets. Aux termes du pacte confédératif, les routes et les ponts ont été confiés à la compétence des provinces, et ce mémoire n'a pas démontré les avantages que le pays pourrait retirer de ce projet, en dépit de son mérite.

On a proposé par ailleurs que la Transcanadienne soit restructurée. Pouvez-vous justifier une initiative fédérale plutôt que provinciale en ce qui concerne la construction du pont? C'est ma première question.

M. MacDuffie: Nous n'avons pas demandé au gouvernement fédéral de se charger entièrement de la construction. Nous demandons au gouvernement fédéral de partager les frais.

M. Perrault: Quel pourcentage?

M. McDuffie: Cinquante pour cent.

M. Perrault: Est-ce que le gouvernement provincial assumerait le reste?

M. MacDuffie: Je pense que oui.

M. Perrault: Alors, il s'agit de la même formule que pour la route transcanadienne, n'est-ce pas? Moitié moitié des frais.

M. MacDuffie: J'imagine, oui!

M. Perrault: C'est tout ce que je voulais savoir. Je trouve qu'on a fait valoir de bonnes idées dans ce mémoire, mais pour ce qui est de déterminer un ordre de priorité national, est-ce que l'Office d'expansion économique de la région atlantique y avait inclus ce projet?

[*Text*]

Mr. MacDuffie: The Atlantic Development Board was consulted and asked for support through the Department of Industry, Trade and Commerce. I have a letter from the Minister of Industry, Trade and Commerce stating that the Atlantic Development Board at that time did not see the river crossing as a cost-sharing project in itself, but the Department took from that that if the crossing were tied in with a highway project the Atlantic Development Board would see it in a different light.

Mr. Perrault: Yes; made part of the Trans-Canada Highway system.

Mr. MacDuffie: This highway that we speak of, which you can see on the map, from Truro to Windsor is a highway that needs upgrading anyway, and I believe the province would tie it in with that in the hope of the federal department's helping to finance it to the extent of 50 per cent.

Mr. Perrault: My final question, Mr. Chairman, is: Do you have any firm commitment from the provincial government of Nova Scotia that they will assume 50 per cent of the cost of this if they have matching federal participation?

Mr. MacDuffie: I think we have. Our MLA, Mr. Ettinger, is here.

Mr. J. A. Ettinger (MLA, Hants East): I cannot speak for the Minister of Highways or for our Premier; therefore, I cannot give you that assurance.

The Chairman: Mr. Thomas?

Mr. Thomas (Moncton): As you know, in the past few years ARDA has supplied a good deal of assistance in reclamation of marshlands. We have had a great deal of assistance in the Petitcodiac tidal waters and the thought occurs to me that you could possibly apply for assistance on the same basis as the Petitcodiac River crossing which had the effect of reclaiming quite a bit of tidal land and protecting marshlands. Would that apply in your case?

Mr. MacDuffie: It would if the crossing were a causeway. As Mr. McCleave just stated a few minutes ago, we are not suggesting what kind of crossing.

Mr. Thomas (Moncton): But if you built a causeway you could probably qualify for assistance under ARDA for marshland reclamation.

[*Interpretation*]

M. MacDuffie: L'Office a été consulté, il a aussi sollicité un appui par l'intermédiaire du ministère du Commerce et de l'Industrie. J'ai ici une lettre du ministre du Commerce et de l'Industrie, où il est dit que l'Office, à ce moment-là, n'entrevoyait pas la construction du pont comme un programme à frais partagés, mais que le ministère présumait que si ce projet devait se réaliser en conjonction avec une grande route, l'Office verrait alors la chose d'un autre œil.

M. Perrault: En tant que partie intégrante du réseau transcanadien.

M. MacDuffie: Cette route de Truro à Windsor, qu'on peut voir sur la carte, a besoin d'être améliorée, de toute façon. Je pense alors que la province la relierait au réseau, avec l'espoir que le gouvernement fédéral aiderait à son financement dans la mesure de 50 p. 100.

M. Perrault: Une dernière question, monsieur le président: avez-vous obtenu de la part de la Nouvelle-Écosse l'engagement ferme qu'elle acquittera la moitié des frais si le gouvernement fédéral paie le reste?

M. MacDuffie: Je crois que oui. Le député provincial, M. Ettinger, est ici.

M. Ettinger (député de Hants-Est, Assemblée législative provinciale): Je ne saurais parler au nom du ministre de la Voirie, ni à celui de notre premier ministre; je ne peux donc vous donner cette assurance.

Le président: Monsieur Thomas.

M. Thomas (Moncton): Comme on le sait, l'ARDA a fourni passablement d'aide, ces dernières années, à la réclamation des terres marécageuses; notamment dans la région de Petitcodiac; il me semble que l'on pourrait peut-être demander de l'aide financière, selon la même formule que pour le projet du pont sur la rivière Petitcodiac, lequel a entraîné la réclamation d'une grande superficie. Est-ce que cela s'appliquerait dans l'autre cas?

M. MacDuffie. Oui, s'il s'agit bien d'une chaussée. Mais comme l'a dit M. Macleave, il y a quelques minutes, nous n'avons rien précisé à cet égard.

M. Thomas: Mais si vous construisiez une chaussée, vous pourriez probablement faire appel à l'ARDA, au titre du programme de réaménagement des terrains marécageux.

Texte]

Mr. MacDuffie: Mr. McCleave could answer iat question better than I.

Mr. McCleave: There is always a certain mount of juggling between the federal and ie provincial governments, but I think it can e stated that it could become a 50 per cent ontribution on either side, Mr. Chairman.

The Chairman: Mr. Trudel?

Mr. Trudel: Mr. Chairman, I believe Mr. IacDuffie stated in his presentation that this ould create a large reservoir of fresh water. assume by the same token that you would ave a dam, and a harbour built on top if it.

Mr. MacDuffie: Yes.

Mr. Trudel: Would this interfere with the avigation you have at present on the river?

Mr. MacDuffie: Of course, there is not any avigation on the river.

Mr. Trudel: This is what I wanted to find ut.

Mr. MacDuffie: There has not been any avigation on that river for many, many ears. All there ever has been in my lifetime ere some scows. They used to scow some mber down, but that has not been going on or 50 years any way.

Mr. Trudel: So it would not interfere ith the natural flow of navigation at the resent time.

Mr. MacDuffie: No.

Mr. Trudel: Thank you, Mr. Chairman.

The Chairman: Mr. Corbin?

Mr. Corbin: Mr. MacDuffie, I tried to find ut in your brief the answer to the question I m about to ask you. If a causeway were uilt there, would the advantages to agricul- ire be greater than to transportation? Which ould come first, in your mind?

Mr. MacDuffie: That is hard to say, but it ould be very beneficial in both ways. I ould say it would be about 50-50, agricul- ire and transportation. The brief will show iat from a survey that was conducted this rea would be fed from a crossing. This is the ost productive soil not only in Nova Scotia, ut I believe in the Maritimes.

The Chairman: Mr. Pringle?

Mr. Pringle: I have a supplementary, Mr. hairman. I do not know whether Mr. Mac- uffie is aware of the new Navigable Waters rotection Act which is at least in the report

[*Interprétation*]

M. MacDuffie: Je pense que monsieur McCleave pourrait répondre mieux que moi à cette question.

M. McCleave: Il y a toujours un peu de tergiversation, de part et d'autre, entre la province et le gouvernement fédéral, mais l'un et l'autre paieraient leur moitié, je pense.

Le président: Monsieur Trudel.

M. Trudel: Monsieur le président, je crois que M. MacDuffie a déclaré dans son mémoire qu'il se formerait, en l'occurence, un grand bassin d'eau douce. Je présume, par le fait même, qu'il y aura un barrage et les installations portuaires.

M. MacDuffie: Oui.

M. Trudel: Est-ce que cela nuirait au traffic maritime sur la rivière?

M. MacDuffie: Il n'y en a pas, voyons.

M. Trudel: Justement, c'est ce que je voulais savoir.

M. MacDuffie: Il n'y en a pas eu depuis bien des années, sauf, à ma connaissance, quelques petites barges qui s'employaient pour le transport du bois, mais déjà la chose ne se fait plus depuis cinquante ans.

M. Trudel: Alors, rien ne viendrait gêner le trafic sur la rivière, n'est-ce pas?

M. MacDuffie: Non.

M. Trudel: Merci, monsieur le président.

Le président: M. Corbin.

M. Corbin: J'ai essayé de trouver dans votre mémoire la réponse à la question que je vais vous poser. Si l'on construisait une chaussée, selon vous, est-ce que cela profiterait plus à l'agriculture qu'aux transports? Qui en bénéficierait le plus?

M. MacDuffie: C'est très difficile à dire, mais ce serait avantageux dans les deux sens. Je dirais moitié moitié, côté agriculture et côté transports. Selon l'étude dont il est fait mention dans le mémoire, la région bénéficierait d'une telle entreprise, car elle compte les sols les plus productifs, non seulement de la Nouvelle-Écosse, mais aussi des Maritimes.

Le président: Monsieur Pringle.

M. Pringle: Une question supplémentaire. Je ne sais pas si M. MacDuffie connait la nouvelle Loi sur la protection des eaux navigables au Canada, qui en est au moins à

[*Text*]

stage from this Committee. Its terms are now rather broad as it relates to navigable waters and I would suggest, although I would not want to say so for certain—I am not qualified—that you would definitely be damming or preventing navigation; you would be obstructing navigation.

You would require, of course, a permit from the federal government to proceed with your plan.

If you mail an application so to do, do you envisage opposition from anyone in the area relative to the dam? You may run into some fairly severe problems because of the new Navigable Waters Protection Act, and you may have very seriously to consider opposition that may arise from certain people in the area. This is probably something you should include in your further study. I merely bring it to your attention.

Mr. MacDuffie: The only opposition thus far has been from some game fishermen, even though the plan does allow for a fishway, as opposed to a causeway. But there has been no opposition to a crossing. They are very much in favour of a crossing, but they are opposed to a causeway.

The Chairman: Yes, Mr. McCleave?

Mr. McCleave: Mr. MacDuffie, the fact is that your plan calls for something to span the river, rather than for either definitely a causeway or a bridge. Therefore, the point does not really arise. Is that correct?

Mr. MacDuffie: That is right.

The Chairman: Are there any further questions, gentlemen?

Mr. J. A. Ettinger (M.L.A.): I am from the district where this bridge is expected to be.

I spoke to the Premier recently and he said he did make a statement on a cost-sharing basis but the exact sharing he would have to check from his records. He did make a statement that the province would share on a cost-sharing basis.

The Chairman: Thank you.

Gentlemen, this is the end of our questioning period. Yesterday I received a brief from the Surrette Battery Company. It is not on our agenda and I just wondered whether these gentlemen were here today?

[*Interpretation*]

l'étape du rapport dans notre comité, mais so libellé est assez large, en ce qui concerne l eaux navigables. Je ne saurais l'affirme avec certitude, car je ne suis pas compéten mais j'ai l'impression que vous feriez obstac ou nuiriez à la navigation.

Il faudrait, bien entendu, se procurer u permis auprès du gouvernement fédéral, l'on voulait mettre le projet à exécution.

Si vous en faites la demande, croyez-vou que des objections viendront des gens de l région, au sujet du barrage? J'ai l'impressio que vous auriez de graves problèmes vu l nouvelle Loi sur la protection des eaux nav gables. Il serait nécessaire d'étudier l'oppos tion que vous pourriez recevoir de la part d certaines personnes de la région. C'est proba blement quelque chose que vous pourrie recevoir de la part de certaines personnes d la région. C'est probablement quelque chos que vous devriez inclure dans votre prochain étude. Je vous en fais simplement part.

M. MacDuffie: La seule opposition que nou avons rencontrée jusqu'à maintenant vena de la part des pêcheurs sportifs, quoique l projet prévoit justement les aménagement voulus pour le poisson par opposition à un chaussée. Mais il n'y a pas eu d'opposition la traversée, au contraire on est bien e faveur de la traversée, mais on s'oppose à l chaussée.

Le président: Oui, M. McCleave.

M. McCleave: M. MacDuffie, le fait est qu votre projet demande quelque chose qui tra verse la rivière, plutôt que de demander un chaussée ou un pont. Alors, la question ne s pose pas vraiment. N'est-ce pas exact?

M. MacDuffie: Oui, c'est exact.

Le président: Y a-t-il d'autres question messieurs.

M. J. A. Ettinger (M.A.L.): Je viens juste ment de la région où le pont sera construi J'en ai récemment parlé au premier ministr et il m'a dit qu'il a fait une déclaration pou le partage des coûts mais quant au partag exact, il faudrait vérifier ces dossiers. Toute fois, il a déclaré que la province partagera les frais de la construction.

Le président: Je vous remercie, messieurs Voici la fin de la période des questions.

Messieurs, hier j'ai reçu un mémoire, mai je ne l'avais pas à l'ordre du jour alors j voulais savoir si les représentants de l *Surette Battery Company* se trouvent ici ce après-midi.

Texte]

Would you agree to our making this brief n appendix to the report of our proceedings?

Some hon. Members: Agreed.

The Chairman: This is the end of our meet-ıg for today. I want to thank everyone for ıeir kindness and patience.

[*Interprétation*]

Est-ce que vous êtes d'accord dans ce cas que le mémoire soit annexé à notre rapport?

Des voix: D'accord.

Le président: Messieurs, voilà la fin de notre réunion de cet après-midi. Je voudrais remercier tout le monde de votre complaisance et de votre patience.

APPENDIX "I"

SUBMISSION
to the
STANDING COMMITTEE
on
TRANSPORT AND COMMUNICATIONS
by
SYDNEY STEEL CORPORATION
SYDNEY, NOVA SCOTIA

1. The Sydney Steel Corporation appears before this committee to request an amendment in the Maritime Freight Rates Act to provide for a greater degree of assistance to enable the Sydney Steel Corporation to compete in the Central and Western Canadian market. In making this request it is necessary to set the scene as to the existence of Sydney Steel Corporation by relating the all too familiar details of the Oct. 13th, 1967 Hawker-Siddeley (Canada) Limited announcement.

2. On Oct. 13th, 1967 the Hawker-Siddeley (Canada) Limited gave notice that they were going to abandon the operations of the then known Sydney Works of the Dominion Steel & Coal Corporation. Among the reasons cited were the high cost of operations and the high cost of shipping their products into the market place. Among the ramification arising from this decision which faced the Province of Nova Scotia was the maintenance of the livelihood of the people of Cape Breton, and to a large extent the Province of Nova Scotia, and to some degree the Maritimes themselves. Without going into all the detail which went into the decision which was taken the Province of Nova Scotia undertook the establishment of a Crown Corporation known as the Sydney Steel Corporation to operate the former Sydney Works of the Dominion Steel & Coal Corporation. While definite progress has been made in the operation of the Sydney Steel Corporation it is still faced with major transportation problems in moving its products to market.

3. This is even more strongly indicated when one takes into consideration the very narrow product range which is produced at Sydney, Nova Scotia. This product range can be roughly stated as being (1) rails and rail accessories accounting for approximately 22% of our out-put (2) semi-finished steel being ingots, billets, blooms, and slabs which account for approximately 70% of our out-put (3) the reinforcing steel and nails which accounts for about 8%.

APPENDICE «I»

MÉMOIRE SOUMIS AU COMITÉ PERM
NENT DES
TRANSPORTS ET DES
COMMUNICATIONS
PAR

LA *SYDNEY STEEL CORPORATION*,
de SYDNEY (N.-É.)

1. *La Sydney Steel Corporation* se présen devant le Comité dans le but d'obtenir u modification de la Loi sur les taux de tran port des marchandises dans les Maritime qui lui permettrait de soutenir la concurren sur les marchés du Centre et de l'Ouest Canada. Il convient aussi de brosser u tableau de la situation de la société, en rel tant les détails par trop bien connus de déclaration faite par la *Hawker-Siddel (Canada) Limited* le 13 octobre 1967.

2. A cette date, la *Hawker-Siddeley (C nada) Limited* annonçait en effet qu'elle allé fermer ce qu'on appelait alors les ateliers Sydney de la *Dominion Steel & Coal Corp ration*. La société invoquait le coût d'exploit tion élevé et le coût onéreux d'expédition ses produits vers les marchés. Entre autr conséquences, cette décision plaçait la pr vince de Nouvelle-Écosse dans une situati délicate: comment assurer l'avenir d'abord la population du Cap-Breton, ensuite de province dans son ensemble et, dans une ce taine mesure, celui des provinces Maritime Nous vous épargnons tous les détails inh rents à cette décision, mais toujours est-il q la province de Nouvelle-Écosse décida créer une société de la Couronne portant nom de la *Sydney Steel Corporation* et charg d'exploiter les anciennes usines de Sydney la *Dominion Steel & Coal Corporation*.

Bien que la *Sydney Steel Corporation* a enregistré des progrès marquants dans s entreprise, elle connaît encore de grand difficultés pour ce qui est d'acheminer s produits vers les marchés.

3. Ces difficultés sont d'autant plus grand que nous manufacturons une gamme de pr duits très restreinte à Sydney (N.-É.). On pe dire *grosso modo* que cette production résume à (1) des rails et leurs accessoire représentant environ 22 p. 100 de notre pr duction (2) de l'acier semi-ouvré: lingots, bi lettes, brames et plaques, soit à peu près p. 100 de la production et (3) de l'acier d'a mature et des clous, représentant environ 8 100.

4. With respect to rails, by and large it is afe to say that these are sold on a F.O.B. ydney basis with very few exceptions and re carried by the Canadian National Rail-ays and connecting carriers on an own com-any service basis. That is to say, there is no eight rate as such paid for the movement of ese products. We nevertheless must bear e burden of O.C.S. (own company service) sts in selling our rails to the railways and re forced as a result to make allowances for ur geographical disability in relation to our mpetitor without any assistance under the laritime Freight Rates Act. Since we have to eet competition with the other major pro-ucer of rails, at Sault Saint Marie and the ct that a large portion of these rails are stined to Central and Western Canada, we e required to make an allowance in our ice to compensate for the differential in the stance to the final destination as compared ith the shorter distance from Sault Ste. arie, Ontario thus adding to our costs a gher figure than should be absorbed if the FRA were operative on this segment of our siness.

5. With respect to our semi-finished prod-ts which are sold primarily in the Montreal-ntrecoeur Area, the price at which this aterial is sold is set to an extremely rge degree by the competitiveness of off-ore steels. Despite this we must meet this mpetition in the face of our major Ontario mpetitor for these products at Hamilton. e feel that, while we are both in effect eeting an off-shore compeled price that we ould not be penalized to the extent of pay-g a freight rate in excess of that paid by is competitor in the Montreal-Contrecoeur rea. What we mean to say here is that the eight rate from Sydney, Nova Scotia to ntrecoeur, Quebec which will become $5.59 r net ton on March 5th as compared to the rrent rate from Hamilton to Contrecoeur of .14. The difference of 45c. per net ton comes an increased cost of production to us hen compared with the cost of production of is competitor. This statement presupposes at the actual costs of production, excluding eight, are constant, although we do feel that cause of the age of our mill at Sydney, va Scotia that this is probably not an accu-te one as the costs of production would obably favour this competitor.

6. Our reinforcing steel and nail business to the Canadian market place would repre-nt a total of about 8 per cent of our total oduction and while relatively speaking ight rates on these items have appeared to

4. En ce qui concerne les rails, on peut dire que, dans l'ensemble, ils sont vendus à Sydney sur une base franco à bord à quelques exceptions près et qu'ils sont transportés par les Chemins de fer nationaux et des transporteurs contractuels indépendants desservant le CN. Ce qui veut dire qu'il n'y a pas de frais de transport comme tels pour l'acheminement de ces produits. Nous devons néanmoins acquitter les frais de service lorsque nous vendons nos rails aux sociétés ferroviaires et, sans l'assistance fournie en vertu de la Loi sur les taux de transport dans les Maritimes, nous devons faire des remises car, compte tenu de notre situation géographique, nous ne sommes pas en mesure de soutenir la concurrence. Étant donné que nous devons faire face à la concurrence de l'autre grand fabricant de rails à Sault-Sainte-Marie, et que la majeure partie de ces rails sont vendus dans les régions du Centre et de l'Ouest, nous devons prévoir des remises afin de contrebalancer l'avantage que notre concurrent de Sault-Sainte-Marie a sur nous en fait de distance par rapport au point de destination final. En conséquence, faute de bénéficier de l'aide garantie par la Loi sur les taux de transport dans les Maritimes, nos coûts s'en trouvent considérablement accrus.

5. Quant aux produits semi-finis que nous vendons surtout dans la région de Montréal-Contrecœur, le prix auquel nous les vendons dépend dans une très large mesure des prix pratiqués par la concurrence étrangère. Malgré cela, nous devons soutenir la concurrence du plus grand fabricant ontarien, qui manufacture ces produits à Hamilton. Nous estimons que, bien que ce concurrent et nous-mêmes devions pratiquer ce prix appliqué ailleurs, il n'y a pas de raison que nous payions un taux de transport plus élevé que ne paie ce concurrent dans la région de Montréal-Contrecœur. En résumé, pour acheminer les produits de Sydney (N.-É.) à Contrecœur (P.Q.) il en coûtera $5.59 la tonne nette dès le 5 mars prochain, alors que de Hamilton à Contrecœur, il n'en coûte que $5.14. La différence de 45c. la tonne s'ajoute à notre coût de production, si l'on compare celui-ci à celui de notre concurrent. Ce qui donne à penser que le coût effectif de production, exclusion faite du transport, ne varie pas, bien que nous estimions que, vu la vétusté de notre aciérie de Sydney, ça ne soit pas tout à fait exact: notre concurrent étant favorisé sur ce plan.

6. Nous estimons que notre production d'acier d'armature et de clous vendue sur le marché canadien représente environ 8 p. 100 de notre production globale et, si les prix de transport de ces produits ont pu sembler rela-

be more in line than on our other products this has only been the result of the strongest negotiations with the carriers as it has been in the case of our semi-finished products.

7. A larger problem here is that the price on many of these items is set in the Montreal market place because of local producers of the same items who, in effect, have established an F.O.B. Montreal price which must be met by ourselves thus representing total absorption of all transportation charges.

8. The over-riding question in this submission is, if we need assistance to maintain ourselves in the market place and to provide some degree of stability to the local community how much further assistance is requested and how is it to be applied. We provide the following as the method by which this could be accomplished.

9. As our semi-finished steel represent by far the largest freight generating business which we have and we feel that a rate assistance of 45c per net ton is required, it is necessary to state this in the form of an increased amount of assistance under the Maritime Freight Rates Act. According to our calculations appended hereto (Appendix 1) this further assistance would require that the Maritime Freight Rates Act be amended to call for the assistance of the portion of the hall east of Levis and Diamond, Quebec to the extent of 62.96 per cent in lieu of the current 30 per cent. If this request were granted this would then put us on a freight parity basis with our major competitor located in Hamilton in delivery of steel to Contrecoeur.

10. Since there is no freight revenue generated on the movement of rails and for which very substantial dollar values are absorbed because of the distance differential in the construction of delivered prices it is felt that the extension of the requested amendment to the MFRA on this segment of our volume is necessary. The fact that a theoretical freight rate is used in setting these prices deprives Sydney Steel Corporation of the benefits of the MFRA. This should be corrected by permitting the railways to make a proper recapture of available MFRA funds to provide the Sydney Steel Corporation with the benefit of this act without compelling the railways to resort to published rates. This is advisable as deliveries are not as a rule made to specific centers but are allocated at various mileage points where they will be installed.

tivement raisonnables, comparativement à ce qu'ils sont pour les autres produits, c'est attribuable aux négociations acharnées que nous avons menées spécialement avec les transporteurs pour cette catégorie de produits.

7. Un problème de plus grande envergure se pose avec la fixation des prix sur le marché de Montréal, étant donné la présence des fabricants locaux de cette catégorie de produits qui, en fait, ont établi un prix franco à bord à Montréal, ce qui nous oblige à suivre la même politique et à acquitter ainsi la totalité des frais de transport.

8. Ce qu'il s'agit de déterminer ici, c'est que si nous avons besoin d'aide pour nous maintenir sur le marché et assurer une certaine stabilité économique à la région, quelle sera la portée de cette aide et comment sera-t-elle appliquée? Dans ce qui suit, nous vous proposons un moyen de procéder.

9. Étant donné que l'acier semi-ouvré représente le plus grand pourcentage de notre production à acheminer et que nous estimons qu'il nous faut une subvention de 45c. la tonne, il conviendrait de traduire cette aide par une subvention plus élevée sous le régime de la Loi sur les taux de transport dans les Maritimes. Selon nos évaluations que nous joignons en annexe (*annexe I*), il faudrait à cette fin que la Loi soit modifiée et stipule une aide s'appliquant au parcours à l'est de Lévis et de Diamond (P.Q.) dans une proportion de 62.96 p. 100 au lieu des 30 p. 100 en vigueur. Si l'on accédait à notre requête, nous arriverions à la parité avec notre principal concurrent, pour ce qui est des livraisons à Contrecœur, celui de Hamilton.

10. Étant donné que nous ne retirons rien du transport des rails qui engloutit en plus des montants considérables, compte tenu de la différence qui intervient dans les prix de livraison, nous estimons que la modification à la Loi devrait s'appliquer à cette catégorie de notre production. Vu qu'on détermine ce prix sur la base d'un taux de transport théorique, la *Sydney Steel Corporation* se voit privée des avantages que confère la Loi sur les taux de transport des marchandises dans les Maritimes. On devrait redresser cette situation en autorisant les chemins de fer à faire une récupération raisonnable des fonds disponibles en vertu de la Loi, de sorte que notre société puisse profiter des avantages conférés par cette loi sans avoir à obliger les chemins de fer à appliquer les taux publiés. C'est d'autant plus souhaitable que les rails en général ne sont pas livrés à des points précis, mais acheminés à diverses bornes milliaires où ils seront installés.

11. In Appendix 2 there is shown the aver-ge freight allowance made in connection ith orders received from the C.N.R. alone ver the period 1958 to 1968. The increasing evel of freight allowance is the result of eliveries taking place in the Central and Vestern provinces. As a result of this west-ard direction of business our freight absorp-on on this portion of our production has ncreased 86.9 per cent in this 10 year period.

12. With respect to the smaller portion of ur production namely reinforcing steel and ails it is felt that these products should eceive the same assistance as is requested r our primary products as we must absorb 0 per cent of the freight on these products delivering them to Central Canadian ustomers.

13. It may be the view of this committee at several industries should have varying tes of MFRA assistance. The Sydney Steel orporation take the position that we would ot object to this approach provided the eeds of this firm are recognized per this bmission. In addition the Sydney Steel Cor-oration believes that the application of the FRA should be made viable to changing nditions and not a static piece of legislation.

14. The trucking service within the Mari-mes while developing over the years has en faced with relatively long hauls with tes generally constructed under the umbrel-of the rail rates reduced by the MFRA. It felt that this has held back the develop-ent of trucking services in the area to a uch greater degree than would otherwise ve been the case. In view of this it is the eling of the Sydney Steel Corporation that e MFRA should be extended to the trucking dustry in the belief that a healthier eco-mic basis of operation will indeed improve e trucking services of the area.

15. this, we feel would not at all be in nflict with the purpose and intent of the ational Transportation Policy set out as Sec-on 1 of the National Transportation Act 14-5-16 ELIZABETH Chapter 69 assented to on eb. 9, 1967 with the preamble statement cou-ed with Subsection (d) (ii) which in para-hrasing would read

ection 1

It is hereby declared that an economic, efficient and adequate transportation system making the best use of all available modes of transportation at the lowest total cost *is essential to protect the interests of the users of transportation and to maintain the eco-*

11. Dans l'annexe 2, nous indiquons l'escompte moyen que nous avons accordé au CN pour les commandes passées entre 1958 et 1968. Comme les livraisons ont été faites dans les provinces du Centre et de l'Ouest, on note une augmentation de cet escompte. Cette nouvelle orientation de notre marché pour cette catégorie de produits nous a coûté une augmentation de 86.9 p. 100 des frais de transport durant ces dix années.

12. Sur le plan de notre production d'acier d'armature et de clous, nous devrions, à notre avis, recevoir une aide au même titre que pour nos produits primaires, puisque nous devons acquitter totalement les frais de transport de ces produits pour les livrer à nos clients des provinces centrales.

13. Le Comité rétorquera peut-être que dans ce cas, plusieurs secteurs de l'industrie devraient bénéficier à divers degrés de l'aide conférée par la Loi sur les taux de transport des marchandises dans les Maritimes. La *Sydney Steel Corporation*, certes, n'y voit pas d'objection, à condition qu'on reconnaisse le bien-fondé de ses besoins exposés dans le présent mémoire. En outre, la société estime que le champ d'application de la Loi devrait être flexible, pour tenir compte de l'évolution des conditions économiques, et non pas immuable.

14. Bien qu'il ait pris une certaine expansion au fil des ans, le camionnage interprovincial dans les Maritimes a dû acheminer des produits sur des parcours relativement longs à des taux qui, en général, étaient établis en fonction des taux des chemins de fer en vigueur et réduits par la Loi. Nous sommes d'avis que cet état de choses a contribué bien plus que tout autre facteur à retarder le développement du camionnage dans la région. La société estime donc que la Loi sur les taux de transport dans les Maritimes devrait s'étendre au camionnage, étant donné qu'une base économique plus saine dans ce secteur améliorerait grandement les services fournis.

15. A notre avis, cette mesure n'irait nullement à l'encontre de l'esprit et du but de la politique nationale en matière de transport stipulée à l'article 1er de la Loi nationale sur les transports, 14-15-16 Elizabeth II, chap. 69, sanctionnée le 9 février 1967. Le préambule et l'alinéa *d*) (ii) se lisent ainsi qu'il suit:

Article 1er:

«Il est par les présentes déclaré qu'un système économique, efficace et adéquat de transport utilisant au mieux tous les moyens de transport disponibles au prix de revient global le plus bas est essentiel à la protection des intérêts des usagers des

nomic well-being and growth of Canada, and that these objectives are most likely to be achieved when all modes of transport are able to compete under conditions ensuring that having due regard to national policy and to legal and constitutional requirements

Subsection (d)
each mode of transport, so far as practicable, carries traffic to or from any point in Canada under tolls and conditions that *do not constitute*

Subsection (ii)
an undue obstacle to the interchange of commodities between points in Canada or unreasonable discouragement to the development of primary or secondary industries or to export trade in or from any region of Canada or to the movement of commodities through Canadian ports;

and this Act is enacted in accordance with and for the attainment of so much of these objectives as fall within the purview of subject matters under the jurisdiction of Parliament relating to transportation.

16. It is maintained that Parliament in the National interest of maintaining the economic well-being and growth of Canada can interpret this as being the economic growth and well-being of the Atlantic Provinces and Nova Scotia in particular. In addition the request for further assistance under the Maritime Freight Rates Act falls under the authority of the Parliament of Canada and would be a further statement of the intention of the Parliament of Canada to encourage rather than discourage the development of primary or secondary industries in this region. Indeed this might even be construed as being the maintenance of a primary and secondary industry endeavouring to remain in business for the economic well-being of the community in which it exists.

Appendix 1

Determination of amount of additional MFRA assistance needed to get freight rate of 514 NT on basic steel from Sydney, N.S. to Contrecoeur.

moyens de transport et au maintien de l prospérité et du développement économiqu du Canada, et que la façon la plus sûre d parvenir à ces objectifs est vraisemblable ment de rendre tous les moyens de trans port capables de soutenir la concurrenc dans les conditions qui assureront, compt tenu de la politique nationale et des exiger ces juridiques et constitutionnelles...

Alinéa d)
que chaque moyen de transport ache mine, autant que possible, le trafic à des tination ou en provenance de tout poin au Canada à des prix et à des condition qui *ne constituent pas...*»

Sous-alinéa (ii)
un obstacle excessif à l'échange des den rées entre des points au Canada ou u découragement déraisonnable du déve loppement des industries primaires secondaires ou du commerce d'exporta tion dans toute région du Canada ou e provenant ou du mouvement des denrée passant par des ports canadiens.»

et la présente loi est édictée en conformit et pour la réalisation de ces objectifs dan toute la mesure où ils sont du domaine de questions relevant de la compétence d Parlement en matière de transport.

16. Il est évident qu'en parlant de la pro périté et du développement économique d Canada, le Parlement peut très bien penser l'expansion économique et à la prospérité de provinces de l'Atlantique, et en particulier d la Nouvelle-Écosse. En outre, la requêt d'aide additionnelle en vertu de la Loi sur l taux de transport des marchandises dans l Maritimes est du ressort du Parlement qui, e acquiesçant, manifesterait son intention d favoriser et non pas de décourager le dévelo pement des industries primaires et secondair dans cette région du pays. On pourrait pre que dire qu'il s'agirait de soutenir une indu trie primaire et secondaire s'efforçant de su vivre pour la prospérité économique de région où elle est établie.

Annexe 1

Détermination du montant d'aide additio nelle requise en vertu de la LTTM pou établir les frais de transport de 514 tonn nettes d'acier basique de Sydney (N.-É.) Contrecœur.

Milleages and Distance Percentages Using 50 Mile Blocks

From	To	Actual Distance	Block Mile Distance	% of Haul East & West of Diamond
Sydney, N.S.	Diamond, P.Q.	774.9	800	84.2105
Diamond, P.Q.	Contrecoeur, P. Q.	133.5	150	15.7895
Total		908.4	950	100.0000

Development of MFRA Factor Through Rates on

(a) Present Rates

As billed rate 559 N.T.

Normal rate exclusive of MFRA assistance 747

MFRA Factor on Through Movement 74.8327%

(b) Requested Rates

As billed Per C.F.A. (AC) 2232 Agreed Charge 514 N.T.

Normal rate exclusive of MFRA assistance to remain per (a) Per C.F.A. (AC) 1957 Agreed Charge 747 N.T.

MFRA Factor on Through Movement 68.8086%

Milles de parcours et subdivision par tranches de 50 milles

De	A	Distance réelle	Distance arrondie en milles de voie	Pourcentage du transport à l'est et à l'ouest de Diamond
Sydney (N.-É.)	Diamond (P.Q.)	744.9	800	84.2105
Diamond (P.Q.)	Contrecœur (P.Q.)	133.5	150	15.7895
Total		908.4	950	100.0000

Calcul du facteur LTTMM pour le transport direct, en fonction:

a) Tarif en vigueur

Taux facturé 559 t.n.

Taux normal, exclusion faite de l'aide fournie en vertu de la LTTMM 747

Facteur LTTMM pour le transport direct 74.8327%

b) Tarif requis

Facturé Selon la taxe convenue de la C.F.A. (TC) 2232 514 t.n.

Taux normal, exclusion faite de l'aide fournie (LTTMM) pour se maintenir au niveau de *a*) Selon la taxe convenue de la C.F.A. (AC) 1957 747 t.n.

Facteur LTTMM pour le transport direct 68.8086%

Explanation of operation of present MFRA factor

Normal rate of 747 x 84.2105% represents portion of normal rate attributable to lines east of Levis .....=629

Mode d'application du facteur LTTMM en vigueur

1. Taux normal de 747 × 84.2105% donne la tranche du taux normal applicable aux lignes à l'est de Lévis ..... = 629

2. Normal rate of 747 x 15.7895% represents portion of normal rate attributable to lines west of Levis .....=118
3. Eastern portion of rate (629) reduced by 30% per MFRA (440) plus non reduceable portion of rate (118) .....=558

Determination of rate of MFRA assistance necessary to obtain freight rate of 514 from Sydney to Contrecœur

1. New MFRA factor on through movement .....=68.8086%
2. This factor includes a non reduceable factor of 15.7895% therefore eastern portion of factor is 68.8086%—15.7895% .....=53.019%
3. Rate of MFRA assistance is determined by dividing the eastern portion of through movement into reduced eastern factor 53.0191÷84.2105 .....=62.9602%

Application of requested MFRA rate of assistance

1. Normal rate of 747 x 84.2105% represents portion of normal rate attributable to lines east of Levis .....=629
2. Normal rate of 747 x 15.7895% represents portion of normal rate attributable to lines west of Levis .....=118
3. Eastern portion of rate 629 reduced by 62.9602% as requested (396) plus non reduceable portion of rate (118) .....=514

2. Taux normal de 747 × 15.7895% donne tranche du taux normal applicable a lignes à l'ouest de Lévis ..... = 1
3. Tranche du taux sur le parcours de l'e (629), déduction faite des 30% accordés vertu de la Loi sur les taux de transpo dans les Maritimes (440) et augmenté de tranche non réductible de ce taux (11 ..... = 5

Détermination du taux d'aide requise vertu de la Loi sur le transport des marcha dises dans les Maritimes pour établir le co de transport de 514 t.n. de Sydney à Contr cœur

1. Nouveau facteur LTTMM pour le tran port direct ..... = 68.8086
2. Ce facteur implique un facteur de no réduction de 15.7895% de sorte que, po le parcours de l'est, le taux est de 68.8086 — 15.7895% ..... = 53.0191
3. Le taux d'aide requis dans le cadre de Loi susmentionnée en divisant le pource tage du mouvement direct sur le parcou de l'est par le facteur réduit sur ce pa cours: 53.0191 ÷ 84.2105 ... = 62.9602

Application du taux d'aide requise en ver de la Loi sur le transport des marchandis dans les Maritimes

1. Taux normal de 747 × 84.2105% donne tranche du taux normal applicable a lignes à l'est de Lévis ..... = 6
2. Taux normal de 747 × 15.7895% donne tranche du taux normal applicable a lignes à l'ouest de Lévis ..... = 1
3. Tranche du taux sur le parcours de l'e (629) déduction faite des 62.9602% dema dés (396) et augmenté de la tranche n réductible de ce taux (118) ..... = 5

Appendix 2

SYDNEY STEEL CORPORATION

Statement showing
Freight Allowances made on
CNR Rail orders from 1958 through 1968

Rail Program Year	Freight Allowance Applicable	% of Orders
1968	8.41	93%
1967	8.41	66%
1966	8.41	70%
1965	7.87	67%
1964	7.87	85%
1963	7.47	81%
1962	7.47	75%
1961	7.47	68%
1960	7.02	61%
1959	5.00	69%
1958	4.50	63%
Increase—	86.9%	

Annexe 2

SYDNEY STEEL COMPANY

État des remises accordées au CN pour l commandes de rails de 1958 à 1968

Année d'expédition	Remise applicable	Pourcentage d commandes
1968	8.41	93%
1967	8.41	66%
1966	8.41	70%
1965	7.87	67%
1964	7.87	85%
1963	7.47	81%
1962	7.47	75%
1961	7.47	68%
1960	7.02	61%
1959	5.00	69%
1958	4.50	63%
Augmentation	86.9%	

APPENDIX "J"

MOIRS LIMITED

BRIEF TO THE STANDING COMMITTEE ON TRANSPORT AND COMMUNICATIONS

Moirs Limited is an established confectionery business operating from its base in Halifax, Nova Scotia since 1830. During this period of time the Company has been able to build a reputation for quality products and establish a distribution for these products from Coast to Coast.

At the present time approximately two-thirds of the Company's volume is shipped out of the Atlantic Provinces. The Company is one of the few Nova Scotian industries which has been able to maintain in the area in which it is located steady employment and now but continued expansion. The acceptance of the Company's products in the Atlantic region is above average and consequently the most likely areas for future sales growth lie in the Central and Western Canadian regions. These are the areas with the large urban populations and at the same time the areas wherein are located the major competitive plants. Consequently freight rates and any proposed changes in the existing structure are very significant and important to us.

Our present freight costs are in excess of one-half a million dollars and recent changes in the carload rates and the L.C.L. rates have made a significant addition to these costs.

So far we have been able to negotiate satisfactory rates to Western Canada. Our position is a very uncertain one in that we are completely in the hands of the railways who are free to increase their rates at will and there is no real protection by virtue of competitive modes of transportation or by any regulatory powers held by the Canadian Transport Commission.

Rather than take away any of the existing advantages under the Maritime Freight Rates Act, which might seriously affect industries in Nova Scotia, extension of the existing area to which the Act applies and the possible inclusion of motor carriers under it would be more

APPENDICE «J»

MOIRS LIMITED

MÉMOIRE PRÉSENTÉ AU COMITÉ PERMANENT DES TRANSPORTS ET DES COMMUNICATIONS

Moirs Limited est une confiserie bien en place dont le siège social est à Halifax (N.-É.), qui est en activité depuis 1830. Cette compagnie a établi sa réputation sur la qualité de ses produits, dont elle fait commerce d'un océan à l'autre.

Actuellement, la Compagnie expédie environ les deux tiers de sa production totale en dehors des provinces de l'Atlantique. Elle compte parmi les quelques industries de la Nouvelle-Écosse qui ont pu maintenir un niveau d'emploi stable dans la région où elles sont situées et connaître une progression lente, mais continue. La vente des produits de la compagnie dans la région de l'Atlantique est au-dessus de la moyenne. Il s'ensuit donc que les régions les plus propices où elle cherchera à étendre son commerce se situent dans le Centre et l'Ouest du Canada. Ces régions renferment d'importantes populations urbaines et c'est là que se trouvent en même temps les grandes maisons rivales. Dès lors, les taux de transport des marchandises et toute modification que l'on pourrait apporter à leur structure présente auront des conséquences pour nous et revêtent à nos yeux une grande importance.

Nous déboursons présentement plus de $500,000 pour le transport de nos produits et les modifications apportées récemment au taux de wagons complet et de détail ont singulièrement ajouté à ces coûts.

Jusqu'ici, nous n'avons pas pu négocier des taux satisfaisants pour le transport de nos produits dans l'Ouest du pays. Nous sommes dans une situation de plus précaire, parce que notre sort repose entre les mains des compagnies de chemin de fer qui sont à même de hausser leurs taux quand elles le veulent. De plus, nous ne pouvons pas nous protéger effectivement en empruntant d'autres modes de transport ou en faisant appel à quelque pouvoir de réglementation détenu par la Commission canadienne des transports.

Au lieu de se départir des avantages présents qu'offre la loi sur les taux de transport des marchandises dans les provinces maritimes, ce qui pourrait nuire beaucoup aux industries de la Nouvelle-Écosse, il vaudrait mieux étendre le champ d'application de la

desirable. While this may be difficult, consideration should be given to it.

This area cannot afford to have additional freight rate problems. It needs additional freight rate assistance rather than further freight rate additions which in effect act as a tariff to this area in trying to send its goods across the country.

In conclusion, we wish to state that apart altogether from undertakings given to this region at the time of Confederation, the maintenance and, if anything, the improvement of the present considerations with respect to the costs of transportation to the larger Canadian markets is a matter of absolute economic necessity for maintaining our competitive position and in providing us with an opportunity to reduce the regional disparities now in existence in Canada.

Respectfully submitted,

Moirs Limited

Loi et y faire insérer une disposition sur transports motorisés. La chose peut s'avé difficile, mais il vaut la peine qu'on l'étudie.

Cette région ne peut se permettre de fa face aux problèmes que comporteraient taux additionnels de transport. Elle a plu besoin d'aide dans ce domaine que d'aut majorations de taux qui font figure de b rières tarifaires dans cette région, où l cherche à expédier des produits dans tout pays.

En guise de conclusion, nous désir déclarer que, nonobstant les promesses fai à notre région au moment de la Confédé tion, le maintien et, s'il y a lieu, l'amélio tion des considérations présentes concern les coûts du transport des marchandises a grands marchés canadiens est une quest d'absolue nécessité économique, si l'on v conserver notre position face à la concurre et avoir la chance de réduire les dispari régionales qui existent présentement Canada.

MOIRS LIMITE

APPENDIX "K"

ANNAPOLIS VALLEY AFFILIATED BOARDS OF TRADE

Mr. Chairman and Gentlemen:

The Annapolis Valley Affiliated Boards of Trade submitted a brief to this committee twelve months ago—now recorded at Appendix A54 Minutes and Proceedings No. 15 of this committee. That brief was mainly directed at the Digby-Saint John Ferry Service. It also outlined our stand on the LCL Freight rates and the tragic state of the ferry service at Petite Passage.

We were informed that this committee would appreciate it if any of the items discussed in last year's brief were still current and unchanged, you would appreciate not having them resubmitted. This is the case as far as LCL Freight rates and Petite Passage crossing are concerned.

The AVABT is an affiliation of sixteen boards of Trade from the four counties of Digby, Annapolis, Kings and Hants. We are supported by Provincial grants and municipal grants from the counties, towns and villages in the area. In total, about 250 miles long and containing 115,000 citizens. Our whole purpose in life is the promotion of this area. Attached is a map of Nova Scotia upon which we have marked our area and the various locations discussed in our brief.

This area, known generally as the Annapolis Valley, is basically an agricultural, fishing and lumbering area. The major industry being agriculture with its associated industries. The area's growth has been retarded because of poor, inadequate and antiquated transportation. We have one very old and winding main arterial road, Highway 1, with four one-way bridges still in existence. The Dominion Atlantic Railway runs parallel to Highway 1 but does not offer services sufficient to encourage growth in the area. Most of the industrial development since World War II has been from Kings County east, and this very limited, with only two major industries being opened in the western end of the area. Some of the fishing and lumbering businesses in the Western end have expanded, but not to the extent they would have, if transportation facilities had been better.

APPENDICE «K»

ANNAPOLIS VALLEY AFFILIATED BOARDS OF TRADE

Monsieur le président, messieurs,

Il y a douze mois, l'*Annapolis Valley Affiliated Boards of Trade* présentait un mémoire à votre Comité, mémoire enregistré comme Appendice A54, fascicule n° 15 du compte rendu de vos délibérations. Ce mémoire portait surtout sur le service de traversier Digby-Saint-Jean. Il exposait également nos vues sur les taux de détail et la situation pénible où se trouve le service de traversier de Petit-Passage.

Votre Comité, nous a-t-on informés, aimerait que tout point étudié dans le mémoire de l'an dernier, encore d'actualité et dans le même état, ne soit pas soumis de nouveau. C'est bien le cas en ce qui a trait aux taux de transport de détail et au traversier de Petit-Passage.

L'*AVABT* est une affiliation de seize Chambres de commerce qui ont leur siège dans les quatre comtés de Digby, d'Annapolis, de Kings et de Hants. Nous bénéficions de subventions provinciales et municipales qui nous sont octroyées par les comtés, les villes et villages de cette région, laquelle mesure au total 250 milles de longueur et a une population de 115,000 personnes. Nous ne visons qu'une chose, le progrès de notre région. Nous annexons à notre mémoire une carte de la Nouvelle-Écosse et nous avons indiqué notre région et les divers endroits sur lesquels porte notre mémoire.

Cette région, connue un peu partout comme la Vallée d'Annapolis, repose économiquement sur l'agriculture, la pêche et l'exploitation forestière. L'industrie la plus importante est l'agriculture et les activités connexes. Il faut attribuer à des moyens de transport pauvres, insuffisants et désuets la croissance lente qu'a connue la région. La principale artère routière que nous avons est un vieux chemin tortueux. Il s'agit de la route n° 1, qui franchit quatre ponts à simple voie encore utilisés. Le *Dominion Atlantic Railway* emprunte une voie parallèle à la route n° 1, mais l'insuffisance de ses services ne favorise pas l'expansion de la région. Le plus gros du progrès industriel enregistré depuis la Seconde Guerre mondiale a pris place dans l'est du comté de Kings et, à un degré bien limité, dans l'ouest de la région, avec l'ouverture de deux industries importantes. Certaines industries de pêche et d'exploitation forestière de l'ouest ont grandi, mais le progrès aurait été plus marqué si les services de transport avaient été plus au point.

There is no commercial air service in the Valley other than by chartering light aircraft from private air fields.

We have an excellent deep water port at Digby but the port facilities are negligible and at the moment inadequate for the fishing fleet and larger vessels that are using it. We must, therefore, use the Port of Halifax for sea shipments. However, to use Halifax we must ship our products over the tortuous Highway 1 or by Dominion Atlantic Railway.

We need not tell you how elated our organization is about the announcement made on February 4, 1969, by the C. P. Rail. Our records indicate that 21 years ago the AVABT first started working for a new ferry. Even before the announcement, we have been pressing for an improved road system, one which can handle a heavy volume of traffic. With the new ferry at Digby and an improved all-weather highway to Halifax, we foresee the Annapolis Valley as being a vital and fast link in the land bridge when Halifax starts operating as the container port. The opening of such a highway, with a fast link to Halifax for sea shipments, and opening a faster link with our natural markets in New Brunswick, Quebec, Ontario and the New England States, will encourage expansion of our present producers and entice other industries to open up in our area.

The Nova Scotia Government submitted a brief last year to your committee, which we supported then and now. To take full advantage of the new ferry service, the AVABT has for some time been asking that certain items contained in the Province of Nova Scotia's brief be given top priority. The order of priority in our estimation is—Minutes and Proceedings and Evidence No. 15. (Appendix A27 Page 575)

(1) No. 17—Bear River Bridge and Diversion from Trunk 1 east at Bear River to Joggins Bridge—4.0 miles.

(2) No. 16—Annapolis Royal to east end of Bear River Diversion—11.0 miles.

(3) No. 19—Weymouth North to Trunk 1 near St. Bernard—4.0 miles.

Il n'y a pas de service aérien commercia dans la Vallée autre que celui qu'on peut se procurer en nolisant des avions légers de compagnies privées.

Nous disposons d'un excellent port à eau profonde à Digby, mais les installations portuaires ne valent que peu et ne répondent pas présentement aux exigences de la flottille de pêche et des grands bateaux qui utilisent le port. Nous devons donc nous servir du port d'Halifax pour les messageries maritimes. En ce qui a trait à ce dernier port cependant nous devons expédier nos produits par la tortueuse route n° 1, ou utiliser les services du *Dominion Atlantic Railway*.

Point n'est besoin de vous dire notre joie à l'annonce faite le 4 février 1969 par le Canadien-Pacifique. Les régistres révèlent qu'il y a 21 ans, l'*AVABT* faisait les premiers pas concernant la mise en service d'un nouveau traversier. Même avant que l'annonce en ait été faite, nous avions travaillé ardument pour obtenir une amélioration du système routier qui permît de répondre aux exigences de la grande circulation. Avec la mise en service d'un nouveau traversier à Digby et l'utilisation d'une route améliorée et ouverte à l'année longue jusqu'à Halifax, nous entrevoyons la Vallée d'Annapolis comme le lien vital et rapide servant de pont terrestre, dès que Halifax commencera ses opérations comme port pouvant accueillir les navires conteneurisés. L'ouverture de cette route, constituant un lien rapide jusqu'à Halifax pour les messageries maritimes et offrant un lien plus rapide avec nos marchés naturels au Nouveau-Brunswick, au Québec, en Ontario et dans les États de la Nouvelle-Angleterre, sera de nature à favoriser l'expansion de notre commerce actuel et encouragera d'autres industries à s'installer dans notre région.

L'an dernier, le gouvernement de la Nouvelle-Écosse a présenté un mémoire à votre Comité. Nous étions d'accord avec les données qu'il contenait et nous le sommes encore. Afin de tirer plein profit du nouveau service de traversier, l'*AVABT* a demandé depuis quelque temps qu'on accorde la priorité à certains points contenus dans le mémoire de la province de la Nouvelle-Écosse. L'ordre de priorité, à notre sens, serait celui dont fait état le fascicule n° 15 (appendice A27, page 575):

(1) N° 17—Pont sur la rivière Bear et déviation de l'artère 1 est à la rivière Bear jusqu'au pont Joggins—4.0 milles

(2) N° 16—Annapolis Royal à l'est de la déviation à la rivière Bear—11.0 milles.

(3) N° 19—Weymouth North jusqu'à l'artère 1 près de Saint-Bernard—4.0 milles.

From the figures quoted in the Provincial rief, it is obvious that the Province will not ave the funds available to meet the deadline 1970; in fact, under their five-year plan ey will be hard pressed to meet their comitments by then.

We, the people of Western Nova Scotia, ave been hamstrung for years because of oor, inadequate and expensive transportaon. Now, with the starting of a new era, we el that we may be further hampered if the ottlenecks listed above are not eliminated by e summer of 1970.

The lack of funds very often forces governents to take the least expensive method of mpleting a project. This is the case at Bear iver. At the moment we believe the plan is bridge the mouth of the river. The citizens Bear River Valley and surrounding area etitioned for a causeway rather than a ridge. This has been supported by the VABT and the 115,000 citizens in our area. hy? Because it will give us a controlled ater level of fresh water which will open up completely new and different tourist area. uch an area will attract tourists for twelve onths a year, because it has skiing facilities ith greater possibilities for winter and in e summer, with controlled water level, the ver can be restocked with salmon and offer quatic sports of all types. The Provincial overnment have been most sincere in their forts to do this for us but it would raise the rice of Item 17 by another $2,000,000. Our ntention is that by investing the extra $2,-00,000 we will develop a new tourist and ecreational area, create employment and ncourage development of hospitality facilies which will, in time, more than pay for e additional investment.

We therefore ask that the Federal Governent and the Provincial Government of Nova cotia work out a cost sharing programme at will enable the Provincial Government to omplete Items 17, 16 and 19 of their brief by 970, and that a causeway rather than a ridge, gap the mouth of the Bear River.

When the Prime Minister announced the ew ferry service last spring, the AVABT ntered into negotiations with the CPR to ncrease the number of trips per day of the rincess of Acadia to two in 1969. The reasning behind this was, by so doing, the comercial operators, of tourist facilities, would

Si l'on s'appuie sur les données du mémoire provincial, il va de soi que la Province ne disposera pas suffisamment de fonds pour satisfaire aux exigences fixées pour 1970. En fait, dans le cadre du plan quinquennal, elle devra redoubler d'effort pour faire honneur à ses engagements.

Nous de l'ouest de la Nouvelle-Écosse, sommes tenus à l'écart depuis des années à cause de moyens de transport pauvres, insuffisants et onéreux. Maintenant, à l'aurore de la nouvelle ère, il semble que nous serons encore étouffés davantage si l'on ne règle pas les problèmes précités avant l'été de 1970.

La pénurie de fonds oblige souvent les gouvernements à adopter la méthode la moins dispendieuse pour mener un projet à bonne fin. C'est le cas de la rivière Bear. Nous croyons qu'actuellement il s'agit, dans le cadre du projet, de jeter un pont à l'embouchure de la rivière. Les citoyens de Bear River Valley et de la région environnante ont demandé la construction d'une chaussée de préférence à celle d'un pont. Cette pétition a reçu l'appui de l'*AVABT* et des 115,000 citoyens de la région. La raison? Parce que nous aurons ainsi une nappe d'eau fraîche dont le niveau sera contrôlé et ceci ouvrira une région touristique tout à fait nouvelle et différente. Les touristes y afflueront douze mois par année. L'hiver, les amateurs de ski y seront beaucoup mieux servis et l'été, avec une nappe d'eau fraîche contrôlée, il sera possible d'approvisionner la rivière de saumons et d'offrir toute une variété de sports aquatiques. Le gouvernement provincial s'est montré bien sincère dans ses efforts pour nous octroyer ces choses, mais à l'article 17, il faudrait hausser les déboursés d'encore 2 millions de dollars. Nous alléguons que l'investissement de ces 2 millions supplémentaires permettrait l'ouverture d'une nouvelle région touristique, propice aux activités récréatives, créerait de l'emploi et stimulerait la mise sur pied de services d'accueil qui en temps et lieu rapporteraient plus que la mise de fonds additionnelle.

Nous demandons donc que le gouvernement fédéral et le gouvernement provincial de la Nouvelle-Écosse élaborent un programme à frais partagés qui permettra au gouvernement provincial de réaliser les projets 17, 16 et 19 du mémoire d'ici 1970 et de construire une chaussée au lieu d'un pont à l'embouchure de la rivière Bear.

Quand le premier ministre a annoncé, le printemps dernier, qu'on mettrait en service un nouveau traversier, l'AVABT a commencé à négocier avec le Canadien Pacifique l'augmentation à deux par jour, en 1969, du nombre de voyages quotidiens du *Princess of Acadia*. On invoquait à l'appui de cette

be encouraged to open new or improve their existing facilities in preparation for 1970. Unfortunately, CPR were not prepared to do this because of the costs involved.

A resolution was passed at our Anual Meeting requesting the Federal Government to enter into negotiations with CPR to underwrite this extra trip during the tourist season. The resolution was passed to The Minister of Transport in November, 1968. The Minister's office rejected our recommendation on the grounds that the ferry was operated by CPR; therefore, any decision to extend the present service would be the sole responsibility of the operator based on conditions known to them.

It is our recommendation that your committee consider this resolution and our recommendation to that resolution, with view of helping the development of the area immediately and not wait until after the new ferry is in operation.

Commercial Air Service

In 1962 a brief was prepared and presented by the AVABT to the Department of Transport and the Air Transport Board, requesting Air Canada to make scheduled stops at (then) RCAF Station Greenwood. This request was unsuccessful because (TCA) Air Canada did not think it profitable. The heavy concentration of population in the central counties of Kings and Annapolis and Lunenburg County on the South Shore are forced to travel over 100 miles to either Halifax or Yarmouth airports. This situation has deteriorated as the businessmen and the public as a whole became more and more air conscious.

The AVABT therefore undertook once again to seek commercial air from a central location in the Annapolis Valley. A survey was conducted by the AVABT asking for the opinions of municipal governments, businessmen, farmers and fishermen, both in our area and on the South Shore. The result of this survey is unanimous support of the project. Our survey indicates that air cargo and a feeder passenger service could be operated profitably from the Valley.

Our hope is to obtain permission to use CFB Greenwood as the airfield. We are aware that access to Greenwood will have to be separate from the DND installations and that

demande que les exploitants commerciau des centres touristiques seraient encouragés en ouvrir de nouveaux ou à améliorer l services actuels pour 1970. Malheureusemer le Canadien Pacifique n'était pas prêt à lancer dans un tel projet à cause des dépens qu'il comporte.

Lors de notre réunion annuelle, l'assembl a adopté une résolution selon laquelle demandait au gouvernement fédéral de con mencer les négociations avec le Canadie Pacifique pour appuyer financièrement voyage additionnel durant la saison tourist que. La résolution a été transmise au minist des Transports en novembre 1968. Not recommandation a été rejetée par le cabin du ministre qui a invoqué que le Canadie Pacifique était l'organisme de qui releva l'exploitation du traversier et que toute déc sion relative à l'amélioration de ce servi relevait exclusivement de l'exploitant, comp tenu des conditions énoncées.

Nous recommandons que votre Comité ét die cette résolution et notre recommandati connexe, en vue d'aider immédiatement développement de la région sans attendre mise en service du nouveau traversier.

Service aérien commercial

En 1962, l'AVABT avait préparé et présen un mémoire au ministre des Transports et la Commission du transport aérien. Il y éta demandé qu'Air Canada prévoit des arrêts la station de l'ARC à Greenwood. On n'a p fait droit à cette demande, parce qu'A Canada n'estimait pas la chose rentable. En qui a trait aux grandes agglomérations d comtés centraux de King et d'Annapolis, ain que du comté de Lunenberg sur la rive su les gens sont obligés de voyager plus de 1 milles pour se rendre aux aéroports d'Halifa ou de Yarmouth. Cette situation s'est détéri rée au fur et à mesure que les hommes d'affa res et le public en général se sont faits au déplacements par la voie des airs.

L'*AVABT* s'est donc lancé de nouveau dar la lutte en vue d'obtenir un service comme cial aérien à partir d'un point central de Vallée d'Annapolis. On a procédé à une étud de la chose et on a demandé les opinions d gouvernements municipaux, des homm d'affaires, des cultivateurs et des pêcheurs notre région et de ceux de la rive sud. L gens ont accordé un appui total au proje L'étude que nous avons conduite indique qu le transport aérien des marchandises et d passagers à partir de la Vallée serait rentabl

Nous espérons obtenir la permission d'ut liser la base de Greenwood comme terra d'aviation. Nous n'ignorons pas que l'accès Greenwood devra être distinct des install

ne operation of such a commercial facility an in no way interfere with the operational ole of the Base.

Our reason for bringing this to this Committee's attention is to point out the lack bf ir service in the area and to request that, hen our completed survey and brief is subitted to the involved Federal Departments, iat your committee add its support to our ndeavour.

In summary, we would ask that the Committee consider and support the following ecommendations contained in this brief as ollows:

1. That the Federal Government and the Provincial Government of Nova Scotia work out a cost sharing programme that will enable the Government of Nova Scotia to complete by 1970.

(a) Bear River Causeway and Diversion from Trunk 1 east at Bear River to Joggins Bridge. (Item 17 of Appendix A24)

(b) Annapolis Royal to east end of Bear River Diversion. (Item 16 of Appendix A24)

(c) Weymouth North to Trunk 1 near St. Bernard. (Item 19 of Appendix A24)

2. That our resolution asking for a second daily run of the Princess of Acadia be reconsidered and that negotiations with CPR be successfully completed.

3. That when our survey and brief is completed on commercial air service from CFB Greenwood, you lend your support to this endeavor.

Edwin W. Elliott,
President,
Annapolis Valley Affiliated
Boards of Trade.

tions du ministère de la Défense nationale et que l'exploitation de ce service commercial ne devra en rien gêner les opérations de la base.

La raison pour laquelle nous avons porté cette question à l'attention du Comité était de souligner la pénurie de service aérien dans la région et de demander que, une fois notre étude terminée et le mémoire soumis aux ministères fédéraux en cause, votre Comité ajoute son appui à notre effort.

En bref, nous demandons que le Comité étudie et appuie les recommandations contenues dans le présent mémoire à savoir:

1. Que le gouvernement fédéral et le gouvernement provincial de la Nouvelle-Écosse élaborent un programme à frais partagés qui permettra au gouvernement de la Nouvelle-Écosse de le mener à bien pour 1970.

a) La chaussée de la rivière Bear et déviation de l'artère 1 est à la rivière Bear jusqu'au pont Joggins. (proposition 17 de l'Appendice A24)

b) Annapolis Royal à l'est de la déviation à la rivière Bear (proposition 16 de l'appendice A24)

c) Weymouth North jusqu'à l'article 1 près de Saint-Bernard.

Proposition 19 de l'Appendice A24)

2. Que notre résolution visant un deuxième voyage quotidien du *Princess of Acadia* soit remise à l'étude et que les négociations avec le Canadien Pacifique soient menées à bonne fin.

3. Que, une fois terminés notre étude et notre mémoire sur le service commercial aérien à partir de la base de Greenwood, vous accordiez votre appui à notre initiative.

Le président,
Annapolis Valley Affiliated Boards of Trade,
Edwin W. Elliott.

APPENDIX L

INDUSTRIAL ESTATES LIMITED

We wish to make observations in a general way on the relationship of Nova Scotian manufacturers to the principal Canadian markets, and the penalty they suffer by comparison with producers in the principal market areas insofar as freight rates are concerned. Because this is a geographic reality we predicate our comments on the following declaration in a speech made by the Honourable Jean Marchand, Minister of Forestry and Rural Development, "But there is much more to our objectives...I am aiming at a fundamental change, a change of the greatest significance for the Atlantic region especially..."

"There is no doubt where the driving force for large economic growth in the Atlantic region has to be found. We have to develop industries that can sell a lot more to the rest of Canada or to the world outside. If we can do that, growth for the local market will follow. But the push has to come through selling outside."

It follows that we, an industrial development arm of the Province of Nova Scotia, should emphasize distance to the principal Canadian markets and resultant freight costs as disincentive to existing industry in Canada or potential new industry from foreign countries, to locate in Nova Scotia or indeed in any of the Atlantic Provinces. Therefore, the recent increase in LCL rates tends to compound further the serious difficulty existing industry faces in Nova Scotia, not to mention the already existing substantial barrier of high freight costs to the principal markets as far as potential new industry is concerned.

We do not believe that an examination of individual cases of hardship resulting from increased freight rates will disclose the whole picture. Rather we suggest an examination of the entire freight rate structure in light of the decidely apparent need and the remarks of the Honourable Jean Marchand as mentioned in the foregoing. To the extent that our views might add weight and support to Mr. Marchand's projected plans we respectfully request the Committee to recognize the need for an overall permanent solution to the high cost of moving goods to the principal markets of Canada, thereby making possible the greater industrialization which is so necessary to Nova Scotia and the Atlantic Provinces as a

APPENDICE «L»

INDUSTRIAL ESTATES LIMITED

Nous avons des observations à faire à pro pos des rapports entre les fabricants de l Nouvelle-Écosse et les principaux marchés d pays, et des désavantages dont ces fabricant souffrent en matière de tarif-marchandises e comparaison des fabricants situés à proximit de ces marchés. Le désavantage étant surtou de caractère géographique, nous fondons no observations sur le passage suivant du dis cours prononcé par l'honorable Jean Mar chand, ministre des Forêts et du Développe ment rural: «Nos objectifs sont toutefois bie plus vastes... Je veux un changement com plet, de la plus haute importance pour l région Atlantique en particulier...»

«On sait parfaitement où trouver le moyens qui assureront le développement éco nomique de la région Atlantique: il faut éta blir des industries capables de vendre beau coup plus au reste du Canada ou dans les pay étrangers. Une fois cela accompli, le march de la région ne manquera pas de prospérer. I s'agit avant tout de pousser les ventes à l'extérieur.»

Ainsi, notre société, élément important d l'expansion industrielle de la Nouvelle Écosse, devrait s'occuper surtout de l'éloigne ment des principaux marchés intérieurs e des tarifs-marchandises désavantageux pou les industries canadiennes existantes ou le industries étrangères qui pourraient venir s'é tablir en Nouvelle-Écosse ou dans n'importe quelle province de l'Atlantique. Ainsi, l récente majoration du tarif tend à complique davantage les graves difficultés qui assaillen les industries établies en Nouvelle-Écosse, en plus des obstacles que constitue déjà le coût élevé des transports vers les principaux débouchés, pour les industries qui voudraien venir s'établir.

A notre avis, l'examen des cas particuliers de détresse dus à l'augmentation du tarif-marchandises ne révélerait pas tout. Il faudrait plutôt étudier toute la structure des tarifs-marchandises à la lumière des besoins apparents et des réflexions de l'honorable Jean Marchand, ce-dessus mentionnées. Dans la mesure où nos observations pourraient donner plus de poids et d'appui aux projets de M. Marchand, nous proposons au Comité de reconnaître la nécessité de trouver une solution permanente au problème des frais de transport excessifs pour l'écoulement sur les principaux marchés du pays, afin d'être en mesure d'industrialiser la Nouvelle-Écosse et les autres provinces de l'Atlantique et de sup-

whole if existing disparities between this egion and the more affluent regions of Cana-a are to be removed.

We contend that the industrial environment f Nova Scotia is such that if freight costs ere to represent a percentage of value of utput not in excess of the costs enjoyed by ndustries in more direct proximity to the rincipal markets of Canada a vigorous ndustrialization process would take place esulting from combined effort of all govern-ents involved not to mention the ready ecognition by industry of the then total alue of the industrial climate of Nova Scotia nd its sister Atlantic Provinces.

Such an equalization of freight rates would, s indicated earlier, result in a more vigor-us industrialization of Atlantic Canada with esultant increases in freight traffic moving to ie principal markets. Assuming these equal-ed rates provided the CNR its costs, then ny subsidy paid by the Treasury would educe by a like amount the deficit which the reasury would otherwise have to absorb. ince in any case the Treasury absorbs the NR's annual deficit then insofar as the ational accounts are concerned this would onstitute a "wash" transaction.

We urge that your Committee examine the roblems before it in light of the general onditions prevailing as well as examining ie specific briefs and recommendations.

espectfully submitted,

rank H. Sobey
resident
ndustrial Estates Limited.

primer les inégalités qui existent entre cette région et les provinces prospères du Canada.

Nous prétendons que le secteur industriel de la Nouvelle-Écosse devrait pouvoir, si le tarif-marchandises était calculé en fonction des frais de production et au pro rata des frais des industries situées plus près des principaux marchés du pays, prendre une grande expansion pourvu que les gouvernements en cause allient leurs efforts et que les industries reconnaissent la valeur qu'acquérerait ainsi le climat industriel de la Nouvelle-Écosse et de ses voisines de la région Atlantique.

La mise à parité du tarif-marchandises favoriserait grandement l'industrialisation vigoureuse des provinces de l'Atlantique, et accroîtrait du même fait le traffic des marchandises destinées aux principaux marchés. si la parité permettait au Canadien National de faire ses frais, toute subvention que verserait le Trésor réduirait d'autant le déficit que le Trésor aurait à combler. Puisque c'est forcément le Trésor qui doit combler le déficit annuel du Canadien National sur son bilan national, il s'agirait tout simplement d'une opération «fictive».

Nous exhortons le Comité à étudier la question dont il est saisi à la lumière des conditions existantes, ainsi que les mémoires et propositions qu'on lui a présentés.

Le président,
Industrial Estates Limited,
Frank H. Sobey.

APPENDIX "M"

COMMONS STANDING COMMITTEE ON TRANSPORTATION AND COMMUNICAIONS

Canadian Keyes Fibre Company is pleased that the Commons Standing Committee on Transportation and Communications had given us the opportunity of expressing some of our views on transportation problems.

COMPANY BACKGROUND

Our Company, located in Hantsport, Nova Scotia, manufactures molded wood pulp products such as egg cartons, berry boxes, trays for packing eggs, meats, produce, etc., pie plates for bakeries, disposable tableware and a variety of other items. We employ approximately 300 employees.

Most of our products are made from raw materials produced in Nova Scotia utilizing the natural wood resources of our province. These finished goods are sold in all the major markets across Canada. We are, therefore, a "resource" industry that makes a major contribution to the real wealth of our province. A very minor portion of our production is exported outside of Canada.

Canadian Keyes Fibre has been operating continuously since 1935 and has grown since then to become the leading manufacturer of molded pulp products in Canada. This has been accomplished by making large investments in expensive machinery and buildings, by having aggressive sales policies and through being able to sell our products *competitively* across Canada.

CURRENT EXPANSION

We are currently undergoing an expansion program for which we are receiving an areas development grant from the Area Development Grant Agency of the Federal Government. The extent of our expansion was greatly influenced by this incentive program and had there been a substantial increase in freight rates at the time our plans were being formulated, this could have very easily more than offset any advantage derived from this program and we would have had to restrict our plans.

OUTBOUND RATES

Our transportation costs are high in relation to our sales dollar. Transportation costs are now 11.48% of our gross sales. While we may not be captive in the strict sense of the word, we are surely economically captive to railways. While we are marketing our goods

APPENDICE «M»

COMITÉ PERMANENT DES TRANSPORTS ET DES COMMUNICATIONS

La *Canadian Keyes Fibre Company* es reconnaissante au Comité permanent de transports et des communications de lui avoi donné l'occasion d'exprimer ses vues au suje des problèmes en matière de transports.

HISTORIQUE DE LA COMPAGNIE

La compagnie, dont le siège social se trouv à Hantsport (Nouvelle-Écosse) fabrique de articles en carton moulé, notamment des boî tes à œufs et à fruits, des plateaux d'embal lage d'œufs, de viandes, de légumes, etc., de plateaux à tartes pour les pâtisseries, de l vaisselle à jeter et toute une gamme d'autre articles. Elle emploie quelque 300 personnes.

La plupart des articles sont fabriqués l'aide de matières premières provenant de forêts de la province de Nouvelle-Écosse. Ce articles finis se vendent dans tout le pays, l compagnie met en valeur les ressources de l province, contribuant ainsi à sa prospérité Elle n'exporte qu'une infime partie de se produits.

La *Canadian Keyes Fibre Company* a ét fondée en 1935 et n'a cessé de prendre d l'expansion depuis, au point de devenir l plus grande fabrique d'articles en carto moulé du Canada. Pour y arriver, elle immobilisé de gros capitaux en bâtiments e en machines, elle a adopté une politiqu dynamique de ventes afin de faire la concur rence sur tout le marché canadien.

EXPANSION EN COURS

Nous mettons actuellement en œuvre u programme d'expansion pour lequel nou recevons une subvention du gouvernemen fédéral, aux termes de la loi stimulant l développement de certaines régions. L'am pleur de notre expansion a été fortement in fluencée par ce programme de subvention e si le tarif-marchandises avait été majoré d façon marquante quand nous élaborions nc projets, cela aurait annulé tout l'avantage qu nous procurait ce programme, et nous aurion été contraints de restreindre nos projets.

TARIFS D'EXPÉDITION

Nos frais de transport sont élevés par rap port à nos prix de vente, puisqu'ils atteignen 11.48 p. 100 de nos recettes brutes. Bien qu nous ayons plus ou moins les coudées fran ches, nous dépendons d'un moyen de trans port unique. Nous écoulons nos produits dan

l across Canada, 83% of the market is outde the Atlantic region. During 1968 we ipped 904 carloads. Approximately 98% of ir rail traffic moves to points outside the lantic region.

If rail carriers see fit to increase their tes, we cannot, as can a competitor in ntario, negotiate with the trucking industry r lower rates. On occasion, we have terested highway carriers in moving our oducts to the Toronto area. However, this rvice only lasted until truckers were able to rvice producers of higher density items. hen truckers found this business, they were longer interested in ours.

We are selling a competitive product mainly markets many hundreds of miles from our nt and for the most part, paying *class tes*. Class rates are the highest scale of rates arged by the rail carriers. Unless there is a ange in railway policy or unless there is mpetition generated by the trucking indus-, we will continue to pay the highest level rates in the country.

We do not expect that the present rate eze can be maintained forever but we ongly urge that the Federal Government t allow rate increases at this time which uld be a deterrent to increased sales and uld jeopardize our position in the market.

BSIDIZATION

We urge that some form of subsidization be intained if the Federal Government sees fit cancel or change the Maritime Freight tes Act. We agree with some advocates o say that Government and industry uld work toward the day when subsidies e no longer required. *That day is not yet re* and if we are to maintain our place in e Canadian market, some form of subsidy st be maintained, *at least* on traffic moving m our area to markets beyond the soled preferred territory. If the 30% subly is reduced and at the same time, a rate crease applied, we will find ourselves in a ry serious situation.

RIDGE SUBSIDY

As you are no doubt aware, freight from stern Canada to Western Canada, moving rough Franz on the C.P.R., also Oba and rst on the C.N.R., is being subsidized under e Provision of C.F.A. tariff 76-D CTC (F) 88. This tariff reduces a rate of 3.5% plus c per hundredweight. This subsidy is being moved in stages under the provision of apter 69, Bill C-231, assented to February 1969. So far, we have continued to receive e benefit of this subsidy because of the

tout le Canada, mais 83 p. 100 de nos débouchés sont en dehors de la région de l'Atlantique. Nous avons expédié 904 wagonnées en 1968, dont 98 p. 100 à l'extérieur de la région de l'Atlantique.

Si les chemins de fer augmentaient leurs tarifs, nous ne pourrions négocier avec les transports routiers pour un tarif réduit, alors que nos concurrents de l'Ontario le peuvent. A plusieurs reprises, nous avons eu recours à des sociétés de camionnage pour transporter nos marchandises dans la région de Toronto. Ils ont cessé de nous assurer ce service dès qu'ils ont reçu des offres de fabricants de produits moins encombrants. Dès qu'ils ont trouvé ces clients-là, nous ont délaissés.

Nous vendons des produits concurrenciels à des centaines de milles de notre usine, et nous payons le *tarif-classé* dans la majorité des cas; or, ce tarif est le plus élevé des chemins de fer. Si la politique ferroviaire ne change pas, ou si les transports routiers ne leur font pas la concurrence, nous continuerons à payer les plus hauts tarifs du pays.

Nous ne comptons pas que le blocage actuel des tarifs puisse durer, mais nous exhortons le gouvernement à ne pas permettre de majoration des tarifs en ce moment, car cela ralentirait nos ventes et mettrait notre position marchande en péril.

SUBVENTIONS

Nous insistons pour que le gouvernement maintienne ses subventions tant que la loi sur les taux de transport des marchandises dans les provinces Maritimes n'aura pas été modifiée. Nous appuyons la proposition de faire travailler de concert le gouvernement et l'industrie de façon à rendre les subventions inutiles. *Or, elles ne le sont pas encore* et, pour garder notre place sur le marché canadien, nous avons besoin de subventions, *tout au moins* pour le transport de nos marchandises vers nos débouchés, au-delà des territoires dits à tarif préférentiel. Si la subvention de 30 p. 100 était supprimée et si le tarif était en même temps majoré, nous serions dans une situation précaire.

SUBVENTION TEMPORAIRE

On sait que les marchandises expédiées de l'Est vers l'Ouest via Franz sur le Canadien Pacifique et Oba et Herst sur le Canadien National bénéficient d'une subvention aux termes du tarif C.F.A. 76-D CTC (F) 1688, qui réduit le taux de 3.5 p. 100 et de 9.5c. le cwt. Cette subvention est graduellement supprimée aux termes du chapitre 69 du bill n° C-231, adopté le 9 février 1969. Jusqu'à présent, nous jouissons encore de cette subvention, grâce au «blocage». Si on y met fin, nos taux augmen-

"freeze". With the removal of the "freeze", our rates will also increase by the amount of the subsidy. With total removal, in the case of the rate to Calgary, it will mean an increase of 26c per hundredweight and to Winnipeg, an increase of 20c per hundredweight. These are but two examples. The present rate to Winnipeg is $2.85; this would increase to $3.05. The present rate to Calgary is $4.46. This rate would become $4.72 with the removal of the "bridge subsidy". These two examples are rates applicable via D.A.R. Truro and Connections.

TWO LINE HAUL

Our industry in Hantsport is at a disadvantage in that the basis for rates is higher on traffic moving via two rail lines than on a single line; that is, we have to route D.A.R. to Truro, thence C.N.R. The alternative to shipping via this route is to ship via Digby, a "breakbulk" route. This has, in the past, proven entirely unsatisfactory for several reasons. It has resulted in complaints from customers because of damage, mixing of goods, shortages and different cars arriving at the destination than are shown on the shipping confirmation. It does not appear that the proposed new ferry service across the Bay of Fundy will help us because it is to be a "roll on, roll off" operation. We, of course, have no idea what the cost of this service will be. However, from the information at our disposal due to the "bulky" nature of our products, we do not foresee any great benefits.

We are, therefore, forced to ship via Truro at higher rates. Examples of higher freight rates via two lines for equal miles hauled are illustrated on the attached statement.

We feel that the rates from Hantsport (D.A.R.) should be reduced either by arrangement with the C.P.R. or by the Government allowing the difference. If the Hantsport rates were reduced to the Halifax level, we estimate that this would mean a saving of approximately $17,000.00 annually under present conditions. It is reasonable to assume that if the C.N.R. were serving Hantsport, these differentials would not exist.

IN-BOUND RATES

We feel that the Government should take a close look at the possibility of providing transportation assistance for goods brought into the Atlantic provinces to be used in the manufacture of our products.

In order to turn the natural resources of the province into a finished product, certain ingredients must be brought in at considera-

teront du montant de la subvention. Sans sul vention, le taux jusqu'à Calgary augmentera de 26c. le cwt, et celui de Winnipeg de 20c. cwt, pour ne citer que deux exemple Actuellement le taux pour Winnipeg est d $2.85, qui monterait à $3.05. Pour Calgary, taux de $4.46 deviendrait $4.72 si la subve tion temporaire était supprimée. Ces deu exemples sont les taux applicables via la ga de Truro et ses embranchements.

TRANSPORT SUR DEUX LIGNES

Notre usine de Hantsport est désavantagé du fait que les taux sont plus élevés quand faut passer par deux lignes de chemins d fer; or, nous devons expédier via Truro (C.F et de là par le Canadien National. Nous pou vons néanmoins expédier via Digby, qui e une gare de triage, ce qui s'est révélé dés vantageux pour plusieurs raisons. Cela donné lieu à des plaintes de nos clients, e raison des dégâts aux marchandises, d erreurs de livraison, des pertes et à l'arrive à destination de wagons différents de ceu qui figurent au connaissement. Il ne semb pas que le traversier proposé pour la baie d Fundy nous aiderait, car il ne fonctionne que par intermittences. Évidemment, nou ignorons totalement ce que ce service coûter Toutefois, d'après nos renseignements, nou ne comptons pas qu'il puisse nous être pr fitable, en raison de l'encombrement de n marchandises.

Nous sommes donc contraints d'expédi via Truro, au taux plus élevé. A titre d'exem ple de la cherté du tarif-marchandises su deux lignes et à distance égale, voir l'annex ci-jointe.

Nous croyons que nos taux à partir d Hantsport (D.A.R.) devraient être réduits so par une entente avec le Canadien Pacifiqu soit par l'aide d'une subvention du gouve nement. Si les taux de Hantsport étaien égaux à ceux d'Halifax, cela nous vaudra une économie annuelle de quelque $17,000.0 aux conditions actuelles. Nous croyons aus que si le Canadien National desservait Hant port, ces différences de tarifs n'existeraien pas.

TAUX D'ENTRÉE

Selon nous, le gouvernement devrait étu dier de près la possibilité de verser de l'aid pour les transports de marchandises à desti nation des provinces de l'Atlantique devan servir à nos fabrications.

La transformation de nos matières premiè res en produits finis exige certaines ingré dients qu'il faut amener ici à gros prix.

le cost. We feel that assistance in this respect would be very beneficial to industries uch as ours that are trying to compete in reas where not only local markets are available to manufacturers but also raw materials. his *would not* be intended to work to the etriment of the suppliers in the Atlantic rea.

notre sens, cette aide serait très profitable aux industries qui, comme la nôtre, s'efforcent de concurrencer les régions où les fabricants vendent sur place et y trouvent aussi leurs matières premières. Pareille mesure ne *devrait pas* être appliquée au détriment des fournisseurs de la région Atlantique.

RUCKING

We feel there are two ways to help rengthen and make the trucking industry ore competitive, thereby helping industry: i) Continued Federal assistance for the conruction of all-weather trunk highways. This akes trucking more economical and would ake it possible for us to get our products to arket more quickly. (b) any subsidy applicale to the railways also be extended to truckg. This is a most important factor in proiding competition to the rail carrier.

CAMIONNAGE

Nous voyons deux moyens de rendre les transports routiers plus forts et plus concurrentiels et, partant d'aider l'industrie: a) Maintien de l'aide fédérale pour la construction de grandes routes carrossables à l'année longue, ce qui rendrait le camionnage plus économique et nous permettrait de livrer nos marchandises à plus bref délai. b) L'extension aux camionneurs des subventions accordées aux chemins de fer. C'est là l'élément essentiel qui permettrait de concurrencer les chemins de fer.

RAIL RATES
Via
DAR Truro CNR

	Hantsport		Halifax		Difference	
	CL	LCL	CL	LCL	CL	LCL
	Class		Class		Class	
	45	85	45	85	45	85
ontreal	.93	1.87	.87	1.75	.06	.12
oronto	1.30	2.59	1.23	2.47	.07	.12
ttawa	1.02	2.04	.95	1.92	.07	.12
innipeg	2.85	5.80	2.67	5.45	.18	.35
askatoon	3.74	7.58	3.56	7.23	.18	.36
egina	3.55	7.20	3.38	6.85	.17	.35
algary	4.46	9.03	4.30	8.71	.16	.32
dmonton	4.38	8.88	4.21	8.52	.17	.36
ancouver	5.43	10.99	5.27	10.65	.16	.34

Rail Mileage Differential—2.

TARIF—MARCHANDISES
via
DAR Truro CN

	Hantsport		HALIFAX		ÉCART	
	Wagons complets	détail	Wagons complets	détail	Wagons complets	détail
	Catégorie		Catégorie		Catégorie	
	45	85	45	85	45	85
ontréal	.93	1.87	.87	1.75	.06	.12
oronto	1.30	2.59	1.23	2.47	.07	.12
ttawa	1.02	2.04	.95	1.92	.07	.12
innipeg	2.85	5.80	2.67	5.45	.18	.35
askatoon	3.74	7.58	3.56	7.23	.18	.36
egina	3.55	7.20	3.38	6.85	.17	.35
algary	4.46	9.03	4.30	8.71	.16	.32
dmonton	4.38	8.88	4.21	8.52	.17	.36
ancouver	5.43	10.99	5.27	10.65	.16	.34

Coefficient différentiel de millage—2.

RECOMMENDATIONS

1. Government action to see that rate increases are held to a level which will not jeopardize existing markets or prevent reaching new markets by some form of assistance on transportation being maintained, especially on finished goods being sold outside the Atlantic region. This action to be taken prior to lifting of the rate freeze.

2. Rates from Hantsport be reduced to the Halifax level.

3. Subsidization be extended to raw materials for manufacturing purposes which must be purchased outside the region.

4. Continued Federal Government assistance to Nova Scotia for building of all-weather trunk highways.

5. Any assistance given to rail also be extended to trucking.

RECOMMANDATIONS:

1. Que le gouvernement veille à garder l majorations de tarifs à un niveau qui ne me trait pas les débouchés en péril ou n'empêch rait pas l'acquisition de nouveaux marchés, l'aide d'assistance au transport, surtout d produits finis vendus en dehors de la régio de l'Atlantique.

2. Réduction des taux de Hantsport à parit de ceux d'Halifax.

3. Extension des subventions aux matière premières destinées à la fabrication, en pr venance de l'extérieur de la région.

4. Maintien de l'aide du gouvernemer fédéral à la Nouvelle-Écosse pour la construc tion de grandes routes carrossables à l'anné longue.

5. Extension aux camionneurs de toute sub vention accordée aux chemins de fer.

APPENDIX "N"

BRIEF PRESENTED TO THE STANDING COMMITTEE ON TRANSPORT AND COMMUNICATIONS BY ANIL CANADA LIMITED CHESTER, NOVA SCOTIA

entlemen:

We respectfully request the privilege of resenting the following brief to your Com-ittee for consideration. We shall be pleased provide any necessary further information nd sincerely trust that some means can be ound to alleviate our problem.

UMMARY

Anil Canada Limited is at a serious disad-ntage as compared to other Canadian anufacturers because of its distance from ajor markets and subsequent high transpor-tion costs.

Our freight costs are greater than the bour cost per unit and equivalent to all raw aterial expenses. As a percent of sales, our ansportation costs averages 19 to 20 per nt. Similar American producers with the me product mix average 7½ per cent.

We wish to recommend the following for ur consideration.

1. Reduction of rail rates to at least the uivalent of other Canadian manufacturers the major Canadian Market Areas, i.e. ntario and Quebec.

2. With respect to American or Export ipments the provision of a government sub-dy to cover cost of transportation to Border ossing Points.

3. A revision of the Canadian rail rate ructure to provide a more realistic incentive r larger car load shipments.

ACKGROUND

Anil Canada Limited is a new modern plant cated in Chester, Nova Scotia engaged in e manufacture of hardboard products. ese products are made using native raw aterial resources, namely; rough mixed rdwoods; which would otherwise be wast-. Chemicals and other raw materials are most entirely of Canadian origin.

Our production totals approximately 150,-0,000 sq. ft. per year or 50,000 tons with a

APPENDICE «N»

DOSSIER SOUMIS AU COMITÉ DES TRANSPORTS ET COMMUNICATIONS PAR ANIL CANADA LIMITÉE CHESTER, NOUVELLE-ÉCOSSE

Messieurs,

Nous soumettons respectueusement à votre Comité ce dossier que nous vous prions de bien vouloir analyser et prendre en considération. Nous pourrions, éventuellement, vous fournir tout autre renseignement nécessaire et espérons que vous serez à même de trouver les moyens d'alléger notre problème.

SOMMAIRE.

Anil Canada Limitée a de sérieux désavantages en comparaison des autres fabricants canadiens, à cause de la distance de ses principaux marchés; il en résulte des frais de transport élevés.

Par unité, ceux-ci dépassent ses frais de main-d'œuvre et sont équivalents à ses frais de matière première. Nos frais de transport représentent 19 à 20 p. 100 de nos ventes. Certains fabricants américains concurrents ont une moyenne de 7.5 p. 100.

Nous vous demandons de bien vouloir prendre en considération les observations suivantes.

1. Une diminution des tarifs ferroviaires qui puisse nous permettre, pour le moins, d'avoir des tarifs équivalents à ceux des autres fabricants canadiens qui expédient de la marchandise vers les principaux marchés, c'est à dire l'Ontario et le Québec.

2. En ce qui concerne nos expéditions vers les États-Unis ou nos exportations, nous aimerions avoir de la part du Gouvernement une subvention qui couvrirait nos frais de transport jusqu'aux postes frontières.

3. Une révision du mode d'application des tarifs ferroviaires canadiens en vue d'encourager de plus gros chargements.

RENSEIGNEMENTS GÉNÉRAUX.

Anil Canada Limitée est une usine nouvelle et moderne située à Chester, Nouvelle-Écosse, qui est spécialisée dans la fabrication des bois agglomérés. Ces produits sont fabriqués à base de matières premières régionales, à savoir, pulpes diverses non travaillées, qui seraient en cas contraire gaspillées. Les produits chimiques et les autres matières premières sont presque entièrement d'origine canadienne.

Notre production se monte à environ 150,-000,000 de pieds carrés par an ou 50,000 ton-

Gross Sales Value of nearly $6,000,000. This Sales Value will increase with further product diversification and specialization.

Our product is used for a wide variety of end uses from industrial to home construction. For example, we supply doorskins for the manufacture of residential and commercial doors; automotive board for the automobile industry; specialized panels for the furniture and toy industries, as well as a wide range of products for the home construction market. We are currently engaged in an intensive product development programme as well as plans for a major plant expansion.

Our markets are largely in the dense population areas of the United States and in the Ontario and Quebec industrial regions. Our market in the Atlantic Provinces is relatively small due to low population density. We are currently shipping as far south as Georgia and Texas in the United States and as far west as Alberta, Canada. About 6½ per cent of our product is exported to the United States so we are, therefore, a major American Dollar earner.

PROBLEM

Our major problem and one holding up our expansion programme is the question of transportation costs.

1. *Freight as a Percent of Sales*

Our freight as a percent of sales averages 19 to 20 per cent. We have no comparison with Canadian manufacturers but we have compared notes with a similar American plant. Their freight costs averages 7½ per cent of sales and these are a cause for grave concern when they go above 8 per cent.

2. *Freight Versus Other cash costs.*

Transportation represents a higher cost than labour and is close to our full raw material expenses. Omitting financial and other costs, this may be expressed as follows:

Freight 35 units
Raw Material 35 units
Labour 30 units
Total 100 units

3. *Economics of Volume Deliveries*

In addition to the higher basic unit freight costs we must deliver to our major markets

nes approchant une valeur de vente brute d $6,000,000. Cette valeur de vente augmente avec la diversité et la spécialisation future de nos produits.

On emploie notre matériau dans une grand variété de sous-produits utilisés depuis l'in dustrie jusqu'à la construction artisanale. Pa exemple, nous fournissons des panneaux pou la fabrication de portes commerciales et rés dentielles; des panneaux spécialement conçu pour l'industrie automobile; des panneau pour l'industrie du meuble et du jouet, ain qu'une grande variété de produits destinés la construction artisanale. Nous nous somm engagés dans un programme de développ ment intensif de production et avons d plans pour l'expansion d'une usine plu grande.

Nos marchés se trouvent en grande part dans les zones de population dense des État Unis et dans les régions industrielles d Québec et de l'Ontario. Notre marché dans l Provinces Atlantiques est relativement pe élevé dû à la faible densité de la populatio Nous envoyons de manière générale des pr duits dans le sud des États-Unis, comme e Géorgie et au Texas et dans l'ouest d Canada, comme en Alberta. Environ 60 p. 1 de notre production est exportée aux État Unis et nous sommes donc une compagnie q rapporte beaucoup de dollars américains.

PROBLÈME.

Notre retard dans le programme d'expa sion, qui est notre principal problème, est e fonction des prix de transport.

1. *Pourcentage que représente le coût du fr par rapport aux ventes.*

Ce pourcentage, en ce qui nous concern varie de 19 à 20 p. 100. Si nous n'avons p d'éléments de comparaison avec les fabrican canadiens, nous en avons obtenu d'une usi américaine. Le coût de leur fret correspond 7.5 p. 100 de leurs ventes et quand il atteint p. 100, ils considèrent la situation comm grave.

2. *Coût du fret par rapport aux autr dépenses.*

Le transport représente un coût plus éle que notre main-d'œuvre et atteint presque prix de notre matière première. Sans tard du financement et autres frais, nous pourrio résumer ces constatations comme suit:

Coût du fret	35 unités
Coût de la matière première	35 unités
Main-d'œuvre	30 unités
Total	100 unités

3. *Avantages de gros chargements.*

En plus du coût du fret plus élevé par uni de base, nous devons livrer nos marchandis

large car loads with relatively long delivy periods. Many of our competitiors can ilize road transport and ship much smaller iantities direct to the retailer or small dustrial user with much faster delivery. We ust, therefore, offer substantial discounts to courage distributors to handle our product ne.

4. *Foreign Imports*

Imports of hardboard into this country om foreign countries such as Scandinavia, ssia and Poland amounts to about 72,000,000 . ft. per year. Even with our modern icient plant we cannot compete effectively th these countries, particularly Russia and land, Foreign countries, anxious to earn llars, can and do subsidize exports so we d our best markets are away from the sea-rt areas. It is noteworthy that foreign hard-ards are sold at a considerably lower price the Canadian market than they are in the ited States. Hence again the economic ssure of trying to promote our product rther afield.

5. *Tariff Reductions*

With the decrease in tariffs from the Ken-dy Round we are developing a market for re specialized product lines in the United tes. To do this we must surmount a 21 per nt tariff barrier but because of our superior hnical and marketing know how, we hope overcome overseas competition. We must, course, continue to deal with Domestic and erican producers on the same footing. re we immediately run into the transporta-n cost problem as previously outlined.

neral

We have active plans for further expansion olving doubling our present plant size. We ve the raw material resources, the labour ce is available, and the market can be veloped. We can provide much needed year und employment to an underdeveloped a; we can earn up to 9 million a year in erican currency and we can provide a ady cargo to fill rail cars now returning pty to Upper Canada and the United tes.

Our product is a high density low bulk mmodity which can best be handled in ge double door rail cars in 100,000 pound ds. As such we cannot look for relief in the posed containerization or unit train pro-

par grosses expéditions vers nos principaux marchés, en des périodes de livraison assez longues. La plupart de nos concurrents peuvent utiliser le transport routier et expédier de plus petites expéditions directement au détaillant ou au petit industriel avec plus de rapidité. Nous devons, donc, offrir de substantiels rabais aux distributeurs afin de les encourager à utiliser nos produits.

4. *Importations.*

Les importations de bois agglomérés au Canada en provenance de pays étrangers, tels que la Scandinavie, la Russie et la Pologne représentent environ 72,000,000 de pieds carrés par an. Même avec notre usine moderne et rationnelle, nous ne pouvons pas concurrencer efficacement ces pays, particulièrement la Russie et la Pologne. Des pays étrangers, désireux d'obtenir des dollars américains et canadiens subventionnent leurs exportations, de telle sorte qu'il en résulte que nous trouvons nos meilleurs marchés en dehors des zones maritimes. Il est bon de noter que les bois agglomérés importés se vendent sur le marché canadien à un prix bien plus bas que sur celui des États-Unis. Et la pression économique est encore accrue du fait que nous devions essayer de promouvoir encore plus nos ventes sur les marchés.

5. *Réductions des tarifs.*

Avec la diminution des tarifs sur le marché américain, due au «Kennedy Round», nous sommes à même de développer une production plus spécialisée. Pour cela, nous devons surmonter une barrière de tarifs de 21 p. 100, mais grâce à notre technique et à notre distribution supérieures, nous espérons concurrencer la production d'outre-mer. Nous devons, bien sûr, continuer à concurrencer les fabricants nord-américains dans les mêmes conditions. A ce stade, nous nous heurtons au problème du coût du transport, déjà mentionné.

GÉNÉRALITÉS.

Nous avons effectivement des plans en vue de doubler la taille de notre usine actuelle. Nous avons le potentiel de matière première, la disponibilité de main-d'œuvre, et la possibilité de développer un marché. Nous pouvons fournir de l'emploi permanent très demandé dans une région sous-développée; nous pouvons gagner jusqu'à 9,000,000 de dollars américains et nous pouvons fournir des chargements réguliers pour remplir les wagons, qui à l'heure actuelle, retournent à vide vers le centre du Canada et vers les États-Unis. Notre produit est très commode car de haute densité et de petit volume, pouvant très facilement être chargé dans de grands wagons à doubles portes, en charge-

grammes. Granted these may be of interest but we submit that our problems cannot wait for these solutions.

Recommendations

Specifically we request a programme that would place us in an equivalent position with Ontario and Quebec producers with respect to the major markets in Canada and the United States.

We respectfully submit the following for your consideration:

1. Reduction of rail rates to the equivalent of other Canadian Producers to the major Canadian Markets in Ontario, and Quebec.

2. With respect to American shipments, payment of a Government subsidy to cover costs of transportation to Border Crossing Points.

3. A revision of the incentive rail rates to provide a more realistic rate reduction for larger shipments. For example, our American rail rates offer a reduction of 22% for 100,000 pound loads from the 50,000 pound rate. Our Canadian rates offer only an 8% reduction in the corresponding range.

4. We would be very pleased to consider alternative suggestions or recommendations which the Committee has to offer.

L. H. Coffin, P. 9ng.
General Manager
Anil Canada Limited
Chester, Nova Scotia.

ments de 100,000 livres. Dans ce cas-là, l programmes qui ont été proposés pour chargement en containers et en train unité, résolvent pas notre problème. Nous admett que ces programmes sont intéressants, m nous pensons que nos problèmes ne peuv pas attendre ces solutions.

RECOMMANDATIONS.

Précisément, nous demandons un pr gramme qui pourrait nous placer dans u position équivalente à celle des fabrica d'Ontario et du Québec, quant aux marc du Canada et des États-Unis.

Nous vous demandons respectueusement prendre en considération ce qui suit:

1. Pour atteindre les principaux marchés l'Ontario et du Québec, nous aimerions u diminution des tarifs ferroviaires équivale à celle dont bénéficient les autres fabrica canadiens.

2. Vis-à-vis des chargements à destinati des États-Unis, nous aimerions obtenir de part du Gouvernement une subvention q couvrirait les frais de transport jusqu'a postes frontières.

3. Une révision du mode d'application d tarifs ferroviaires canadiens en vue d'enco rager de plus gros chargements. Par exemp les Chemins de Fer américains offrent u diminution de tarifs de 22 p. 100 pour d chargements de 100,000 livres par rapport ceux de 50,000 livres. Dans les mêmes con tions, les Chemins de Fer canadiens ne no offrent une diminution que de 8 p. 100.

4. Nous serions très heureux de considé toutes autres suggestions et recommandatio que le Comité voudrait bien nous proposer.

L. H. Coffin, P. Eng.
Directeur Général
Anil Canada Limitée
Chester, Nouvelle-Écosse.

APPENDIX "O"

he Shubenacadie River Crossing Committee
Subject: A Crossing of the Shubenacadie River at or near its mouth.

SHUBENACADIE RIVER CROSSING

Your consideration and support is respectlly requested for the immediate implemenion of a multi-purpose type of highway ossing of the Shubenacadie River at or near mouth, with suitable connections to existg highways.

Numerous requests have been made to rious levels of Federal and Provincial govnments for such a crossing, and in the past e years several surveys, both from an engiering and economic feasibility standpoint ve been conducted. Each has shown that ch a crossing is not only feasible, but would of great economic benefit to all the people no live in the immediate area as well as otorists travelling throughout Nova Scotia pursuit of business activities or for creation.

The surveys referred to show many reasons ay a crossing is not only feasible but a cessity for the continued growth of Nova otia, as what affects the economy of any ea in the province, affects the whole picture economic growth, development, and fiscal anding of Nova Scotia.

AGRICULTURE

Some of the finest producing soil in Nova otia is situated in the Shubenacadie ewiacke watershed area and in North Hants, d much greater production could result om the farms and forests of these areas if a ossing of the Shubenacadie River was nstructed.

The report of ARDA No. 12 "Study of a ubenacadie River Causeway," made public January 1967, shows that a multi-purpose useway-type crossing would protect 2537 res of marshland and interval soil in the ver basin area.

SOCIO-ECONOMIC STUDY

A Socio-Economic Study of the watershed ea conducted by the Acadia University

APPENDICE «O»

Le Comité du passage routier
sur la rivière
Shubenacadie.

Objet: Construction d'un passage routier
à l'embouchure de la rivière
Shubenacadie ou à proximité

PASSAGE ROUTIER SUR LA RIVIÈRE SHUBÉNACADIE

Nous vous prions respectueusement de nous appuyer et d'étudier la mise en œuvre immédiate d'un passage routier à toutes fins sur la rivière Shunebacadie à son embouchure ou à proximité de celle-ci, avec les raccordements voulus aux grandes routes existantes.

De nombreuses demandes ont été présentées aux divers niveaux des gouvernements fédéral et provincial pour un tel passage et, au cours des cinq dernières années, plusieurs études techniques et économiques ont été faites. Toutes ces études ont démontré non seulement que ce passage est réalisable, mais encore qu'il offrirait d'importants avantages économiques à toute la population des environs immédiats et aux automobilistes qui parcourent la Nouvelle-Écosse aussi bien pour leurs activités professionnelles que pour leur agrément.

Les études donnent plusieurs raisons pour lesquelles cette construction est non seulement possible, mais aussi nécessaire pour que la Nouvelle-Écosse continue de progresser, puisque les facteurs qui influent sur l'économie d'une région de la province touchent l'ensemble du développement et de la croissance économiques, de même que la situation fiscale de la Nouvelle-Écosse.

L'AGRICULTURE

Certains sols les plus productifs de la Nouvelle-Écosse se trouvent dans la région arrosée par les rivières Shubenacadie et Stewiacke et dans celle de Hants-Nord. Les productions agricoles et forestières de cette région pourraient être beaucoup plus considérables si un passage routier était construit sur la rivière Shubenacadie.

Le rapport ARDA nº 12, qui s'intitule *Study of a Shubenacadie River Causeway*, publié en janvier 1967, démontre qu'un passage d'usage général en forme de digue assécherait 2,537 acres de terrain marécageux et de zones intermédiaires dans le bassin de la rivière.

ÉTUDE SOCIO-ÉCONOMIQUE

Dans une étude socio-économique de la région de la ligne de partage des eaux, réali-

Institute, and made public in October 1966, shows that a crossing, in addition to effecting reclamation of present unusable land will open the East Hants coastal areas and the Shubenacadie River Valley areas for development and consequently raise land values.

It would promote easier access to Truro for Hants North people, which would, in effect, cut the cost of farm equipment, repairs, veterinary services, and general retail produce, increase profits from animals at livestock auctions, make medical and educational facilities more accessible, and increase employment opportunities.

TRANSPORTATION

ARDA Report No. 12 shows that the construction of a causeway-type highway crossing in the Princeport area, including connecting roads, would cost an estimated $5,100,000 and in the Black Rock area $5,200,000.

The "Shubenacadie River Bridge Study", completed in 1964 by A. D. Margison and Associates, showed the total savings to motorists who would use the proposed crossing for a 20-year period would be 24,450,000 miles and 546,600 hours. The report added that "when related to operating costs of vehicles of an assumed 10 cents per mile, and the time cost of $1.00 per hour, the resultant savings to the motorists using the new facility over the 20-year period would be approximately $2,-291,000". Based on these figures, the firm concluded that the benefit to be derived, in relation to the estimated cost of a bridge-type crossing would be 75 per cent of the bridge cost.

The cost of 10 cents per mile per automobile and the time cost of $1.00 per hour, outlined in the Margison Report are unrealistic. The average cost of operation of all types of motor vehicles, including cars, trucks, school buses, etc., is in the nature of twenty-five cents per mile.

Based on these realistic costs we submit that the saving to all operators of motorized equipment over a 20-year period, if a crossing were to be provided, would be $6,112,500 in mileage costs and time costs of $2.00 per hour would mean an added saving of $1,093,200 for a total saving of $7,205,700.

Added to this is the estimation of the saving which Mr. J. Albert Ettinger, M.L.A. for

sée par l'Institut de l'Université Acadia publiée en octobre 1966, il est démontré qu'i passage, en plus de mettre en valeur des te res inutilisables à l'heure actuelle, permettra à la région côtière de Hants-Est et à la vall de la rivière Shubenacadie de s'ouvrir à développement et de faire progresser valeur des terres.

Les populations de Hants-Nord commun queraient plus facilement avec la ville Truro, ce qui, en fait, réduirait les prix d'a chat des machines agricoles, des réparation des services de vétérinaires, des divers pr duits vendus au détail, augmenterait les bén fices réalisés sur les ventes d'animaux au enchères, faciliterait l'accès aux servic médicaux et éducatifs et augmenterait l possibilités d'emploi.

LES TRANSPORTS

Le rapport ARDA nº 12 précise que la ré lisation d'un passage routier en forme d digue dans la région de Princeport, avec s routes de liaison, coûterait environ $5,100,00 si ce passage était construit dans la région d Black Rock, il coûterait $5,200,000.

L'étude intitulée *Shubenacadie Riv Bridge Study*, réalisée en 1964 par la socié *A. D. Margison and Associates*, démontre qu les automobilistes utilisant le passage proje durant 20 ans feraient 24,450,000 milles d moins et économiseraient 546,600 heures. L rapport déclare que «si l'on établit les frais d mise en service d'un véhicule à environ 10 le mille, et le temps à $1 l'heure, les écon mies réalisables par les automobilistes util sant la nouvelle route se monteraient en 2 ans à $2,991,000». En se fondant sur ces chi res, la société susmentionnée a conclu qu les avantages à retirer, en pourcentage d coût estimatif d'un passage en forme de pon se chiffreraient à 75 p. 100 du coût du pont, ne serait pas, par conséquent, à réaliser d point de vue financier en se fondant sur rapport du prix de la route à ses avantages.

Le prix de 10c. le mille par automobile et montant de $1 l'heure employés dans le ra port Margison traduisent mal la réalité. L coût moyen de mise en service de tous le types de véhicule à moteur, automobil camions, autobus scolaire, etc., serait d'env ron 25c. le mille.

En nous fondant sur ces coûts plus réel nous soutenons que les économies réalisable par les propriétaires de véhicules automobil en vingt ans, advenant la construction d passage seraient de $6,112,500 en frais de mis en service et le temps gagné, calculé à $ l'heure, permettrait de réaliser d'autres éco nomies de $1,193,200, soit en tout $7,205,700.

Il faut ajouter à ce montant, l'estimatio des économies dont le député du comté d

ast Hants pointed to in an address in the ova Scotia Legislature on February 23, 1967, which he said, in reference to the proposed ossing; "Based on agriculture alone we nderstand this would justify an expenditure $800,000."

PUBLIC SERVICES

Millions of dollars are spent annually on search to determine causes and cures of seases and to provide training facilities for ctors and dentists, and yet many people siding in the rural areas of Nova Scotia, cause of distances from necessary services doctors, dentists, and hospitals, are doing ithout these services except in cases of dire ed, while at the same time paying hospital x in the same proportion as those in the ban centers. In the North Hants area e doctor serves an area of a radius of 25 les from his office where there are over 00 people. He finds it nearly impossible to ake house calls. In the same area there is e of the highest infant mortality rates in va Scotia chiefly because more easily cessible medical and hospital services are t available. The proposed crossing would t these people closer to medical, dental nical, ambulance and hospital services, and uld save more than sixty miles on a round p. Furthermore, a crossing would improve e efficiency of the North Hants area of yal Canadian Mounted Polpce, postal, and e various other Provincial and Federal gov- nment services emanating from Truro.

EDUCATION

The trend in education today is to establish cational, technical, high school, and other stitutions of learning in growth areas. A ossing of the Shubenacadie River would rmit students from the entire area to avail emselves of comprehensive educational ilities in Truro; i.e. Vocational-technical; oposed Educational Studies Centre; Nova otia Teachers College and Nova Scotia gricultural College. Many students from the rth Hants area could be boarded in Truro, t many do not want this and would drop t of school rather than do so. On the other nd if they could be conveniently taken to uro by school bus they would be couraged to further their education and ere would also be a resultant saving to the

Hants-Est à l'Assemblée législative de la Nouvelle-Écosse, M. J. Albert Ettinger, a parlé dans son discours du 23 février 1967 à propos du passage projeté: «Si nous nous fondons sur l'agriculture seulement, nous croyons savoir qu'une dépense de $800,000 serait justifiée.»

SERVICES PUBLICS

Il se dépense des millions de dollars à tous les ans tant pour la recherche sur les causes des maladies et les moyens de les guérir que pour réaliser de meilleurs installations destinées à la formation des docteurs et des dentistes. Pourtant un grand nombre de résidents de la campagne en Nouvelle-Écosse, en raison des distances qui les séparent des cabinets de dentistes et de médecins et des hôpitaux est privé de ces services sauf dans les cas des grands besoins, même s'il verse la taxe d'hôpital sur la même base que les résidents des localités urbaines. Dans la région de Hants-Nord, un seul médecin dessert un secteur d'un rayon de 25 milles, calculé à partir de son bureau, qui compte 5,000 personnes. Il lui est à peu près impossible de faire des visites à domicile. Dans le même secteur, le taux de la mortalité infantile est l'un des plus élevés de la Nouvelle-Écosse, surtout parce que les services des médecins et des hôpitaux ne sont pas facilement accessibles. La construction du passage projeté permettrait à ces gens d'avoir accès aux services des médecins, des dentistes, des cliniques, des ambulances et des hôpitaux et raccourcirait de soixante milles tout voyage aller et retour. De plus, l'existence d'un passage améliorerait l'efficacité des services de la Gendarmerie royale, des postes, des divers services provinciaux et fédéraux de Truro dans la région de Hants-Nord.

INSTRUCTION PUBLIQUE

Dans les régions en croissance, la tendance actuelle est de construire des écoles techniques et professionnelles, des écoles secondaires et d'autres maisons d'enseignement. L'existence d'un passage enjambant la rivière Shubenacadie permettrait à la population scolaire de l'ensemble de la région d'avoir accès à toutes les maisons d'enseignement de Truro, soit les écoles professionnelles et techniques, le centre d'études pédagogiques en projet, l'école normale de la Nouvelle-Écosse et le collège d'agriculture de la Nouvelle-Écosse. De nombreux étudiants de la région de Hants-Nord peuvent demeurer en pension à Truro, mais plusieurs refusent et préfèrent abandonner leurs études. D'autre part, s'il était possible pour eux de voyageur sans inconvénients

government in the difference between the cost of bording students and conveying them by bus.

Because of the shorter distance between the schools of North Hants and Truro if a crossing were to be provided, it could solve some of the difficulty the East Hants Municipal School Board has been experiencing in staffing schools, for many teachers do not want to live in a rural area where public services, entertainment, stores and educational facilities are limited, but do not mind commuting from urban centers to rural classrooms.

TOURISM

Tourism has become the biggest industry in Canada and increased attractions will bring needed dollars from out of the province into Nova Scotia. The large body of fresh water resulting from a causeway-type crossing would offer unlimited possibilities as far as development of the tourist industry in the area is concerned, and the creation of this large fresh water lake in the center of the province would be of benefit to the whole province. It would provide a storage reservoir for hundreds of millions of gallons of critically needed fresh water for industry, domestic, and recreational use, which is now being wasted to the sea.

Facts show that the proposed crossing is financially feasible from a benefit cost ratio, and when the value of the saving in dollars and cents resulting from the provision of more efficient public services is considered then the benefit to be derived far exceeds the estimated cost of the structure.

The proposed crossing of the Shubenacadie River has the unqualified support of the following groups and organizations:

Municipalities of East Hants, West Hants and Colchester

Towns of Truro and Stewiacke

Tourist Council of Central Nova Scotia

Affiliated Boards of Trade of the Annapolis Valley

Nova Scotia Federation of Agriculture

East Noel Farmers Association

Federations of Agriculture of Colchester and Halifax-East Hants

par autobus scolaires, on pourrait les encou rager à poursuivre leurs études et il e découlerait des économies qui, pour le gou vernement, équivaudraient à la différenc entre le coût de la pension et les frais d transport par autobus.

En raison de la distance plus courte qu séparerait les écoles de Hants-Nord et d Truro advenant la construction d'un passag il serait peut-être possible de résoudre certai nes difficultés que rencontre la Commissio scolaire municipale de Hants-Est à pourvoi ses écoles en personnel, parce que bon nom bre d'enseignants refusent d'aller vivre dan une région rurale où les services publics, le lieux de distraction, les magasins et les éta blissements d'enseignement sont limités e nombre, mais acceptent les migrations quoti diennes entre les localités urbaines et les éco les rurales.

TOURISME

Le tourisme est maintenant l'industrie l plus importante au Canada et l'augmentatio du nombre des attractions rapportera à l Nouvelle-Écosse des dollars de l'extérieur. L grande étendue d'eau douce qui se créera avec la construction d'un passage en forme d digue offrirait des possibilités sans limite dans le secteur des activités touristiques de l région. La création de ce lac d'eau douc bénéficierait à l'ensemble de la province. constituerait une réserve de centaines de mi lions de gallons d'eau douce pour satisfair aux besoins pressants de l'industrie, de ménages et des lieux touristiques et qui vor se perdre dans l'océan à l'heure actuelle.

Les faits démontrent que le passage projet est réalisable sur le plan financier en se fon dant sur le rapport du coût aux avantages e lorsque la valeur des économies en dollars qu résultent de la fourniture de services public plus efficaces est considérée, la valeur de avantages à retirer dépasse de beaucoup l coût estimatif de la construction.

Les groupes et les organismes suivant appuient sans réserve le projet de passag enjambant la rivière Shubenacadie:

Les municipalités de Hants-Est, Hants Ouest et de Colchester

Les villes de Truro et de Stewiacke

Le Conseil du tourisme du Centre de l Nouvelle-Écosse

Les Chambres de commerce unies de l vallée de l'Annapolis

La fédération des agriculteurs de l Nouvelle-Écosse

L'Association des agriculteurs de Noël-Est

East Hants Progressive Conservative Association
East Hants Liberal Association
Truro Area Industrial Commission

Boards of Trade of Truro and Stewiacke & District
Fundy Vacation Trail Committee of N.S. and N.B.

N.S. Salmon Anglers Association

Maritime Motor Transport Association

Irving Oil Co. Ltd.
The Truro Presbytery of the United Church of Canada
Home and School Associations
Womens Institute

Respectfully Submitted by
The Shubenacadie River Crossing Committee.

L'Association des conservateurs-progressistes de Hants-Est
L'Association libérale de Hants-Est
La Commission industrielle de la région de Truro

La Chambre de commerce de Truro, Stewiacke et de la région
Le Comité de la Nouvelle-Écosse et du Nouveau-Brunswick de la route de vacances de Fundy

L'Association des pêcheurs de saumon de la N.-É.

L'Association du transport routier des Maritimes

La société Irving Oil
Le synode de l'Église unie du Canada de Truro
Les associations de parents et maîtres
L'Institut des femmes

Présenté par le Comité du passage routier sur la rivière Shubenacadie

APPENDIX "P"

Brief
by

SURRETTE BATTERY COMPANY
LIMITED
SPRINGHILL, N.S.

Mr. Chairman, Gentlemen:

Surrette Battery Co. Ltd. was established at Springhill, N.S. in 1959, with the assistance of Industrial Estates Ltd. An all Canadian Company was formed with the Salem, Mass. U.S.A. plant, Surrette Storage Battery Company Inc. becoming a subsidiary.

Surrette Storage Battery Co. Inc. of Salem has been operating successfully since 1930, manufacturing lead acid batteries for the industrial, marine, railway, trucking and automotive trade.

Since our operation commenced in 1969 in Springhill, N.S. we have developed our automotive lead acid battery business and manufacture for a number of national private brand accounts for resale through their retail outlets. We also manufacture for Volvo automobiles, batteries for cars assembled at Halifax. Continual development has been carried out at our Springhill plant for the demands of Maritime Marine Fishing Fleet, and with the growing electric (battery operated) lift vehicles, Surrette Battery Co. Ltd. also markets, through an Automotive Distributor organization, our own brand of lead acid automotive and commercial batteries.

It has been our pleasure to assist considerably in the economy of Springhill with approximately 55 persons on our payroll. This payroll alone contributes approximately $200,000.00 to Springhill, plus materials and services we are able to purchase in the local area. All shipping containers and packaging used in our operation are purchased from Nova Scotia manufacturers.

Surrette Battery Co. Ltd. market their own brand and private brands throughout the four Atlantic Provinces and these shipments would account for approximately 80% of our overall production, balance of approximately 20% marketed in the Quebec-Ontario area. In the past year we have been assessing the Bermuda and West Indian markets in order

APPENDICE «P»

Mémoire présenté
par

la *Surrette Battery Company Limited*,
Springhill (N.-É.)

La *Surrette Battery Co. Ltd.* a été établie Springhill (N.-É.) en 1959, grâce à l'appui d la société *Industrial Estates Ltd.* C'était ur société entièrement canadienne, avec filial la *Surrette Storage Battery Company Inc.*, Salem, au Massachusetts (É.-U.).

L'exploitation de la *Surrette Storage Bat tery Co. Inc.*, de Salem, est fructueuse depu 1930. On y fabrique des accumulateurs a plomb pour l'industrie en général, le com merce maritime, les sociétés ferroviaires, le entreprises de camionnage et l'industri automobile.

Depuis le début de notre exploitation Springhill (N.-É.), en 1960, nous avons mi sur pied une usine d'accumulateurs au plom que nous vendons à un certain nombre d'en treprises privées d'envergure nationale qui, leur tour, les revendent par l'intermédiaire d leurs détaillants. Nous fabriquons aussi de accumulateurs d'automobiles pour les automo biles Volvo montées à Halifax. Nos établisse ments de Springhill n'ont cessé de se dévelop per en proportion des besoins des pêcheur des Maritimes; de plus, devant le nombr croissant de chariots élévateurs électriques en circulation (mus par batterie), la *Surrett Battery Co. Ltd.* met aussi sur le marché, vi ses concessionnaires d'automobiles, ses pro pres marques d'accumulateurs au plomb pou l'industrie automobile et le commerce en général.

Notre apport à l'économie de Springhill es considérable, et nous nous en réjouissons nous comptons, à notre service, environ 5 employés. Nous versons environ $200,000 en salaires à l'économie de Springhill, sans compter les équipements que nous pouvons acheter dans la localité, et les services que nous y utilisons. Tous nos récipients d'expédition et tout notre matériel d'emballage proviennent de fabricants de la Nouvelle-Écosse.

La société *Surrette Battery Co. Ltd.* distribue ses propres marques, ainsi que d'autres marques privées, dans les quatre provinces de l'Atlantique, soit environ 80 p. 100 de sa production globale, les derniers 20 p. 100 étant acheminés vers le Québec et l'Ontario. Nous évaluons depuis un an les marchés des Bermudes et des Antilles, afin de mieux pou-

assist with volume and further justification our Springhill plant.

Our four Atlantic Provinces of 2,001,000 ersons offer total vehicle registration of 9,111 (DBS 1966 figure). This gives us an timated annual potential of approximately 0,000 battery units as replacement for these ur provinces. To date we have been able to mpete for approximately 30% of the above otential. Generally it is the feeling that our cation (being in the centre of these four ovinces) we should be able to compete for to 70% of this market. However, there are any things that contribute to our inability obtain a larger piece of this market. We e competing with suppliers in Quebec (Sherooke, Drummondville and St. John's), ntario (Metro Toronto). Those competitors, th large volume annual potential of approximately 1,400,000 units per year plus iginal equipment (auto and equipment anufacturers building and assemblying in e immediate area), can sell in their large arket area with volume production and all transportation costs.

When Quebec and Ontario competitors ip to the Atlantic Provinces, they have ight one way on a finished product only. ese competitors can absorb freight and sell stributor's and private brand (national accunts), within the Atlantic Provinces, at ntral Canada prices. To meet this competn, Surrette Battery Co. in some cases, has absorb inter-province freight on shipments finished product and also absorb freight on w material inward.

A very large expense in manufacturing d acid batteries is plate oxide—our nearest de manuracturer is in Ontario. Our operan in Springhill produces many types of d acid batteries, Industrial, Commercial, rine and Automotive. To stock and freight the many different densities of oxide has ven to be costly. To overcome this costly n, it was necessary for Surrette Battery Ltd. to build an Oxide Mill in Springhill this item could be blended in quantities d densities as required. To supply this eration, it is necessary to bring in nonroding pure lead from Trail, B.C. (40 to 50 lots) each shipment. Expander which is nded with this lead is brought in from the ebec area. 8—Lead shipments per year (50

voir déterminer les quantités à produire et d'apporter de nouvelles raisons d'être à notre usine de Springhill.

La population des quatre provinces atlantiques s'élève à 2,001,000, dont 549,111 ont fait immatriculer un véhicule, d'après les statistiques de 1966 du Bureau fédéral de la statistique. Donc, pour satisfaire à la demande de ces quatre provinces, il faut, en moyenne, 150,000 accumulateurs de rechange. Nous avons pu, jusqu'ici, occuper 30 p. 100 de ce marché. Situés à l'épicentre des quatre provinces, nous croyons pouvoir, de façon générale, accaparer 60 ou 70 p. 100 du marché. Bien des facteurs viennent contrecarrer nos efforts dans ce sens. Nous devons faire face à la concurrence des fournisseurs du Québec (Sherbrooke, Drummondville et Saint-Jean) et de l'Ontario (Toronto métropolitain). Ces concurrents, qui peuvent vendre chaque année environ 1,400,000 unités, sans compter le matériel original (fabricants d'automobiles et d'accessoires qui font la fabrication et le montage dans leur voisinage immédiat) peuvent donc écouler sur leur vaste marché une forte production et versent des frais de transport minimes.

Les concurrents québécois et ontariens qui expédient leurs produits vers les provinces atlantiques ne paient qu'une fois les frais de transport sur le produit fini. Ces concurrents peuvent absorber les frais de transport et peuvent vendre les marques de distributeurs et les marques privées (commerces nationaux) à l'intérieur des provinces de l'Atlantique aux prix en cours dans le centre du pays. Pour combattre cette concurrence, la *Surrette Battery Co.* doit, dans certains cas, absorber les frais de transport interprovinciaux pour l'expédition des produits complets et assumer aussi les frais des matières brutes qu'elle doit commander à l'extérieur.

L'un des éléments qui contribuent à faire hausser le prix de revient des accumulateurs au plomb, c'est l'oxyde-puce—les producteurs les plus proches de nous sont en Ontario. Nos établissements de Springhill produisent différents modèles d'accumulateurs au plomb, industriels, commerciaux, maritimes et automobiles. Entreproser et faire venir les différentes densités d'oxyde s'est révélé un procédé coûteux. Pour y obvier, la *Surrette Battery Co. Ltd.* a dû construire un établissement pour la production de l'oxyde, à Springhill; on pouvait alors obtenir, par mélange, les quantités et les densités d'oxyde voulues. Cette opération nécessite du plomb pur non corrosif que l'on commande de Trail (C.-B.) par contingent de 40 ou de 50 tonnes. Le

to 55 tons per shipment). 8—Expander shipments per year (2000 to 2400 lbs. per shipment).

Cases, covers and vent caps (for Automotive and Commercial batteries) are purchased in Welland and Toronto area F.O.B. suppliers Ontario plants. When possible we purchase in piggybackloads to cut freight costs, however fill in stock (Which is considerable) comes in L.C.L.

diluant, qui doit être mélangé au plomb, nou provient de la région de Québec.
8 envois de plomb par année (chacun de 50 55 tonnes).
8 envois de diluant par année (chacun d 2,000 à 2,400 lbs.).

On achète étuis, housses, couvercles d'éver (pour les accumulateurs d'automobiles et le accumulateurs commerciaux) à Welland et Toronto f. à b. usine du fournisseur de l'Onta rio. Pour réduire les frais de transport, nou utilisons pour nos commandes, si possible, l mode de transport rail-route, mais les com mandes de réapprovisionnement (qui son considérables) nous parviennent en charg ments incomplets

Sample rate Welland to Springhill minimum wt. 20,000 lbs. $2.37 per C

	"	"	7,500 lbs.	2.83 "
L.C.L.	"	"	300 lbs.	4.40 "
L.C.L.	"	"	500 lbs.	4.35 "
L.C.L.	"	"	1,000 lbs.	4.30 "

Separators come from Montreal F.O.B. supplier's plant:
300 lb. lots $3.40 Per C
500 " 3.35 "

Tarif moyen de Welland à Springhill, poids minimum 20,000 lb., $2.37 par ch.

	"	"	"	7,500 lb., 2.83 "
Charg. inc.	"	"	"	300 lb., 4.40 "
"	"	"	"	500 lb., 4.35 "
"	"	"	"	1,000 lb., 4.30 "

Les séparateurs viennent de Montréal, f.à b. usine du fournisseur:
300 lb. $3.40 le charg.
500 lb. 3.35 "

It is necessary to purchase electrolyte from Montreal (required at 1800 S. G. for plate pasting) in 30 ton car lots. This creates heavy stock conditions, but tank trucks (smaller lots) cost an additional 50%. It is necessary for Surrette to maintain their own equipment to unload Tank cars and transport in acid truck from nearest rail point Springhill Jct., to the plant in Springhill. Due to our location all of the above items have to be purchased in larger lots than would be the case if located in Central Canada and nearer supplies, hence the cost of maintaining inventories is an additional cost factor. Each additional cost above plus additional freight costs on finished product generally has to be absorbed on our competitive lines as it is necessary to meet out-of-Atlantic producers selling price.

Il faut acheter à Montréal, par chargemen de 30 tonnes, l'électrolyte nécessaire à l'empâ tage des plaques (à 1800 g.s.). Ces envo encombrent notre entrepôt mais les expéd tions par camions-citernes, donc en plus pet tes quantités, coûtent 50 p. 100 de plus. I *Surrette* doit entretenir son propre matéri pour décharger les camions-citernes et faire transport par camion à acide depuis la ga de chemins de fer la plus rapprochée, so Springhill Jonction, jusqu'à l'usine de Sprin hill. Vu notre emplacement, nous devo acheter tous ces produits en quantités plu grandes que si nous étions établis dans centre du Canada plus près des fournisseur le coût de renouvellement du stock est u élément supplémentaire qui s'ajoute au pri de revient. Il faut donc absorber chaque él ment du coût cité plus haut, plus les frais d transport pour les produits finis où il y concurrence, car il faut concurrencer le pri de vente des producteurs hors Atlantique.

Listed below are C.N.R. published L.C.L. ates per 100 lbs. in minimums of 300, 500, 50 and 2000 lbs. shipments, Springhill to 13 oints within the Atlantic Provinces, also fol- owing the C.N.R. rates are truck rates that we nd necessary to ship by to overcome, where ossible, freight costs. Our breakdown of ship- ients from the plant on the average run pproximately 50% of shipments that go in ie 300 lb. classification; approximately 25% i the 500 lb. classification and the balance of 5% would be 1000 to 2000 lbs. and over. iggyback shipments within the Atlantic rovinces are not used.

Le tableau ci-dessous donne les tarifs du Canadien National pour le trafic de détail, pour des envois minimaux de 300, 500, 750 et 2000 lb., de Springhill jusqu'à 13 points des provinces atlantiques. Après les tarifs du C.N., on donne les tarifs par camion, là où c'est nécessaire d'utiliser ce mode de transport pour réduire les frais de transport quand c'est possible. Nos envois de l'usine se décomposent comme suit en moyenne: 50 p. 100 dans la classe de 300 lb., 25 p. 100 dans celle de 500 lb. et 25 p. 100 de 1000 à 2000 lb. et même plus. On ne se sert pas du transport rail-route à l'intérieur des provinces de l'Atlantique.

Springhill to:	C.N.R. L.C.L. 300 lb. lots					
	May 1966 rate	Cost	May 1967 rate	Cost	Feb. 1968 rate	Cost
t. John's, Nfld	2.33	6.99	2.47	7.41	3.88	11.64
ornerbrook, Nfld	1.76	5.28	1.87	6.61	2.92	8.76
ydney, N.S.	1.45	4.35	1.60	4.80	2.22	6.66
armouth, N.S.	1.70	5.10	1.87	5.61	2.40	7.20
ew Glasgow, N.S.	.97	2.91	1.07	3.21	1.57	4.71
unenburg, N.S.	1.32	3.96	1.45	4.35	2.04	6.12
ruro, N.S.	.76	2.28	.84	2.52	1.41	4.23
alifax, N.S.	1.15	3.45	1.27	3.81	1.57	4.71
oncton, N.B.	.84	2.52	.92	2.76	1.41	4.23
aint John, N.B.	1.18	3.54	1.30	3.90	1.57	4.71
oodstock, N.B.	1.74	5.22	1.91	5.73	2.04	6.12
ampbellton, N.B.	1.37	4.11	1.51	4.53	2.04	6.12
hipman, N.B.	1.32	3.96	1.45	4.35	1.57	4.71

e Springhill à:	Canadien National, charg. inc., par 300 lb.					
	Tarif mai 1966	coût	Tarif mai 1967	coût	Tariff fév. 1968	coût
John's (T.-N.)	2.33	6.99	2.47	7.41	3.88	11.64
ornerbrook (T.-N.)	1.76	5.28	1.87	6.61	2.92	8.76
ydney (N.-É.)	1.45	4.35	1.60	4.80	2.22	6.66
armouth (N.-É.)	1.70	5.10	1.87	5.61	2.40	7.20
ew Glasgow (N.É.)	.97	2.91	1.07	3.21	1.57	4.71
unenburg (N.É.)	1.32	3.96	1.45	4.35	2.04	6.12
ruro (N.-É.)	.76	2.28	.84	2.52	1.41	4.23
alifax (N.-É.)	1.15	3.45	1.27	3.81	1.57	4.71
oncton (N.B.)	.84	2.52	.92	2.76	1.41	4.23
aint John (N.-B.)	1.18	3.54	1.30	3.90	1.57	4.71
oodstock (N.-B.)	1.74	5.22	1.91	5.73	2.04	6.12
ampbellton (N.-B.)	1.37	4.11	1.51	4.53	2.04	6.12
hipman (N.-B.)	1.32	3.96	1.45	4.35	1.57	4.71

C.N.R. L.C.L. 500 lb. lots

Springhill to:	May 1966 Rate	May 1966 Cost	May 1967 Rate	May 1967 Cost	Feb. 1968 Rate	Feb. 1968 Cost
St. John's, Nfld.	2.33	11.05	2.47	12.35	3.66	18.30
Cornerbrook, Nfld.	1.76	8.80	1.88	9.40	2.76	13.80
Sydney, N.S.	1,36	6.80	1.50	7.50	2.10	10.50
Yarmouth, N.S.	1.56	7.80	1.72	8.60	2.26	11.30
New Glasgow, N.S.	1.05	5.25	1.16	5.80	1.51	7.55
Lunenburg, N.S.	1.26	6.30	1.39	6.95	1.94	9.70
Truro, N.S.	1.05	5.25	1.16	5.80	1.34	6.70
Halifax, N.S.	1.11	5.55	1.22	6.10	1.51	7.55
Moncton, N.B.	1.05	5.25	1.16	5.80	1.34	6.70
Saint John, N.B.	1.16	5.80	1.28	6.40	1.51	6.55
Woodstock, N.B.	1.46	7.30	1.61	8.05	1.94	9.70
Campbellton, NB.	1.41	7.05	1.55	7.75	1.94	9.70
Chipman, N.B.	1.21	6.05	1.33	6.65	1.51	7.55
Charlottetown, P.E.I.	1.08	5.40	1.19	5.95	1.34	6.70

C.N.R. L.C.L. On 1000 lbs. | 750 lb. lots On 1000 lbs. | No longer 750# min. This column 1000# min.

Springhill to:	May 1966 Rate	May 1966 Cost	May 1967 Rate	May 1967 Cost	Feb. 1968 Rate	Feb. 1968 Cost
St. John's, Nfld.	2.33	23.30	2.47	24.70	3.34	33.40
Cornerbrook, Nfld.	1.76	17.60	1.88	18.80	2.52	25.20
Sydney, N.S.	1.22	12.20	1.34	13.40	1.91	19.10
Yarmouth, N.S.	1.42	14.20	1.56	15.60	2.06	20.60
New Glasgow, N.S.	.83	8.30	.91	9.10	1.35	13.50
Lunenburg, N.S.	1.11	11.10	1.22	12.20	1.70	17.00
Truro, N.S.	.83	8.30	.91	9.10	1.20	12.00
Halifax, N.S.	.96	9.60	1.06	10.60	1.35	13.50
Moncton, N.B.	.83	8.30	.91	9.10	1.20	12.00
Saint John, N.B.	1.02	10.20	1.12	11.20	1.35	13.50
Woodstock, N.B.	1.32	13.20	1.45	14.50	1.70	17.00
Campbellton, N.B.	1.26	12.60	1.39	13.90	1.70	17.00
Chipman, N.B.	1.06	10.60	1.17	11.70	1.35	13.50
Charlottetown, P.E.I.	.90	9.00	.99	9.90	1.20	12.00

C.N.R.—L.C.L. 2000 lb. lots

Springhill to:	May 1966 Rate	May 1966 Cost	May 1967 Rate	May 1967 Cost	Feb. 1968 Rate	Feb. 1968 Cost
St. John's, Nfld.	2.33	46.60	2.47	49.40	3.17	63.40
Cornerbrook, Nfld.	1.76	35.20	1.88	37.60	2.40	48.00
Sydney, N.S.	1.08	21.60	1.19	23.80	1.77	35.40
Yarmouth, N.S.	1.26	25.20	1.39	27.80	1.92	38.40
New Glasgow, N.S.	.79	15.80	.87	17.40	1.24	24.80
Lunenburg, N.S.	1.00	20.00	1.10	22.00	1.58	31.60
Truro, N.S.	.79	15.80	.87	17.40	1.10	22.00
Halifax, N.S.	.86	17.20	.95	19.00	1.24	24.80
Moncton, N.B.	.79	15.80	.87	17.40	1.10	22.00
Saint John, N.B.	.91	18.20	1.00	20.00	1.24	24.80
Woodstock, N.B.	1.18	23.60	1.30	26.00	1.58	31.60
Campbellton, N.B.	1.13	22.60	1.24	24.80	1.58	31.60
Chipman, N.B.	.96	19.20	1.06	21.20	1.24	24.80
Charlottetown, P.E.I.	.83	16.60	.91	18.20	1.10	22.00

e Springhill à:	Canadien National, charg. inc., par 500 lb.					
	Tarif mai 1966	coût	Tarif mai 1967	coût	Tarif fév. 1968	coût
int-Jean (T.-N.)	2.33	11.05	2.47	12.35	3.66	18.30
rnerbrook (T.-N.)	1.76	8.80	1.88	9.40	2.76	13.80
dney (N.-É.)	1.36	6.80	1.50	7.50	2.10	10.50
rmouth (N.-É.)	1.56	7.80	1.72	8.60	2.26	11.30
w Glasgow (N.-É.)	1.05	5.25	1.16	5.80	1.51	7.55
enburg (N.-É.)	1.26	6.30	1.39	6.95	1.94	9.70
uro (N.-É.)	1.05	5.25	1.16	5.80	1.34	6.70
lifax (N.-É.)	1.11	5.55	1.22	6.10	1.51	7.55
ncton (N.-B.)	1.05	5.25	1.16	5.80	1.34	6.70
int John (N.-B.)	1.16	5.80	1.28	6.40	1.51	6.55
odstock (N.-B.)	1.46	7.30	1.61	8.05	1.94	9.70
mpbellton (N.-B.)	1.41	7.05	1.55	7.75	1.94	9.70
ipman (N.-B.)	1.21	6.05	1.33	6.65	1.51	7.55
arlottetown (Î.P.-É.)	1.08	5.40	1.19	5.95	1.34	6.70

Springhill à:	C.-N., charg. inc. Pour 1000 lb.		Par 750 lb. Pour 1000 lb.		Min.: 1000 lb. (et non plus 750 lb.)	
	Mai 1966		Mai 1967		Février 1968	
	Tarif	Coût	Tarif	Coût	Tarif	Coût
nt Jean (T.-N.)	2.33	23.30	2.47	24.70	3.34	33.40
rnerbrook (T.-N.)	1.76	17.60	1.88	18.80	2.52	25.20
lney (N.-É.)	1.22	12.20	1.34	13.40	1.91	19.10
rmouth (N.-É.)	1.42	14.20	1.56	15.60	2.06	20.60
w Glasgow (N.É.)	.83	8.30	.91	9.10	1.35	13.50
enburg (N.-É.)	1.11	11.10	1.22	12.20	1.70	17.00
ro (N.-É.)	.83	8.30	.91	9.10	1.20	12.00
lifax (N.-É.)	.96	9.60	1.06	10.60	1.35	13.50
ncton (N.-B.)	.83	8.30	.91	9.10	1.20	12.00
nt John (N.-B.)	1.02	10.20	1.12	11.20	1.35	13.50
odstock (N.-B.)	1.32	13.20	1.45	14.50	1.70	17.00
npbellton (N.-B.)	1.26	12.60	1.39	13.90	1.70	17.00
ipman (N.-B.)	1.06	10.60	1.17	11.70	1.35	13.50
arlottetown (Î.P.-É.)	.90	9.00	.99	9.90	1.20	12.00

Springhill à:	C.-N., charg. inc., par 2000 lb.					
	Mai 1966		Mai 1967		Fév. 1968	
	Tarif	Coût	Tarif	Coût	Tarif	Coût
John's (T.-N.)	2.33	46.60	2.47	49.40	3.17	63.40
nerbrook (T.-N.)	1.76	35.20	1.88	37.60	2.40	48.00
lney (N.-É.)	1.08	21.60	1.19	23.80	1.77	35.40
mouth (N.-É.)	1.26	25.20	1.39	27.80	1.92	38.40
w Glasgow (N.-É.)	.79	15.80	.87	17.40	1.24	24.80
enburg (N.-É.)	1.00	20.00	1.10	22.00	1.58	31.60
ro (N.-É.)	.79	15.80	.87	17.40	1.10	22.00
lifax (N.-É.)	.86	17.20	.95	19.00	1.24	24.80
ncton (N.-B.)	.79	15.80	.87	17.40	1.10	22.00
nt John (N.-B.)	.91	18.20	1.00	20.00	1.24	24.80
odstock (N.-B.)	1.18	23.60	1.30	26.00	1.58	31.60
npbellton (N.-B.)	1.13	22.60	1.24	24.80	1.58	31.60
pman (N.-B.)	.96	19.20	1.06	21.20	1.24	24.80
rlottetown (Î.P.-É.)	.83	16.60	.91	18.20	1.10	22.00

There are points that are quoted above where we have found it much to our advantage to use truck transportation and the following are rates to some of the same points as above:

Pour certains des endroits indiqués ci-dessous, nous avions avantage à utiliser le transport par camion. Voici donc quelques-uns de ces tarifs:

Independant truck rate per 100 lbs. based on 300 lb. min.

Springhill to:	May 1966		May 1967		Feb. 1968	
	Rate	Cost	Rate	Cost	Rate	Cost
Truro, N.S.	.72	2.16	.72	2.16	.96	2.88
Halifax, N.S.	1.08	3.24	1.08	3.24	1.14	3.42
Moncton, N.B.	.45	1.35	.45	1.35	.45	1.35
Saint John, N.B.	1.00	3.00	1.00	3.00	1.20	3.60
Fredericton, N.B.	1.11	3.33	1.11	3.33	1.30	3.90
Charlottetown, P.E.I.	1.00	3.00	1.00	3.00	1.20	3.60

Independant truck rate per 100 lbs. based on 750 lb. to 5000 lb.

	1000 lbs.	
	Feb. 1968	
	Rate	Cost
Springhill to:		
Sydney, N.S.	1.40	14.00
Yarmouth, N.S.	1.65	16.50
New Glasgow, N.S.	.91	9.10
Truro, N.S.	.91	9.10
Halifax, N.S.	1.02	10.20
Moncton, N.B.	.45	4.50
Saint John, N.B.	1.20	12.00
Charlottetown, P.E.I.	1.20	12.00

Moncton, N.B. Min. charge $1.25 — Saint John, N.B. Min. charge $2.00 — Charlottetown, P.E.I. Min. charge $2.00

Tarifs des camionneurs indépendants, par 100 lb., min. de 300 lb.

De Springhill à:	Mai 1966		Mai 1967		Février 1968	
	Tarif	Coût	Tarif	Coût	Tarif	Coût
Truro (N.-É.)	.72	2.16	.72	2.16	.96	2.88
Halifax (N.-É.)	1.08	3.24	1.08	3.24	1.14	3.42
Moncton (N.-B.)	.45	1.35	.45	1.35	.45	1.35
Saint John (N.-B.)	1.00	3.00	1.00	3.00	1.20	3.60
Fredericton (N.-B.)	1.11	3.33	1.11	3.33	1.30	3.90
Charlottetown (Î.P.-É.)	1.00	3.00	1.00	3.00	1.20	3.60

Tarifs des camionneurs indépendants, par 100 lb., envois pesant entre 750 lb. et 5000 lb.

	Par 1000 lb.	
	Fév. 1968	
De Springhill à:	Tarif	Coût
Sydney, N.É.	1.40	14.00
Yarmouth, N.É.	1.65	16.50
New Glasgow, N.É.	.91	9.10
Truro, N.É.	.91	9.10
Halifax, N.É.	1.02	10.20
Moncton, N.B.	.45	4.50
Saint John, N.B.	1.20	12.00
Charlottetown, Î.P.É.	1.20	12.00

Moncton (N.-B.) Frais min. $1.25 — Saint-Jean (N.-B.) Frais min. $2.00 — Charlottetown (Î. P.-É.) Frais min. $2.00

Taking the above 300 lb. rate over the three riods quoted and working it out against erage shipment in units of 8 per shipment, few examples of increased cost over this riod follow on shipments of finished prod- to distributors.

Considérant le tarif pour 300 lb. au cours des trois périodes indiquées et l'appliquant à un envoi moyen de 8 unités, voici quelques exemples de l'augmentation des frais durant cette période pour l'envoi de produits finis au distributeur.

C.N.R.—L.C.L.	May 1966 cost per Battery	Feb. 1968 cost per Battery
John's, Nfld	87½¢ per unit	1.45½ per unit
dney, N.S.	51¢ per unit	.83¼ per unit
lifax, N.S.	44¢ per unit	.58¾ per unit
w Glasgow, N.S.	36¼¢ per unit	.58¾ per unit
ncton, N.B.	31½¢ per unit	.52¾ per unit
nt John, N.B.	46½¢ per unit	.58¾ per unit
Truck Arrangement		
Truro, N.S.	27¢ per unit	.36 per unit
Halifax, N.S.	40½¢ per unit	.42¾ per unit
Moncton, N.B.	17¢ per unit	.17 per unit
Saint John, N.B.	37½¢ per unit	.45 per unit
Charlottetown, P.E.I.	37½¢ per unit	.45 per unit

C.-N.—Charg. inc.	Mai 1966, coût unitaire	Février 1968, coût unitaire
Jean (T.-N.)	87½c. par accu.	1.45½ par accu.
dney (N.-É.)	51c. "	.83¼ "
lifax (N.-É.)	44c. "	.58¾ "
w Glasgow (N.-É.)	36¼c. "	.58¾ "
ncton (N.-B.)	31½c. "	.52¾ "
nt-Jean (N.-B.)	46½c. "	.58¾ "
camion		
Truro (N.-É.)	27c. par accu.	.36 par accu.
Halifax (N.-É.)	40½c. "	.42¾ "
Moncton (N.-B.)	17c. "	.17 "
Saint-Jean (N.-B.)	37½c. "	.45 "
Charlottetown (Î.P.-É)	37½c. "	.45 "

Average additional cost per unit May 1966 Feb. 1968 would be 35¢ per unit. Taking all nts into consideration against all prepaid pments within the 4 Provinces have cost us proximately $11,550.00 from September 67 to September 1968. This is a net result of freight increase to this firm. This will ther increase as volume escalates. This ra cost cuts directly into potential net ome, creates less reserve for expansion of ilities and certainly discourages wage reases, which drive us further from the npetitive market.

We have been requested by distributors to ote batteries for the Churchill Falls project. quotations must be landed St. John's, d. (dockside) or Montreal, Que. (dockside). compete in this market we have to absorb ight to either point against our competitors

Les frais supplémentaires, de mai 1966 à février 1968, seraient en moyenne de 35c. l'unité. Le paiement d'avance des envois expédiés sur tous les points d'expédition des quatre provinces nous a coûté environ $11,550 de septembre 1967 à septembre 1968. C'est la hausse nette des frais de transport que la firme doit assumer. Et ils continueront d'augmenter en proportion du volume. Ces frais supplémentaires grugent directement notre revenu net éventuel, diminuent les réserves qui pourraient être affectées à l'expansion de nos établissements et nous dissuade évidemment d'augmenter les salaires, ce qui nous écarte davantage du marché compétitif.

Des distributeurs nous ont demandé de soumettre des prix pour accumulateurs pour le projet des chutes Churchill. Pour toute soumission, il faut tenir compte du transport jusqu'au port de Saint-Jean (T.-N.) ou de Montréal (P.Q.). Pour soutenir la concurrence, il

absorbing freight from Toronto (Metro) or Drummondville or Sherbrooke to Montreal. This is a direct loss of potential profit.

C.N.R. rail has advantages over trucks at many points as they have direct handling in areas within the Atlantic Provinces. There are quite a few points to which we have not been able to obtain trucking as an alternative, Newfoundland being one area, Northern New Brunswick also is very difficult to obtain any trucking services. C.N.R. service has improved considerably to Newfoundland points in the past 12 months, although to other points such as Northern New Brunswick, we have not noticed any appreciable cut in time lag on shipments.

To points such as Moncton, Saint John, Fredericton, Truro and Halifax we have found it much to our advantage to ship via truck. Generally to all these points the truckers pick up in the late afternoon and delivery is prior to noon the next day. Also our comparison sheet shows a price advantage via truck so we have a cost factor plus time saving, to our customers.

Any consideration to stabalize the freight rates at the 1966 or mid-point 1966 to 1976 rate for shipments within the Atlantic Provinces would certainly assist small businesses in competing for our local Atlantic market.

Respectfully submitted by:
SURRETTE BATTERY CO. LTD.
P.O. BOX 2020, SPRINGHILL, N.S.

Feb. 18, 1969.

faut ici absorber les frais de transport jusqu'à l'un ou l'autre point contre nos concurrents de Toronto (et banlieue), Drummondville ou Sherbrooke à Montréal.

Le Canadien-National l'emporte sur les camions à bien des endroits puisqu'il peut manutentionner directement les marchandises à certains points des provinces atlantiques. A plusieurs endroits, nous n'avons pu nous rabattre sur le camionnage comme solution de rechange, à Terre-Neuve, notamment. Le transport par camion est également difficile à obtenir dans le nord du Nouveau-Brunswick. La Canadien-National a amélioré considérablement son service qui dessert certaines localités de Terre-Neuve, au cours des douze derniers mois, bien que pour le transport à certains autres points, comme dans le nord du Nouveau-Brunswick, nous n'avons relevé aucune réduction sensible des délais d'expédition.

Pour Moncton, Saint-Jean, Fredericton, Truro et Halifax, par exemple, nous avions avantage, avons-nous constaté, à expédier par camion. Pour toutes ces villes, en général, les camionneurs prennent leur chargement à la fin de l'après-midi et la livraison se fait avant midi le lendemain. Nos tableaux comparatifs dénotent aussi un meilleur prix par camion; il y a donc économie de prix et économie de temps pour nos clients.

Toutes mesures visant à stabiliser le tarif des frais de transport au taux de 1966 ou à ce qu'il était entre 1966 et 1967 sur les envois faits à l'intérieur des provinces de l'Atlantique aideraient certainement les petits commerces à supporter la concurrence pour le marché local de l'Atlantique.

SURRETTE BATTERY CO. LTD.
Boîte postale 2020, Springhill (N.-É.)

Le 18 février 1969

Government Publications

OFFICIAL BILINGUAL ISSUE

HOUSE OF COMMONS

First Session

Twenty-eighth Parliament, 1968-69

FASCICULE BILINGUE OFFICIEL

CHAMBRE DES COMMUNES

Première session de la

vingt-huitième législature, 1968-1969

STANDING COMMITTEE ON

TRANSPORT AND COMMUNICATIONS

COMITÉ PERMANENT DES

TRANSPORTS ET DES COMMUNICATIONS

Chairman H.-Pit Lessard *Président*

MINUTES OF PROCEEDINGS AND EVIDENCE

PROCÈS-VERBAUX ET TÉMOIGNAGES

No. 15

Volume I

FEBRUARY 21, 1969

FEBRUARY 22, 1969

ST. JOHN'S, NEWFOUNDLAND

LE 21 FÉVRIER 1969

LE 22 FÉVRIER 1969

ST. JOHN'S, TERRE-NEUVE

LIBRARY MAY 20 1969 UNIVERSITY OF TORONTO

Respecting

Transportation problems of the Atlantic Provinces.

Concernant

Problèmes de transport dans les provinces de l'Atlantique.

WITNESSES—TÉMOINS

(See Minutes of Proceedings) *(Voir procès-verbaux)*

The Queen's Printer, Ottawa, 1969
L'Imprimeur de la Reine, Ottawa, 1969

29692—1

STANDING COMMITTEE ON TRANSPORT AND COMMUNICATIONS

Chairman: Mr. H.-Pit Lessard

Vice-Chairman: Mr. Pat Mahoney

and Messrs.

Allmand
Breau
Carter
Corbin
Godin
Horner
McGrath
Nesbitt
Nowlan
Perrault
Portelance
Pringle
Rock
Rose
Skoberg
Thomas (*Moncton*)
Trudel
Turner (*London East*)

COMITÉ PERMANENT DES TRANSPORTS ET DES COMMUNICATIONS

Président: M. H.-Pit Lessard

Vice-président: M. Pat Mahoney

et MM.

ext]

MINUTES OF PROCEEDINGS

FRIDAY, February 21, 1969.
(24)

The Standing Committee on Transport d Communications met this day in St. hn's, Newfoundland at 9:35 a.m., the airman, Mr. H.-Pit Lessard, presiding.

Members present: Messrs. Allmand, eau, Carter, Corbin, Godin, Horner, ssard (*LaSalle*), Mahoney, McGrath, sbitt, Nowlan, Perrault, Portelance, ingle, Rock, Rose, Skoberg, Thomas *oncton*), Trudel, Turner (*London East*) 0).

Witnesses: From the Newfoundland vernment: Hon. Stephen A. Neary, nister of Transportation; Hon. Eric S. nes, Minister of Highways; Mr. O. L. rdy, Deputy Minister of Economic velopment. *From the Bowaters New- ndland Limited:* Mr. Cyril J. Downey, les and Distribution Manager. *From the izens of Bell Island:* Mr. T. Nolan.

The Chairman made brief introductory narks, introduced the witnesses, and uested them to present a short summary their respective briefs.

(*See Appendix "Q"*) for Government Newfoundland supplementary brief.

It was agreed that the Minister of ghways be invited to accompany the mmittee during that portion of the nerary dealing with the "Newfoundland llet" and the CNR Bus service.

(*See Appendix "R"*) for brief of izens of Bell Island.

At 12:25 p.m., the Committee adjourned til 2:00 p.m. this afternoon.

[*Traduction*]

PROCÈS-VERBAUX

VENDREDI, 21 février 1969
(24)

Le Comité permanent des transports et des communications se réunit aujourd'hui à St-John's (T.-N.) à 9h35, sous la présidence de M. H.-Pit Lessard.

Présents: MM. Allmand, Breau, Carter, Corbin, Godin, Horner, Lessard (*LaSalle*), Mahoney, McGrath, Nesbitt, Nowlan, Perrault, Portelance, Pringle, Rock, Rose, Skoberg, Thomas (*Moncton*), Trudel, Turner (*London-Est*) (20).

Témoins: Représentant le gouvernement de Terre-Neuve: l'hon. Stephen A. Neary, ministre des Transports; l'hon. Eric S. Jones, ministre de la Voirie; M. O. L. Vardy, sous-ministre de l'Expansion économique. *Représentant la Bowaters Newfoundland Limited:* M. Cyril J. Downey, directeur des ventes et de la distribution. *Représentant les citoyens de l'île Bell:* M. T. Nolan.

Le président fait un bref préambule, présente les témoins et leur demande de résumer leurs mémoires.

(*Voir à l'appendice «Q»*) le mémoire supplémentaire du gouvernement de Terre-Neuve.

Il est convenu que le ministre de la Voirie soit invité à accompagner le Comité au cours de la partie de l'itinéraire portant sur le «Newfoundland Bullet» et le service d'autocar du CN.

(*Voir à l'appendice «R»*) le mémoire des citoyens de l'île Bell.

A midi 25, le Comité s'ajourne pour se réunir de nouveau à 14 heures.

29692—1½

AFTERNOON SITTING
(25)

The Standing Committee on Transport and Communications met this afternoon at 2:05 p.m., the Chairman, Mr. H.-Pit Lessard, presided.

Members present: Messrs. Allmand, Breau, Carter, Corbin, Godin, Horner, Lessard (*LaSalle*), Mahoney, McGrath, Nesbitt, Nowlan, Perrault, Portelance, Pringle, Rock, Skoberg, Thomas (*Moncton*), Trudel, Turner (*London East*) (19).

Also Present: Messrs. Marshall and Peddle, M.P.'s.

Witnesses: From H. B. Dawe Limited: Mr. John Hillyard, Manager. *From Newfoundland Associated Fish Exporters Limited:* Mr. James Laws, Manager. *From the Springdale Chamber of Commerce:* Mr. Harold W. Parsons. *From the Canadian Association of Social Workers:* Miss Freeda Berry. Mrs. Doreen Murray, *Private Citizen.*

The Chairman invited the witnesses to summarize their respective briefs and the members questioned them thereon.

At 3:45 p.m., there being no further questions the Committee adjourned until 9:30 a.m. Saturday, February 22, 1969.

SÉANCE DE L'APRÈS-MIDI
(25)

Le Comité permanent des transports des communications se réunit cet apr midi à 14h5, sous la présidence de M. Pit Lessard.

Présents: MM. Allmand, Breau, Cart Corbin, Godin, Horner, Lessard (*LaSall* Mahoney, McGrath, Nesbitt, Nowlan, P rault, Portelance, Pringle, Rock, Skobe Thomas (*Moncton*), Trudel, Turner (*Lo don-Est*) (19).

Aussi présents: MM. Marshall et Pedd députés.

Témoins: Représentant la H. B. Da Limited: M. John Hillyard, directeur. *R présentant la Newfoundland Associat Fish Exporters Limited:* M. James Lav directeur. *Représentant la Chambre Commerce de Springale:* M. Harold Parsons. *Représentant la Canadian Ass ciation of Social Workers:* Mlle Free Berry. Mme Doreen Murray, *compara sant à titre privé.*

Le président invite les témoins à rés mer leurs mémoires, sur lesquels ils so ensuite interrogés.

A 15h45, l'interrogatoire des témoi étant terminé, le Comité s'ajourne jusqu' samedi 22 février 1969, à 9h30.

Le secrétaire du comité,
Robert Normand,
Clerk of the Committee.

[*Text*]

MINUTES OF PROCEEDINGS

SATURDAY, February 22, 1969.
(26)

The Standing Committee on Transport and Communications met this day in St. John's, Newfoudland at 9:30 a.m., the Chairman, Mr. H.-Pit Lessard, presiding.

Members present: Messrs. Allmand, Breau, Carter, Corbin, Godin, Horner, Lessard (*LaSalle*), McGrath, Mahoney, Nesbitt, Nowlan, Perrault, Portelance, Pringle, Rock, Rose, Skoberg, Thomas (*Moncton*), Trudel, Turner (*London East*).—(20)

[*Traduction*]

PROCÈS-VERBAUX

SAMEDI, 22 février 1969
(26)

Le Comité permanent des transports des communications se réunit aujourd'h à St-John's (T.-N.) à 9 h 30, sous la pr sidencc de M. H.-Pit Lessard.

Présents: MM. Allmand, Breau, Carte Corbin, Godin, Horner, Lessard (*LaSalle* McGrath, Mahoney, Nesbitt, Nowlan, Pe rault, Portelance, Pringle, Rock, Ros Skoberg, Thomas (*Moncton*), Trud Turner (*London-Est*)—(20).

Also present: Hon. Don Jamieson, Minis- of Defence Production and Mr. Peddle, P.

Witnesses: From the Newfoundland ard of Trade: Mr. James W. McLough- , President, Mr. Anthony G. Ayre, ecutive Manager, Mr. Burford Plough- n, Chairman Transportation Committee; *presenting Lundrigans Limited, D. B. L. nsport, Atlantic Gypsum Limited and rth Star Cement Limited:* Mr. H. W. ndrigan, Mr. Peter Cook, Mr. Ronald whook, Mr. William Shildes; *Repre- ting Central Newfoundland Chamber of mmerce:* Mr. M. Arnold, Mr. K. Mercer; x Thornhill, *Private Citizen; Represent- the Railway Unions Labour Council:* . F. A. F. Lush, Secretary, Mr. A. N. nney, Conductor, Mr. F. G. Chancey, airman.

The Chairman introduced the witnesses d requested them to summarize their pective briefs.

Mr. McGrath tabled statistics relating to erating conditions at St. John's Airport. was agreed to print these statistics as Appendix. (*See Appendix "S"*) (*See pendix "T"* for Railway Unions Labour uncil brief).

t was agreed that the Canadian Trans- t Commission Judgment be printed as Appendix to this day's Minutes of Pro- dings and Evidence. (*See Appendix "U"* Canadian Transport Commission Judg- nt regarding Newfoundland passenger vice).

At 12:45 p.m. the Committee adjourned il 2:00 p.m.

Aussi présents: L'hon. Don Jamieson, ministre de la Production de défense et M. Peddle, député.

Témoins: Représentant le Newfoundland Board of Trade: M. James W. McLoughlan, président, M. Anthony G. Ayre, directeur général, M. Burford Ploughman, président du comité des transports; *Représentant Lundrigans Limited, D.B.L. Trasnport, Atlantic Gypsum Limited et North Star Cement Limited:* MM. H. W. Lundrigan, Peter Cook, Ronald Newhook, William Shildes; *Représentant la Central Newfoundland Chamber of Commerce:* MM. M. Arnold, K. Mercer; M. Max Thornhill, *comparaissant à titre privé. Représentant le Railway Unions Labour Council:* M. F. A. F. Lush, secrétaire, M. A. H. Penney, chef de train, M. F. G. Chancey, président.

Le président présente les témoins et leur demande de résumer leurs mémoires.

M. McGrath dépose des statistiques relatives à l'exploitation de l'aéroport de Saint-Jean. Il est convenu que ces statistiques figurent en appendice au compte rendu d'aujourd'hui. (*Voir l'appendice «S»*) (*Voir l'appendice «T»* pour le mémoire du Railway Unions Labour Council).

Il est convenu que le jougement rendu par la Commission canadienne des transports figure en appendice aux Procès-verabux et témoignages d'aujourd'hui. (*Voir l'appendice «U»* pour le jugement de la Commission canadienne des transports concernant le service-voyageurs de Terre-Neuve).

A midi 45, le Comité s'ajourne pour se réunir de nouveau à 14 heures.

AFTERNOON SITTING
(27)

The Standing Committee on Transport d Communications met in St. John's, wfoundland at 2:30 p.m., the Chairman . H.-Pit Lessard, presiding.

Members present: Messrs. Allmand, eau, Carter, Corbin, Godin, Horner, Les- d (*LaSalle*), McGrath, Mahoney, Nes-

SÉANCE DE L'APRÈS-MIDI
(27)

Le Comité permanent des transports et des communications se réunit à St-John's (T.-N.) à 14 h. 30, sous la présidence de M. H.-Pit Lessard.

Présents: MM. Allmand, Breau, Carter, Corbin, Godin, Horner, Lessard (*LaSalle*), McGrath, Mahoney, Nesbitt, Perrault,

bitt, Perrault, Portelance, Pringle, Rock, Rose, Skoberg, Thomas (*Moncton*), Trudel, Turner (*London East*).—(19)

Also present: Hon. James Richardson, Minister without portfolio, and Mr. Peddle, M.P.

Witnesses: From the Corner Brook Chamber of Commerce: Mr. J. Merrill Belanger, Past President, Mr. Alan Noseworthy, Chairman, Transportation Committee; *Representing the Brotherhood of Railway, Airline and Steamship Clerks, Freight Handlers, Express and Station Employees:* Mr. Esau Thoms, General Chairman, Mr. L. K. Abbott, Vice-President, Mr. W. H. Butt, General Chairman; *From the City of Cornerbrook:* Mayor N. F. Murphy, M.D.; Harvey Keats, *Private Citizen.*

The Chairman introduced the Honourable James Richardson to the Committee and spectators and stated that the Minister was attending this meeting as an observer only.

The Chairman introduced the witnesses and invited them to summarize their briefs.

The witnesses were interrogated. (*See Appendix "V" for brief of Brotherhood of Railway Employees*). (*See Appendix "W" for City of Cornerbrook brief.*) (*See Appendix "X" for Harvey Keat's brief*).

At 5:00 p.m., there being no further questions the Chairman thanked the witnesses and the Committee adjourned to the call of the Chair.

Portelance, Pringle, Rock, Rose, Skobe Thomas (*Moncton*), Trudel, Turner (*Lo don-Est*)—(19).

Aussi présents: L'hon. James Richa son, ministre l'État et M. Peddle, dépu

Témoins: Représentant la Chambre commerce de Corner Brook: M. J. Mer Bélanger, président sortant, M. Alan Nos worthy, président du comité des tra ports; *Représentant la Fraternité des co mis de chemins de fer, de compagn aériennes et de navires à vapeur, de m nutenteurs de marchandises et d'emplo de messageries et de gares:* M. Es Thoms, président général, M. L. K. Abbo vice-président, M. W. H. Butt, préside général; *Représentant la ville de Corne brook:* Son Honneur le maire N. F. Mu phy, M.D.; M. Harvey Keats, comparai sant à titre privé.

Le président présente au Comité et a spectateurs l'honorable James Richards et précise que le ministre assiste à séance uniquement à titre d'observateu

Le président présente les témoins et l invite à résumer leurs mémoires.

Les témoins sont interrogés. (*Voir l'a pendice «V» pour le mémoire de la Fr ternité des employés de chemins de fer (Voir l'appendice «W» pour le mémoire la ville de Cornerbrook.*) (*Voir l'appe dice «X» pour le mémoire de M. Harv Keats*).

A 17 heures, l'interrogatoire des t moins étant terminé, le président les r mercie et le Comité s'ajourne jusqu'à nou velle convocation du président.

Le secrétaire du Comité,
Robert Normand,
Clerk of the Committee.

EVIDENCE

(*Recorded by Electronic Apparatus*)

Friday, February 21, 1969

0935

The Chairman: Ladies and gentlemen, just word or two to welcome you all to this aring this morning. I would like to espe-ılly welcome those who will have briefs to esent to us this morning. As you know, this the third province we have visited in our ır, and this is our fifth day of hearings. We ard quite a few briefs so far in New Bruns-ck and Nova Scotia and we intend to hear much as we can here in Newfoundland.

I hate to do this but every time we start a w session I have to ask those appearing to as brief as possible because we want to ar as many briefs as we can and allow the embers of the Committee to ask as many iestions as they can, because this will help in making our final report.

The order of procedure on this Committee the same as that in the House of Commons. rticle 65(10) of the Standing Orders of the ouse of Commons.

We have five briefs for this morning's ses-on, and I was asked by a couple of charm-g ladies if they could present a short brief hich I hope we will hear also. So without laying our proceedings, I would call upon r. Stephen A. Neary to come forward to esent his brief on behalf of the Government Newfoundland and Labrador. You will id this on page 507.

On my immediate right is the hon. Stephen . Neary, then the hon. Eric S. Jones, and en Mr. O. L. Vardy, Deputy Minister of conomic Development.

The Hon. Stephen A. Neary (Minister of ransportation, Government of Newfound-nd): Mr. Chairman and members of the ouse of Commons Standing Committee on ransport and Communications, it is with reat pleasure and a sense of privilege that I, ie Minister of the Province of Newfoundland

TÉMOIGNAGES

(*Enregistrement électronique*)

Le vendredi 21 février 1969

Le président: Mesdames et messieurs quelque mots pour vous accueillir ce matin à cette réunion du Comité. Je désire tout particulièrement souhaiter la bienvenue à ceux d'entre vous qui nous présenterez des mémoires ce matin. Comme vous le savez, nous en sommes à notre troisième province dans notre tournée et c'est notre cinquième journée de séances. Nous avons entendu plusieurs présentations jusqu'ici au Nouveau-Brunswick et en Nouvelle-Écosse et nous avons l'intention d'en recevoir le plus grand nombre possible ici à Terre-Neuve.

Je n'aime pas faire cela, mais chaque fois que nous commençons une nouvelle séance, je dois vous demander d'être le plus brefs possible parce que nous voulons entendre le plus grand nombre de mémoires possible et permettre aux membres du Comité de poser le plus grand nombre de questions possible, parce qu'ainsi nous pouvons mieux être en mesure de préparer le rapport final. Le Règlement et la procédure que nous utilisons ici sont les mêmes qu'à la Chambre des communes; il s'agit de l'article 65(10) du Règlement de la Chambre des communes.

Nous avons cinq mémoires pour la séance de ce matin, et deux jeunes filles très charmantes m'ont demandé si elles pouvaient présenter un court mémoire et j'espère que nous pourrons les entendre ce matin. Alors, sans plus de délai, je demanderais à M. Stephen A. Neary de bien vouloir nous présenter son mémoire au nom du gouvernement de Terre-Neuve et du Labrador. Vous le trouverez à la page 507.

A ma droite, on voit l'honorable Stephen A. Neary; ensuite l'honorable Eric S. Jones et M. O. L. Vardy, sous-ministre du ministère de l'Expansion économique.

L'hon. Stephen A. Neary (ministre des transports, gouvernement de Terre-Neuve): Monsieur le président, membres du Comité permanent des transports et des communications de la Chambre des communes, c'est avec un grand plaisir et même un privilège pour moi, ministre de la province de Terre-Neuve

[*Text*]

and Labrador, responsible for transportation, welcome all of you to Canada's youngest province and North America's oldest city. I bring you greetings from the Government and from the people of Newfoundland.

This brief deals with a basic Newfoundland problem. It has been recognized overtly and implicitly by the Government of Canada many, many times that increased productivity is the only firm basis for equalization of living standards in Newfoundland and Labrador with those of the other provinces of Canada.

Productivity today is inescapably tied in with economic development. Economic development, whether the products be those of primary or secondary industries, can be strangled without free movement of materials and workers between markets and production centres.

There has been a tremendous federal-provincial investment over the past 20 years in Newfoundland and Labrador to establish the climate essential to increased productivity. To protect this investment, Newfoundland and Labrador now require a complementary investment for the future with concentration in those areas that are covered in this brief—transport and communications—the brief which I understand, gentlemen, you have in your hands.

The Government's brief outlines in fairly general terms with, I might say, some specific references, a program which we believe will provide the essential minimum of road construction, harbour improvement, airport updating, extension of subsidies and necessary additional terminal and warehousing facilities.

May I, gentlemen, on behalf of Canada's youngest province solicit your kind attention and sympathetic study of our provincial brief.

I might say, Mr. Chairman, that Mr. Jones is here in his capacity of Minister of Highways; Mr. Vardy is the Deputy Minister of Economic Development and as most of the matters in the brief are related to these things, they will be willing to answer any questions that arise on these particular matters.

The Chairman: Thank you very much, Mr. Minister. Mr. Horner.

[*Interpretation*]

et du Labrador, responsable de la question d transports, de vous souhaiter tous la bienv nue à la plus jeune province du Canada et plus ancienne ville de l'Amérique du Nord.

Je vous fais part des meilleurs vœux d gouvernement et de la population d Terre-Neuve.

Ce mémoire traite essentiellement d'un pr blème de Terre-Neuve. Il a été reconnu impl citement et explicitement par le gouverne ment du Canada plus d'une fois qu'un productivité accrue est le seul fondemer véritable de l'égalisation des normes de vie Terre-Neuve et au Labrador avec celles de autres provinces canadiennes.

La productivité aujourd'hui est inévitable ment rattachée au développement économi que. Le développement économique, que le produits soient du secteur primaire ou secon daire, peut être étouffé s'il n'y a pas un libr déplacement de produits et des travailleur entre les marchés et les centres d production.

Le gouvernement fédéral et le gouverne ment provincial ont, au cours de ces dernière années, investi beaucoup d'argent à Terre Neuve et au Labrador pour établir le clima essentiel à cette expansion de la productivité Pour protéger cet investissement, Terre Neuve et le Labrador ont maintenant besoi d'investissements additionnels pour l'aveni en se concentrant essentiellement dans ce régions visées par ce mémoire, soit les trans ports et les communications, le mémoire qu vous avez en main, messieurs, si je com prends bien.

Ce mémoire du gouvernement vous pré sente dans l'ensemble, avec certaines référen ces plus précises, un programme qui, à notre avis, nous donnera le minimum essentiel de construction de routes, d'amélioration des services portuaires, de modernisation des aéroports, d'extension des subventions et aussi d'installations additionnelles de tête de ligne et d'entreposage.

Permettez-moi, messieurs, au nom de la plus jeune province du Canada, de demander votre attention pour faire une étude de notre présentation provinciale.

Je pourrais dire, monsieur le président, que M. Jones est ici en tant que ministre de la Voirie et M. Vardy, le sous-ministre de l'Expansion économique, et comme la plupart des questions de ce mémoire sont rattachées à ces deux rubriques, ils sont prêts à répondre aux questions que vous aurez à poser sur ces deux sujets.

Le président: Merci beaucoup, monsieur le ministre. Monsieur Horner.

[*Texte*]

Mr. Horner: Mr. Neary, I was interested in ur brief because, while it laid down what e Newfoundland Government believed was right under the Confederation agreement, e brief in itself deals mostly with road con-uction and highways. In fact, at the top of ge 511 you deal at length with the road oblem and I wonder if your main concern not for the improving of the Trans-Canada ghway or other roads? Do you feel, in wfoundland, in any way the federal gov-ment should make major contributions to ghway construction in light of the poor rail-d conditions in the province?

Mr. Neary: Could I aks Mr. Jones if he uld answer that?

The hon. Eric S. Jones (Minister of Highways, Government of Newfoundland): Mr. airman, I would like to refer, with your mission, to a brief that was submitted by Government of Newfoundland in Febru-of 1968, which is just about a year ago ay. As you will recall this Committee was oute to Newfoundland, but the Committee not reach here. At that time we had eady presented to this Standing Committee rief which outlined the problem for the onstruction and construction of a trunk d system in Newfoundland.

t the present time the federal government s share with the government of New-ndland in the upgrading of our trunk ds through the Atlantic Development ard. The premise of our brief does not er to any great extent to Trans-Canada hway which has already been upgraded ler an agreement with the federal govern-nt, which agreement expires in 1970.

Mr. Horner: I realize that, Mr. Jones. That s the brief I was referring to, the brief ch you submitted in February, 1968, but mention is made, even in the tables at the k, as to the desirability of your Govern-nt upgrading the railroad trackage in the vince of Newfoundland—straightening it . I have read reports and am looking for-d to travelling on it as I am told the ves and the hills are something to see. y does your brief not suggest that the eral government should be making, ough the CNR an honest contribution to ightening it out and perhaps improving grades on it, if not widening it to stand-gauge?

[*Interprétation*]

M. Horner: Monsieur Neary, je me suis intéressé à votre mémoire parce qu'il établit ce que le gouvernement de Terre-Neuve croyait être son droit en vertu de l'accord de la Confédération, le mémoire lui-même traite essentiellement de la construction des routes. De fait, à la page 511 en haut, vous parlez longuement de problèmes routiers et je me demande si votre principale préoccupation n'est pas essentiellement à l'égard de la route transcanadienne ou des autres routes. Croyez-vous qu'à Terre-Neuve, de toute façon, le gouvernement fédéral devrait apporter des contributions importantes pour l'aménagement de routes vue le mauvais état du service ferroviaire?

M. Neary: Est-ce que je peux demander à M. Jones de répondre?

L'hon. Eric S. Jones (ministre de la Voirie, gouvernement de Terre-Neuve): Monsieur le président, je voudrais me reporter avec votre autorisation à un mémoire présenté par le gouvernement de Terre-Neuve au mois de février 1968, il y a environ un an aujourd'hui. Vous vous souviendrez que le présent Comité en 1968 était en route vers Terre-Neuve, mais il n'a pu s'y rendre; à ce moment-là, nous avions déjà présenté un mémoire au Comité permanent où l'on vous donnait l'ensemble des problèmes pour la construction et l'aménagement d'un réseau de routes d'accès à Terre-Neuve.

Le gouvernement fédéral partage présentement avec le gouvernement de la province les frais d'amélioration de nos routes d'accès par l'entremise de l'Office de l'expansion économique de la région atlantique. La prémisse de notre mémoire ne parle pas vraiment en grande partie de la route transcanadienne qui a été remise à jour à la suite d'une entente avec le gouvernement fédéral qui prend fin en 1970.

M. Horner: Je réalise cela, monsieur Jones, c'est exactement là le mémoire dont je voulais parler, le mémoire présenté au mois de février 1968, mais on ne parle pas, même dans les tableaux à l'arrière, des avantages de l'amélioration des voies ferrées dans la province de Terre-Neuve par votre gouvernement, de les redresser. J'ai lu des rapports et j'attends avec impatience la possibilité de voyager à bord de chemin de fer parce que les courbes et les pentes sont vraiment quelque chose à voir. Je me demande pourquoi votre mémoire n'a pas proposé que le gouvernement fédéral, par l'entremise du National-Canadien, puisse alors essayer vraiment d'améliorer, sinon d'avoir un plus large écartement.

[*Text*]

Mr. Jones: We feel that the matter is up to the CNR.

Mr. Horner: You feel that is a matter for the CNR?

Mr. Jones: Yes.

Mr. Horner: In feeling that is a matter for the CNR, do you not feel that the maintaining of a trackage on Newfoundland is part of Confederation, part of your agreement under Confederation?

Mr. Jones: Yes.

Mr. Horner: You do believe it is? Well, you have the Transport and Communications Committee before you. I would have thought that you would have made recommendations to the Committee with regard to the improving of the trackage, at least, if not standard gauging it because, to me, this Committee—and it may be different in Newfoundland—is more concerned with railroads rather than highway construction. It may be different in Newfoundland, and I would like you to tell me if it is, but highway construction has been basically a responsibility, outside of the Trans-Canada Highway, of the provincial government.

Mr. Neary: May I say to the hon. gentleman, Mr. Chairman, that rail service at the present time in Newfoundland is restricted to a 550 mile arc reaching from St. John's through central Newfoundland and down the southern part of the West Coast to Port aux Basques. There is no railway serving the entire south coast and the great northern peninsula of the Island, nor the huge land mass of Labrador except for the spur line from Sept Iles to Labrador City. So we feel that roads, particularly the trunk road system that we have outlined, is of tremendous importance to Newfoundland.

Mr. Horner: Yes, but as a western taxpayer, let me put it that way, I have always felt that provincial governments in the Maritime could well build their highways under the equalization branch rather than a direct contribution.

If the federal government immediately begins contributing to the cost of building highways in one province, there is a tendency for other provinces to ask for like provisions, while in the railway field, the federal government has a responsibility, and I think it is living up fairly well to its responsibilities in

[*Interpretation*]

M. Jones: Nous croyons que c'est l'affai du National-Canadien.

M. Horner: Vous croyez que c'est une que tion pour le National-Canadien?

M. Jones: Oui.

M. Horner: Ne croyez-vous pas que si c maintient les voies ferroviaires, que cela fa partie de votre entente au sein de Confédération?

M. Jones: Oui.

M. Horner: Vous le croyez vraiment? E bien, vous êtes devant le Comité des tran ports et des communications. J'aurais pens que vous auriez formulé des recommandatio au Comité pour ce qui est de l'améliorati des voies, sinon de mettre des voies à écart ment normal, parce que, à mon avis, Comité, et ça devrait être différent à Terr Neuve, mais enfin ce comité est plutôt occu de l'aménagement des voies ferroviaires q de la construction des routes. C'est peut-êt différent à Terre-Neuve et je voudrais q vous me le disiez si ça l'est, mais la constru tion des grandes routes est essentiellemer une responsabilité en dehors de la rou transcanadienne, donc la responsabilité d gouvernement provincial.

M. Neary: Permettez-moi de dire à l'hon rable député, monsieur le président, que service ferroviaire en ce moment à Terr Neuve ne se fait que dans un arc de 55 milles à partir de Saint-Jean, passant pa Terre-Neuve central et le long du littoral su à Port-aux-Basques. Il n'y a pas de servic ferroviaire pour desservir tout le littoral su ou la grande péninsule nord ou encore l grandes masses terrestres du Labrador, sa une voie qui vient de Sept-Îles à *Labrad City*. Donc, nous sommes d'avis que le sy tème des routes principales est de toute pr mière importance pour Terre-Neuve.

M. Horner: Oui, mais en tant que contr buable de l'Ouest, permettez-moi de vous pr senter ma suggestion ici, j'ai toujours été d'a vis que les gouvernements provinciaux dar les Maritimes pourraient très bien aménag leurs routes en vertu des subventions c péréquations plutôt qu'en vertu d'une contr bution directe.

Si le gouvernement fédéral commença immédiatement à contribuer à la constructio des routes dans une province, alors les autr provinces auront tendance à demander d services analogues, alors que, pour ce qui e des services ferroviaires, le gouvernemer fédéral a une responsabilité et je pense qu'il

[Texte]

e west and I would like to see it live up to s responsibilities in the east. In the Province Newfoundland, do you think that a rail-ad across the southern coastline could be of y service in that area?

Mr. Neary: No, I do not think it could. I ould say that the whole future of New-undland in the field of social and economic velopment is in our roads.

Mr. Horner: In other words, you are not o worried if the railroad completely, inside 10 or 20 years, becomes a useless relic or a useum piece?

Mr. Neary: That is rather a hypothetical estion, you know.

Mr. Horner: No, but let us look at the ture.

Mr. Neary: Things are changing so fast liv-g in the days of the Jumbo jets and so rth, that we do not know what is happening w or going to happen from year to year. t the railroad right across Canada may come obsolete; I do not know.

Mr. Horner: I doubt it, but with your road nstruction, you suggest in your brief that e maximum road carriage now is something e 30,000 pounds, which I thought was rath-light. Surely a good railroad, in regard to e pulp industry particularly, could carry avier loads and cheaper than a road that is ly going to carry 30,000 pounds.

Mr. Neary: Perhaps Mr. Jones could answer t question because I am not familiar with s.

Mr. Jones: Could I have the page you are erring to?

Mr. Horner: The reference to 30,000 pounds on page 510.

Mr. Jones: I think that reference, sir, is to ne of the structures that we have on our nk road system, that our bridges were ilt some 20 to 30 years ago and are not dated. We have to restrict travel over the dges to 30,000 pounds, where on the Trans-nada Highway our maximum gross weight up to 74,000 pounds, and I think a little ther on I said that under special permit we permit loads up to 100,000 pounds.

Mr. Horner: Is that right across the vince?

Mr. Jones: That is on Trans-Canada High-y with the same engineering standard

[*Interprétation*]

assez bien assumer ses responsabilités dans l'Ouest et j'aimerais le voir faire la même chose dans l'Est. A Terre-Neuve, croyez-vous qu'un service ferroviaire le long du littoral sud pourrait vraiment desservir cette région?

M. Neary: Non. Je ne le crois pas. Je dirais que tout l'avenir de Terre-Neuve dans le domaine de l'expansion sociale et économique se situe dans nos routes.

M. Horner: En d'autres mots, que vous importe si le chemin de fer d'ici 10 ou 20 ans devient une inutilité ou une relique désuète ou une pièce de musée?

M. Neary: C'est une question plutôt hypothétique.

M. Horner: Non, mais tournons-nous vers l'avenir.

M. Neary: Mais tout change tellement vite, nous sommes à l'heure des réactés géants, on ne sait pas maintenant ce qui se produit d'une année à l'autre. Mais même le service ferroviaire à travers le pays devriendra désuet.

M. Horner: J'en doute, mais avec votre construction routière, dans ce mémoire vous suggérez que le trafic routier est maintenant d'environ 30,000 livres, ce qui, à mon avis, n'est pas beaucoup. Sûrement, un bon service ferroviaire, surtout pour l'industrie de la pâte, pourrait transporter des charges plus lourdes et plus économiques qu'une route pouvant transporter 30,000 livres.

M. Neary: M. Jones pourrait peut-être y répondre parce que je ne connais le sujet.

M. Jones: Pourrais-je avoir la page en question?

M. Horner: J'ai pris cela à la page 510.

M. Jones: Il s'agit des structures que nous avons pour le réseau principal, il y a des ponts construits il y a 20 ou 30 ans et qui sont maintenant désuets. Il nous faut donc nous en tenir à 30,000 livres à cause de ces ponts, alors que sur la route transcanadienne cela est porté à 74,000 livres et même un peu plus loin, je pense avoir dit qu'en vertu des permis spéciaux, nous avons des routes jusqu'à 100,000 livres.

M. Horner: Et cela à travers la province?

M. Jones: Sur la route transcanadienne. Ce sont les mêmes normes qui valent pour l'en-

[*Text*]

as the Trans-Canada Highway in other parts of Canada—at least it will be when we have finished our upgrading program. But our trunk road system, which serves at least two-thirds of the people in the province who live around our shores, is lagging far behind in standards. We can move traffic on Trans-Canada Highway today, for example, which we cannot get out to Grand Bank or Marystown on the Burin Peninsula because of our low standard road.

Mr. Horner: Just one more short question, Mr. Chairman. Mr. Jones, as minister of Highways, you naturally would perhaps be more optimistic of the highway's future. Do you believe that 20 years from now the transportation system in Newfoundland can be best served by comprehensive network of highways rather than remodeling the railway?

Mr. Jones: I would say, Mr. Chairman, that for the next 20 years Newfoundland will need three types of transportation; roads—and I put roads first, naturally, being Minister of Highways, and I would refer specifically to upgrading of the trunk road program—we would still need our CNR services, and we would also need an up-to-date air freight.

The Chairman: Mr. Allmand?

Mr. Allmand: Gentlemen, with respect to the railway, do you have any information as to whether or not the amount of freight hauled on the railway has been increasing over the last few years, or is that going down? Do you have information on that?

Mr. Neary: No, we do not have any information on that.

Mr. Allmand: Now has your trucking industry in Newfoundland been increasing; do you have a licensing board for trucks; and has there been an increase in applications by trucking companies to serve on the Trans-Canada Highway and the trunk roads leading off that Highway?

Mr. Jones: Yes, Mr. Chairman, I would say within the past four or five years there has been a marked increase in the trucking industry in Newfoundland. This again brings up the point that truckers who move into Newfoundland from the mainland with maximum loads are restricted when they try to leave the Trans-Canada Highway and use our trunk road system to get out to the outlying peninsula. Much of industry, especially the fishing industry, in Newfoundland is located

[*Interpretation*]

semble du Canada ou qui le seront lorsqu nous aurons terminé ce programme d'amélio ration, mais le service du réseau routier prin cipal qui dessert au moins les $\frac{2}{3}$ de la popu lation de Terre-Neuve qui vit le long du litto ral, se trouve à être assujéti à des norme bien inférieures. Ainsi sur la transcanadienn nous pouvons transporter des marchandise aujourd'hui, par exemple, mais nous ne pou vons aller à Grand Bank ou Marystown dan le péninsule Burin à cause de nos route inférieures.

M. Horner: Une autre question brève, mon sieur le président. Monsieur Jones, en tan que ministre de la Voirie, vous seriez san doute plus optimiste quant à l'avenir des rou tes. Croyez-vous que d'ici 20 ans, le réseau d transport à Terre-Neuve sera mieux desserv par un réseau d'ensemble de routes plutô que par le réaménagement du servic ferroviaire?

M. Jones: Je dirais, monsieur le président que pour les 20 prochaines années, nou aurons besoin de deux ou trois modes d transport: les routes d'abord, et là je suis, e tant que ministre des Transports, en faveu de l'amélioration du réseau principal de rou tes, et nous aurons toujours besoin des servi ces du National-Canadien, ainsi que d'u service moderne de cargos aériens.

Le président: Monsieur Allmand?

M. Allmand: Messieurs, pour ce qui est de chemins de fer, est-ce que vous avez des ren seignements quant à savoir si ce que l'or transporte augmente ou diminue? Est-ce qu vous avez ces renseignements?

M. Neary: Non, nous n'avons pas ce renseignements.

M. Allmand: Est-ce que l'industrie du ca mionnage à Terre-Neuve s'est étendue? Est-c que vous avez un bureau pour l'octroi d permis pour les camions? Est-ce qu'il y a eu une augmentation des demandes des société de camionnage pour desservir le réseau prin cipal et la route transcanadienne?

M. Jones: Oui, monsieur le président. Je dirais qu'au cours des 4 ou 5 dernière années, il y a eu une expansion considérable dans l'industrie du camionnage à Terre-Neuve une fois de plus, les camionneurs qui son venus du continent à Terre-Neuve, avec ur chargement maximum, sont limités en quit tant la route transcanadienne pour pouvoi prendre le réseau secondaire pour se rendre aux périphéries. Surtout l'industrie de la pêche à Terre-Neuve se trouve au bout de

[Texte]

n the heads of our peninsulas. Naturally, the sh strike the head lands first. On the Burin eninsula, on the Bonavista Peninsula and on e Great Northern Peninsula we have fresh nd salt fish processing plants and it is here here the economy of the province is being npeded, where we cannot get the same flow commercial traffic out to our fishing com-exes as we can on the Trans-Canda ighway.

There is a huge gap between the Trans-anada Highway and our trunk roads. We ve something over 4,000 miles of main ghway in Newfoundland and apart from the ans-Canada Highway, which is something er 500 miles, we have only about 500 miles paving.

An indication today of the condition of our unk roads, Mr. Chairman, is that about 75 r cent of them are gravel roads in New-undland today and are under half-load lim-s. I would say at the present time too that obably 25 per cent of our gravel trunk ads are impassable. They close themselves e to this mild weather. We are very happy have this lovely weather to greet you gen-men here today but, believe you me, it is aying havoc with our gravel roads. There is tremendous gap.

Mr. Neary: We do have a licensing board?

Mr. Jones: Yes, we do, the Public Utilities mmission.

Mr. Neary: We have a motor carrier licence ard which we brought in about a year o, and they are in the process now of licen-g all truck operators in the province.

Mr. Allmand: It would seem to me that if u have a policy of providing a new system trunk roads and you are doing that to rvice the communities in the isolated areas d in the fishing communities you would o want those roads to be used by trucks. you have a government trucking policy to ke use of those roads if and when they are mpleted?

Mr. Jones: Mr. Chairman, I would like to y here that we are not asking for a new stem of trunk roads or new trunk roads. r brief is for the upgrading and paving of isting trunk roads. We have these trunk ads.

Mr. Allmand: I understood that. How are pplies brought in and out now if some of se roads are so much below standard? w do you get the product out to the Trans-

[Interprétation]

péninsules. Sur la péninsule de Burin et de Bonavista ainsi que de Great Northern il y a des entreprises de transformation de poisson frais et salé, et c'est là où l'économie de la province se trouve défavorable, parce qu'on ne peut y acheminer le même trafic commercial vers ces usines comme on peut le faire sur la route transcanadienne.

Il y a un grand écart entre la route transcanadienne et les routes pour les camions. Nous avons plus de 4,000 milles de routes principales à Terre-Neuve, en plus de la route transcanadienne qui est de quelque 500 milles, nous n'avons que 500 milles de routes bitumées, ce qui nous indique aujourd'hui l'état de ces routes, soit 75 p. 100 de nos routes sont des routes de gravier à Terre-Neuve et au-dessous de la limite de demi-chargement. Je dirais qu'en ce moment, environ 25 p. 100 de ces routes sont impassables. Elles le deviennent avec un temps si doux. Nous sommes très heureux qu'il fasse si beau temps pour vous accueillir ici aujourd'hui, messieurs, mais cela fait de grands dégâts à nos routes de gravier.

M. Neary: Oui, nous avons un bureau d'octroi de permis.

M. Jones: Oui, c'est vrai, je m'excuse. C'est la Commission des utilités publiques.

M. Neary: Nous avons un bureau d'octroi de permis pour les transporteurs, qui a été créé il y a environ un an et ils sont en voie d'émettre des permis à tous les exploitants de camions de la province.

M. Allmand: Il me semble que si vous aviez une politique prévoyant un nouveau système de routes de camions afin de desservir les collectivités dans les régions isolées et dans les collectivités de pêche, vous voudriez aussi que ces routes soient utilisées par les camions. Est-ce qu'il y a une politique officielle du gouvernement pour utiliser ces routes lorsquelles seront terminées?

M. Jones: Monsieur le président, je voudrais dire ici qu'on ne demande pas un nouveau système de routes principales ou de nouvelles routes principales. Notre mémoire demande l'amélioration de ces routes et le bitumage. Nous avons ces routes.

M. Allmand: C'est ce que je croyais avoir compris. Comment les approvisionnements sont-ils acheminés maintenant si bon nombre de ces routes ne sont pas conformes aux nor-

[*Text*]

Canada Highway or to the railroads for freighting now? Do you do it with very small trucks?

Mr. Jones: With maximum gross weights of 74,000 pounds but, as I said earlier, on some of these roads we have to restrict weights because of the bridges. These roads are being used. We would like to call them all-weather roads but I am afraid they are not. But normally we can keep our road network functioning 12 months of the year.

Mr. Neary: Of course, along the southwest coast C.N. operates a coastal boat service for people who do not have contact by roads.

Mr. Rose: Mr. Chairman, I have a supplementary. Although you did not mention it, sir, I believe that one of the big problems of your trunk and feeder roads is not so much that they impede transport, though that plays an important part, but the fact that so many people in Newfoundland are casually employed and move from job to job and at this time of year this seriously inhibits their mobility. Would you say this is so?

Mr. Jones: That is so.

Mr. Allmand: It prevents them from moving to employment in production centres.

Mr. Jones: That is definitely a fact, Mr. Chairman.

Mr. Rose: Mr. Chairman, I would like to speak again.

The Chairman: Are you through, Mr. Rose?

Mr. Rose: I am through with the supplementary.

The Chairman: I will put you back on the list.

Mr. Allmand: Some people have suggested that we include trucking under the Maritime Freight Rates Act subsidy to stimulate and help the trucking industry. Have you any ideas on that?

Mr. Neary: Yes. As a matter of fact, that is one of our recommendations in the second brief. I will read you the section, if you like. I presumed that copies of the brief had been distributed to the members of the Committee.

[*Interpretation*]

mes? Comment faites-vous pour transporte les produits à partir de la route transcana dienne jusqu'aux voies ferroviaires? Ce son de petits camions?

M. Jones: Avec un chargement maximur de 74,000 livres, mais comme je le disais au paravant, il nous faut imposer des limites cause des ponts. Ces routes sont utilisées e nous voudrions les appeler des routes d toute saison, mais j'ai l'impression qu'elles n le sont pas. Normalement, on peut mainteni ces routes et les utiliser douze mois pa année.

M. Neary: Oui, bien sûr, le long du littora sud-ouest, il y a le service de cabotage d National-Canadien pour les personnes qui n sont pas desservies par les routes.

M. Rose: M. le président, je voudrais pose une question complémentaire. Je crois, quoi que vous ne l'ayez pas mentionné, qu'un de grands problèmes qui se présentent pou votre route principale et les routes d'alimenta tion, ce n'est pas tellement qu'elles handica pent le transport bien que cela soit impor tant—mais, seulement, vu qu'un bon nombr de gens à Terre-Neuve n'ont qu'un emplo temporaire et vont d'un emploi à un autre c qui à cette période de l'année nuit à leu mobilité: N'est-ce pas exact?

M. Jones: Oui, c'est juste.

M. Allmand: Et, cela les empêche de se ren dre aux emplois qui se trouvent dans le différentes régions productrices.

M. Jones: C'est en effet le cas, M. l président.

M. Rose: M. le président, je voudrai encore dire quelque chose.

Le président: Avez-vous fini?

M. Rose: J'ai terminé ma questio complémentaire.

Le président: Je vais ajouter votre nom à la liste.

M. Allmand: Certaines personnes ont pro posé de comprendre le camionnage pour le subventions en vertu de la Loi sur les taux de transport de marchandises dans les provin ces Maritimes, pour encourager et aider l'in dustrie. Avez-vous des idées à ce sujet?

M. Neary: En fait, il s'agit d'une de no recommandations dans le deuxième mémoire Je vais vous lire cette section, si vous le voulez.

Non, mais j'avais présumé que des copies du mémoire ont été distribuées aux membres du comité.

Texte]

Mr. Allmand: But you do recommend that ucking be included under MFRA.

Mr. Neary: What we said was that it is commended that for the Province of New-ndland no provision be made for the intro-ction of an extra-regional subsidy but that e present intra-regional subsidy be retained t only on railway shipments but extended shipments made by all other modes of nsportation.

Mr. Allmand: Very good. Thank you very ich.

The Chairman: Mr. Nesbitt.

Mr. Nesbitt: Mr. Jones, I was looking at the ap of Labrador in front of me and I see at e present time there is a road from the rail ad at Eskert into Churchill Falls. Is there y highway being planned from the rail ad to Churchill Falls?

Mr. Jones: There is a road, as you say, m Eskert to Churchill Falls at the moment. nderstand that is a privately owned rail-y. We have started a road from Churchill lls back towards Goose Airport and from ose Airport in towards Churchill Falls. We ve constructed a tote road there but there still a gap of about 50 or 60 miles in the ntre that has not been completed.

Mr. Nesbitt: I understand, though, it is der way. Will this be a paved road or a rd-surfaced road of some sort?

Mr. Jones: We would hope that eventually would be a hard surfaced road or paved, t at the moment it is only in the tote road ge.

Mr. Nesbitt: Is that road from Churchill lls to the rail head at Eskert in good shape does it need some additional work?

Mr. Jones: That road is owned by Brinco.

Mr. Nesbitt: Will that eventually become rt of the Government of Newfoundland's id system or will it remain as a private id?

Mr. Jones: I am afraid, sir, I cannot answer at question at this point because I really do t know.

The Chairman: A supplementary question, r. Thomas.

[*Interprétation*]

M. Allmand: Vous recommandez que les services de camionnage soient compris dans le MFRA?

M. Neary: Ce que nous avons dit, c'est qu'il est recommandé que pour Terre-Neuve aucune disposition ne soit prise pour accorder une autre subvention extra-régionale, mais que la présente subvention intra-régionale soit maintenue non seulement pour les expéditions par chemins de fer mais que cela s'applique aussi à tous les autres modes de transport.

M. Allmand: Très bien, merci beaucoup.

Le président: Monsieur Nesbitt?

M. Nesbitt: Monsieur Jones, je regardais la carte du Labrador devant moi et je vois qu'il y a actuellement une ligne de chemin de fer qui commence à Eskert et va jusqu'aux Chutes Churchill. Y a-t-il un projet d'autoroute de là jusqu'aux Chutes Churchill?

M. Jones: Il y a une route à l'heure actuelle de chemin de fer, entre Eskert et les Chutes Churchill. Si j'ai bien compris il s'agit d'un chemin de fer privé. Nous avons construit une route de transport mais il y a encore un écart de 50 à 60 milles au milieu qui n'a pas encore été terminée.

M. Nesbitt: Mais c'est en marche à l'heure actuelle, si j'ai bien compris? Mais, est-ce que ce sera une route bitumée ou une route revêche?

M. Jones: Nous avions cru qu'à la longue, ce serait pavé, mais, pour le moment, comme je l'ai dit, c'est une route de service.

M. Nesbitt: La route de Churchill Falls jusqu'à Eskert, est-elle bonne ou est-ce qu'elle aura besoin d'un entretien supplémentaire?

M. Jones: La route est la propriété de Brinco.

M. Nesbitt: Est-ce qu'à la longue cela deviendra partie du réseau routier du gouvernement de Terre-Neuve ou est-ce qu'elle restera une route privée.

M. Jones: Je regrette, je ne puis répondre à cette question pour le moment, je ne le sais vraiment pas.

Le président: Question supplémentaire, monsieur Thomas?

[*Text*]

Mr. Thomas (Moncton): Yes, Mr. Chairman. I would like to pursue Mr. Nesbitt's line of questioning but mine would be in connection with a highway link between Sept Iles and Wabush or Labrador City. I spent some time in that area and to the best of my knowledge the only way for a passenger getting into Sept Iles at present is by air. Am I correct in that?

Mr. Jones: There is a railway.

Mr. Thomas (Moncton): But is not the passenger service on the rail line very limited and very restricted because of it being mainly an ore-carrying train?

Mr. Jones: That is right, for moving freight.

Mr. Thomas (Moncton): It is not a daily passenger service, is it?

Mr. Vardy: Mr. Chairman, it is an accepted passenger service. It is limited but they do provide passenger service back and forth on the line.

Mr. Thomas (Moncton): My point is that it is limited. How limited is it? Is it a daily service or is there passenger service twice a week or three times a week?

Mr. Vardy: Frankly, I am not able to answer, but I think on each of the trains there are one or two passenger coaches depending upon the number of passengers.

Mr. Thomas (Moncton): I wonder, Mr. Chairman, if some of these gentlemen could supply the Committee with that information later. I would like to find out what the passenger service is between Sept Iles and Wabush. Also, have you given any thought to the necessity of a highway link? Would it help the development of that area if there were a road link between Sept Iles and Labrador City? I realize this would be an interprovincial matter and, therefore, of federal concern. To put in a highway link from Sept Iles to Wabush and Labrador City would be a matter of co-operation between Quebec, Newfoundland and the Government of Canada.

Mr. Vardy: Mr. Chairman, I am afraid I would have to answer that question simply by saying that any roads that we build in Newfoundland or in the Labrador section of Newfoundland and Labrador is bound to help the economy.

Mr. Thomas (Moncton): I was trying to get at the priority. Is there any particular priority or are there other roads that are possibly more urgent?

[*Interpretation*]

M. Thomas (Moncton): Oui, monsieur président. J'aimerais poursuivre un peu pensée de M. Nesbitt, mais je pense à un nouvelle route qui relie Sept-Îles et Wabus ou la ville de Labrador. J'ai passé un certai temps là-bas et, au mieux de ma connais sance, la seule façon de se rendre à Sept-Île à l'heure actuelle, est la voie aérienne. Ai-j raison?

M. Jones: Il y a un chemin de fer.

M. Thomas (Moncton): Mais la capacité de passagers, n'est-elle pas limitée parce qu' s'agit surtout d'un service pour le transpo pour le minerai?

M. Jones: C'est juste, pour le transport.

M. Thomas (Moncton): Ce n'est pas un ser vice du voyageurs quotidien?

M. Vardy: Monsieur le président, c'est u service de voyageurs régulier, d'une capacit limitée mais qui transporte des voyageur entre ces deux points.

M. Thomas (Moncton): Je pense que c'es limité. Jusqu'à quel point? Une fois par jou ou deux ou trois fois par semaine?

M. Vardy: Je ne saurais vous répondre mais je crois que sur chacun des trains, il y un ou deux wagons de passagers selon l nombre de voyageurs.

M. Thomas (Moncton): Je me demande monsieur le président, si ces messieurs pour raient fournir ces renseignements au Comit un peu plus tard? J'aimerais savoir quel es le service des voyageurs entre Sept-Îles e Wabush. Et, aussi, est-ce que vous avez song à la nécessité d'un lien routier? Est-ce qu cela serait utile au développement de l région, s'il y avait entre Sept-Îles et Wa bush et Labrador City une route? Je com prends qu'il s'agit d'une affaire interpro vinciale, car il s'agirait d'une collaboratio entre le Québec, Terre-Neuve et le Gouverne ment du Canada, afin d'assurer un lien rou tier entre Wabush, Sept-Îles et Labrador City.

M. Vardy: Monsieur le président, je devrai répondre à cette question simplement en disant que toutes routes que nous construi sons à Terre-Neuve ou dans le Labrador aide raient nécessairement l'économie.

M. Thomas (Moncton): J'essayais d'établi la priorité. Y a-t-il une priorité ou est-ce qu'i y a d'autres routes qui sont éventuellemen plus prioritaires?

'exte]

Mr. Vardy: In my personal opinion—and I n giving my personal opinion—I think that e highest priority in respect of roads in wfoundland is the upgrading of our trunk ad system.

The Chairman: Mr. Nesbitt.

Mr. Nesbitt: Yes, I have one or two more ief questions. How long is the road present- owned by Brinco which goes from Eskert the Churchill falls development—about 150 les or 140 miles perhaps?

Mr. Vardy: We show here it from Labrador y and Labrador City to Eskert is...

Mr. Nesbitt: I was referring to the route wn on the map here from Eskert to Chur- ll Falls which, as Mr. Jones mentioned, s owned by Brinco. How long would that d be?

Mr. Vardy: I believe it is somewhere in the inity of 125 miles approximately.

Mr. Nesbitt: And there are no plans to mediately take that road over by the gov- ment nor to give it a hard surface at the ment?

Mr. Jones: Not that I am aware of, Mr. airman.

Mr. Nesbitt: I have one other question. at mining resources have been found to e or are believed to be present in the tral part of Newfoundland proper? Are re any large potential resources of iron , for instance, or any other bulky ore in tral Newfoundland?

Mr. Vardy: Mr. Chairman, a number of estigations are going on at the present e and a number of concessions have been nted for ore exploration because of anom- s that have been discovered in the areas, whether there are substantial ore bodies ich will justify a major mine is uncertain the present time although the prospects very encouraging at this point.

Mr. Nesbitt: I am very glad to hear that. In event that commercially-operable mines e found in the main part of Newfound- l, which we all hope will be the case, t means will be used to remove the ore presumably, to transport it to the smel- in coastal areas? Do you plan to build ls or do you think railways might be of e value?

[Interprétation]

M. Vardy: A mon avis personnel, et c'est mon avis personnel que je donne, je crois que la plus grande priorité pour les routes à Terre-Neuve consiste dans l'amélioration de nos routes principales.

Le président: Monsieur Nesbitt?

M. Nesbitt: J'ai encore une ou deux autres questions très brèves. La route que vous avez mentionnée et qui est la propriété de Brinco à l'heure actuelle de Eshert à Churchill Falls, quelle distance y aurait-elle environ? 150 milles, 140 milles, peut-être?

M. Vardy: On montre ici qu'elle va de Labrador City à Eshert.

M. Nesbitt: Je parlais de la route sur la carte d'Eskert aux chutes Churchill qui, comme on l'avait dit est la propriété de Brinco; quelle serait la longueur de cette route?

M. Vardy: Environ 125 milles, je crois.

M. Nesbitt: On n'a pas l'intention que le gouvernement assume la responsabilité pour cette route, ni de la paver, n'est-ce pas?

M. Jones: Pas à ma connaissance, monsieur le président.

M. Nesbitt: J'ai une autre question. Est-ce que l'un des ministres pourrait nous donner une idée des ressources minières que l'on a trouvées jusqu'à date ou que l'on estime être présentes dans la partie centrale de Terre-Neuve? Est-ce qu'il y a possibilité de trouver de vastes ressources minières comme le fer, par exemple, le minerai dans la partie centrale de Terre-Neuve?

M. Vardy: Monsieur le président, il y a un certain nombre d'études qui se poursuivent à l'heure actuelle; un certain nombre de concessions ont été accordées pour le minerai de fer à cause des anomalies qui ont été découvertes dans ces régions. Mais ce n'est pas certain qu'on trouve suffisamment de minerai pour justifier la présence de plusieurs mines? Les perspectives sont très encourageantes à l'heure actuelle.

M. Nesbitt: Je suis heureux d'entendre dire cela. Mais au cas où l'on trouverait des mines que l'on pourrait exploiter commercialement dans cette partie centrale de Terre-Neuve, que nous espérons tous sera le cas, quels moyens est-ce qu'on employerait pour enlever le minerai pour le transporter vers les fonderies de la Côte. Est-ce que ce serait la grande route ou le chemin de fer? Avez-vous l'intention de construire des routes ou pensez-vous que les chemins de fer seraient plus indiqués?

[*Text*]

Mr. Neary: I worked for a mining company for 21 years, Mr. Nesbitt, on Bell Island, until the mine closed down, and we shipped our ore. So it would depend on where the mine is geographically located.

Mr. Nesbitt: Obviously, if it was very close to the coast it would be a very simple answer. But if these mines were located perhaps 40 or 60 miles inland what type of transport would be contemplated, roads or railway? I suppose it would depend on the terrain somewhat.

Mr. Neary: And the type of ore, I might add.

Mr. Nesbitt: Thank you, Mr. Chairman.

The Chairman: Mr. Breau. Mr. Trudel.

Mr. Trudel: Mr. Chairman, I would like to ask the Minister if it would be fair to say that the overall cost would be in the neighbourhood of $500 million?

Mr. Neary: Yes.

Mr. Trudel: How many years do you feel would be required to bring your secondary roads system to the standards that you require?

Mr. Neary: Without presuming what the Minister of Highways is thinking I would say the number one priority should be on trunk roads. We would expect from about three to five years, Mr. Jones, as a reasonable period to complete the trunk roads?

Mr. Jones: Well, Mr. Chairman, I think we would be quite happy if we could get our trunk roads upgraded and paved in 10 years.

Mr. Trudel: Therefore, you would have to add to this sum another $200 million for upkeep other than for the building costs during that same period of time?

Mr. Jones: That is so.

Mr. Trudel: Could you tell me, Mr. Minister...

Mr. Neary: I beg your pardon, sir, but I will give you a long-range answer to your question. We would like to see the whole program completed in 15 to 20 years.

Mr. Trudel: In other words, it would be physically possible providing you had the means to do it within five years but you feel that 10 years would be a realistic outlook.

Mr. Neary: Phase two—the road from Eastern Labrador to Western Labrador with a

[*Interpretation*]

M. Neary: J'ai travaillé pour une compa gnie minière pendant 21 ans, M. Nesbitt, nous avions l'habitude d'expédier nos propre minerais. Mais cela dépend tout d'abord de l situation géographique de la mine.

M. Nesbitt: Si elles se trouvaient près de l Côte la réponse serait facile. Mais si les mine sont à 40 ou 60 milles à l'intérieur, je m demande quel mode de transport on envisage rait: la route ou les chemins de fer? Tou dépend du terrain, j'imagine.

M. Neary: Et le genre de minerai que l'o trouve, je dirais.

M. Nesbitt: Je vous remercie, monsieur l président.

Le président: Monsieur Breau? Monsieu Trudel?

M. Trudel: Monsieur le président, je vou drais demander s'il est juste de dire que l coût d'ensemble serait de 500 millions d dollars?

M. Neary: Oui.

M. Trudel: Combien d'années seraien nécessaires pour que les routes secondaire soient au niveau exigé?

M. Neary: Sans présumer de ce que pens le ministre de la Voirie, je dirais que la plu grande priorité devrait être donnée aux ligne principales. Cela devrait prendre de trois cinq ans pour terminer les routes principales?

M. Jones: Je crois que nous serions peut être heureux si nous pouvons améliorer e paver nos routes principales dans l'espace d dix ans.

M. Trudel: Il faudrait alors ajouter l somme de 200 millions de dollars pour l'en tretien à part la construction au cours d cette même période de temps.

M. Jones: C'est exact.

M. Trudel: Pourriez-vous me dire, mon sieur le ministre...

M. Neary: Je m'excuse, mais pour vou donner une réponse à long terme, nous vou drions que le programme complet soit ter miné dans 15 ou 20 ans.

M. Trudel: Par conséquent, ce serait possi ble physiquement, à condition d'avoir le moyens de le faire dans 5 ans, mais vou estimez que 10 ans seraient préférables.

M. Neary: La Phase II—la route qui va d l'est à l'ouest du Labrador avec un tunne

[*Texte*]

nnel across the Straits of Belle Isle—in 15 20 years. That would be the second phase.

Mr. Trudel: Of the over-all plan. In the last e-or ten-year period, possibly, could you l us how much money has been spent on ghways in the province in any one year—st to give us an idea of comparable figures, ease.

Mr. Jones: Mr. Chairman, I had hoped to ve that figure contained in one of the tab-. I cannot give you that figure off the top my head but I can certainly have the formation available for your Committee.

Mr. Trudel: Mr. Chairman, would it be ssible then to have this sent to the Commit- to be included in our *Minutes of oceedings*?

The Chairman: Is it agreed?

Some hon. Members: Agreed.

Mr. Rock: Mr. Minister, you mentioned fore, which I think is of great interest to Committee, the tunnel between Labrador d Newfoundland. Have you made a feasi-ity study of building the tunnel there? at would be the cost? I would like to get cost.

Mr. Neary: We do not have a detailed cost alysis at this particular time.

Mr. Rock: But you are thinking of a tunnel her than a causeway?

Mr. Neary: Yes.

Mr. Rock: You have looked into this, possi- not very thoroughly, but you have looked o it?

Mr. Neary: Yes.

Mr. Rock: Thank you.

Mr. McGrath: A supplementary, Mr. Chair-n. Has the government commissioned a dy of the tunnel? I was of the opinion that re was a very comprehensive study in stence.

Mr. Jones: No, Mr. Chairman, I am afraid . It is a little outside the ambit of the partment of Highways but it is my under-nding that any study that was made was a mparative study as to the difference tween the cost of building a tunnel which uld carry a power cable under the Straits Belle Isle and the extension of this tunnel make it large enough to carry the cable

[*Interprétation*]

sous le détroit de Belle Isle, 15 ou 20 ans, ensuite. Ce serait la seconde phase.

M. Trudel: Du plan d'ensemble. Depuis 5 ans ou dix ans, pourriez-vous nous dire combien d'argent a été dépensé pour les grandes routes dans la province dans une année, afin de nous donner des chiffres comparatifs?

M. Jones: Monsieur le président, j'espérais que ce chiffre serait compris dans l'un des tableaux. Malheureusement, je ne puis vous donner ce chiffre immédiatement, de mémoire, mais je pourrais certainement obtenir le renseignement pour votre Comité.

M. Trudel: Serait-il possible alors que ces chiffres soient envoyés au Comité pour que nous puissions les inclure dans notre compte rendu?

Le président: D'accord?

Des voix: D'accord.

M. Rock: Monsieur le ministre, vous avez mentionné tout à l'heure, ce qui intéresse beaucoup le Comité, le tunnel entre le Labrador et Terre-Neuve. Avez-vous fait une étude sur la possibilité de construire le tunnel à cet endroit, et quel en serait le coût?

M. Neary: Non, nous n'avons pas une analyse détaillée du coût ou des frais de construction du tunnel à l'heure actuelle.

M. Rock: Mais vous songez à un tunnel plutôt qu'a une chaussée?

M. Neary: Oui.

M. Rock: Vous avez étudié cette possibilité, peut-être pas en détail, mais vous l'avez étudiée?

M. Neary: Oui.

M. Rock: Je vous remercie.

M. McGrath: Question supplémentaire. Est-ce que le gouvernement n'a pas demandé qu'on fasse une étude supplémentaire du tunnel? J'avais l'impression qu'on avait fait une étude détaillée à ce sujet.

M. Jones: Je regrette, mais si j'ai bien compris, toute étude qui a été faite était une étude comparative entre le coût de construction d'un tunnel ayant un câble pour le pouvoir hydro-électrique sous le détroit de Belle Isle et l'extension de ce tunnel pour y faire passer le câble et le trafic. Si c'est l'étude dont vous voulez parler, nous en avons une.

[*Text*]

plus traffic. If that is the study you are talking about, the answer is yes, we have one.

The Chairman: Mr. Rose.

Mr. Rose: Mr. Chairman, I was interested in the brief as much for what it did not say as for what it did say.

To give a brief preamble, in B..C, which is my province, the government is very much interested in increasing the railroads to remote areas and it comes to me as somewhat of a shock that the Government of Newfoundland as represented by your brief this morning is not more vigorous in pursuing this matter here. Could you comment on that, please?

Mr. Neary: The only comment that I can make is that our brief deals mainly with new items of transportation in Newfoundland. We feel that the old will take care of themselves and will be successful through the patronage that they get from passengers and from movement of freight.

Mr. Rose: I see. You are looking towards highway development as a form of unsubsidized transportaton. Is that so? You are suggesting—at least it came through to me that you were suggesting—that the railroad was an archaic form of transportation and that it was costing a good deal more than it perhaps brought in and that therefore it was a subsidized form of transportation. I took from that that you meant you felt highway development for various reasons would add more greatly to productivity or would be a form of unsubsidized transportation, except, of course, for the roadbeds.

An hon. Member: You are putting words in the Minister's mouth.

Mr. Jones: Mr. Chairman, in reply to an earlier question as to what I hoped Newfoundland would have in the next 20 years, I said I thought that what we would require would be a better trunk roads system, plus railways, plus an improved air transport service—all three.

Mr. Rose: I noticed also, sir, that you did not mention coastal shipping. Did you do this by design or is this not a big factor in Newfoundland?

Mr. Jones: Mr. Chairman, it is a big factor, especially on the southwest coast of Newfoundland from the Burin peninsula west; except for the bottom of Bay d'Espoir there is no road connection. During the past 10 years, for both the movement of passengers and for

[*Interpretation*]

Le président: Monsieur Rose.

M. Rose: J'étais intéressé à votre mémoir autant pour ce qu'il dit que pour ce qu'il n dit pas. En guise de préambule, en Colombie Britannique, ma province, le gouvernemer est très intéressé à développer les chemins d fer vers les régions éloignées, et je suis plutô surpris de voir que le gouvernement d Terre-Neuve ne fasse pas preuve de plus d vigueur à cet égard. Est-ce que vous pourrie commenter à ce sujet s'il vous plaît?

M. Neary: Notre mémoire traite surtout d nouveaux moyens de transport à Terre Neuve. Nous estimons que les anciens pour ront se débrouiller et ne réussiront que dan la mesure où ils seront employés par le voyageurs et pour le transport de marchandises.

M. Rose: En d'autres termes, vous considé rez le développement des routes comme étan un transport non subventionné. Est-ce cela En d'autres termes, si j'ai bien compris, vou avez suggéré que le chemin de fer étai archaïque comme mode de transport, que cel coûtait beaucoup plus cher que ce qu'on e retire et que, par conséquent, c'est un mod de transport subventionné. J'en ai donc con clu que vous estimiez que le développemen des grandes routes, pour diverses raisons ajouterait peut-être plus à la productivité e serait une forme de transport non subven tionné sauf naturellement les assises de l route.

Une voix: Vous mettez les mots dans l bouche du ministre.

M. Jones: Monsieur le président, en répons à une question qui a été posée tout à l'heur quant à ce que je pensais des perspectives de 20 ans à venir, j'ai dit que je pensais qu'i nous faudrait un meilleur réseau routier, fer roviaire et aérien.

M. Rose: J'ai remarqué que vous n'avez pa mentionné la navigation côtière. Est-ce qu vous l'avez fait exprès ou est-ce que cela n'es pas un facteur important à Terre-Neuve?

M. Jones: C'est un facteur important, sur tout sur la côte sud-ouest de Terre-Neuve, à partir de la péninsule de Burin en allant ver l'ouest. Sauf à partir du fond de la Baie d'Es poir, il n'y a vraiment pas de lien routier à cet endroit. Depuis dix ans, on a insisté sur

[Texte]

eight on the northwest and the northeast asts of Newfoundland, the emphasis has en going on road transport and coming off astal shipping. I think you will find, Mr. airman, that the figures from the CNR on e movement of coastal boats will bear me t on this point.

Mr. Neary: Mr. Chairman, if I may quote rectly from the brief regarding our recommendations on rail:

> It would appear to us that the extension of highways throughout the province will eliminate any need for services or additions to existing Canadian National Railway lines. Concentration here should be on extension of the movement already begun to provide improved warehousing and containerization facilities in the effort to lower the cost of the transportation of goods by this traditional and dependable means; (b) Following a careful survey of prime users of rail transportation facilities and the bearing on their business survival of the present Maritime freight rate subsidy, it is recommended that for the Province of Newfoundland no provision be made for the introduction of an extraregional subsidy but that the present intraregional subsidy be retained, not only on railway shipments but extended to shipments made by all other modes of transportation.

Mr. Rose: I see. You would like the MFRA apply to trucks within the region.

Mr. Neary: To water, air and highways.

Mr. Rose: And highways. Sir, does the vernment of Newfoundland have any poli- and any views on the passenger service? s seemed to be a big issue as we arrived— "Newfie Bullet", as it is described. Could comment on that, please?

Mr. Neary: Mr. Chairman, I understand particular matter is in the experimental ge at the moment. I personally have no ment to make on it except to say that ronage by the general public will decide issue.

[*Interprétation*]

tout sur le mouvement des voyageurs et des marchandises sur la côte nord-est et nord-ouest de Terre-Neuve. On insiste maintenant beaucoup plus sur le transport routier que sur la navigation côtière. Je crois que les chiffres du CN sur la navigation côtière confirmeront mes dires.

M. Neary: Monsieur le président, si vous me permettez de citer directement le mémoire au sujet de nos recommandations sur le service ferroviaire:

> Il nous semble que l'extension des routes à travers la province éliminera tout besoin de services ou d'additions aux lignes actuelles des Chemins de fer nationaux du Canada. Il nous faudrait avant tout nous concentrer sur le mouvement déjà commencé afin de fournir des services améliorés d'entreposage et de transport par cadres en vue d'abaisser les frais de transport des marchandises au moyen de ce moyen traditionnel et sûr;
> (b) A la suite d'un relevé détaillé des principaux usagers des services de transport ferroviaire et de l'effet sur la survie de leur entreprise des subsides actuels pour les taux de transport dans les provinces maritimes, il est recommandé que, pour la province de Terre-Neuve, on ne prenne pas de dispositions en vue de l'introduction d'une subvention extra-régionale, mais que la subvention intrarégionale actuelle demeure, non seulement pour le transport ferroviaire, mais qu'elle soit étendue à tous les autres moyens de transport.

M. Rose: Je vois. Vous aimeriez par conséquent que la Loi sur les taux de transport des marchandises dans les provinces Maritimes s'applique aussi aux camions à l'intérieur de la région.

M. Neary: Oui, au transport maritime, routier et aérien.

M. Rose: Est-ce que le gouvernement de la province de Terre-Neuve a une politique en ce qui concerne le service voyageurs? Cela semblait être une question très importante lors de notre arrivée—le «Newfie Bullet» comme on l'appelle. Pourriez-vous commenter un peu?

M. Neary: Si j'ai bien compris, monsieur le président, cette question particulière fait l'objet d'une expérience à l'heure actuelle. Personnellement, je n'ai pas de commentaire à formuler sauf que je puis dire que le grand public décidera de la question par son usage du service.

[*Text*]

Mr. McGrath: Mr. Chairman, may I ask a supplementary?

Mr. Chairman: Mr. McGrath.

Mr. McGrath: Does the Government of Newfoundland still maintain the position it took when it opposed the CN brief—at least made representations to the Canadian Transport Commission at the time the CN were appealing to abandon the rail passenger service? At that time the province felt that there should be an experimental period of three or four years. Is that still the position of the Government of Newfoundland?

Mr. Neary: Oh, I do not know. You would have to ask the government that.

Mr. McGrath: You represent the Government of Newfoundland.

Mr. Neary: Only in matters included in the brief.

Mr. Rose: I take it then, sir, that you feel that this matter is really still under review and that you have no particular views on the upgrading to attract more passengers or anything like that?

Mr. Neary: Well, I think I probably answered your questions as well as I can by stating that the people of Newfoundland will decide this issue by patronizing either the trains or the buses. It is just as simple as that.

Mr. Rose: Well, it would depend upon the quality of the service. I think you would have to agree with me there.

I would like to return in my final question to Mr. Horner's question because I really did not feel, sir, that you completely clarified your position on this. It is the matter of Confederation. Does the Newfoundland Government feel that the federal government has an obligation under the terms of Confederation to maintain the present transportation facilities, particularly as related to rail transportation?

Mr. Neary: A moral or legal obligation?

Mr. Rose: A legal obligation, and moral too if you like.

Mr. McGrath: According to the Government of Newfoundland that is a legal responsibility.

Mr. Rose: Let them answer.

Mr. McGrath: I am sorry. I am really supplementing.

[*Interpretation*]

M. McGrath: Est-ce que je pourrais pose une question supplémentaire?

Le président: Monsieur McGrath?

M. McGrath: Est-ce que le gouvernemer de Terre-Neuve garde toujours l'attitude qu'i avait lorsqu'il s'est opposé au mémoire d CN, ou du moins lorsqu'il a fait des représen tations auprès de la Commission canadienn des Transports lorsque le National-Canadien demandé la permission d'abandonner le ser vice voyageurs? Le gouvernement de Terre Neuve estimait qu'il devrait y avoir un période expérimentale de trois ou quatre ans Est-ce toujours l'attitude du gouvernement d Terre-Neuve?

M. Neary: Je ne sais pas, il faudrait qu vous demandiez au gouvernement.

M. McGrath: Est-ce que vous ne représen tez pas le gouvernement de Terre-Neuve?

M. Neary: En ce qui concerne les question posées dans le mémoire seulement.

M. Rose: En d'autres termes, vous ave l'impression que la question est à l'étude l'heure actuelle et que vous n'avez pas d'opi nion précise sur l'amélioration afin d'attire une plus grande clientèle, n'est-ce pas?

M. Neary: Je crois que j'ai probablemen répondu à votre question au mieux en disan que les gens de Terre-Neuve décideront d cette question, soit en employant les chemin de fer, soit employant l'autobus. C'est auss simple que cela.

M. Rose: Tout dépendra de la qualité d service. J'ai l'impression que vous êtes d'ac cord, n'est-ce pas?

J'aimerais maintenant revenir à une ques tion posée par M. Horner pour ma dernièr question. Je ne crois pas que vous ayez vrai ment éclairci la situation sur la question de l Confédération. Est-ce que le gouvernement d Terre-Neuve estime que le gouvernemen fédéral doit, en vertu de la constitution, doi maintenir les services actuels de transport, d transport ferroviaire en particulier?

M. Neary: Obligation morale ou légale?

M. Rose: Obligation légale et morale si vou le voulez.

M. McGrath: Selon le gouvernement d Terre-Neuve, c'est une obligation légale.

M. Rose: Laissez-les répondre eux-mêmes.

M. McGrath: Je m'excuse, c'était vraimen une question supplémentaire.

Texte]

Mr. Neary: I am afraid I do not have the erms of Union before me, but I can get em if you wish.

Mr. Horner: I was interested, Mr. Jones, in ur brief of February 1968 in which, at the ck in Table 1, you outlined the total cost of ading and construction of roads and the deral government's share. I wonder if you uld say whether there was any agreement at the federal government would contribute other than the Trans-Canada Highway on a ting basis towards the construction of aux- ary roads, or whatever you want to call em—feeder roads—to the Trans-Canada ghway.

Mr. Jones: Mr. Chairman, we use the term nk roads as all inclusive.

Mr. Horner: Trunk roads—that is the term as looking for.

Mr. Jones: It is outlined in our brief, Mr. airman, that there have been three agree- nts signed with the federal government ough the Atlantic Development Board. I nk in the body of the brief I have outlined work undertaken under these various eements.

Mr. Horner: In making those agreements h the federal government through the B, was there any recognition or any angement that if you got this assistance on nk road construction you would not be te so concerned with the maintenance of a lway line in the province?

Mr. Jones: To the best of my knowledge, . Chairman, the point never came up.

Mr. Horner: It never came up.

Mr. Jones: It was never discussed.

Mr. Horner: I was interested, Mr. Neary, in ir statement that patronage will decide ich is best—bus, I guess it is, or the pas- ger train on the railroad. Is the Newfound- d Government aware of what has hap- ed in other parts of Canada with regard to senger and CNR service? For years and rs it was deliberately downgraded by m to discourage its use.

The Chairman: Order, order, please.

Mr. Horner: What is your trouble, Mr. airman?

[*Interprétation*]

M. Neary: Je regrette, mais je n'ai pas les conditions de l'union devant moi, mais je pourrai toutefois les obtenir si vous le voulez.

M. Horner: Monsieur Jones, j'ai été intéressé par votre mémoire de février 1968 dans lequel, au verso du tableau premier, vous donnez le coût total du nivelage et de la construction des routes ainsi que la part du gouvernement fédéral. Pourriez-vous me dire s'il y a un accord pour que le gouvernement fédéral apporte une contribution permanente à la construction de routes autres que la route transcanadienne, routes auxiliaires ou secondaires jusqu'à la route transcanadienne.

M. Jones: Nous employons l'expression «routes principales» ce qui comprend toutes les routes.

M. Horner: Voilà le terme que je cherchais.

M. Jones Dans notre mémoire, nous mentionnons qu'il y a eu trois accords avec le gouvernement fédéral grâce à l'Office d'expansion économique de la région Atlantique, et je crois que, dans le mémoire, j'ai souligné le travail qui a été entrepris en vertu de ces trois accords.

M. Horner: En concluant les accords avec le gouvernement fédéral grâce à l'OEERA, est-ce qu'il y a eu reconnaissance ou arrangement pour que, si vous obteniez cette assistance pour la construction des routes principales, alors vous ne vous préoccuperiez pas tellement de l'entretien des lignes de chemin de fer dans la province?

M. Jones: Au meilleur de ma connaissance, la question n'a pas été discutée.

M. Horner: Jamais?

M. Jones: La question n'a jamais été soulevée.

M. Horner: J'ai été très intéressé par votre déclaration à l'effet que c'est la clientèle qui décidera si ce sera les autobus ou les chemins de fer qui seront employés. Est-ce que le gouvernement de Terre-Neuve est conscient de ce qui s'est passé ailleurs au Canada en ce qui concerne les services voyageurs? Pendant des années et des années, le service a été détérioré délibérément par le CN pour décourager les usagers.

Le président: A l'ordre, s'il vous plaît.

M. Horner: Qu'est-ce qu'il y a, monsieur le pésident?

[*Text*]

The Chairman: I was just calling for silence, Mr. Horner.

Mr. Horner: I said that in my opinion it had been deliberately downgraded by the operation.

An hon. Member: Right.

Mr. Horner: And certainly the CPR or CNR or NAR in Alberta or any other railroad can defend itself. They have all kinds of ability to do that and they can produce all kinds of figures to do that, Mr. Chairman.

I just ask the Newfoundland Government if they are aware—to please the hearts of those who are tender—that it could well be that this could be taking place, that a degrading of services could happen—unintentionally, of course—which would allow, with the implementation of brand-new buses in comparison to old rail coaches, that the buses might be more successful.

Mr. Neary: I do not know how to answer that question, Mr. Chairman. I do not think it requires an answer except to say that I hope the hon. gentleman, while he is in Newfoundland, will have the courage and the daring to include travel on the "Newfie Bullet" on his agenda, so perhaps he can draw his own conclusions.

Mr. Horner: Then you have no fear of one competitive service being neglected and the other polished spic and span in order to entice passengers—one way or the other? You have no fear that this could be handled in that manner?

Mr. Neary: I cannot speak for the CNR.

Mr. Horner: No, no, I want you to speak for yourself and the government, if possible. The government has no fear that this could even happen.

Mr. Neary: No fear that...

Mr. Horner: That one service, it does not matter which one it is, could be neglected and the other could be run as a spic and span affair. In other words, the government has no intention of deciding which is the best.

The Chairman: Order, gentlemen, please.

Mr. Neary: Mr. Chairman, the only way I can answer that question is to say that while we have honourable gentlemen like Mr. Carter and Mr. McGrath in Ottawa, and the CN comes under federal jurisdiction, I am sure these two honourable gentlemen will look after and protect our interests.

[*Interpretation*]

Le président: Je voulais tout simplement u peu de silence, monsieur Horner.

M. Horner: J'ai dit qu'à mon avis, on ava détérioré le service délibérément.

Une voix: C'est vrai.

M. Horner: Et que certainement le CN ou l CP ou le NAR en Alberta pourraient s défendre. Ils ont toutes les capacités voulue pour se défendre. Ils peuvent aussi fourni toutes sortes de chiffres à cette fin.

Mais j'ai simplement demandé si le gouver nement de Terre-Neuve est conscient—pou plaire à ceux qui ont le cœur tendre—que cel pourrait fort bien se produire, qu'une détério ration pourrait se produire sans que ce soi fait par exprès, évidemment, qui permettrai que les autobus aient plus de succès en rem plaçant les vieux wagons.

M. Neary: Je ne sais pas comment répondr à cette question, monsieur le président. Je n crois pas d'abord qu'elle exige une réponse sauf pour dire que, si j'ai bien compris, l'ho norable député, pendant qu'il est à Terre Neuve, aura le courage de voyager par l «Newfie Bullet». Il pourra alors peut-êtr tirer ses propres conclusions.

M. Horner: Et alors? Vous n'avez aucun crainte qu'un service concurrentiel soi négligé au profit d'un autre qui sera amélior pour justement attirer la clientèle. Vous n'ave aucun doute ou aucune crainte que cela s passe de cette façon?

M. Neary: Je ne peux pas parler au nom d CNR.

M. Horner: Non, non, mais je voudrais qu vous parliez en votre propre nom et au nom du gouvernement, si c'est possible, le gouver nement ne craint pas cela du tout.

M. Neary: Ne craint pas...?

M. Horner: Qu'un service, n'importe lequel soit négligé, et que l'autre ait un rendemen vraiment efficace. En d'autres termes, le gouvernement n'a aucunement l'intention de déci der lequel est le meilleur.

Le président: A l'ordre, s'il vous plaît.

M. Neary: Monsieur le président, la seule façon de répondre à cette question c'est que aussi longtemps que nous aurons d'honorables députés comme Messieurs McGrath et Carter à Ottawa, et que le CN relèvera de la compétence fédérale, je suis sûr que ces deux messieurs verront à protéger nos intérêts.

exte]

Mr. Horner: You are a very trusting pro-ncial government.

The Chairman: Order, please. Mr. Trudel a supplementary question.

Mr. Horner: His confidence is well placed.

The Chairman: Order, please.

Mr. Trudel: Mr. Chairman, I would certain-like to compliment the ministers on the nprehensive brief we have before us. wever, I would like to ask them a supple-ntary question with regard to this posed system of roads. Have you at any ne—and I think this should be particularly ected to the Minister of Highways—been touch with the Province of Quebec regard-a joining link to your system that we ve before us, because I think this is part l parcel of a second, if I may call it such, ns-Canada highway system.

Mr. Jones: Mr. Chairman, if the honourable ntleman was asking me if I, as Minister of ghways, have been in touch with Dr. otte, who is Minister of Transportation d Communications, between Newfoundland, brador and Quebec, the answer is no.

Mr. Trudel: Because there is exactly the ne kind of pressure on the other side in ing to join into your system. This is why I ed the question. Thank you, Mr. airman.

The Chairman: Mr. Skoberg.

Mr. Skoberg: Mr. Chairman and gentlemen, h respect to the network of highways that have particularly referred to in your ef, does your highway serve the various mmunities that are now serviced by the rail ilities?

Mr. Jones: Mr. Chairman, there are literal-hundreds of settlements in Newfoundland t are now served by highways that never the railway train. If you would refer to r map, the railway line goes across the vince of Newfoundland from St. John's to t aux Basques through the centre of the nd. There is a branch line which goes to Bonavista Peninsula, there is branch line the Argentia Peninsula and there is a fur-r branch line from Notre Dame Junction to Lewisporte in Green Bay. The great jority of our people live on the Avalon-insula but the balance of our population scattered over a very, very long coastline,

[*Interprétation*]

M. Horner: Vous avez beaucoup confiance au gouvernement provincial.

Le président: A l'ordre, s'il vous plaît. M. Trudel, une autre question.

M. Horner: Sa confiance est bien placée.

Le président: A l'ordre, je vous prie.

M. Trudel: Monsieur le président, je désire féliciter le ministre pour le mémoire qu'il nous a présenté. Je voudrais toutefois poser une autre question aux rédacteurs, relativement au réseau routier envisagé. Est-ce que, à un moment donné, et je vais poser la question directement au ministre de la Voirie, vous avez été en contact avec le gouvernement de la province de Québec pour relier le réseau routier au réseau que vous venez de nous présenter, parce que cela fait partie, disons, d'une deuxième route transcanadienne.

M. Jones: Monsieur le président, si un député me demandait si, en tant que ministre de la Voirie, j'ai été en rapport avec le docteur Lizotte qui est le ministre des Transports et des Communications de la province de Québec au sujet de la route entre le Québec, le Labrador, et Terre-Neuve, à cela, je répondrais non.

M. Trudel: Parce qu'il y a, monsieur le président, les mêmes pressions qui s'exercent de l'autre côté, pour nous relier à votre réseau routier. C'est la raison pour laquelle j'ai posé la question. Merci beaucoup, monsieur le président.

Le président: Monsieur Skoberg.

M. Skoberg: Monsieur le président, messieurs, en ce qui concerne le réseau routier dont vous parlez en particulier dans votre mémoire, est-ce que vos routes desservent les différentes collectivités desservies actuellement par les services ferroviaires?

M. Jones: Monsieur le président, il y a environ des centaines de lotissements à Terre-Neuve qui sont desservis par des routes et qui n'ont jamais connu de services ferroviaires. Si vous vous reportez à votre carte, vous remarquez que la ligne des chemins de fer traverse Terre-Neuve de Saint-Jean à Port aux Basques par le centre de l'île. Il y a une ligne d'embranchement vers la péninsule de Bonavista, une autre vers la péninsule d'Argentia et une autre de la jonction Notre-Dame à Lewisporte dans la Baie Verte. La majorité des gens habitent la péninsule d'Avalon, mais le reste de la population est éparpillé le long de la côte, sur une grande dis-

[*Text*]

and heretofore they depended on the coastal boats for transport.

We in Newfoundland are very proud of our record over the past twenty years of breaking down the isolation at these outports, as they are called, and today there are very few people living in Newfoundland who do not have a road connection of sorts.

Mr. Skoberg: Sir, I believe you will find that many communities are built up along the rail line link and what bothers me, with the proposed elimination of the passenger service, is that these communities will not be serviced.

Mr. Jones: Perhaps I should go back into the history of the railway and the roads in Newfoundland, Mr. Chairman. There are several trunk roads in Newfoundland that were originally built to act as feeder roads from the railway which runs across Newfoundland to these various communities and on the peninsulas. At the present time we have three or four large centres of population on our railway. We have Gander, the crossroads of the world, and we have Deer Lake, which is the centre of power development for Corner Brook and Port aux Basques, as well as Grand Falls. Apart from these places there has been no large scale development of population along our railway track mainly because, I would say, the greater part of its route goes through wilderness and very barren country, and down through the years our people have been basically fishermen and there was no inducement for them to leave in order to settle along the railway. They made their living off the sea.

Mr. Skoberg: Did the government make official representation before the Board of Transport Commissioners of Canada at the time the application for abandonment was before the Board?

Mr. Neary: Not to my knowledge.

Mr. Skoberg: They made no official representation?

Mr. Neary: I do not know.

Mr. Skoberg: Could you obtain the answer to that? I would appreciate knowing.

The Chairman: Order, please. He asked the gentleman a question and I think it is up to him to answer it. Mr. Skoberg, are you finished?

Mr. Skoberg: That is fine. Thank you.

[*Interpretation*]

tance. Autrefois, ils devaient compter pour transport sur le système de cabotage.

Nous sommes fiers des réalisations accor plies à Terre-Neuve au cours des vingt de nières années. C'est que nous avons pu mett fin à l'isolement de ces ports de partanc comme on les appelle. Et, à l'heure actuelle, y a très peu de personnes qui ne sont p reliées par la route.

M. Skoberg: Vous remarquerez, je cro que la plupart des collectivités sont agglom rées le long des voies ferroviaires. Mais, qui m'inquiète, c'est qu'avec le projet de fai disparaître le service voyageurs, ces collect vités ne seront plus desservies par ce servic

M. Jones: Je pourrais peut-être faire u retour en arrière historique des chemins d fer et des routes à Terre-Neuve, monsieur président. Bon nombre des routes principal de Terre-Neuve furent tout d'abord aménagé comme embranchements des chemins de f qui traversent la province, jusqu'à ces diff rentes collectivités, et sur les péninsules. E ce moment, nous avons trois ou quatre grand centres de population sur le parcours du ch min de fer. Il y a Gander, le faubourg d monde, Deer Lake, qui est le centre de dév loppement de Corner Brook, Port aux Ba ques et aussi Grand Falls.

En plus de ces centres, la population n s'est pas développée sur une grande échell le long des voies ferrées. Principalement, e raison du fait qu'une grande partie du pa cours traverse des régions sauvages et l brousse. Notre population a fondamentale ment toujours été une population de pêcheur et elle n'était pas vraiment portée à quitter l mer pour s'établir le long de la voie ferrée.

M. Skoberg: Est-ce que le gouvernement déjà fait des instances à la Commission de transports du Canada, alors que la Commis sion était saisie de la question?

M. Neary: Pas à ma connaissance.

M. Skoberg: Ils n'ont pas fait d'instance qui soient officielles?

M. Neary: Je n'en sais rien.

M. Skoberg: Pourriez-vous en obtenir l réponse? Je l'apprécierais beaucoup.

Le président: A l'ordre, s'il vous plaît. On a posé une question au témoin, et je pense que c'est au témoin à répondre. Monsieur Sko berg, avez-vous terminé?

M. Skoberg: J'ai terminé. Merci.

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The Chairman: Any other questions, gentlen? Mr. Portelance.

Mr. Portelance: According to this map, Mr. ary, there are three main airports in Newndland, St. John's, Gander and Stephenle. Is that right? There is also one at Goose y. Did you consider service between these ports? Would that be of any help to...

Mr. Neary: Yes. I am glad the hon. gentlen raised that point, Mr. Chairman, because e of our recommendations is for additional ding strips in Newfoundland. I think if u refer to Appendix B you will see the ation of new landing strips at Winterland, rbour Breton, Burgeo, Port aux Basques, ringdale, Baie Verte and Flower's Cove. we agree there may be a need in the ure for intercommunity travel by air.

Mr. Portelance: Has any company proached you on that basis? We heard this ek in New Brunswick, for example, that a mmuter or feeder service was offered that ght solve the problem there.

Mr. Neary: Since I became Minister of nsportation for the province I have eived one or two inquiries. I do not know at happened before that, perhaps Mr. rdy could tell us, but I did have one or o inquiries from people who wanted to rate an intercommunity air service on a cemeal basis.

The Chairman: Mr. Nesbitt.

Mr. Nesbitt: My questions are much the ne as those of Mr. Portelance. I just have additional question. Are there any regionarriers, other than Eastern Provincial Airys, (1963) Limited that presently provide r services in either Newfoundland or rador?

Mr. Neary: From the mainland side there is ebecair and one or two others. I do not member their names. There are none from wfoundland or Labrador.

Mr. Nesbitt: Are there any carriers other n Eastern Provincial that operate within principal part of Newfoundland—in other rds, the island.

Mr. Neary: Just air carriers for the purpose carrying mail, and that sort of thing.

[*Interprétation*]

Le président: Messieurs, avez-vous d'autres questions à poser? Monsieur Portelance.

M. Portelance: Monsieur le président, suivant cette carte, il y a trois aéroports principaux à Terre-Neuve, Saint-Jean, Gander et Stephenville. Est-ce juste? Et aussi un autre à Goose Bay. Avez-vous songé à inaugurer un service entre ces aéroports? Est-ce que cela pourrait aider ..

M. Neary: Oui. Je suis heureux que l'honorable député soulève cette question, monsieur le président, parce que dans les recommandations que nous avons formulées, nous demandons d'autres pistes d'atterrissage à Terre-Neuve. Et, je pense que si vous voulez vous reporter à l'Appendice B vous verrez l'emplacement des nouvelles pistes d'atterrissage: Winterland, Harbour Breton, Burgeo, Port-aux-Basques, Springdale, Baie Verte, et Flower's Cove. Donc, il se peut que le besoin se fasse sentir à l'avenir de voyager d'une ville à l'autre par avion.

M. Portelance: Y a-t-il des sociétés qui ont déjà fait des instances à cet égard? Cette semaine, au Nouveau-Brunswick, par exemple, nous avons entendu dire qu'on a offert un service d'abonné ou d'embranchement qui pourrait résoudre le problème.

M. Neary: Depuis que je suis ministre des Transports de la province, j'ai reçu une ou deux demandes. Je ne sais pas au juste, ce qui s'est passé avant mais monsieur Vardy pourrait peut-être nous le dire, mais j'ai reçu une ou deux demandes de personnes qui désiraient exploiter un service aérien interurbain suivant la demande.

Le président: Monsieur Nesbitt.

M. Nesbitt: Ma question est à peu près analogue à celle de monsieur Portelance. J'aurais une autre question à poser. Est-ce qu'il y a des transporteurs régionaux autres que «Eastern Provincial Airways» (1963) Limited qui, en ce moment, assurent des services, soit à Terre-Neuve soit au Labrador?

M. Neary: Du continent, il y a Quebecair et un ou deux autres dont j'oublie les noms. Ils ne viennent pas de Terre-Neuve, ni du Labrador.

M. Nesbitt: Est-ce qu'il y a d'autres transporteurs à part *«Eastern Provincial»* qui exploitent un service dans la partie principale de Terre-Neuve? En d'autres mots, l'île.

M. Neary: Simplement des transporteurs qui transportent du courrier et ce genre de choses.

[*Text*]

Mr. Nesbitt: They are called third-line carriers.

Mr. Neary: That is right.

Mr. Nesbitt: But there is no other regional one like Eastern Provincial.

Mr. Neary: No, there is not. That is correct.

Mr. Nesbitt: You perhaps look forward to the expansion of this service, as you indicated to Mr. Portelance.

Mr. Neary: Yes.

The Chairman: Mr. Nowlan.

Mr. Nowlan: Mr. Chairman, I have a question to ask Mr. Neary which is along the lines of Mr. Skoberg's questions about the abandonment of the railway in favour of the Trans-Canada Highway. I appreciate, as I think Mr. Jones mentioned, that the major centres of population were on the railway line but is it not correct that there are settlements that are based along the railway that with the elimination of the railway now have no access to the Trans-Canada Highway?

Mr. Neary: I guess it would be fair to say that there are probably some.

Mr. Nowlan: Without going into all the pros and cons of roads versus rail, I agree with what Mr. Rose said, that your brief is as interesting for what it left out as for what it included, but since roads were mentioned I am surprised, because this was a national undertaking and the Canadian National Railways were involved, that regardless of what the government feels about rail versus bus travel and patronage by the public, which Mr. Neary referred to, that some effort has not been made to try to get federal assistance for those settlements that depend on rail for access to join with the Trans-Canada Highway which almost parallels a good part of the railway, as the map shows.

Mr. Neary: I think you will find that we are doing that very thing and probably the Minister of Highways can verify this.

Mr. Nowlan: But as a priority?

Mr. Jones: Mr. Chairman, I am trying to think of any community in Newfoundland at

[*Interpretation*]

M. Nesbitt: On les appelle transporteurs troisième ligne?

M. Neary: C'est juste.

M. Nesbitt: Mais il n'y a pas d'autres tran porteurs régionaux qui soient semblables à «Eastern Provincial».

M. Neary: Non, c'est juste.

M. Nesbitt: J'imagine que vous attend peut-être avec impatience l'expansion de service, comme vous l'avez indiqué à mo sieur Portelance?

M. Neary: Oui.

Le président: Monsieur Nowlan.

M. Nowlan: Monsieur le président, je vou drais poser une question à M. Neary dans l ligne de pensée de la question de M. Skober au sujet de l'abandon du service ferroviair en faveur de la route transcanadienne. Je m rends compte, et je pense que M. Jones l mentionné, que les principaux centres d population existaient le long de la voie ferré mais n'est-il pas juste de dire qu'il y a de établissements le long de la voie ferrée qu avec la disparition de ce service, n'ont plu accès à la route transcanadienne?

M. Neary: Oui, ce serait juste de dire qu' y en a probablement quelques-uns.

M. Nowlan: Sans tenir compte du pour e du contre des routes à comparer au rail, j me joins aux propos de M. Rose voulan que votre mémoire est intéressant autan pour ce qui n'est pas dit que pour ce qu y est présenté. Mais, étant donné que l'o a mentionné les routes, je suis étonné du fai qu'il s'agissait d'une entreprise d'envergur nationale et que les chemins de fer Nationau du Canada y étaient impliqués et qu'en dépi de ce que le gouvernement pensait du pro blème qui oppose les voyages par chemin d fer et par autobus, et du fait qu'il soi patronné par le public auquel M. Neary nou a référé, des efforts n'aient pas été faits pou obtenir l'aide fédérale pour ces établisse ments qui dépendaient du service ferroviair pour avoir accès et pour être reliés à la rout transcanadienne qui est en grande partie pa rallèle à la voie ferrée, comme l'indique l carte.

M. Neary: Je crois que vous trouverez que nous le faisons, et le ministre de la Voirie pourra le vérifier.

M. Nowlan: En tant que priorité?

M. Jones: Monsieur le président, j'essaie de penser à une collectivité de Terre-Neuve qui

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present time that is connected with the way that cannot be connected with the hway and, quite frankly, there are two t come readily to mind. One is Winterton ction, where we completed a road a little r a year ago. Another is Howley, where have a road and bridge under struction.

Ir. Nowlan: To my mind the Minister has wered part of the question, that two comnities that were not connected...

Ir. Jones: These are two, Mr. Chairman, come readily to mind. There may be er isolated cases that I just cannot think of he moment.

Ir. Nowlan: But obviously there is not a concentration of people that they come ily to mind. Is it fair to say that?

Ir. Jones: These are two relatively small munities.

Ir. Nowlan: But other than that, any conration of people does have a connection the Trans-Canada Highway. That anrs that part of...

Ir. Jones: From Cape Norman to Cape e.

Ir. Nowlan: That answers that part of my stion. I was interested in what the Minishad to say about plans involving roads, rail air. In regard to the latter, Mr. Chairn, I wonder if any consideration has been n by the government to a study on the ibility of helicopter service in Newfoundl in order to get speedy pick-up and deliv of freight and/or people. Has there been study of the feasibility of this? Good ious, if they can fight a war in Viet Nam move whole divisions in hours, I think are way behind the boat in the Atlantic in not at least trying to study the feasiy of our isolated areas being covered by a copter service. Has any thought been n to that?

r. Neary: There has not been a feasibility y as such, but we do use helicopters nsively in Newfoundland for the move t of freight and people, particularly in rgencies.

r. Nowlan: I only caught the tail end of ut this morning on the radio—evidently er one of the ferry services or the coastal ices are being phased out—some gentle was protesting the abruptness of the e. Perhaps in some ways outports are like settlements in Viet Nam, and there has not

[*Interprétation*]

est présentement à la voie ferrée qui ne peut pas être rattachée à la route transcanadienne, et, à vrai dire, deux me sont aussitôt venues à l'esprit, soit Winterton Junction, où il y a à peine un peu plus d'un an nous avons terminé une route. L'autre, c'est Howley où il y a une route et un pont en construction.

M. Nowlan: D'après moi, le ministre n'a répondu qu'à une partie de ma question. Les deux collectivités qui n'étaient pas reliées...

M. Jones: Ce sont les deux qui me viennent à l'esprit. Il se peut qu'il y ait d'autres cas isolés auxquels je ne puis songer en ce moment.

M. Nowlan: Mais il n'y a évidemment pas une telle concentration de gens qui viennent tout de suite à l'esprit.

M. Jones: Ce sont deux collectivités assez petites.

M. Nowlan: Et, en plus de cela, toute concentration démographique est rattachée à la route transcanadienne. Ceci répond à cette partie..

M. Jones: De Cape Norman à Cape Race.

M. Nowlan: Ceci répond à cette partie de ma question. Je suis intéressé à ce que le ministre voulait dire tantôt au sujet des projets relatifs aux routes, aux chemins de fer et l'air. Pour ce qui est de ce dernier service, monsieur le président, est-ce que le gouvernement a songé à faire une étude sur la possibilité d'offrir un service hélicoptère à Terre-Neuve, capable d'assurer le transport rapide des personnes et des marchandises? Est-ce qu'on a étudié cette possibilité? Bonté divine! Quand on pense qu'ils peuvent, pendant la guerre au Vietnam, déplacer des divisions entières en quelques heures, je crois que nous, dans la région Atlantique, nous sommes loin derrière en n'essayant pas d'étudier la possibilité doffrir un service hélicoptère dans ces coins isolés. Y a-t-on songé?

M. Neary: On n'a pas fait une telle étude, mais nous utilisons beaucoup les services hélicoptères pour le transport des personnes et des marchandises, surtout en cas d'urgence.

M. Nowlan: Ce matin, à la radio, je n'ai entendu que la fin du bulletin de nouvelles, mais il semble bien qu'un des services de transbordeurs ou des services côtiers disparaîtraient peu à peu. Quelqu'un protestait à la radio contre la rapidité de ce changement. D'une certaine manière, les ports de partance

[*Text*]

been a feasibility study made to try to give freight and passenger service to replace the declining coastal service. The coastal service is declining, is it not?

Mr. Jones: Is the hon. gentleman suggesting we study the feasibility of helicopters in preference to an upgrading of our truck road system, Mr. Chairman?

Mr. Nowlan: I am not suggesting it in preference, I am suggesting as a beginning a study on the feasibility of using helicopters. I suggest that the expenditure of $500 million in Newfoundland and $850 million in Nova Scotia, two of the Atlantic provinces that had come forward at this Committee with a brief primarily on railroads, involves over a billion dollars. Is that feasible to a federal taxpayer when we do not even start to explore other modes of transportation? Frankly, I feel that perhaps the Atlantic premiers and the Atlantic governments have been a little slow in co-ordinating efforts in transportation and in exploring different modes of transportation. Perhaps the rail is going. Perhaps the steamship is going. What is the alternative? Someone mentioned the jumbo jet. That is too sophisticated. I do not suppose Newfoundland jumbo jets would be too well patronized by the public, but perhaps a helicopter service run by the government might be the answer.

Mr. Jones: Mr. Chairman, if I may again quote from the brief to answer the hon. gentleman's question. We agree that we must get the best value for the tax dollar, and this is what we say in the brief:

> The present trend towards resettlement in Newfoundland will continue with the movement of population to growth areas in response to the economic and social attractions of such. Concentration must be on the provision of firm links—road, rail, water and air—between these centres.
>
> This will mean the most economical use of the tax dollar in meeting the principal needs of both the businessman and the individual citizen throughout the province.

So I think you are thinking along the same lines as we were when we wrote this in the brief.

[*Interpretation*]

sont comme des établissements du Vietna mais il n'y a pas eu d'étude faite pour essay d'offrir un service-voyageurs ou de messag ries pour remplacer le service côtier qui din nue, n'est-ce pas?

M. Jones: Est-ce que vous proposez q nous étudiions la possibilité d'utiliser les hé coptères plutôt que de promouvoir le systèn de routes principales, monsieur le président?

M. Nowlan: Je ne parle pas de préférenc Mais je propose tout d'abord, que l'on fas une étude sur la possibilité d'utiliser des hé coptères. Disons que 500 millions de dollars Terre-Neuve et 850 millions de dollars à Nouvelle-Écosse, deux des provinces de l'A lantique qui sont venues devant ce Comit dont le mémoire basé principalement sur l chemins de fer implique plus d'un milliard dollars. Est-ce possible pour le contribuab canadien quand on ne commence pas p chercher à connaître les autres modes transport? Mais, je suis d'avis que les gouve nements de l'Atlantique, de même que leu premier ministre, n'ont peut-être pas a assez rapidement pour coordonner leu efforts dans le domaine du service du tran port, pour voir les possibilités des différen modes de transport. Le rail disparaît peu être, de même que le navire à vapeur! Quel en est la solution?

Quelqu'un a parlé de jet jumbo. C'est u peu trop exagéré mais je ne crois pas que public de Terre-Neuve approuvera ces je jumbo mais un service hélicoptère assuré p le gouvernement serait peut-être la réponse nos problèmes.

M. Jones: Eh bien, monsieur le présiden permettez-moi encore une fois de citer l mémoire pour répondre à la question d l'honorable député. Nous convenons qu'il nou faut donner le plus de valeur au dollar d contribuable. Nous disons, dans le mémoir que:

> La tendance actuelle vers le re-lotisse ment de Terre-Neuve se poursuivra ave le déplacement de la population vers le centres de croissance à la suite de attraits économiques et sociaux comm tels. La concentration doit se faire e vertu d'un lien ferme entre le sol, la terre l'eau et l'air, entre ces différents centres Ce qui entraîne l'utilisation la plus écono mique du dollar des contribuables et ré pond mieux aux besoins de l'homm d'affaires et des citoyens de la province.

Donc, je pense que votre ligne de pensée est à peu près la même que la nôtre qui a rég la rédaction de ce mémoire.

exte]

Mr. Nowlan: Your comment, Mr. Neary, m your definition of government policy to defined by patronage by the public, which really do not think is what you really ant, but you stated it, that certainly in the d program of $500 millions of dollars you not be following any great patronage by public in the development of that system, t the government has taken some leader- o and is developing the roads. I do not nk the government can always rely on ronage by the public to define its policy, t is all. Can you show us any interest by public to back up the road program pre- ted by the Minister?

Mr. Neary: Well, we do, Mr. Chairman. We bably are following in Mr. Trudeau's foot- os because we are setting the patterns of ticipatory democracy right across Canada l we...

Mr. Nowlan: What participatory democracy e you had in the 500 millions of dollars oads built in the exterior?

Mr. Neary: We do a tremendous amount of earch and polling of industries in com- nities to find out the movement of people so forth. As the Minister, Mr. Jones, nted out, priority should be given our th roads program because we already have e roads but they have to be brought up to ndards.

he Chairman: A supplementary question, Horner.

Mr. Horner: Mr. Neary, I wonder if you e got before you your brief of March 7, 3. On page 511, at the right-hand corner say,

> ...There is no doubt that over the years the Canadian National Railway has followed a policy of gradually withdrawing services when and where a road link was provided.

u go on to suggest that this has been a t saving to the federal government and dded burden to the provinces. You do not gest there in any way that there has been participatory democracy on behalf of the ple. You acknowledge the fact that the adian railroad has followed a policy of dually withdrawing its services.

his Committee has just toured the Mari- es, and we have found that the people e believe that the Maritime Freight Rates

[*Interprétation*]

M. Nowlan: Monsieur Neary, d'après la définition que vous donnez de la ligne de conduite du gouvernement, qui devrait être définie par le patronage du public, qui, je ne crois pas vraiment que ce soit ce que vous vouliez dire, mais, vous avez dit, qu'avec un programme de routes de 500 millions de dollars, vous ne pouvez pas compter sur un grand encouragement du public, et le gouvernement a pris certaines initiatives et est en train d'aménager des routes. Je ne crois pas que le gouvernement puisse toujours compter sur l'encouragement du public pour définir sa politique, c'est tout. Est-ce que vous pouvez nous montrer que le public est intéressé à appuyer le programme présenté par le ministre.

M. Neary: C'est ce que nous faisons, monsieur le président. Nous suivons sans doute les traces de monsieur Trudeau, car nous instaurons les modèles d'une démocratie de participation à travers le pays et nous . . .

M. Nowlan: Alors, quelle démocratie de participation aviez-vous eue dans ce programme de 500 millions de dollars destiné à l'aménagement de routes à l'extérieur?

M. Neary: Nous faisons beaucoup de recherches auprès des industries dans les collectivités pour étudier le mouvement de la population et ainsi de suite. Et comme monsieur Jones l'a signalé, on devrait accorder la priorité au programme de routes principales du sud: les routes sont déjà là, mais elles doivent être améliorées pour répondre à la norme.

Le président: Question complémentaire? Monsieur Horner?

M. Horner: Une question complémentaire. Monsieur Neary, est-ce que vous avez devant vous votre mémoire daté du 7 mars 1968? A la page 511, à droite, vous dites:

> Il ne fait pas de doute qu'avec le temps, le National-Canadien a suivi une politique consistant graduellement à retirer les services lorsqu'un tronçon routier était aménagé.

Ensuite, vous dites que cela a entraîné des épargnes considérables au gouvernement fédéral, mais un fardeau financier supplémentaire pour les provinces. Vous ne dites pas du tout en aucune manière qu'il y a démocratie de participation au nom de la population. Vous reconnaissez le fait que les chemins de fer canadiens ont suivi une ligne de conduite visant à retirer à peu ces services.

Ce comité vient de visiter les Maritimes et nous avons trouvé que les gens croient que la Loi sur le taux de transport des marchan-

[*Text*]

Act is part of their agreement in Confederation. I think that this Committee should really know, and I do not want to put you on the spot, or Mr. Jones, the Minister of Highways, in any way, but I think the Committee should really know if the Newfoundland Government believes that it is part of their agreement into Confederation that the rail lines or service on the rail lines should be maintained in Newfoundland. I say this, Mr. Neary, and perhaps I should say that I am from the Prairie Provinces, and we have a lot to say in many ways because we have the distances, and we believe out there that the Crows Nest Pass rates—maybe you have never heard of them—are part of our agreement into Confederation. I think this is a very important point for the Committee to know.

Mr. Neary: I presume that the CNR knows what it is doing, they probably have the best legal advice in Canada.

Mr. Horner: I have read the briefs, and one of them states categorically that the cost of living in Newfoundland is 35 per cent higher than anywhere else in Canada, and it goes on to suggest that transportation plays a part in increasing that cost. I have read what Mr. Hickman, your Minister of Justice, had to say on this question on page 10 of a ruling by the Board of Transport Commissioners, and I would really like to know the Newfoundland Government's position. Do they believe that this is part of their Confederation agreement?

Mr. Neary: I doubt it very much. But remember that neither the Newfoundland Government or anybody else in this world can obstruct progress.

Mr. Horner: Oh, we agree.

Mr. Neary: We have stated in our brief to this Committee, for instance, that the extension of the arterial highway system as recommended in our Appendix "A" will eliminate the need for much of the present coastal shipping service operated at a loss by the Canadian National Railways, but it will not eliminate the need for ferry facilities in areas not reached by the trunk road system. Therefore, a provision must be made for such service on at least a temporary basis until such communities have been taken out of isolation by the provision of future road tributaries.

[*Interpretation*]

dises dans les provinces Maritimes est ur partie intégrante de la Constitution. Je pens que le Comité devrait vraiment le savoir, je ne veux pas disons vous mettre dans difficulté, vous ou monsieur Jones, ministr de la Voirie, mais je pense que le Comi devrait vraiment savoir si le gouvernemer de Terre-Neuve croit d'une façon ou d'un autre que cela faisait partie de l'entente cor clue pour se joindre à la Confédération, so que les lignes ferroviaires ou que les service ferroviaires soient maintenus à Terre-Neuve Je fais ces observations, monsieur Neary, peut-être devrais-je ajouter que je viens de provinces des Prairies, et nous pouvons dir beaucoup de choses parce que nous avons l distance et nous croyons que les taux du pas sage du Nid-de-Corbeau, peut-être n'en a vez-vous jamais entendu parler, cela consti tuait une condition de notre entrée dans l Confédération. Je crois qu'il est très importar que le Comité sache ce qu'il en est.

M. Neary: Je présume que la compagnie de chemins de fer Nationaux du Canada sait c qu'elle fait; ils ont sans doute recours au meilleurs conseillers juridiques au Canada.

M. Horner: J'ai lu les mémoires et l'u d'eux souligne énergiquement que le coût d la vie à Terre-Neuve est 35 p. 100 plus élev que nulle part ailleurs au Canada, et plu loin, il laisse entendre que le transport contri bue à augmenter ce coût. J'ai lu ce que mon sieur Hickman, votre ministre de la Justice dit à la page 10, au sujet d'une décision de l Commission des transports du Canada, et j voudrais donc connaître la position du gou vernement de Terre-Neuve. Croient-ils vrai ment que cela faisait partie de leur entent pour se joindre à la Confédération?

M. Neary: J'en doute fort. Mais, n'oublie pas que ni le gouvernement de Terre-Neuv ni personne d'autre ne peut faire obstacle au progrès dans le monde.

M. Horner: Je suis d'accord.

M. Neary: Nous avons déclaré dans notre mémoire présenté à ce Comité, par exemple que le prolongement du réseau artériel de routes, telle que recommandé dans l'appendice «A» éliminera la nécessité du service actuel de cabotage, exploité à perte par le CN en ce moment, mais cela n'enlèvera pas la nécessité d'avoir un service de transbordeurs dans les centres qui ne sont pas reliés par le réseau de routes principales. Il faut donc voir à ce qu'un tel service au moins temporairement jusqu'à ce que ces collectivités ne soient plus isolées par la construction de routes tributaires.

[Texte]

Mr. Horner: Yes, but you acknowledge at e top of page 11 that it is a transfer of oney that the federal government is saving ith the discontinuance of railway services, d it is costing the province. All I am saying that perhaps you could assist progress by orking towards a standardization of your affic in order to haul your vast timber sources to pulp mills, and so on.

Mr. Neary: We do have a section in here aling with rail, Mr. Chairman. I thought I ad it for the benefit of the Committee.

Mr. Horner: Yes, I have got that right fore me.

The Chairman: Mr. Allmand.

Mr. Allmand: Mr. Neary, there seems to ve been in the questioning some confusion th respect to railways, in that people are tting into one group both passenger and eight services. Have you had any complaints out downgrading of freight service, or do u know of any movement by the CNR to thdraw any freight services.

Mr. Neary: No. In all fairness to the CNR, I nk the freight service to Newfoundland has mendously improved in the last year or o and this has been the result of recomndations by the Provincial Government, by e Boards of Trade and Chambers of Comrce, and business people generally, and I nk the service has been upgraded, if ything.

Mr. Allmand: Do you think the railway eight service in Newfoundland is essential the economy of Newfoundland?

Mr. Neary: Yes, it is.

Mr. Nowlan: What is the position of Newndland on the freeze on the LCL rates ich expire on March 23, 1969?

Mr. Neary: Our official position is that—d I think probably the Premier of New unswick made that clear recently—the sition of the four Atlantic Provinces is that freight rates freeze continue.

The Chairman: Mr. Thomas.

Mr. Thomas (Moncton): Mr. Chairman, in ding the judgment on the application of

[*Interprétation*]

M. Horner: Vous reconnaissez, en haut de la page 11, qu'il s'agit là d'un transfert d'argent en réalité, que le gouvernement fédéral fait des épargnes en discontinuant les services ferroviaires pendant que la province débourse de l'argent. Tout ce que je dis, c'est que peut-être vous pourriez aider au progrès en travaillant à une normalisation de notre trafic, de façon à transporter tout votre bois vers les fabriques de pâte à papier, et ainsi de suite.

M. Neary: Il y a une partie de notre mémoire qui traite du rail, monsieur le président. J'ai cru que je le lisais pour le bénéfice du comité.

M. Horner: Oui, je l'ai devant moi.

Le président: Monsieur Allmand.

M. Allmand: Monsieur Neary, il semble y avoir eu, au cours de la période de questions, une certaine confusion en ce qui concerne les chemins de fer, je pense qu'on met dans un même bloc le service voyageurs et le service de transport des marchandises. Est-ce que vous avez eu des griefs quant au déclassement du service de marchandises ou savez-vous si le CN manifeste l'intention de supprimer les services de marchandises?

M. Neary: Non, en toute justice pour le CN, je pense que le service de transport des marchandises vers Terre-Neuve s'est amélioré considérablement au cours de la dernière ou des deux dernières années, à la suite des recommandations formulées par le gouvernement provincial, par le ministère du Commerce, les chambres de commerce et les hommes d'affaires; dans l'ensemble, je pense que le service a été au moins amélioré.

M. Allmand: Croyez-vous que le service-marchandises par chemins de fer à Terre-Neuve est essentiel pour l'économie de Terre-Neuve?

M. Neary: Oui, c'est essentiel.

M. Nowlan: Quelle est la position de Terre-Neuve sur le gel du tarif par chargements incomplets qui doit prendre fin le 23 mars de cette année?

M. Neary: Notre ligne de conduite officielle est la suivante et je crois que le premier ministre du Nouveau-Brunswick l'a clairement établi récemment, que les quatre provinces de l'Atlantique ont décidé de maintenir le gel du tarif marchandises.

Le président: Monsieur Thomas?

M. Thomas (Moncton): Monsieur le président, à la lecture du jugement rendu sur la

[*Text*]

the Canadian National Railways for permission to discontinue passenger train service between St. John's and Port-aux-Basques, I note that the Hon. T. A. Hickman, Minister of Justice, appeared on behalf of the Government of Newfoundland, and at that time he stated:

> . .that a trial period should be considered to prove that a bus service could be, not only equal, but superior to the present train service.

At that time he suggested that this trial period should extend until the fall of 1970. He said this would afford us the proper time to gain knowledge of whether the alternative service would be as good as the rail service. I would like to ask either of these gentlemen, is this still the considered opinion of the Newfoundland Government that in order to get a proper assessment of this, the service should run until 1970? Or are they satisfied now that there has been sufficient trial bus service that they are prepared to accept this as an alternative service to the passenger service?

Mr. Neary: To my knowledge, the Government of Newfoundland has not altered its position from that brief that Mr. Hickman presented.

Mr. Thomas (Moncton): As you know, there is provision for application if the parties are not satisfied that the alternative service is satisfactory. If they apply before the expiry date of April 15, the Commission will reconsider their decision. Is it then the intention of the Government of Newfoundland to apply for a further extension of passenger services until the fall of 1970? As you say, your position has not changed.

Mr. Neary: I am afraid I cannot answer that question.

Mr. Thomas (Moncton): Do you mean that the Province of Newfoundland—you do not know whether they intend to appeal or not?

Mr. Neary: Do you mean if the recommendations of this decision by Mr. Hickman are not followed to the letter, will we appeal?

Mr. Thomas (Moncton): As you know, the judgment states that the CNR may discontinue service on April 15, but there is provision for an appeal. Both parties can appeal if the alternative service is not satisfactory. You state that the Government of Newfoundland still feels that a satisfactory trial could not be

[*Interpretation*]

demande des chemins de fer Nationaux Canada en vue d'obtenir l'autorisation de d continuer le service voyageurs entre Sai Jean et Port-aux-Basques, je remarque q l'honorable T. A. Hickman, ministre de Justice, témoigna au nom du gouverneme de Terre-Neuve, et qu'il a alors, déclaré:

> On devrait songer à un service d'ess pour montrer que le service par autob peut être égal et même supérieur au s vice ferroviaire actuel.

Il a alors proposé que la période d'essai prolonge jusqu'à l'automne de 1970. Il a que cela nous donnerait suffisamment temps pour savoir si l'autre service ser aussi bon que le service ferroviaire. Je vo drais demander à l'un ou l'autre des témoi si le gouvernement de Terre-Neuve est t jours d'avis que pour avoir une excelle évaluation, le service devrait être en vigue jusqu'en 1970. Ou est-ce qu'ils sont conva cus maintenant, qu'il y a eu suffisamme d'essais de service d'autobus qu'ils sont pr de l'accepter comme service alternatif ou s vice voyageurs?

M. Neary: A mon avis, le gouvernement Terre-Neuve n'a pas modifié sa ligne de co duite à la suite du mémoire présenté p monsieur Hickman.

M. Thomas (Moncton): Comme vous savez, on prévoit la possibilité de faire u demande si les parties en cause ne sont p convaincues que l'autre service était satisfa sant. Avant la date d'expiration, soit le avril, la Commission étudiera à nouveau le décision. Est-ce que le gouvernement Terre-Neuve a l'intention de demander autre prolongement du service voyage jusqu'à l'automne 1970? Comme vous dit votre ligne de conduite n'a pas changé.

M. Neary: Je crains fort de ne pouv répondre à cette question.

M. Thomas (Moncton): Voulez-vous di que la province de Terre-Neuve... vous savez pas s'ils ont l'intention de présenter appel ou non?

M. Neary: Voulez-vous dire que si l recommandations de la décision de monsie Hickman ne sont pas suivies à la lettre, vo présenterez un appel?

M. Thomas (Moncton): Vous savez que p le jugement, la compagnie des chemins de f Nationaux du Canada peut discontinuer service le 15 avril, mais il y a une dispositi prévoyant un appel. Les deux parties peuve déposer un appel si le service proposé n'e pas satisfaisant. Vous déclarez que le gouve

exte]

npleted until the fall of 1970. You say this still the position of the Government of wfoundland. In view of this, has the gov-ment considered application to request the ension of services until the fall of 1970?

Mr. Neary: I cannot answer that.

Mr. Thomas (Moncton): Who would this peal go to?

Mr. Neary: Are you asking me the estion?

Mr. Thomas (Moncton): As I understand it, parties are not satisfied with this alterna-e service there is provision made that they appeal to the CTC to reconsider their igement. I am just asking if the Province Newfoundland is making an appeal.

Mr. Neary: I cannot answer your question.

Mr. Turner (London-East): If the rail sys-n was updated, what would your cost of hway construction be?

Mr. Neary: It would be exactly the same as lined in the brief.

Mr. Turner (London-East): Five hundred llion?

Mr. Neary: I do not know if it is that much. s roughly a little less than $400 million.

Mr. Turner (London-East): And what would cost to update the road, or have you ever ard of a figure of the cost involved?

Mr. Neary: To update it to standard gauge lway? The figure is absolutely fantastic. I ve heard it, but I do not remember exactly at it is. It is outrageous.

Mr. Turner (London-East): What would the gth of the Belle Isle tunnel be?

Mr. Jones: It would depend on where it s built. The Strait of Belle Isle varies in dth, I would say, from 9 miles up to about Probably with landings on either side it uld be about a 20-mile tunnel.

Mr. Turner (London-East): What would it t?

Mr. Jones: I have no idea.

[*Interprétation*]

nement de Terre-Neuve est toujours d'avis qu'une période d'essai satisfaisante ne pourrait être terminée avant l'automne 1970, et que c'est toujours la position adoptée par le gouvernement de Terre-Neuve. Vu cet état de choses, est-ce que le gouvernement a songé à demander le prolongement du service jusqu'à l'automne 1970?

M. Neary: Je ne peux répondre à votre question.

M. Thomas (Moncton): A qui serait présenté cet appel?

M. Neary: Est-ce que vous me posez la question?

M. Thomas (Moncton): Si je comprends bien, si les parties en cause ne sont pas satisfaites de cet autre service, elles peuvent présenter une demande à la CCT pour revenir sur leur décision. Je demande simplement si la province de Terre-Neuve a présenté un appel.

M. Neary: Je ne puis répondre à votre question.

M. Turner (London-Est): Monsieur le ministre, si le service ferroviaire était modernisé, quel serait le coût d'aménagement des routes?

M. Neary: Ce serait exactement le même que celui qui a été présenté dans le mémoire.

M. Turner (London-Est): 500 millions de dollars?

M. Neary: Je ne sais pas si c'est autant. Environ, un peu moins de 400 millions de dollars.

M. Turner (London-Est): Qu'est-ce qu'il vous en coûterait pour améliorer les routes? Vous en a-t-on déjà parlé?

M. Neary: Pour avoir un écartement normal de la voie ferrée? Le chiffre est absolument fantastique. Je l'ai déjà entendu, mais je ne m'en souviens pas exactement. C'est un chiffre énorme.

M. Turner (London-Est): Quel serait la longueur du tunnel Belle Isle?

M. Jones: Tout dépendrait de son emplacement. Disons que le détroit de Belle Isle varie en largeur; entre 9 et 14 milles. Peut-être qu'avec les voies d'accès des deux côtés, de part et d'autre, le tunnel mesurerait environ 20 milles.

M. Turner (London-Est): Qu'est-ce qu'il en coûterait?

M. Jones: Je n'en ai pas la moindre idée.

[*Text*]

The Chairman: Mr. Perrault.

Mr. Perrault: Mr. Chairman, there have been a number of statements made today, and I would like to clarify my thinking on one or two points. I was pleased to hear that the CN freight service is improving on the Island. I think we are all encouraged by that announcement.

Mr. Neary: I am sure the CN will be encouraged too because it is not every day they get a pat on the back, you know.

Mr. Perrault: Yes, that is right. First, I would like to ask the Minister, have you had any complaints about the present quality of passenger service on, first of all, the CN buses, and secondly, the CN trains? And if so, what is the nature of the complaints? And second, has there been any marked deterioration in the train passenger service? Does there seem to be any downgrading in that service?

Mr. Neary: First of all, I doubt very much if the complaints regarding the CNR would come to the provincial government. But to answer your question more specifically, in my capacity as Minister of Transportation I have not received any complaints about either the bus service or the passenger service on the trains, and I have no knowledge of the passenger train service being downgraded. It might very well be, but I have no knowledge of it.

Mr. Perrault: That was my question, whether you had direct knowledge of it. So that is a fair answer.

Is it the view of the Minister that he envisages transportation development in Newfoundland in three ways over the years to come: continuation of CN train service primarily perhaps in the area of transporting freight rather than passenger service? But I understand the citizens are going to determine which service they like the best. Is that correct?

Mr. Neary: That is correct.

Mr. Perrault: And second, the development of roads to assist economic development, and in this you would like to see more federal assistance, which seems to make sense. And third, the development of air services.

Mr. Chairman, we have had very little reference to trucking today, and I wonder if trucking is a very large factor in the transportation picture in Newfoundland? Not a great deal of time has been spent this morning on the subject.

[*Interpretation*]

Le président: Monsieur Perrault?

M. Perrault: Monsieur le président, on a fait aujourd'hui un certain nombre de déclarations et je voudrais simplement préciser ma ligne de pensée sur un point ou deux.

J'ai été heureux de voir que le service de transport des marchandises du CN s'améliore sur l'île, et je crois que nous sommes tous encouragés par cette nouvelle.

M. Neary: Je suis certain que le CN sera encouragé également parce que ce n'est pas tous les jours qu'ils sont félicités.

M. Perrault: C'est juste. Je voudrais tout d'abord demander au ministre s'il a entendu des plaintes contre la qualité du service voyageurs premièrement à bord des autobus du CN et, deuxièmement, à bord des trains du CN? Dans le cas de l'affirmative, quelles sont ces plaintes? Ensuite, y a-t-il eu une diminution sensible de la qualité du service voyageurs par trains? Est-ce qu'il semble vraiment y avoir un déclassement de ce service?

M. Neary: Je doute fort que les plaintes relatives au CN seraient adressées au gouvernement provincial. Mais, pour répondre à votre question de façon plus précise, en tant que ministre des Transports, je n'ai pas reçu de telles plaintes formulées contre le service voyageurs à bord des autobus ou des trains et, je ne sais pas si le service voyageurs du train a diminué de qualité. Il se peut que cela se soit produit, mais je n'en ai pas été saisi.

M. Perrault: C'est exactement ce que je voulais savoir: si vous en aviez été saisi.

Le ministre envisage-t-il une amélioration future des transports à Terre-Neuve, de trois manières: par le maintien du service ferroviaire du CN, peut-être en premier lieu celui du transport des marchandises que celui du service voyageurs? Mais si je comprends bien, ce sont les citoyens qui vont déterminer le service qu'ils préfèrent. Est-ce juste?

M. Neary: C'est juste.

M. Perrault: Deuxièmement, l'aménagement de routes pour aider au développement économique et à ce propos, vous aimeriez bénéficer un peu plus de l'aide fédérale. Et troisièmement; l'expansion des services aériens. Monsieur le président, on a très peu parlé du service de camionnage aujourd'hui et je me demande si le camionnage occupe une place importante dans le domaine du transport à Terre-Neuve. On en a très peu parlé ce matin.

Texte]

Mr. Neary: I guess you could blame that on ıe, but when we are talking about roads, bviously...

Mr. Perrault: Yes, I understand. You can- ot put everything in a brief.

Mr. Neary: It is not necessary to spell it ut, but that is one of the prime reasons why 'e are building these roads.

Mr. Perrault: Would you like to see federal ubsidies paid to assist air services, the truck- rs and, of course, road development? Would ou like to see additional assistance to the ruckers?

Mr. Neary: That is included in our brief, y the way. We have asked to have the intra- egional subsidies under MFRA extended to ll modes of transportation.

Mr. Perrault: Yes. That was my under- tanding from your brief, but so much has een said this morning that I would just like o clarify it for my own thinking.

Mr. Neary: We have also asked to have the ntra-regional subsidy retained, because in ıy opinion the extra-regional subsidy, that is n freight. Leaving Newfoundland and going utside the Atlantic Provinces as far as Levis, Quebec, the maritime freight rate in that egard has never really been beneficial to Newfoundland, and incidentally it applies nly to rail. What we really needed most of ll in Newfoundland was a subsidy on freight oming into Newfoundland, because we are ıot manufacturing the type of material. What we do ship out is raw material, and it goes ut mostly by boat.

Therefore, the extra regional subsidy has eally been of no advantage to Newfound- and; and even if it were extended geograph- cally to include all modes of transportation it till would not be of very much benefit to Newfoundland. It is the intra-regional subsidy hat has been beneficial to Newfoundland.

Mr. Perrault: Yes; and I am glad to have your opinion on that. My final question is his: We are all tremendously delighted with the announcement of increased aid to the ground fish industry in Newfoundland. I think all Committee members feel that way about it. It leads me to this question: Are there certain government aid programs which

[*Interprétation*]

M. Neary: J'imagine que vous pourriez me jeter le blâme, mais, lorsque nous parlons de routes, évidemment...

M. Perrault: Oui, je comprends. On ne peut pas tout inclure dans un mémoire.

M. Neary: C'est inutile de préciser tout cela mais c'est une des raisons pour lesquelles nous construisons ces routes.

M. Perrault: Est-ce que vous aimeriez que le gouvernement paie des subventions pour aider à l'expansion des services aériens, des services de camionnage et naturellement, des routes? Une aide supplémentaire pour les camionneurs peut-être?

M. Neary: Cela figure dans notre mémoire. Nous avons demandé s'il ne pourrait pas y avoir une subvention inter-régionale, en vertu de la Loi sur les taux de transport des marchandises dans les provinces Maritimes, élargie à tous les modes de transport.

M. Perrault: Oui. C'est ce que j'ai compris à la lecture de votre mémoire. On en a tellement dit de choses ce matin que je voudrais simplement que l'on m'apporte certaines précisions.

M. Neary: Oui, nous avons demandé que l'on retienne la subvention inter-régionale, parce qu'à mon avis la subvention extra-régionale pour le transport des marchandises en provenance de Terre-Neuve vers le continent, aussi loin que Lévis (Québec), le tarif de transport maritime des marchandises n'a jamais bénéficié à Terre-Neuve, et incidemment cela ne s'applique qu'au rail. Ce dont nous avons vraiment besoin à Terre-Neuve, c'est une subvention pour le trafic qui arrive à Terre-Neuve parce que nous ne fabriquons pas le genre de matériaux. Ce que nous expédions ce sont des matières premières qui sont expédiées la plupart du temps par navire.

Et par conséquent, cette subvention extra-régionale n'a pas vraiment été avantageuse pour Terre-Neuve; même si elle était augmentée sur le plan géographique pour inclure tous les modes de transports, ça ne profiterait pas tellement à Terre-Neuve. C'est la subvention régionale qui a été en somme bénéfique pour Terre-Neuve.

M. Perrault: Oui, et je suis heureux de connaître votre opinion. Je voudrais vous demander une dernière question: nous sommes tous très heureux d'apprendre que l'on va donner une aide accrue à l'industrie de la pêche aux poissons de fond à Terre-Neuve. Et je crois que tous les membres du Comité sont de cet avis. C'est pourquoi j'en arrive à poser

[*Text*]

could be extended to Newfoundland would be more beneficial than merely transportation subsidies, or perhaps could be extended in lieu of transportation subsidies? Would you like to see a broad program of action by the federal government in some direction to assist economic development so that it would not be necessary to pay so much for transportation?

Mr. Neary: Yes; and I am reasonably sure that you will see this under the new department of regional economic expansion.

Mr. Perrault: Yes.

Mr. Neary: And I think this would be good for the Atlantic region. It would be good for Newfoundland; and relative to your remarks on fishery assistance, it is obvious that the federal government is doing everything possible in this field to help the fishery. I think it is now up to the plant operators, the fishermen and the fish trades associations to try to do something to help themselves that is, to improve the quality of the fish, and so forth. They certainly now have the means to do this.

Mr. Perrault: It is very heartening to hear you say that, Mr. Neary.

The Chairman: Mr. Nowlan?

Mr. Nowlan: I have a supplementary to what Mr. Perrault asked, and it has to do with direct knowledge, Mr. Neary. Have you taken an actual ride on this bus yet?

Mr. Neary: No, Mr. Chairman, I have not been on the bus; but I have been on buses. As a matter of fact, in my younger days I rode from Sydney to New York twice on a bus; I rode from Sydney to Montreal and Sydney to Toronto; and I have ridden on trains, buses and airplanes all over the world.

Mr. Nowlan: When did you last ride on the socalled "Newfoundland Bullet?"

Mr. Neary: Mr. Chairman, unfortunately I have not been on the "Newfoundland Bullet" for years and even if I did ride on it there would be no revenue to the CN, because I would use my pass, as all hon. members do; and I am sure that the CN will not derive any funds from the gentlemen who will take the ride tonight on the "Newfoundland Bullet."

[*Interpretation*]

ma question. Est-ce qu'il y a des programme d'aide du gouvernement qui pourraient êtr étendus à Terre-Neuve et qui lui profiteraien plus que de simples subventions aux trans ports, ou qui, peut-être, pourraient être appli qués en remplacement des subventions a transport. Préféreriez-vous voir un vaste pro gramme d'action du gouvernement fédéra dans une certaine voie pour aider au dévelop pement économique de façon qu'il ne sera pas nécessaire de tant payer pour l transport?

M. Neary: Oui, et je suis à peu près certai que vous le verrez au nouveau ministère d l'Expansion économique régionale.

M. Perrault: Oui.

M. Neary: Et ce serait bien pour la régio de l'Atlantique. Ce serait bien pour Terre Neuve, et pour ce qui est de vos remarque sur l'aide à la pêche il est évident que l gouvernement fédéral fait tout en son possi ble dans ce domaine pour aider l'industrie d la pêche. Je pense que c'est au xexploitant d'usines, aux pêcheurs et aux associations d pêches commerciales de s'aider eux-même maintenant, c'est-à-dire d'améliorer la qualit du poisson, etc. de leur production. Ils on certainement maintenant les moyens pour l faire.

M. Perrault: Ce sont des paroles encoura geantes, monsieur Neary?

Le président: Monsieur Nowlan?

M. Nowlan: J'ai quelque chose à ajouter ce qu'a demandé M. Perrault, qui a tra directement à l'expérience. Est-ce que vou avez pris l'autobus jusqu'ici?

M. Neary: Monsieur le président, je n'a pas pris l'autobus mais j'ai déjà pris l'autc bus quand j'étais jeune. En fait, je suis all de Sydney à New York deux fois par autc bus; j'ai voyagé de Sydney à Montréal et d Sydney à Toronto; et j'ai pris des trains, de autobus et des avions partout dans le mond

M. Nowlan: Quand avez-vous pris le «New foundland Bullet» pour la dernière fois?

M. Neary: Malheureusement, je n'ai pa pris le «Newfoundland Bullet» depuis de années. Même si je prenais le «Bullet» mon sieur le président, il n'y aurait pas de revenu pour le National-Canadien, parce que je m servirais de mon laissez-passer, comme for tous les députés et je suis certain que l National-Canadien n'aura aucun revenu addi tionnel de ceux qui prendront le «Bullet» c soir.

[*Texte*]

Mr. Nowlan: This was to be my last question. Does the Minister plan to be with us tonight on this nocturnal ride?

Mr. Neary: Mr. Chairman, I would be happy to be, if I were invited.

Mr. Nowlan: That way you get two in one—you get the train and the bus.

Mr. Neary: Thank you very much.

The Chairman: Order, please.

Mr. McGrath: Mr. Chairman, would you, on behalf of the Committee, extend an invitation to the hon. gentleman to join us on our ride?

The Chairman: With pleasure.

Mr. Neary: I would be very happy to, Mr. Chairman.

Mr. McGrath: Most of my questions have been dealt with, Mr. Chairman, but I have one brief one I wish to put to Mr. Neary.

I gather from your evidence that the position of the Newfoundland government vis-à-vis rail transportation has substantially changed since 1966. I refer now to the report of the Royal Commission on Transportation which was headed by a minister of the government of Newfoundland. I will quote very briefly from it, Mr. Chairman. The Commission said this:

> The fact remains that the railway is an essential means of transportation to the travelling public in Newfoundland. It is a social service rather than an economic one. The same can be said about the railway system as a whole. The service provides a much needed social need and it is by the yardstick of social requirement rather than the economic justification that this suggestion must be judged.

This report was made in 1966, after the completion of the Trans-Canada Highway. My question to you is. Is this now still the view of the Government of Newfoundland?

Mr. Neary: No; this was not the view of the Government of Newfoundland. This was the view of the Royal Commission on Transportation.

Mr. McGrath: I put it to you, Mr. Neary, with great respect, that the fact that this Royal Commission was headed by a minister without portfolio would give it more weight than an ordinary Royal Commission.

Let me put my question another way. As the Minister responsible for transportation,

[*Interprétation*]

M. Nowlan: Ce sera ma dernière question. Est-ce que le Ministre a l'intention d'être avec nous ce soir dans cette randonnée nocturne.

M. Neary: Il me ferait plaisir d'y être si j'étais invité monsieur le président.

M. Nowlan: Ainsi vous avez le train et l'autobus, deux dans un!

M. Neary: Merci beaucoup.

Le président: A l'ordre, s'il vous plaît.

M. McGrath: Monsieur le président, au nom du Comité pourriez-vous inviter l'honorable délégué à nous accompagner ce soir.

Le président: Avec plaisir.

M. Neary: J'en serais très heureux, monsieur le président.

M. McGrath: La plupart de mes questions ont déjà reçu des réponses, monsieur le président, mais j'ai une question très brève pour M. Neary.

J'ai cru comprendre que l'attitude du gouvernement de Terre-Neuve vis-à-vis du transport par chemins de fer a réellement changé depuis 1966, à la suite de la Commission royale d'enquête sur les transports dirigée par un ministre du gouvernement de Terre-Neuve. Je vais le citer très brièvement. Voici ce que la Commission a dit:

> Le chemin de fer est un moyen essentiel de transport pour le public voyageur de Terre-Neuve. C'est un service social plutôt qu'un service rentable. On peut dire la même chose du service voyageur dans son ensemble. Ce service répond encore à un besoin vraiment social et c'est par ce barème d'exigence sociale plutôt que par une justification économique que cette suggestion doit être jugée.

Le rapport a été présenté en 1966 après la fin de la construction de la route transcanadienne. Ce que je voudrais vous demander, c'est: est-ce toujours l'avis du gouvernement de Terre-Neuve?

M. Neary: Ce n'était pas l'avis du gouvernement de Terre-Neuve, mais plutôt l'opinion de la Commission royale d'enquête sur les transports.

M. McGrath: Sauf votre respect, monsieur Neary, le fait que cette Commission royale d'enquête était dirigée par un ministre sans porte-feuille, ce qui veut dire que la Commission lui donnait plus de poids qu'une commission ordinaire. Permettez-moi de reformuler ma question. A titre de ministre des

[*Text*]

do you subscribe to that view, or does your government subscribe to that view?

Mr. Neary: We have outlined our position in the brief that we submitted to the Committee. Should I read it again, Mr. Chairman, it is very short.

The Chairman: Yes, proceed.

Mr. Neary: It states:

> It would appear...

...and I am sure it appeared at that time to the Royal Commission on Transportation. .

> ...that the extension of highways throughout the province will eliminate any need for services or additions to existing Canadian National Railways lines. Concentration here should be on extension of the movement already begun to provide improved warehousing and containerization facilities in the effort to lower the cost of transportation of goods by this traditional and dependable means.

Therefore, it does have serious social and economic implications, because freight rates affect the daily lives of every citizen of Newfoundland. So our position has not changed.

Mr. McGrath: Mr. Chairman, may I just put one more quote from this on the record? It deals with the downgrading of service, and it is very brief. I think the Committee will be interested in hearing it. This is from the report of the Royal Commission and I quote in part from page 9:

> One is forced to the conclusion in view of the disparity and the facilities offered that the travelling public in Newfoundland are classed in an inferior role to their mainland neighbours when comparing rail transportation facilities.

Mr. Chairman, I submit to the Minister that the view of the Newfoundland government is certainly at variance with the recommendations of this Royal Commission; and this view seems to have changed very drastically in the last two years. That is all I have to say, Mr. Chairman.

The Chairman: There is a point of clarification, from Mr. Nesbitt.

Mr. Nesbitt: Thank you very much, Mr. Chairman. I would be happy to wait until the questions are finished.

Mr. Nowlan: I have a supplementary to Mr. Neary on something that Mr. Perrault raised

[*Interpretation*]

Transports, est-ce que vous-même ou votre gouvernement appuyez cette thèse?

M. Neary: Nous avons exposé notre position dans le mémoire que nous avons présenté au Comité en disant (est-ce que je devrais le lire encore une fois, monsieur le président?)— c'est très court.

Le président: Oui, poursuivez.

M. Neary: Il dit:

> Il semblerait...

et je suis certain que cela a paru dans le temps de la Commission royale d'enquête

> ...que l'extension du service routier partout dans notre province supprimera tout besoin de services ou d'additions aux chemins de fer du National-Canadien. Nous devrions donc essayer d'améliorer les aménagements d'entreposage et de containers afin de réduire les coûts du transport des marchandises par ces moyens de transport traditionnels et sûrs.

Par conséquent, il y a une portée économique et sociale car les taux de marchandises affectent la vie quotidienne de chaque citoyen de Terre-Neuve. Notre position n'a donc pas changé.

M. McGrath: Monsieur le président est-ce que je pourrais rapporter une autre courte citation? Elle a trait à la détérioration du service. Je pense qu'elle intéressera le Comité. Elle est tirée du rapport de la Commission royale d'enquête—et je cite en partie—à la page 9

> Nous sommes forcés de conclure que vu la disparité et les aménagements mis à la disposition du public, les voyageurs de Terre-Neuve sont nettement dans une situation inférieure à leurs voisins si l'on compare les services de transport.

Monsieur le président, je souligne au ministre que l'opinion du gouvernement de Terre-Neuve est en désaccord avec les recommandations de la Commission royale d'enquête sur les transports et cette opinion semble avoir changé très sérieusement depuis deux ans. C'est tout ce que voulais dire, monsieur le président.

Le président: M. Nesbitt veut obtenir un éclaircissement.

M. Nesbitt: Merci beaucoup, monsieur le président. Mais je pourrais attendre la fin des questions.

M. Nowlan: Question complémentaire au sujet de la question posée par M. Perrault et

Texte]

nd Mr. Neary answered about the impor-ance of having assistance on incoming freight Newfoundland. I can appreciate that in rinciple, but again there is the question that as been raised in this Committee in the past wo or three days of how should that assis-ance to the shipper or the carrier be passed own to the consumer.

We ate in Newfoundland this morning in a ice restaurant and it was a very enjoyable eal, but some members were charged $1 an gg. Relative to transportation policy and hat assistance there maybe—and it may not e the assistance you would like to see—have ny surveys been made by the government to y to investigate, in effect, not the cost of ving but whether the charges for these roducts coming into Newfoundland in the ewfoundland stores do in fact reflect the eal costs?

Mr. Neary: There are two answers to that uestion. First, you are probably aware that a sk force on transportation is presently orking in the Atlantic region, and when ey have completed their work the four remiers of the four Atlantic Provinces will resent a brief to Mr. Hellyer, the Minister of ransport. This, I think, will be one of the ighlights of that report.

Second, the province is presently making a rovincial transportation study of its own to nd out the movement of freight and so forth Newfoundland. We have just set this epartment up and we do not have any statis-cs. Therefore, we are doing tremendous esearch at the moment.

One thing I can say in answer to your mments is that I do agree that it is difficult say whether the benefits of moving materi-l and freight will be passed on to the con-mer, because—and I say this with all indness to the business people of Newfound-nd—I find that business people are rather mplacent when it comes to the movement f freight. They prefer to sit back, not inves-gate the new ways and move it by the tradi-onal means because they know they can ass the cost on to the consumer. I think this wrong. This is what you were getting at?

Mr. Nowlan: That is right.

The Chairman: Mr. Portelance?

Mr. Portelance: Mr. Neary, you mentioned reviously that you would like to see a sub-dy on freight coming into Newfoundland.

[*Interprétation*]

à laquelle a répondu M. Neary au sujet de l'importance d'obtenir de l'aide pour l'arrivée des marchandises à Terre-Neuve.

Je le réalise en principe, mais encore une fois on a soulevé la question en Comité depuis deux ou trois jours, comment cette aide à l'expéditeur ou au transporteur sera-t-elle transmise au consommateuur?

Nous avons mangé à Terre-Neuve ce matin—dans un beau restaurant, ce fut un repas agréable—mais certains députés ont dû payer $1.00 par œuf! En ce qui concerne la politique sur les transports et l'aide qui peut exister—ce ne sera peut-être pas l'aide que vous souhaitez—est-ce que le gouvernement a fait des enquêtes en fait, non pas sur le coût de la vie, mais pour savoir si les coûts de ces produits qui arrivent à Terre-Neuve, dans les magasins de Terre-Neuve, sont en fait les frais réels?

M. Neary: Il y a deux réponses à cette question. Tout d'abord, vous savez probablement qu'il y a un groupe de travail sur les transports qui à l'heure actuelle travaillent dans la région de l'Atlantique. Lorsque ce groupe aura terminé son travail, les quatre premiers ministres des quatre provinces de l'Atlantique présenteront un mémoire à M. Hellyer, le ministre fédéral des Transports. Je crois que ce sera un des facteurs importants du rapport.

En second lieu, la province à l'heure actuelle fait une étude provinciale sur les transports pour être au courant du mouvement des marchandises, etc...à Terre-Neuve. Nous venons de créer ce ministère et nous n'avons pas de statistiques. Nous faisons donc énormément de recherches pour l'instant. Mais il y a une chose que je pourrais dire en réponse à vos commentaires c'est que je crois bien qu'il est très difficile de dire si les bénéfices du transport du matériel et des marchandises seront vraiment transmis aux consommateurs (et je dis cela en toute charité envers les commerçants de Terre-Neuve). Je trouve que les commerçants sont plutôt satisfaits du transport des marchandises. Ils préfèrent ne rien faire, ne pas investiguer les nouvelles méthodes et employer les moyens traditionnels car ils savent qu'ils peuvent transmettre le coût au consommateur. Je trouve qu'ils ont tort. C'est à cela que vous vouliez en venir.

M. Nowlan: Vous avez raison.

Le président: Monsieur Portelance?

M. Portelance: Monsieur Neary, vous avez mentionné précédemment que vous voudriez voir une subvention accordée pour les mar-

[*Text*]

Would you include all freight coming in, or only raw materials?

Mr. Neary: I have not really given much thought to that question. Personally, I would like to see subsidies on food stuffs and clothing, and so forth, coming into Newfoundland. I think this would be of tremendous benefit to the people of Newfoundland. It is the only way that I can see that we could lower the cost of living in this province, even to bring it in line with the other three Maritime provinces.

Mr. Portelance: Thank you.

The Chairman: Mr. Rose, do you have a supplementary question?

Mr. Rose: No, it was not supplementary, sir. May I proceed?

The Chairman: Yes.

Mr. Rose: Mr. Neary, I believe that one of the justifications of the transportation subsidy is the improvement of the economy in Newfoundland?

Mr. Neary: Yes.

Mr. Rose: And I believe you are the Minister in charge of resettlement programs, are you not?

Mr. Neary: No.

Mr. Rose: I was hoping we would have an opportunity to talk about this during these hearings, because it seems to me that your priority of highways is designed to link these larger communities. Would you agree with that?

Mr. Neary: Yes; we make reference to that.

Mr. Rose: I was particularly interested in how this resettlement program is working out relative to employment. It has been my concern in many places that when you resettle people, often without very much skills, you just disrupt their traditional practices.

I was thinking particularly of those engaged in fishing, these independent people living on islands, who look after themselves in some sort of way in the inshore fishing industry. When you move them to these larger communities—some of them not much larger than the one they left—the unskilled

[*Interpretation*]

chandises qui arrivent à Terre-Neuve. Est-ce que cela comprendrait toutes les marchandises qui arrivent ou seulement les matières premières?

M. Neary: Je n'ai vraiment pas songé à cette question. Personnellement, j'aimerais voir une subvention accordée pour les produits alimentaires, les vêtements, etc. .... qui arrivent à Terre-Neuve. Je crois que cela aiderait beaucoup les gens de Terre-Neuve et c'est la seule façon, d'après moi, par laquelle nous pourrions réduire le coût de la vie dans cette province, pour qu'elle soit au moins au diapason avec le coût de la vie dans les trois autres provinces maritimes.

M. Portelance: Merci.

Le président: Est-ce que vous avez une question additionnelle, monsieur Rose?

M. Rose: Non, monsieur le président, ce n'est pas une question additionnelle. Puis-je poursuivre quand même?

Le président: Oui.

M. Rose: Monsieur le ministre, je crois qu'une des justifications pour la subvention au transport est l'amélioration de l'économie de Terre-Neuve.

M. Neary: Oui.

M. Rose: Et je crois que vous êtes le ministre chargé du programme de transplantation. C'est ça?

M. Neary: Non.

M. Rose: J'espérais avoir l'occasion d'en parler au cours de nos audiences. Car il me semble que la priorité de vos grand'routes est conçue de façon à relier ces plus grandes agglomérations. C'est ça?

M. Neary: Oui, nous en avons parlé dans notre mémoire.

M. Rose: Ce qui m'intéressait plus particulièrement ce sont les effets du programme de transplantation du point de vue de l'emploi. Ça été une de mes préoccupations pour plusieurs endroits, car lorsque vous transplantez des personnes, qui souvent n'ont pas beaucoup de compétence, vous brisez simplement leurs habitudes traditionnelles.

Je pensais particulièrement à la pêche côtière, ces gens indépendants qui vivent dans les îles et suffisent quand même à leurs propres besoins, grâce à la pêche côtière. Mais lorsque vous les déplacez à des agglomérations plus grandes, certaines pas beaucoup plus grandes que celles qu'ils ont quittées, l

[*Texte*]

rural poor become the urban poor. I would like to have your views on how this is working out.

Mr. Neary: I am afraid I do not have too much information on the resettlement program. Incidentally, I was hoping that the minister responsible for resettlement would be here because, as you point out, it is dealt with in the brief, but he is in Ottawa at the moment attending a housing conference. They are meeting with Mr. Hellyer, I believe.

Let me quote you two short paragraphs from the brief itself which may answer the question satisfactorily:

> Despite progress on the resettlement program there are still hundreds of Newfoundland communities depending either solely on water transport or on third-rate roads for transportation of people and supplies.

I think this is probably what you are thinking about.

> Living in these communities...

—that I just referred to—

> ...is daily becoming less socially tolerable and less inviting for the establishment of even small industries because of the lack of acceptable roads linking with the Trans-Canada Highway.

In view of this statement I think that people would be glad to move out of these...

Mr. Rose: Sir, there is a strong parallel between what you are doing here, in relation to the resettlement of people, and what is occurring naturally in the agricultural regions of Canada. This is occurring naturally because farms are becoming larger, but there is a tremendous problem in the resettlement of people, because they do not have the skills to operate efficiently in an urban centre. What happens is that they become a pool of cheap labour—in fact, subsidizing the industries because of their low wages—in the cities, where formerly they had been independent.

Mr. Neary: May I point out to the hon. gentleman, Mr. Chairman, that the government does not move people, as such. The people themselves come to the government, and if 90 per cent of them—is that right, Mr. Jones?

Mr. Jones: It varies.

[*Interprétation*]

pauvres ruraux non spécialisés deviennent de pauvres urbains non spécialisés. J'aimerais donc savoir ce que vous pensez de ce programme et de la réussite du programme?

M. Neary: Je n'ai pas beaucoup de renseignements à vous donner sur le programme de transplantation. J'espérais, incidemment, que le ministre responsable soit ici car, comme vous l'avez mentionné, cela est expliqué dans le mémoire, mais le Ministre se trouve à Ottawa à l'heure actuelle—il doit rencontrer M. Hellyer, je crois. Permettez-moi de vous citer deux courts paragraphes du mémoire lui-même qui ,apporteront peut-être une réponse à votre question.

> Malgré les progrès que connaît le programme de transplantation, il existe encore des centaines d'agglomérations terreneuviennes où le transport des habitants et approvisionnements ne s'effectue que par voie maritime ou par des chemins de troisième ordre.

Je crois que c'est probablement à cela que vous pensiez

> vivant dans ces agglomérations...

dont je viens de faire mention.

> Chaque jour, la vie dans ces agglomérations devient de plus en plus intolérable pour les habitants et moins intéressante pour l'établissement d'industries, même petites, par suite de la pénurie de routes de raccordement de norme acceptable à la route Transcanadienne.

Je croirais donc que, vu cette déclaration, les gens seraient heureux de quitter ces agglomérations.

M. Rose: Monsieur, il y a un parallèle entre ce que vous faites ici pour la transplantation des gens et le phénomène naturel qui survient dans les régions agricoles du Canada. C'est un phénomène naturel parce que les fermes deviennent plus importantes, mais il y a un énorme problème de transplantation des gens, parce que ceux-ci n'ont pas les compétences pour travailler avec efficacité dans un centre urbain. Il arrive qu'ils deviennent alors un «pool» de main-d'œuvre mal payée primant par le fait même les industries dans les villes alors qu'auparavant ils avaient été indépendants.

M. Neary: Est-ce que je pourrais signaler au député que le gouvernement ne déplace pas de gens comme tel. Ce sont les gens eux-mêmes qui s'adressent au gouvernement, et si 90 p. 100 d'entre eux—est-ce 90 p. 100, monsieur Jones?

M. Jones: Cela varie.

[*Text*]

Mr. Neary: There are two or three programs going on, but the people themselves take the initiative. They come to the government and if a certain percentage—I think it is 90 per cent—of the people in that particular community decide that they want to move, then the government will assist them in moving to growth areas in the province. So, it is the people themselves who are taking the initiative.

Mr. Rose: There is no encouragement given by the government, either in PR or incentives?

Mr. Neary: None whatsoever. Just financial: we will financially assist these people to relocate or resettle.

Mr. Rose: Sir, your concern about highway subsidies and various freight subsidies being of ultimate benefit to the consumer—and you mention the traditional way in which the businessmen had been handling their transport,—was that perhaps these subsidies might not be of great benefit to those people who are living in this province.

I think all of us are very pleased with the announcement the federal government has made about the new fishing deal for frozen fish. This is a step in the right direction, and what concerns me, sir, is that these purchases are going to be made from the fishing companies and what concerns me is how will this assistance trickle down to the fishermen, in your view?

Mr. Neary: I have not seen the details of the program but I understand—and perhaps some of you gentlemen here know this better than myself—that there are built-in protective measures designed to ensure this. One of the big problems we have had in Newfoundland in the past is that the stop-gap measures, the hand-outs and the assistance to the fishery, did not filter through to the fishermen. I understand, however, that there are protective measures in this new program to see that the fishermen benefit and not the plant operators or the fish trades associations.

Mr. Rose: Would you say that this assistance, because of these stop-gap measures, was inhibited by the actions of the fishing companies, since they seem to be the intermediaries.

Mr. Neary: I do not understand your question but...

[*Interpretation*]

M. Neary: Il y a deux ou trois programmes en cours, mais ce sont les gens eux-mêmes qui prennent l'initiative. Ils s'adressent au gouvernement et si un certain pourcentage —je crois que c'est 90 p. 100—des gens d'une agglomération particulière décident de se déplacer, le gouvernement les aidera à se déplacer vers un centre de croissance. Ce sont donc les gens eux-mêmes qui prennent cette initiative.

M. Rose: Il n'y a aucun encouragement de la part du gouvernement, que ce soit sous forme de relations publiques ou de stimulants.

M. Neary: Aucun. Seulement du point de vue financier, nous les aiderons à se déplacer ou à s'établir de nouveau.

M. Rose: Votre préoccupation au sujet des subventions pour les routes et des diverses subventions pour le transport des marchandises qui pourraient être d'un grand avantage pour le consommateur, et vous avez mentionné la façon traditionnelle selon laquelle les commerçants s'étaient occupés des transports, votre souci était que peut-être les subventions ne seraient pas d'un grand avantage pour les gens qui vivent dans cette province.

Je crois que nous sommes tous très heureux de la nouvelle entente au sujet du poisson gelé qui vient d'être annoncée par le gouvernement fédéral. C'est un pas dans la bonne voie, et ce qui me préoccupe, monsieur, c'est que ces achats vont se faire des sociétés de pêche, et comment cette aide parviendra-t-elle aux pêcheurs?

M. Neary: Je n'ai pas vu les détails du programme, mais je crois comprendre, et peut-être que vous êtes plus au courant de cela que moi, mais je crois comprendre qu'il y a des mesures de protection dans la Loi même conçues à cette fin. Un des gros problèmes que nous avons eus à Terre-Neuve jusque-là, c'est que les mesures temporaires, les dons, l'aide financière donnée aux pêcheries, ne parvenaient pas au pêcheur lui-même. Toutefois, je comprends qu'il y a des mesures de protection dans le nouveau programme pour assurer que ce soit le pêcheur qui en bénéficie et non pas l'exploitant de l'usine ou les associations de commerce du poisson.

M. Rose: Diriez-vous que l'action des sociétés de pêche, puisqu'elles semblent être les intermédiaires, a nui à cette aide à cause des mesures temporaires?

M. Neary: Je ne crois pas comprendre votre question.

[*Texte*]

Mr. Rose: Quite obviously, if the money is not getting to the fishermen it must be stopping somewhere and I suggest to you that it may be with the fish companies.

Mr. Neary: Of course.

Mr. Rose: And this is what you are saying?

Mr. Neary: Right.

Mr. Rose: We just had legislation for fresh water fish in which all the fresh water fish are going to be marketed through one supported agency. Would you favour that sort of a system for the salt water fisheries?

Mr. Neary: Oh, of course. I think, myself, that the fishery in Newfoundland now has the facilities to get back into a healthy economic condition, and if the plant operators, the fish trades associations, the fishermen themselves, cannot improve their marketing or the quality of the fish, then I think the government should step in and handle it for them through a board, sir, because these have been the two chief problems we have had in the fishery in Newfoundland in the past.

The Chairman: Mr. Perrault.

Mr. Perrault: As it relates more to economic development rather than to transportation, Mr. Chairman...

Mr. Rose: I am sorry, Mr. Chairman, I have only one more question, but I believe...

The Chairman: Mr. Rose, I would hate to be unfair with you but, as you know, we are running away behind in our schedule time. There are others who wish to speak and I would not want to ask some of these people who are here this morning to come back this afternoon or tomorrow. So, I would ask you, if you would, to bear with me and make your questions a little shorter.

Mr. Rose: All right, I have a last question. What are your views on deficiency payments direct to fishermen, sir?

The Chairman: This has nothing to do with the problem.

Mr. Rose: I am sorry. I did not bring the matter up.

The Chairman: Mr. Carter.

Mr. Carter: Mr. Chairman, could the Minister say whether he is satisfied that the

[*Interprétation*]

M. Rose: Évidemment, si l'argent ne parvient pas aux pêcheurs, il doit s'arrêter quelque part, et je vous demande s'il est chez les sociétés de pêche.

M. Neary: Oui, évidemment.

M. Rose: C'est à peu près ce que vous dites.

M. Neary: C'est juste.

M. Rose: Nous venons d'adopter une mesure législative pour le poisson d'eau douce selon laquelle tout ce poisson serait mis en marché par une seule agence subventionnée? Est-ce que vous seriez en faveur d'un tel système pour le poisson d'eau salée aussi?

M. Neary: Certainement. Je crois qu'à l'heure actuelle à Terre-Neuve, l'industrie de la pêche a les moyens de revenir à une situation économique saine, et si les exploitants d'usines, les associations de commerce du poisson, les pêcheurs eux-mêmes ne peuvent améliorer leur mise en marché ou la qualité du poisson alors, le gouvernement pourrait intervenir et s'en occuper par l'intermédiaire d'une commission, car ce sont les deux principaux problèmes que nous avons eus quant à la pêche de Terre-Neuve dans le passé.

Le président: Monsieur Perrault.

M. Perrault: Puisque ça touche davantage le développement économique que les transports, monsieur le président,...

M. Rose: Je m'excuse, monsieur le président, je n'ai plus qu'une seule question maintenant, mais je crois...

Le président: Je ne voudrais pas être injuste à votre égard, mais comme vous le savez, nous sommes très en retard et il y en a d'autres qui ont demandé la parole. Et je n'aimerais pas demander à ceux qui sont ici ce matin pour présenter des mémoires de revenir cet après-midi ou demain. Je vous demanderais donc d'abréger votre question.

M. Rose: Très bien, c'est ma dernière question. Que pensez-vous des paiements d'appoint versés directement aux pêcheurs, monsieur?

Le président: Cela n'a rien à voir avec le problème.

M. Rose: Je regrette. Je n'ai pas soulevé la question.

Le président: Monsieur Carter.

M. Carter: Est-ce que le ministre pourrait dire s'il est satisfait des taux qui sont chargés

[*Text*]

rates being charged on the Argentia-North Sydney ferry and the Port-aux-Basques-North Sydney ferry, both from a freight point of view and a passenger point of view, are in line with Term 32 of the Terms of Union whereby the cost of transporting goods or people on that 90 miles of water is not supposed to cost more than that charged for the same distance on any Canadian National Railway?

Mr. Neary: Mr. Chairman, I think probably Mr. Carter does not clearly understand the term of union that he is referring to because it only covers transportation on the gulf and not between North Sydney and Argentia. However, I do agree, Mr. Chairman, that the rates are high, but this is an internal matter that must be handled by the CN and it is our thinking Mr. Chairman that on this level we not deal with local problems, but that with new things.

Mr. Carter: Surely if the rates are high and are contravening the terms of union, would not the Newfoundland Government make representation to the CTC or Mr. Hanley over there or the Canadian National to get this rate adjusted, in line with the terms of union?

Mr. Neary: I cannot answer for the government, Mr. Chairman, but I can say that I am sure Mr. Carter will do everything he can in Ottawa because again, this is a federal responsibility.

Mr. Carter: Yes, we would like a little help, though.

Mr. Neary: Do Mr. Carter and Mr. McGrath always want the provincial government to help them try to fulfil some of the things they should be doing in Ottawa?

Mr. Carter: Oh come now, Mr. Chairman, how unfair can the Minister be?

The Chairman: Order please. Let us proceed, Mr. Carter; you have been waiting for so long.

Mr. Carter: I think the Newfoundland Government has an obligation, sir, to make sure that the Terms of Union are being upheld. If, as the Minister suggests, they are not being upheld by this high cost of transportation on the gulf, well then I certainly think it is up to...

[*Interpretation*]

pour le traversier d'Argentia-North-Sydney celui de Port-aux-Basques-North-Sydney, du point de vue des marchandises et du poi de vue des passagers, sont conformes à la co dition 33 des conditions de l'Union, où il e dit que le coût de transport des gens ou d marchandises sur un trajet de 90 milles doit pas coûter plus que pour la même di tance sur la ligne des chemins de f Nationaux.

M. Neary: Je crois, monsieur le présider que M. Carter ne comprend pas très clair ment la condition de l'Union dont il fait me tion, car cela couvre les transports dans golfe, et non pas entre North Sydney Argentia. Toutefois, je conviens, monsieur président, que les taux sont élevés. Il s'ag d'une question de régie interne qui doit êt réglée par le CN. Nous pensons qu'à niveau-ci, nous n'allions pas traiter de probl mes locaux, mais de questions nouvelles.

M. Carter: Il est sûr que les prix sont él vés, et s'ils sont en contradiction avec l conditions de l'Union, est-ce que le gouvern ment de Terre-Neuve ne fait pas des repr sentations auprès de la Commission can dienne des transports, ou M. Hanley, ou Canadien-National, pour que les taux soie ajustés en conformité avec les conditions l'Union?

M. Neary: Je ne saurais répondre au no du gouvernement, monsieur le présider mais je puis dire que je suis sûr que l Carter fera tout en son pouvoir à Ottaw car, encore une fois, il s'agit d'une respons bilité fédérale.

M. Carter: Nous aimerions un peu d'ai cependant.

M. Neary: Est-ce que M. Carter et l McGrath voudraient toujours que le gouve nement provincial les aide pour essayer faire le travail qu'ils devraient effectuer Ottawa?

M. Carter: Tout de même, monsieur le pr sident, le ministre est très injuste!

Le président: A l'ordre s'il vous plaît. Lai sons parler M. Carter. Il attend depu longtemps.

M. Carter: En fait, le gouvernement Terre-Neuve se doit de voir que les conditio de l'Union soient maintenues. Si, comme ministre prétend, elles ne sont pas maint nues par le coût élevé du transport dans golfe, alors je pense que c'est au...

[*Texte*]

Mr. Neary: Is the honourable gentleman referring to the gulf or the Argentia ferry?

Mr. Carter: Well, it could be either one.

Mr. Neary: But you will agree that the Argentia ferry is not covered under the Terms of Union.

Mr. Carter: I will agree to that, yes, but I am referring now to the Port-aux-Basques-north Sydney one. Surely if the Terms of Union are not being upheld the Newfoundland Government should take the responsibility for this.

Mr. Neary: I have made some private inquiries and I have discovered that the Terms of Union regarding rates for passenger movement, for movement of freight, for movement of vehicles on the gulf are pretty well in line with rail rates across Canada.

Mr. Carter: We had a witness, Mr. Chairman, in either Halifax or Fredericton who, in replying to this same question, stated that it is much more costly to transport goods and services on that run than it would be on a comparable stretch of highway, and I think one of the big factors was of course, the time factor involved and the delay in the eight to ten hour boat run. I would certainly suggest, Mr. Chairman, that the Minister of Transportation should look into this problem because it is a very serious one.

Mr. Neary: Well, we are. As a matter of fact, this is one of the things that we are taking a very, very careful look at but early forecasts indicate that the rates on the gulf are pretty well in line with CN rates as they apply to rail right across Canada.

In the meantime, perhaps this might be of interest to the members of the Committee: there is one matter that concerns me on the gulf and that relates to the bringing of buses and trucks into Newfoundland.

Before the Trans-Canada Highway was completed, new trucks and buses from Oakville and Windsor and these places that came into Newfoundland, into Corner Brook and into St. John's, came by rail. But after we completed the Trans-Canada Highway, the automobile people here in Newfoundland worked out a cheaper method of getting the trucks—this only applies to trucks and buses—into Newfoundland by taking the truck or bus off the railway at North Sydney and driving it the rest of the way with an "in transit" sign. When the CN saw this happening, they immediately imposed a surcharge on

[*Interprétation*]

M. Neary: Est-ce qu'il s'agit du traversier d'Argentia ou du golfe?

Mr. Carter: L'un ou l'autre.

M. Neary: Vous conviendrez que le traversier d'Argentia n'est pas couvert par les conditions de l'Union.

M. Carter: Je suis d'accord, mais je parle maintenant du traversier Port-aux-Basques-North-Sydney. Certainement si les conditions de l'Union ne sont pas maintenues, le gouvernement de Terre-Neuve devrait en être responsable.

M. Neary: J'ai fait enquête personnellement, et j'ai découvert que les conditions de l'Union, quant aux taux pour le transport des passagers, des marchandises, des véhicules dans le golfe, sont passablement les mêmes que les taux de chemins de fer à travers le Canada.

M. Carter: Nous avons eu un témoin, monsieur le président, à Fredericton ou à Halifax, qui, en réponse à la même question, nous a dit que c'était beaucoup plus coûteux de transporter des marchandises sur ce parcours que ce ne le serait sur une grande route comparable, et un des facteurs essentiels est évidemment le facteur temps, et le retard de 8 à 10 heures causé par la traversée en bateau. Je propose donc que le ministre des Transports examine ce problème, car il est très grave.

M. Neary: C'est une des choses que nous étudions très attentivement, mais les premières prévisions ont indiqué que les taux du golfe sont passablement conformes aux taux du CN pour le chemin de fer à travers le Canada.

En attendant, ceci pourrait peut-être intéresser les membres du Comité: il y a une question qui me préoccupe en ce qui concerne le golfe, et elle a trait à l'importation d'autobus et de camions à Terre-Neuve.

Avant la fin de la construction de la route transcanadienne, les autobus neufs qui venaient d'Oakville, de Windsor et tous ces autres endroits, qui étaient importés à Terre-Neuve, à Corner Brook, et à Saint-Jean, nous arrivaient par chemin de fer. Mais après la construction de la route transcanadienne, les gens de l'automobile, ici à Terre-Neuve, ont trouvé un moyen moins dispendieux de faire venir les camions, il ne s'agit que des camions et des autobus, en les débarquant du traversier à North Sydney et en les conduisant le reste du trajet, avec une affiche «de passage». Lorsque le CN a vu que cela se passait, il a

[*Text*]

the people who were having it delivered.

I think this is quite unfair. I think this should be eliminated, because, as I pointed out earlier, to get back to what the honourable gentleman over here said, it is the duty of the automobile dealers to try to get these vehicles into Newfoundland at the cheapest possible delivery rate. Here, through their own initiative, they figured out a way to get these buses and trucks to the purchaser in Newfoundland at a probable saving of $100 or $150 and the CN threw a hurdle in their way by putting on a surcharge of something over $100. I would like to know under what authority they did this. Perhaps, Mr. Chairman, your Committee could investigate this because I have already had a request from the automobile association.

Mr. Nowlan: This, Mr. Chairman, is my supplementary question but I do not know if the Minister is finished.

Mr. Neary: You can go ahead and ask your question but I only want to say...

Mr. Nowlan: It only arose because of your exchange with Mr. Carter and about federal-provincial responsibilities and where you sometimes divide the line. You sort of anticipated by mental telepathy my question. Have you, as Minister of Transport, considered this discrimination between the Canadian National trucking service and the private trucking service and taken the initiative on behalf of the government to apply to the CTC for some redress?

Mr. Neary: I might say, Mr. Chairman, in answer to that question that the honourable gentleman is perfectly right that we are very much concerned with certain aspects of CN policy. It may not be quite correct to say this, but it appears CN are implementing a trucking service in Newfoundland only on paved roads and are staying away from the dirt roads and leaving the service on the dirt roads and the gravel roads to the private operator, so that he can go out and wreck his equipment and so forth, and then, when the road is paved, CN will make an application to provide a service in that particular area. We think this is very, very unfair.

May I point out that on Monday there is to be a hearing before the Board of Commissioners of Public Utilities on this very matter, and it would not be fair for me to anticipate their decision.

[*Interpretation*]

immédiatement imposé une surtaxe, une sur charge pour les gens qui les faisaient livrer.

Je trouve que cela est très injuste et qu cela devrait être éliminé, parce que, comm je l'ai dit auparavant, pour revenir à ce qu disait l'autre député tout à l'heure, c'est l'o bligation des vendeurs d'automobiles de ten ter d'obtenir les automobiles au moindre coû possible. Et voici que de leur propre initia tive, ils avaient réussi à trouver moyen d'ob tenir les autobus et les camions pour l'ache teur à Terre-Neuve en épargnant peut-êtr $100 ou $150. Et le CN les en a empê ché en imposant une surtaxe de plus d $100. J'aimerais savoir en vertu de quell autorité le CN l'a fait. Monsieur le présiden peut-être votre Comité pourrait-il fair enquête à ce sujet, car j'ai déjà reçu un demande de la part de l'Association de automobilistes.

M. Nowlan: Voici ma question supplémen taire, monsieur le président, mais je ne sai pas si le ministre a terminé.

M. Neary: Posez votre question, mais j veux seulement ajouter que ...

M. Nowlan: Je la pose seulement à cause d l'échange que vous avez eu avec M. Carter a sujet des responsabilités fédérales-provincia les, et où se situe la ligne de démarcatior Vous avez anticipé un peu ma question pa télépathie. A titre de ministre des Transports aviez-vous songé à cette distinction injust qui existe entre le service de camionnage d CN, et le service de camionnage privé et a nom du gouvernement, avez-vous pris l'initia tive de demander à la Commission cana dienne des Transports de corriger la situation

M. Neary: Je pourrais dire que l'honorabl député a parfaitement raison. Nous nou préoccupons vraiment de certains aspects d la politique du CN. Ce n'est peut-être pas tou à fait juste de dire ceci, mais il semble que l CN met en vigueur un service de camionnag exclusivement sur les routes pavées, qu n'emprunte pas du tout les chemins de terre les laissant à l'exploitant particulier pour qu celui-ci puisse justement ruiner son matérie Et lorsque la route sera pavée, le CN fera un demande pour desservir cette région. Nou trouvons que c'est très injuste de la part d CN.

Et permettez-moi d'ajouter que lundi, il aura à ce sujet une audience devant le *Boar of Commissioners of Public Utilities*. Alors c ne serait pas approprié de ma part d'anticipe ce que sera leur décision à cet égard.

[exte]

Mr. Nowlan: Perhaps this cannot be an-ered because it means part of the Task Force at the Minister mentioned earlier, but on is very point of discriminatory rates tween a railway-trucking combination and e private for-hire trucker, is the Minister in vour of, is it any part of the Task Force port to have uniform rates on CP ferries—d there is only one of those in the Atlantic ea—whether it be a CP carrier through ith Transport, of any other for-hire carri- or in the Canadian National situation, plying to Newfoundland and Prince Ed-rd Island?

Mr. Neary: The answer to your question is s, but may I point out, Mr. Chairman, in swering that question that I do not think at the extension of the Maritime freight es subsidies to all modes of transportation going to be of very much benefit to the ckers or the shippers or the airlines.

Mr. Nowlan: No, no. I appreciate that but I s not talking about extension of subsidies all forms of transportation, but specifically at there be uniformity in the rates that her the CN or the CP ferry services arge, whether they charge them to their n carriers, Smith or Eastern, or to a for-e carrier; in other words, so that they minate the hurdle at Port aux Basques that u mentioned?

Mr. Neary: Yes, I would say yes to that estion.

Mr. Nowlan: I hope that that was consid-d by the Task Force and as part of the commendation of the Premiers. Can you tell that much?

Mr. Neary: I do not have the report. I ould have it tonight. If you were to ask me at question tomorrow...

Mr. Nowlan: Well, we will see you tonight.

An hon. Member: We may not be here norrow.

Mr. Neary: Besides, it would not be fair for to divulge the contents of the report fore the Premiers do so.

Mr. Nowlan: No, no I was not asking you at position you took. I was asking, Mr. airman, was this specific point covered by

[*Interprétation*]

M. Nowlan: Vous ne pouvez peut-être pas répondre car cela fait partie peut-être du groupe spécial qui a été mentionné par le ministre plus tôt. Mais sur ce point des taux discriminatoires entre une entreprise mixte de chemin de fer et de camionnage en conjonction, et le camionneur privé, est-ce que le ministre est en faveur ou est-ce que cela relève du rapport du groupe spécial d'obtenir des taux uniformes sur les traversiers du Pacifique-Canadien, il n'y en a qu'un dans la région de l'Atlantique, que ce soit un transporteur du Pacifique-Canadien, grâce à la *Smith Transport* ou de tout autre camionneur de louage, ou dans la situation du Canadien-National, concernant Terre-Neuve ou l'Île-du-Prince-Édouard.

M. Neary: Ma réponse est oui, mais je ne crois pas que l'extension des subventions en vertu de la Loi sur les taux de transport des marchandises à tous les modes de transport, sera un avantage pour les camionneurs, les expéditeurs ou les compagnies aériennes.

M. Nowlan: Oui, je comprends cela. Mais je ne parlais pas d'étendre les subsides à tous les modes de transport, mais précisément, qu'il y ait uniformité dans les taux que les traversiers soit du CN, soit du CP, chargent, que ce soit à leurs propres transporteurs, Smith ou Eastern, soit aux sociétés de transport de camions de louage. En d'autres termes, de sorte qu'ils éliminent l'obstacle à Port-aux-Basques que vous avez mentionné.

M. Neary: Je dirais oui à cela.

M. Nowlan: J'espère que ce groupe spécial a étudié cet aspect comme faisant partie des recommandations formulées par les premiers ministres. Pourriez-vous nous le dire?

M. Neary: Je n'ai pas le rapport à l'heure actuelle. Je l'aurai probablement ce soir. Est-ce que vous pourriez me poser la question demain?

M. Nowlan: Nous nous verrons justement ce soir.

Une voix: Nous ne serons peut-être pas ici demain.

M. Neary: D'aure part, il ne serait pas juste que je révèle le contenu du rapport avant que les premiers ministres ne le fassent.

M. Nowlan: Non. Je ne vous demandais pas quelle était votre position, mais plutôt, est-ce que ce point spécifique était visé par le

[*Text*]

the Task Force and as part of the recommendation of the four Premiers?

Mr. Neary: Let me answer the honourable gentleman this way Mr. Chairman: there is nothing pertaining to transportation in the Atlantic region that we have not covered in our Task Force meeting.

The Chairman: Gentlemen, a last question from Mr. Nesbitt for qualification.

Mr. Rock: Mr. Chairman, if possible, I have a very short question.

The Chairman: Yes. Go ahead.

Mr. Rock: Mr. Minister, has your government ever studied jointly with the Government of Quebec a highway system that would connect Newfoundland with the rest of Canada from the Strait of Belle Isle's proposed tunnel?

Mr. Neary: Mr. Chairman, I cannot answer that question for the government. However, I can say that in our brief, which reflects government policy, we say that we plan in phase 2 to construct a tunnel and a road from eastern Labrador to Labrador City. The other part of your question I cannot answer.

Mr. Jones: Mr. Chairman, I honestly think that I answered the same question for another hon. gentleman a few moments ago in the negative.

Mr. Nesbitt: Mr. Chairman, on a point of order.

The Chairman: It is just a point of clarification.

Mr. Nesbitt: Well, I will raise it as a point of order because I do not know whether we have a procedure for a point of clarification—which it really is.

It would seem, Mr. Chairman, from the rather lengthy questioning of the witnesses this morning—they have been very patient and very helpful...

Mr. Neary: Thank you.

Mr. Nesbitt: ..that a great deal of additional time is going to be expended on questions concerning passenger service, railway versus bus. It is apparently quite a serious local issue here and a number of members of

[*Interpretation*]

groupe de travail et est-ce que cela faisa partie des recommandations formulées par l quatre premiers ministres?

M. Neary: Pour répondre à votre questio il n'y a aucun aspect touchant le transpo dans la région atlantique qui n'a pas été cou vert à la réunion de notre groupe de travail.

Le président: Une dernière question de l part de M. Nesbitt sur un point d'éclai cissement.

M. Rock: J'aimerais poser une question trè courte aussi.

Le président: C'est bien. Allez-y.

M. Rock: Monsieur le ministre, votre gou vernement a-t-il jamais étudié, conjointemen avec le gouvernement de la province de Qué bec, la possibilité d'avoir un réseau routie qui relierait Terre-Neuve au reste du Canad à partir du tunnel proposé pour le détroit d Belle Isle?

M. Neary: Monsieur le président, je n peux répondre à cette question au nom d gouvernement, mais je puis vous dire que dans notre mémoire, qui reflète la politiqu du gouvernement, nous précisons qu'à l'étap numéro 2, nous nous proposons de construir une route et un tunnel de l'est du Labrado jusqu'à Labrador City. Pour ce qui est d l'autre partie de votre question, je ne peux répondre.

M. Jones: Monsieur le président, il me sem ble, honnêtement, avoir répondu par la néga tive à la même question posée tout à l'heur par un autre membre du Comité.

M. Nesbitt: Monsieur le président, j'invo que le Règlement.

Le président: Il ne s'agit que d'u éclaircissement.

M. Nesbitt: Mais je vais invoquer le Règle ment, car je ne sais pas s'il existe une procé dure à suivre pour obtenir un éclaircisse ment—ce que c'est en fait. Il me semble monsieur le président, que, vu le long inter rogatoire auquel nous avons soumis le témoins ce matin—et ils ont été très patient et nous ont beaucoup aidé...

M. Neary: Merci.

M. Nesbitt: ... que l'on va consacrer encore beaucoup de temps aux questions relatives au service-voyageurs, en pesant le pour et le contre du chemin de fer et de l'autobus. I semble que ce soit une question locale très

[*Texte*]

e Committee from other parts of Canada ho have not been aware of that would per- ps like to get as much information as they n in the shortest possible time.

Now I understand Mr. Neary has just cently acquired his Transport portfolio and do not think that he can be expected to swer too many of the questions because he ould not yet have all the necessary back- ound. I do not think it would be fair to m.

Mr. Neary: I am not a walking ency- pedia yet.

Mr. Nesbitt: That is what I meant, Mr. ary. Then, Mr. Chairman, we have Order . R-2673 of the Canadian Transport Com- ssion which is really part of the evidence at we have before us. It is the order refer- g to what is popularly known I believe as e Newfie Bullet. Section 5 of that order ads:

If, prior to April 15,...

d I think that is a very important date, Mr. airman,

...1969, the Applicants fail or are unable to perform any of the conditions enumerated above, or if at any time before that date the Committee...

d that refers to the Committee of the nadian Transport Commission

...is not satisfied that the bus service is at least as good as the present passenger train service, it may upon notice to the Applicants...

d so on,

..reconvene the hearing...

w I think we must more succinctly clarify ne of the background information on this tter and also this order, because it is very gue. It says, "if the Committee—meaning e CTC or branch thereof—is not satisfied." do not know how they are going to know ether they are satisfied or not unless some- dy complains.

Now we have with us, Mr. Chairman, Mr. nley who, by agreement, is not to appear fore us as a witness—and I think we are all reed on that. Mr. Hanley is here as an server. The reason I bring this up is that s passenger service on the railway, rightly wrongly, is going to be suspended on April and by the time this Committee gets back

[*Interprétation*]

importante ici, et les membres du Comité qui viennent d'autres régions du Canada, et qui ne sont peut-être pas au courant de la question, voudraient sans doute obtenir autant de renseignements que possible en aussi peu de temps que possible. Je crois comprendre que M. Neary vient de recevoir tout récemment le portefeuille des Transports, et l'on ne peut pas s'attendre à ce qu'il soit en mesure de répondre à beaucoup de questions, car il n'a sans doute pas encore tous les renseignements nécessaires. Je ne pense pas que ce serait juste à son égard.

M. Neary: Non, je ne suis pas encore une encyclopédie ambulante.

M. Nesbitt: C'est justement ce que je vous-lais dire, monsieur Neary. De plus, monsieur le président, il y a l'ordonnance n° R-2673 de la Commission canadienne des transports, qui en fait est inclue dans les témoignages que l'on nous présente. Il s'agit de l'ordonnance relative à ce qu'on appelle communément, je crois, le *Newfie Bullet*. On dit à l'article 5:

Si, avant le 15 avril ...

et je pense que cette date est très importante, monsieur le président.

... 1969, les demandeurs n'exécutent pas, ou ne sont pas en mesure d'exécuter, l'une ou l'autre des conditions énumérées ci-dessus, ou si à un moment donné avant cette date, le Comité ...

... et l'on veut parler ici du comité de la Commission canadienne des transports.

...n'est pas convaincu que le service d'autobus est au moins aussi bon que le service de trains de voyageurs actuel, il pourra, après en avoir notifié les demandeurs ..

etc.

...se réunir à nouveau en audience...

Je pense qu'il nous faut clarifier de façon plus succincte certains des renseignements de base à ce sujet, ainsi que cette ordonnance, qui est plutôt vague. On dit: «si... le Comité»...c'est-à-dire la Commission canadienne des transports, ou l'une de ses sections— «.. n'est pas convaincu». Comment va-t-il savoir s'il est convaincu ou non, si personne ne se plaint?

Monsieur le président, nous avons ici M. Hanley qui n'est pas censé comparaître devant nous à titre de témoin je pense que nous sommes tous d'accord là-dessus. Il est ici à titre d'observateur. Si je soulève cette question, c'est que, à tort ou à raison, ce service-voyageurs des chemins de fer va être annulé le 15 avril, or, d'ici que le Comité retourne à

[*Text*]

to Ottawa, draws up its report, has our proceedings all translated and recorded, it may well be that that date will be reached or passed. Also, before we are able to have the Chairman of the Canadian Transport Commission and his officials before us there may be a further lapse of time. I believe in trying to make helpful suggestions in this regard.

I suggest that perhaps we might reconsider whether or not Mr. Hanley should give evidence. Of course, appropriate enquiries would have to be made in Ottawa. Mr. Hanley might be able to clarify some of these terms, particularly this order that I refer to—because it is very vague and very unclear. If that is not agreeable and if perhaps Mr. Hanley is not given authority by the Chairman of the Commission, then perhaps Mr. Pickersgill, the Chairman of the Commission, might be invited to come here and clarify a number of these things for us. As it would save us a great deal of time I think this is something that we might give very serious consideration to.

The Committee, meaning the CTC, has to be satisfied that the bus service is at least as good. Mr. Hanley no doubt will report when he goes back and give some helpful suggestions. Perhaps someone more senior to Mr. Hanley might come. I think we might seriously consider inviting Mr. Pickersgill to come down here because he could certainly clarify a lot of these matters for us and save us a great deal of time. I think that he himself would be interested in comparing the rail and bus service.

The Chairman: To save time, Mr. Nesbitt, would you agree to leave this to the steering committee to decide when they have a meeting after the noon adjournment.

Mr. Nesbitt: Yes.

The Chairman: Is it agreed.

Some hon. Members: Agreed.

Some hon. Members: No.

The Chairman: Gentlemen, this is the end of the question period. I would like to thank the two ministers and the other witnesses. I hope you will be with us on the train tonight.

[*Interpretation*]

Ottawa et rédige son rapport, et que compte rendu des délibérations soit entière ment traduit et imprimé, il se peut fort bie que cette date soit déjà là, ou même dépassé De plus, il peut s'écouler encore plus d temps avant que nous ne puissions convoque le président et les représentants de la Com mission canadienne des transports. A mo avis, il faudrait quelques propositions utiles cet égard.

Peut-être pourrions-nous remettre en ques tion la possibilité de laisser M. Hanley témoi gner. Evidemment, il faudrait s'informe auprès d'Ottawa. M. Hanley pourrait peut être clarifier certaines des expression employées, en particulier, dans l'ordonnanc qui est très vague et fort peut claire. Si cel ne convient pas, et si le président de la Com mission n'autorise pas M. Hanley à témoigne peut-être pourrait-on inviter M. Pickersgill, l président de la Commission, à venir ici pou éclaircir certains points. Je crois que nou devrions y songer très sérieusement, car cel pourrait nous faire gagner beaucoup d temps.

Le comité, soit la Commission canadienn des transports, doit être certain que le servic d'autobus est au moins aussi bon que le ser vice de chemin de fer actuel. A son retour, M Hanley, sans aucun doute, fera rapport e formulera quelques recommandations utile Peut-être pourrait-on faire venir quelqu'u qui ait plus d'ancienneté que M. Hanley. l me semble que nous pourrions envisage sérieusement d'inviter M. Pickersgill à veni ici, car il pourrait certainement éclairci beaucoup de ces points et nous faire gagne beaucoup de temps. Je pense que lui-mêm serait heureux de pouvoir comparer le servic ferroviaire et le service d'autobus.

Le président: Afin de gagner du temps monsieur Nesbitt, seriez-vous d'accord pou laisser le Comité de direction trancher cett question lorsqu'il se réunira après la suspen sion de la séance à midi?

M. Nesbitt: Oui.

Le président: Cela vous convient-il?

Des voix: D'accord.

D'autres voix: Non.

Le président: Messieurs, c'est la fin d notre période de questions. J'aimerais remer cier les deux ministres et les autres témoins J'espère que nous vous reverrons ce soir bord du train.

Texte]

Mr. Rock: Mr. Chairman, will you give the ress information concerning the system that as been inaugurated for our Committee hile we are travelling?

The Chairman: Mr. Rock, it is not working well this morning so we will wait. Our ext brief will be from Bowaters Newfound- nd Limited, Corner Brook. I would ask the eople who have that brief to come forward, lease. On my right is Mr. Downey and I will sk him to give us a short briefing.

Mr. Cyril J. Downey (Sales and Distribu- on Manager, Bowaters Newfoundland Limit- d, Corner Brook, Newfoundland): Thank ou, Mr. Chairman. Like Mr. Neary, I am ew to my job. This brief, gentlemen and adies, is something new that conflicts a little it with what just went before. To bring it nto perspective let me put it this way: we in ne paper business in Canada, as you are well ware, at the moment are going through a ttle bit of an economic survival battle.

At Corner Brook we are no different than a t of people, and we have been trying to iversity a little bit and get into what are nown as ground wood specialty papers. ow, for this trade we have to depend quite bit on train loads and car loads rather than nip loads. This brings a little different item nto perspective that needs some clarification n the light of the questions that were asked st recently.

We have, along with CNR people, carried ut some very successful trials in transporting aper from the Corner Brook mill by rail. We ave transported some 6,000 tons in this man- er over the last few months and, with the ery great co-operation of CN people nvolved, now think we are going to get a eduction in rates for this activity where we ut paper into Chicago, Detroit and other laces that far away. We were working under uite a handicap with the published rates as ney exist and the need for some revision ecame apparent in our trials and in our ctivity.

[*Interprétation*]

M. Rock: Monsieur le président, voulez-vous expliquer aux journalistes le nouveau système inauguré ici maintenant?

Le président: Il ne fonctionne pas tellement bien ce matin, alors, nous devrons attendre avant de l'annoncer.

Maintenant, nous entendrons la *Bowaters Newfoundland Limited* de Corner Brook. Je demanderais donc à ses représentants de venir se présenter. Sont-ils ici?

J'ai à ma droite, M. Downey. Je demanderais à M. Downey de nous donner une brève présentation de leur soumission.

M. Cyril J. Downey (gérant des ventes et de la distribution, Bowaters Newfoundland Limited, Corner Brook, Terre-Neuve): Merci beaucoup, monsieur le président. Tout comme M. Neary, je suis nouveau dans le métier. Ce mémoire, mesdames, messieurs, est quelque chose de nouveau qui entre quelque peu en conflit avec ce qui s'est déroulé auparavant, ici. Et pour vous présenter la perspective, permettez-moi de l'énoncer de la façon suivante: Comme vous le savez très bien, nous autres, dans l'entreprise du papier au Canada, sommes engagés dans une sorte de bataille de survivance économique.

A Corner Brook la situation n'est pas différente de celle qui prévaut dans les autres centres. Nous avons essayé de diversifier quelque peu notre industrie et de nous introduire dans ce qu'on appelle «papier spécial sans pâte mécanique». Pour ce genre de fabrication, il nous faut dépendre en grande mesure sur des chargements de trains ou de wagons plutôt que sur des chargements de navires, ce qui met en évidence un aspect quelque peu différent qui nécessite quelques précisions étant donné les questions qui nous ont été posées tout récemment.

Nous avons entrepris avec le National-Canadien quelques essais très réussis pour le transport du papier à partir de Corner Brook, par chemin de fer. Nous avons transporté quelque 6,000 tonnes avec ce mode de transport au cours des derniers mois et, grâce à l'excellente collaboration que nous avons eue des représentants du National-Canadien, nous sommes maintenant en mesure, ou du moins, songeons obtenir une baisse des tarifs pour ces expéditions qui nous permettent d'acheminer du papier aussi loin que Chicago, Détroit et d'autres endroits éloignés. Nous étions fort désavantagés par rapport aux tarifs publiés tels qu'ils se présentaient, et à la suite des essais entrepris et de notre activité, nous avons constaté qu'une certaine révision s'imposait.

[*Text*]

We now wish to provide for the Committee's consideration a few suggestions that may influence attention and effort in relieving further some of the problems that we have in this connection. The present ingenious method of overcoming the narrow gauge rail problem in regard to freight cars results in a very fine job of transplanting cars from the mainland over onto our narrow gauge and putting them right into the door for paper loading, but we find that we have problems that must be considered and overcome. The CNR people appear to have reached their limit in this regard from the conversations and discussions we have had.

The reason for this is that the little trucks the mainland cars are put on have insufficient bearing support to carry the big loads, the small gauge rail itself has a load limit, trestles and bridges have limitations for the heavier loads and the road bed curves, and so on. Thus, while we have cars now capable of taking 120,000 pounds—I heard the figure 30 tons here a while ago, but it is up to 100,000 pound at the moment—we are not able to take advantage of this further 20,000 pounds and thereby become more competitive because of these items I mentioned.

Another feature of paper traffic today which is very desirable is the use of cushion-underframe cars. These are available to our competitors all over Ontario and Quebec and I think CNR will be able to provide those to us in time. However, unless something is done about this rail problem, the bearings of trucks and so on, we will not be able to load them anyway, so here we are caught in this bind.

Finally, at the moment paper offers the most likely means on the island today of creating some kind of balance of trade for the return of rail cars coming into the country, so we should be able to fill that in and help the economy out a little bit if we do this.

Mr. Chairman, that is a summary of my brief.

The Chairman: Thank you, very much. Mr. Rose?

Mr. Rose: Mr. Chairman, I will be brief just as I always am. Sir, is overproduction

[*Interpretation*]

Nous désirons à présent présenter comité, quelques suggestions qui pourraie nous aider à alléger certains des problèm que nous éprouvons à cet égard. La métho ingénieuse que nous utilisons en ce momer pour surmonter le problème que présente les rails à voie d'écartement étroit pour ce q est des wagons marchandises, permet transfert des wagons à partir du contine jusqu'à nos voies d'écartement étroit, les me tant ainsi pratiquement devant nos port pour le chargement du papier, mais no trouvons que nous éprouvons encore des pr blèmes qu'il nous faut étudier et surmonte Les représentants du National-Canadien sen blent avoir atteint la limite à cet égard; c'e ce qui ressort des entretiens et des convers tions que nous avons eus.

La raison en est que les petits châssis-tru sur lesquels les wagons du continent so chargés, n'ont pas un point d'appui suffisa pour supporter ces chargements lourds, l rails à écartement étroit ne peuvent supporte que des chargements limités, les chevalets d ponton et les ponts comportent des limit quant aux chargements lourds, et l'on do tenir compte des lits de voies courbées. Ain donc, bien que nous ayons maintenant d wagons qui peuvent prendre 120,000 livres- j'ai entendu le chiffre trente tonnes—il y quelque temps, mais cela peut aller jusqu 100,000 livres de tolérance, c'est pourquoi no ne sommes pas en mesure de tirer profit d ces 20,000 livres supplémentaires et deven ainsi plus compétitifs.

Une autre caractéristique du transport d papier aujourd'hui, est l'utilisation de wagor comportant des châssis à coussinets. Tous n compétiteurs de l'Ontario et du Québec e disposent et je pense que le National-Can dien pourra nous en fournir éventuellemen Cependant, à moins qu'on ne règle ce pr blème ferroviaire, la tolérance des wagon etc .. nous ne serons pas en mesure de l charger, de toute façon; ainsi donc nous son mes coincés.

Pour terminer le papier offre en ce momer le moyen le plus probable sur l'île aujou d'hui de créer une certaine balance comme ciale pour le chemin du retour des wagor vers le continent; et par conséquent nou devrions être en mesure de combler l'espac libre et aider quelque peu l'économie. Voil donc, le résumé de mon mémoire, monsieu le président.

Le président: Merci beaucoup.

M. Rose: Monsieur le président, je sera bref, comme je l'ai toujours été. La surpro

[*Texte*]

ne of the problems of the pulp and paper dustry?

Mr. Downey: I do not think that is relevant, but I will try to answer it.

Mr. Rose: You mentioned it in your opening statement, sir.

Mr. Downey: It is a problem of Canada day. In our particular case the domestic arket in the United States, which is our big ature for trade, has been declining because the increasing production in that area and other closer areas.

Mr. Rose: Leaving that for a moment, sir, I otice you would not agree with government olicy that the money should be invested in ghways. I see from your table that although ur production and your use of rail has gone considerably, it is costing you more and ore all the time, so you do not agree with e Government of Newfoundland's brief esented here earlier that the priority should on highways.

Mr. Downey: This is a small activity. As I id, we are economically diversifying here d this could help us in that move.

Mr. Rose: From your company's point of ew then...

Mr. Downey: Also paper in general; there Price and also a new company coming in in few years.

Mr. Rose: Then you are anxious to see the grading of the railroad?

Mr. Downey: Most anxious. Not only that, it being done but there are certain features at are stymied at the moment.

Mr. Rose: Have you negotiated agreed rates ith the CNR for your product?

Mr. Downey: We have.

Mr. Rose: Has your volume been helpful to u?

Mr. Downey: Yes.

Mr. Rose: Are you looking forward to any rther reduction as your volume increases?

Mr. Downey: We are.

[*Interprétation*]

duction est-elle un des problèmes de l'industrie de la pâte et du papier?

M. Downey: Je ne crois pas que ce soit important, mais j'essayerai d'y répondre.

M. Rose: Vous venez de le dire dans votre présentation.

M. Downey: C'est un problème au Canada, aujourd'hui. Dans notre cas particulier, le marché local américain qui est un de nos plus importants débouchés, a connu une baisse à cause de l'augmentation de la production dans cette région-là et dans d'autres localités environnantes.

M. Rose: Cela mis à part, je remarque que vous ne seriez pas d'accord avec la politique du gouvernement pour investir dans la construction de routes. Je vois d'après le tableau que, malgré l'augmentation sensible de votre production et votre utilisation accrue du service ferroviaire, le transport vous coûte de plus en plus, et vous n'en convenez pas avec le mémoire du gouvernement de Terre-Neuve, que nous avons entendu plus tôt à l'effet que les priorités devraient être portées du côté des routes.

M. Downey: C'est une petite activité. Comme je le disais, sur le plan économique nous sommes en train de diversifier la production ce qui pourrait nous être bénéfique.

M. Rose: Donc, du point de vue de votre compagnie...

M. Downey: Ainsi que le papier en général; il y a la «Price» et il y en a une autre qui viendra s'y établir d'ici quelques années.

M. Rose: Par conséquent vous aimeriez voir une amélioration de ces services ferroviaires?

M. Downey: Avec impatience. Non seulement ça se fait, mais certains aspects sont bloqués en ce moment.

M. Rose: Vous avez négocié des tarifs convenus avec le National-Canadien pour vos produits?

M. Downey: Oui, nous l'avons fait.

M. Rose: Votre volume vous a-t-il servi?

M. Downey: Oui.

M. Rose: Vous attendez-vous à voir d'autres diminutions au fur et à mesure que votre volume augmentera?

M. Downey: Oui.

[*Text*]

Mr. Rose: Are your labour costs here lower than they are in the rest of the country, the United States and British Columbia?

Mr. Downey: They compare very well with Eastern Canada as a whole, but labour costs I think are a little higher than in certain other areas.

Mr. Rose: Than in New Brunswick, for instance?

Mr. Downey: I think you might find that they are, yes.

Mr. Rose: Are your plants organized in any way?

Mr. Downey: Our which?

Mr. Rose: Are your plants organized?

Mr. Downey: Organized by labour?

Mr. Rose: Yes.

Mr. Downey: Yes, they are.

Mr. Rose: You have a labour union?

Mr. Downey: Right.

Mr. Rose: Could you tell me what union, please?

Mr. Downey: It is a matter of record, is it not?

Mr. Rose: I will leave that, sir. Another point that I wanted to ask about is whether you find the fine paper tariff of $27 to $35 is keeping your company from diversifying and taking its rightful share of the U.S. market.

Mr. Downey: I do not think it is.

Mr. Rose: This is not the problem?

Mr. Downey: This is not the problem.

Mr. Rose: You mentioned your interest in diversification and going into other kinds of paper products. So where do you look for your market then, or can you meet the U.S. price even with their tariff of up to $35?

Mr. Downey: We have been in the water-borne rate field and this puts us in a fairly competitive position. It is on the basis of our water-borne rates that the CNR people are interested in trying to help us; they are trying to match as closely as they can the

[*Interpretation*]

M. Rose: Le coût de la main-d'œuvre est-moins élevé ici que pour le reste du pays, d États-Unis et de la Colombie-Britannique?

M. Downey: Cela peut fort bien se compa rer avec l'Est du Canada dans son ensembl mais je pense que le coût de la main-d'œuvr est un peu plus élevé dans certaines autre régions.

M. Rose: Qu'au Nouveau-Brunswick pa exemple?

M. Downey: Je crois que c'est le cas, oui.

M. Rose: Est-ce que vos usines son syndiquées?

M. Downey: Plaît-il?

M. Rose: Est-ce que vos usines son syndiquées?

M. Downey: Par le monde ouvrier?

M. Rose: Oui.

M. Downey: Oui.

M. Rose: Vous avez un syndicat?

M. Downey: Oui.

M. Rose: Pourriez-vous me dire le nom d syndicat?

M. Downey: C'est pour le compte rendu?

M. Rose: Je laisse tomber celle-ci. Un autre question. Je voudrais savoir si vou trouvez que le tarif de 27 à 35 dollars pour l papier fin empêche votre société de s'engage dans la diversification et de prendre sa just part du marché américain?

M. Downey: Non, je ne le crois pas.

M. Rose: Ce n'est pas le problème?

M. Downey: Non.

M. Rose: Vous avez parlé de la diversifica tion qui vous intéresse et de vous engage dans la production d'autres genres de papier Alors, de quel côté vous tournez-vous pou vos marchés, ou pouvez-vous faire face a tarif américain, même avec leur tarif de 3 dollars?

M. Downey: Nous sommes engagés dans l domaine des tarifs du transport maritime e cela nous met dans une situation assez compé titive. C'est en se basant sur nos tarifs d transport maritime que le National-Canadie est vraiment désireux de nous aider; il

[*Texte*]

competition that is given by water-borne activity.

Mr. Rose: This is my final question, sir: Has your company ever considered establishing its own fleet of water carriers? This was done by someone in New Brunswick, I believe.

Mr. Downey: We have it now, but it does not suit. As I said, in this kind of trade it is train loads and carload lots that we are interested in.

Mr. Rose: I see. Thank you.

The Chairman: Mr. Horner?

Mr. Horner: I wonder if you could give the Committee some general information. Would you say that the pulp and paper industry is Newfoundland's biggest, or is it the fishing industry? Could you give us some comparison just so we will know what effect transportation really has on the Province of Newfoundland?

M. Downey: So far we have transported only 6,000 tons in the manner I am talking about. I think you would find the fish go over the roads and the railroads at a higher tonnage rate than that, but we do look forward to a growth that could be of the order of 40,000 or 50,000 tons a year.

Mr. Horner: In looking over your brief, you outline the Terms of Union. I wonder, in light of the importance of the pulp and paper industry, if you would give us your opinion concerning Term 32 as you have listed it here. Would you say that in living up to its commitments of Confederation it is necessary for the federal government to make sure the railway service is provided in Newfoundland?

I do not want to put you on the spot, but you dealt with the Terms of Union in your brief and you outlined Term 32. Term 32 deals with rail traffic and the rates on rail traffic. You do not really want to commit yourself on that?

Mr. Downey: I do, but I am not quite clear on your question.

Mr. Horner: Well, the Newfoundland Government said—and I want to be fair to them—that they really did not think it was in the Terms of Union with the mainland that a

[*Interprétation*]

essayent autant que possible de soutenir la concurrence qui leur est livrée par le transport maritime.

M. Rose: Une dernière question. Votre société a-t-elle jamais songé à établir sa propre flottille de transporteurs maritimes? Ceci fut fait au Nouveau-Brunswick, je pense.

M. Downey: Nous l'avons présentement, mais ça ne convient pas. Comme je l'ai dit, dans ce genre de commerce, ce qui nous intéresse, ce sont les chargements par trains et par wagons.

M. Rose: Je vois. Merci beaucoup.

Le président: Monsieur Horner?

M. Horner: Pourriez-vous nous donner quelques renseignements d'ordre général? Laquelle de ces deux industries est la plus importante, celle de la pâte et du papier ou de la pêche? Pourriez-vous nous donner certaines comparaisons qui nous permettront de connaître les effets que peut avoir l'industrie du transport sur la province de Terre-Neuve?

M. Downey: Jusqu'ici nous n'avons transporté que 6,000 tonnes, de la façon dont je viens de le faire. Vous pouvez trouver, je pense, que le poisson est transporté par routes et par chemin de fer à des tarifs de tonnage plus considérable, mais nous nous attendons à ce que nous ayons de ce côté une croissance qui pourrait être de l'ordre de 40,000 ou 50,000 tonnes par année.

M. Horner: En étudiant votre mémoire, vous présentez les conditions de l'Union. Je me demande si, à la lumière de l'importance de l'industrie de la pâte et du papier, si vous pourriez nous donner votre opinion concernant l'article 32 tel que vous l'avez inscrit ici. Diriez-vous que, pour respecter les engagements qu'il a pris lors de la Confédération le gouvernement fédéral devrait s'assurer qu'un service ferroviaire soit fourni à Terre-Neuve?

Je ne veux pas vous rendre la vie difficile, mais dans votre mémoire vous parlez des conditions de l'Union, et vous avez insisté sur l'article 32. En ce qui me concerne, l'article 32 traite du trafic ferroviaire et de ses tarifs. Vous ne voulez pas vraiment, dire quoi que ce soit qui pourrait vous engager?

M. Downey: Oui, je veux bien, mais je ne comprends pas tout à fait votre question.

M. Horner: Le gouvernement de Terre-Neuve a dit—et je veux être juste à leur égard—qu'il ne croyait pas vraiment qu'une des conditions de l'Union avec le continent

[*Text*]

rail service should be maintained in Newfoundland.

Mr. Downey: This is your earlier question?

Mr. Horner: Yes, this was my earlier question to the Newfoundland Government. Now, do you agree with them?

Mr. Downey: I do not.

M. Horner: You do not agree with them?

Mr. Downey: No.

Mr. Horner: That is the one question I wanted you to answer. Now, would you agree that there should be a greater improvement on rail lines in Newfoundland?

Mr. Downey: Definitely, and I think somebody made it quite clear here a little while ago. There was a lot of discussion about freight versus express and it was pulled into focus by a gentleman on my left. I think one of the most important things done here this morning was clarifying the fact that freight is not a part of this controversy at all. We are still all interested in freight; I think everybody is.

Mr. Horner: That is true I agree, but do you think the railroad can maintain its position with the hauling of freight, pulpwood and paper without greater expenditures on improving the rail line?

Mr. Downey: I am not prepared to say, but I know from the efforts at the CN people and their dedication and activity that it has got to go. It is doing beautifully. What we see looks good for all of us.

The Vice-Chairman: Mr. Trudel?

Mr. Trudel: I have one short question, Mr. Chairman. I think in introducing your brief you mentioned the deteriorating conditions in the paper industry. Would you not say that this year's outlook is far different from what we had in 1968?

Mr. Downey: There are two answers to it. There is more trade but less profit.

[*Interpretation*]

serait le maintien d'un service ferroviaire Terre-Neuve.

M. Downey: Est-ce la question que vou avez posée plus tôt?

M. Horner: Oui, c'est la question que j'a posée au gouvernement de Terre-Neuv Êtes-vous d'accord?

M. Downey: Non, je ne suis pas d'accord.

M. Horner: Vous n'êtes pas d'accord?

M. Downey: Non.

M. Horner: C'est la question que je voulai que vous répondiez. Conviendriez-vous alors qu'il devrait y avoir une plus grande amélioration des voies ferrées à Terre-Neuve?

M. Downey: Définitivement, et je crois qu quelqu'un ici a bien tiré cette question a clair, il n'y a pas longtemps. On a longuemen discuté au sujet des marchandises par rappor aux messageries express, et cette question fait l'objet d'une mise au point par un membre, à ma gauche. Je pense que l'une de choses les plus importantes qui a été réalisé ici depuis ce matin etait celle de préciser l fait, que les marchandises ne sont pas l'obje principal de cette controverse. On s'y inté resse tous, c'est le cas pour chacun de nous je pense.

M. Horner: C'est juste, j'en conviens. Mai est-ce que vous croyez que les chemins d fer, peuvent maintenir leur situation dans l transport des marchandises, de pâte de boi et du papier, sans investir de plus grande sommes pour améliorer les service ferroviaires?

M. Downey: Je ne suis pas prêt à le dire mais je vois d'après les efforts déployés pa les gens du National-Canadien ainsi que leu dévouement et leur travail que, cela va donner des résultats. Ça marche à merveille e les affaires semblent être bonnes pour nous tous.

Le vice-président: Monsieur Trudel?

M. Trudel: Une question très brève, monsieur le président. Je pense qu'en présentant votre mémoire vous avez parlé des conditions qui se détériorent dans l'industrie du papier Est-ce que vous diriez que les perspectives pour cette année sont bien différentes de la situation de 1968?

M. Downey: Il y a deux réponses à votre question. Le commerce est plus considérable mais il y a moins de bénéfices.

[*Texte*]

Mr. Trudel: Well, we could also project this to several other industries. This is not unique to the paper industry but I think the outlook in 1969, generally speaking, will be far better regardless of where you are situated in Canada than it has been in 1968.

Mr. Downey: I hope you are right.

Mr. Trudel: Thank you.

The Vice-Chairman: Mr. McGrath.

Mr. McGrath: Mr. Chairman, I wonder if the witness could clarify or perhaps enlarge upon a remark that he made which was certainly of great interest to me but which I am very much afraid members of the Committee would find some difficulty in understanding. At least I do.

You spoke about the difficulties involved in transferring mainland cars on Newfoundland trucks—Newfoundland wheels—and there was a technical problem here regarding bearings. Do you mean by this that even though substantial money has been spent on this to provide this transfer system at Port aux Basques, notwithstanding these substantial expenditures it is not working? Is that correct?

Mr. Downey: No, sir. Do not put words.

Mr. McGrath: I am not putting words. I am trying to clarify a point which I do not understand.

Mr. Downey: What I said was this and let us put it back in context. The ingenious method of transporting the mainland cars to our little trucks over here so that these big cars can come to us is working beautifully.

Mr. Perrault: On a point of information, Mr. Chairman, could you explain just how that is done? It is of interest to us.

Mr. Downey: They have these large new ferries down there that bring the cars, the full trains, from the mainland right to Port aux Basques, and at that point they have a dual system of rails whereby they lift these large cars by a huge crane over from their own little trucks on the large wide gauge to the smaller trucks on the narrow gauge and just place them down there and bolt them up. And away they go. They can come right across the island.

Mr. Horner: A piggyback.

Mr. Downey: Yes. It is not quite a piggyback.

[*Interprétation*]

M. Trudel: Alors, nous pourrions aussi en faire l'extrapolation pour d'autres industries. Ce n'est pas une particularité de l'industrie du papier, mais je pense qu'en général, les perspectives de 1969 seront bien meilleures pour toutes les parties du Canada.

M. Downey: J'espère que vous avez raison.

M. Trudel: Merci.

Le vice-président: Monsieur McGrath.

M. McGrath: Monsieur le président, le témoin pourrait-il préciser ou peut-être élaborer un peu plus sur une remarque qu'il a faite et qui m'intéresse vraiment particulièrement. Je crains fort, toutefois, que les membres du Comité éprouveront quelques difficultés à comprendre, du moins c'est mon cas.

Vous avez parlé des difficultés qui se présentent pour le transfert des wagons en provenance du continent sur les camions de Terre-Neuve, et d'un problème concernant les charges autorisées. Est-ce que vous entendez par là que même si beaucoup d'argent a été dépensé à cet égard pour assurer ce système de transfert à Port-aux-Basques, que malgré ces dépenses considérables, le système ne fonctionne pas? Est-ce exact?

M. Downey: Non, ne me faites pas dire des choses.

M. McGrath: Je n'essaie pas de vous faire dire des choses. J'essaie simplement de clarifier un point que je ne comprends pas.

M. Downey: Pour le replacer dans le contexte, j'ai dit que la méthode vraiment ingénieuse de transporter les wagons du continent à nos petits boggies pour nous apporter ces wagons, donne d'excellents résultats.

M. Perrault: A titre de renseignements, pourriez-vous nous dire comment cela est fait. Cela nous intéresserait.

M. Downey: Ils ont ces nouveaux transbordeurs sur lesquels ils transportent les wagons, tout le train en fait, du continent à Port aux Basques où, grâce à un double système de rails, ils lèvent les grands wagons à l'aide d'une grue de leurs propres boggies sur les voies à grand écartement et les placent sur les boggies plus petits sur les voies de faible écartement et fixés en place. Eh hop! Ils traversent l'île au complet.

M. Horner: C'est un système rail-route.

M. Downey: Oui, pas tout à fait.

[*Text*]

Mr. Horner: How long does that take from one car to another?

Mr. Downey: Oh, it is simple. Within an hour they change the train, practically.

Now just one clarification on the bearings. The bearings are the bearings of our little trucks. It has nothing at all to do with the transfer or the expenditures that were done. This is quite complete unto itself.

Mr. McGrath: You say "our trucks". You are referring to the CN trucks?

Mr. Downey: Yes. I am a Newfoundlander.

Mr. McGrath: I still do not know what is the difficulty.

Mr. Downey: All right. We cannot load to capacity the large cars that come to us and thereby attain the optimum rate out of this activity because we can only load 50 tons in these cars that can take 60 tons. And the reason we are limited in loading is the bearings of the little trucks and the bearings of the little rails, the curbs and so on.

Mr. McGrath: How much can our cars take? The Newfoundland cars.

Mr. Downey: We can take 40.

Mr. McGrath: Forty. It is hard to suggest, then, that this system is not working out. Let me ask you another question. You would not be expected to have knowledge of this but does this apply to other shippers as well? Are they experiencing the same difficulty?

Mr. Downey: Price are experimenting with it to a lesser extent than we are and so they must have the same difficulty.

Mr. McGrath: I see. Have you had discussions with Canadian National Railways to see what can be done to correct this, and what have they told you?

Mr. Downey: Oh indeed. They have said that the expense is tremendous. It can be done but the expense is too much.

Mr. McGrath: Well, it would appear to me that the CN has goofed again here as it has done so often in the past.

Mr. Downey: No, sir. No, sir. They have given us a good service here. We are now

[*Interpretation*]

M. Horner: Combien de temps faut-il pou faire ce transfert?

M. Downey: C'est très simple à faire. Moin d'une heure pour tout un train. Une précisio pour ce qui est des charges autorisées de ce petits boggies. Cela n'a rien à voir avec l transfert ou les dépenses qui ont été faites. C système est complet en soi.

M. McGrath: Vous parlez de «nos boggies» Vous parlez des boggies du National-Cana dien, n'est-ce pas?

M. Downey: Oui. C'est que je suis d Terre-Neuve.

M. McGrath: Je ne sais toujours pas quell est la difficulté qui se présente?

M. Downey: Oui, j'y arrive. Nous ne pou vons pas charger à pleine capacité les wagon qui nous parviennent ainsi et par conséquen on ne peut pas tirer un rendement maxima de cette opération parce qu'on ne peut mettr que 50 tonnes de marchandises dans ce wagons qui peuvent en contenir 60. La raiso pour laquelle nous sommes restreints c'es simplement que les charges autorisées sur le petits boggies, les voies, et les courbes son restreintes.

M. McGrath: Quelle est la charge autorisé de nos wagons, ceux de Terre-Neuve?

M. Downey: 40.

M. McGrath: Alors il est difficile de dir que ce système ne donne pas de résultat satisfaisants. Permettez-moi de vous pose une autre question. On ne s'attend pas à c que vous le sachiez, mais est-ce que cela s'ap plique aussi à d'autres expéditeurs? Est-c qu'ils éprouvent de telles difficultés?

M. Downey: Price fait des essais, pas dan une aussi grande mesure, mais j'imagin qu'ils ont les mêmes difficultés.

M. McGrath: Je vois. Est-ce que vous ave eu des entretiens avec le National-Canadie afin de voir ce que l'on peut faire pour rec tifier cette situation? Que vous ont-il répondu?

M. Downey: Sûrement. Ils ont dit que le dépenses étaient très grandes. Il est possibl de le faire mais c'est très coûteux.

M. McGrath: Il me semble que le CN s'es fourvoyé une fois de plus, comme ils l'ont fai si souvent par le passé.

M. Downey: Non, ils nous ont fourni u excellent service. Nous avons maintenant 1

[*Texte*]

aking advantage of 10 tons more a car than ve could have.

Mr. McGrath: Ten tons more.

Mr. Downey: Exactly.

Mr. McGrath: But you still cannot enjoy ne best rate which the facility and the xpenditure on it was designed to do. Is that orrect? That is the substance of it.

Mr. Downey: That is not fair either because ney can take many loads out of here that ulk more than ours. Therefore they would ll those cars at the 40 tons or 50 tons that ney can carry. So it is not quite fair to put it n that way.

Mr. McGrath: We are not going to have the N as a witness so this question is certainly a roper one to you.

The Vice-Chairman: Mr. McGrath, we will ave the CN as a witness back in Ottawa, not ere. They will be appearing before us.

Mr. McGrath: Oh, I see. Well, let me just sk you this question, sir. They told you there as a substantial amount of money involved o correct this deficiency. Did they tell you ow much?

Mr. Downey: No. No. But any engineer nows it is a fair amount.

Mr. McGrath: What would you call a fair mount?

Mr. Downey: Let me say it another way. hey said that to put cushion underframes on heir cars would cost $4,000 per car. So this is ne item that I do know the figure for.

Mr. McGrath: How much was the facility at ort-aux-Basques, generally speaking?

Mr. Downey: I have no idea.

Mr. McGrath: Aproximately...

Mr. Downey: I have no idea.

Mr. McGrath: I have no further questions, Ir. Chairman.

The Chairman: Mr. Rock.

Mr. Rock: Could the witness tell me first of ll if he lives in Corner Brook?

Mr. Downey: Right.

Mr. Rock: And did you come here by car, y rail, by air?

[*Interprétation*]

tonnes de plus par wagon que ce que nous avions auparavant.

M. McGrath: Dix tonnes de plus.

M. Downey: Exactement.

M. McGrath: Mais vous ne pouvez toujours pas bénéficier du meilleur tarif que le service et les dépenses encourues devaient assurer. Est-ce exact?

M. Downey: Non, ce n'est pas tout à fait juste non plus parce qu'ils pourraient prendre bon nombre de chargements d'ici dont le volume est plus considérable que le nôtre. Ils rempliraient alors les wagons à leur charge autorisée de 40 ou 50 tonnes. Donc, ce n'est pas tout à fait juste de le présenter comme cela.

M. McGrath: Comme le National-Canadien ne comparaîtra pas, c'est à vous que nous devons poser cette question.

Le vice-président: Le National-Canadien viendra témoigner à Ottawa, monsieur McGrath.

M. McGrath: Je vois. Mais permettez-moi de poser la question suivante. Ils vous ont dit qu'il faudrait beaucoup d'argent pour rectifier cette carence, mais vous ont-ils dit de quelle somme il s'agissait?

M. Downey: Non, mais un ingénieur peut très bien voir que ce serait fort coûteux.

M. McGrath: Quelle somme estimeriez-vous élevée?

M. Downey: Permettez-moi de le dire autrement. On nous a dit que pour mettre des châssis à coussinets sur les wagons coûterait $4,000 par wagon. C'est donc un facteur dont je connais le coût.

M. McGrath: Combien les installations de Port-aux-Basques, en général?

M. Downey: Je n'en ai pas la moindre idée.

M. McGrath: Approximativement...

M. Downey: Je n'en ai pas la moindre idée.

M. McGrath: Je n'ai pas d'autre question à poser, monsieur le président.

Le président: Monsieur Rock.

M. Rock: Le témoin pourrait-il me dire tout d'abord s'il habite à Corner Brook?

M. Downey: Oui.

M. Rock: Êtes-vous venu ici par auto, par train, ou par avion?

[*Text*]

Mr. Downey: I came by Expedito.

Some hon. Members: What is that?

Mr. Downey: That is the new truck you are all talking about. The new passenger system.

Mr. Rock: You mean the bus rather than the train?

Mr. Downey: Right. Because I was coming to a transport meeting I wanted to know about it.

Mr. Rock: What is the total amount of your production in tonnage per year?

Mr. Downey: Ours from our plant?

Mr. Rock: Yes.

Mr. Downey: Of the order of 350,000 to 380,000 tons.

Mr. Rock: I see. There is no possibility to ship by ship from...

An hon. Member: No.

Mr. Rock: Excuse me, I am asking the questions—to Detroit and Chicago, your main customers. I understood that your main customers were in Chicago and Detroit.

Mr. Downey: Some are, yes.

Mr. Rock: For newsprint?

Mr. Downey: Right. And this new developing field.

Mr. Rock: Is there no possibility of shipping by ship directly from your port through the seaway to these two points?

Mr. Downey: We do it but you see, it is in this new field of diversification with the way less-than-shipload lots that we are talking about.

Mr. Rock: I see. You are concerned simply on these small shipments, then.

Mr. Downey: True, but there is another little feature to this that I should fill in. We would like, if we had the right structure, to carry on this activity throughout the winter, which is not possible during the summer, when ships often can do it.

Mr. Rock: A final question, then. Do you prefer the bus service to the "Bullet"? You do not have to answer if you do not want to.

Mr. Downey: I will wait until you guys have your trip on the "Bullet".

[*Interpretation*]

M. Downey: Je suis venu par l'Expedito.

Une voix: Qu'est-ce que c'est?

M. Downey: Le nouveau camion dont vou parlez. Le nouveau service passagers.

M. Rock: Vous voulez dire l'autobus au lie du train?

M. Downey: D'accord. Comme je venais une réunion concernant les transports, je vou lais simplement savoir.

M. Rock: Quelle est votre production e tonnes par année?

M. Downey: De notre usine?

M. Rock: Oui.

M. Downey: De l'ordre de 350,000 à 380,00 tonnes.

M. Rock: Je vois. Il n'y a pas possibilit d'expédier par navire à partir des ports de...

Une voix: Non.

M. Rock: Je m'excuse, laissez-moi poser m question... à Détroit et à Chicago, vos prin cipaux clients. Je pense que vos principau clients sont à Chicago et à Détroit.

M. Downey: Certains d'entre eux, oui.

M. Rock: Pour le papier journal?

M. Downey: Oui. Et notre nouveau cham d'expansion.

M. Rock: Est-ce qu'il n'y a pas moyen d'ex pédier directement par navire en empruntan la voie maritime jusqu'à ces deux points?

M. Downey: Nous le faisons, mais c'est dans ce nouveau domaine d'activité avec des chargements de beaucoup moins d'une wagon née dont nous parlons.

M. Rock: Je vois. Ce qui vous préoccupe c sont simplement les petites expéditions.

M. Downey: Oui, il y a un autre aspect dont il faut tenir compte, c'est que nous aime rions, si nous avions la structure voulue, poursuivre ces activités durant tout l'hiver, ce qui n'est pas possible en été lorsque les navi res peuvent le faire bien souvent.

M. Rock: Une dernière question. Est-ce que vous préférez le service autobus au «Bullet»? Vous n'êtes pas obligé de répondre si vous ne voulez pas.

M. Downey: J'attendrai que vous ayez fait un voyage sur le «Bullet».

[Texte]

Mr. Rock: You travel on both so you would know better than us.

The Chairman: No further questions, Mr. Rock?

Mr. Rock: No.

The Chairman: Mr. Nowlan.

Mr. Nowlan: Mr. Rock started to get in on the question I wanted to ask to help perhaps clarify some of the evidence. The real problem in the corrections that you mentioned has to deal with a very small segment of your export part of your product. Is that not correct? How much percentagewise goes by ship out of Corner Brook?

Mr. Downey: The bulk of it, but this could grow.

Mr. Nowlan: Well, then, your main, real, interest at the moment is in getting the cordwood to Corner Brook.

Mr. Downey: That is absolutely right. I was not talking to that one so much today as our interest in the . .

Mr. Nowlan: This is what I was trying to get—the proper perspective between your brief and your talk today as far as the problem of the small-gauge railway and updating is concerned. Obviously you cannot put as much weight on the small gauge but does it inhibit bringing that cordwood to Corner Brook?

Mr. Downey: We do not have too much problem there.

Mr. Nowlan: So any updating is in relation to the export industry?

Mr. Downey: Right.

Mr. Nowlan: And you mention the figure, I think, of 6,000 tons. That is all you really experimented with.

Mr. Downey: Correct.

Mr. Nowlan: And that 6,000 tons is in a production of—what did you say—350,000 to 380,000 tons?

Mr. Downey: This is true but do not lean on that too much. This has just started. We have only been four months doing this 6,000 tons, and with the co-operation of the CNR and our forward look this is going to grow. We should not put it in that context, I do not think.

Mr. Nowlan: Do not get me wrong, that I am pro or con this expansion of the rail service and updating of the rail service.

[*Interprétation*]

M. Rock: Vous avez pris les deux, donc vous êtes mieux renseigné que nous.

Le président: Aucune autre question, monsieur Rock?

M. Rock: Non.

Le président: Monsieur Nowlan.

M. Nowlan: M. Rock a abordé la question que je voulais poser en vue d'éclairer davantage une partie des témoignages. Le véritable problème des corrections dont vous parlez a trait à une très petite partie de produit d'exportations. Est-ce exact? Quel pourcentage de vos produits est expédié par navire via Corner Brook?

M. Downey: Le très grande partie, qui pourrait s'accroître davantage.

M. Nowlan: Alors votre principal intérêt en ce moment c'est d'amener votre bois de corde à Corner Brook.

M. Downey: Oui, c'est juste. Je m'excuse, mais je ne parlais pas tellement de cela aujourd'hui que de notre intérêt. . .

M. Nowlan: C'est ce que je voudrais savoir, la bonne perspective entre votre mémoire et ce que vous avez dit aujourd'hui pour ce qui est des chemins de fer à écartement étroit ou à son amélioration. De toute évidence, on ne peut pas charger autant les chemins de fer à faible écartement, mais est-ce que cela vous empêche d'acheminer le bois de corde à Corner Brook?

M. Downey: Nous n'avons pas tellement de problèmes à ce sujet.

M. Nowlan: Donc, toute amélioration désirée à trait aux exportations.

M. Downey: Oui.

M. Nowlan: Vous parlez de 6,000 tonnes. Est-ce le seul chiffre que vous avez mis à l'essai?

M. Downey: C'est exact.

M. Nowlan: Et ces 6,000 tonnes sont tirées d'une production de 350,000 à 380,000 livres?

M. Downey: C'est juste, mais nous n'y comptons pas trop. Ce n'est qu'un début parce que nous le faisons que depuis quatre mois et avec la collaboration du National-Canadien et ce secteur est appelé à croître. On ne devrait pas le mettre ainsi dans un tel contexte.

M. Nowlan: Ne pensez pas que je suis pour ou contre l'accroissement ou l'amélioration des services de chemin de fer.

[*Text*]

Mr. Downey: No, but somebody just heard your remarks there...

Mr. Nowlan: Well, I put it that way to get the proper perspective—a perspective.

I presume that in the 6,000, since it was done in co-operation with the CN, you had enough cars to do this experimentation.

Mr. Downey: Perfectly right.

Mr. Nowlan: Even if you did expand this rail service, just the very fact that you lie there right in Corner Brook and the harbour, the bulk of your product would still go by sea, would it not?

Mr. Downey: This is very, very much in jeopardy at the moment. Our trade in many things is to some extent in the States; there is no question about this. We could be developing this diversified type of product I am talking about at the expense of newsprint and ore going into the far East or export field generally for our newsprint sales outlet and devoting more time to this and railing it to the mainland.

Mr. Nowlan: This would give you a more flexible operation.

Mr. Downey: Exactly.

Mr. Nowlan: That is all.

The Chairman: Mr. Portelance.

Mr. Portelance: Mr. Chairman, Mr. Downey, would you say that so far you have been dealing quite a bit with CN representatives? And would you say that the help that they give you has been satisfactory? Or do you have any complaints?

Mr. Downey: No, I have no complaints to lodge there at all. It has been exemplary. They have been very anxious to develop this trade too and...

Mr. Portelance: Co-ordination has been good.

Mr. Downey: It has been tremendous.

Mr. Portelance: Thank you.

Mr. Thomas (Moncton): Mr. Chairman, I refer to your brief, sir, on page 534 under the caption "Trucks". I think it is fair to say that what you are saying there in effect is that any increase in truck rates or freight rates would have very serious effects on your business. In other words, you are implying that you do not want to see freight rates increased. The

[*Interpretation*]

M. Downey: Non, mais quelqu'un vien d'entendre vos remarques à ce sujet...

M. Nowlan: Je me suis exprimé pour avoi la bonne perspective.

Je présume que puisque cela était fait e collaboration avec le National-Canadien, vou aviez suffisamment de wagons pour tente l'expérience.

M. Downey: Oui.

M. Nowlan: Même si vous deviez étendre c service ferroviaire, le seul fait que vous vou trouvez à Corner Brook et près du port, l plus grande partie de votre production ser transportée par navire, n'est-ce pas?

M. Downey: A l'heure actuelle tout cela es menacé. Notre commerce, pour son nombr de marchandises, se fait jusqu'à un certai point avec les États-Unis. Il n'y a aucun dout à ce sujet. Nous pourrions mettre au point c produit diversifié dont j'ai parlé, aux dépen du papier journal et du minerai de fer ver l'Extrême-Orient ou le marché étranger en gé néral pour le papier journal, et consacrer plu de temps à expédier par chemin de fer a continent.

M. Nowlan: Ce qui vous donnerait plus d souplesse dans vos opérations.

M. Downey: Exactement.

M. Nowlan: C'est tout.

Le président: Monsieur Portelance.

M. Portelance: Monsieur le président, mon sieur Downey, est-ce que vous diriez qu vous avez traité passablement avec les autori tés du National-Canadien jusqu'ici? Et est-c que vous diriez que la collaboration que vou avez obtenue a été satisfaisante ou est-ce qu vous avez des plaintes à formuler?

M. Downey: Je n'ai pas de plaintes à for muler. Nos rapports sont exemplaires. Il étaient également soucieux d'accroître c commerce et ...

M. Portelance: Il y a eu de la coordination.

M. Downey: Oui, formidable.

M. Portelance: Merci.

M. Thomas (Moncton): Monsieur le prési dent, je voudrais me référer brièvement votre mémoire, à la page 534, sous la rubri que «camions». Je crois que ce que vou essayiez de dire au sujet du camionnage, c'es que toute augmentation des taux du transpor des marchandises par camion ou chemin d fer aura une influence considérable sur votr

'exte]

ing that strikes me is that earlier the Gov-nment of Newfoundland stated firmly and tegorically that their chief concern was ith better highway construction and now ou make an interesting statement here. You y:

> The importance of rail freight rates must therefore be stressed with more than usual emphasis—whether or not more and better roads are developed.

re you saying that your first immediate con-rn is to get relief from freight rates regard-ss of highway construction? Is that what at sentence says?

Mr. Downey: Not regardless, because we e involved in both sides of it. We have this tivity of moving our product out of the untry; we have our raw materials supplied the mill which come by truck and by rail—ainly by rail.

Mr. Thomas (Moncton): Yes, but is it not ear, is it not what that sentence says, that ou are more concerned with rail transporta-on than you are with highway transportation you say in effect that regardless of what appens . .

Mr. Downey: We are more involved with

Mr. Thomas (Moncton): Yes, regardless of hat happens to the roads you have to get elief from freight rates.

Mr. Downey: Yes.

Mr. Thomas (Moncton): This is interesting ecause to me, you know, it is in conflict with ie opinion expressed earlier.

Mr. Downey: Actually the bulk of our trade that way.

Mr. Thomas (Moncton): Thank you.

Mr. Nowlan: As a matter of historical nterest and for my own edification—and also will show my own ignorance—was the nar-ow-gauge railway in operation within some f these company boundaries and then xtended to the transisland route? How did ie narrow gauge ever get here?

Mr. Downey: I do not know. Ask Mr. Reid. have no idea, Mr. Nowlan.

[Interprétation]

chiffre d'affaires. En d'autres termes, vous laissez entendre que vous ne voudriez pas qu'on augmente les taux de transport des marchandises. Ce qui m'étonne, c'est que un peu plus tôt le gouvernement de la province de Terre-Neuve disait catégoriquement que leur première préoccupation était la construction de meilleures grandes-routes et votre déclaration est intéressante lorsque vous dites:

> Il faut donc insister encore davantage sur l'importance des tarifs marchandises des chemins de fer—peu importe qu'on construise de meilleures routes ou non.

En d'autres termes, vous voulez dire qu'il importe davantage d'avoir de meilleurs tarifs que de construire des grandes-routes. Est-ce que c'est ce que vous voulez dire?

M. Downey: Pas l'un aux dépens de l'autre, car nous travaillons sur les deux côtés. Nous exportons nos produits; les matières premières sont transportées à l'usine par route et par rail, mais surtout par rail.

M. Thomas (Moncton): Oui, mais ce n'est pas clair, ce n'est pas ce que dit cette phrase, que vous êtes davantage préoccupés par le transport ferroviaire que par le transport routier si vous dites que peu importe ce qui adviendra . . .

M. Downey: Nous sommes plus engagés.

M. Thomas (Moncton): Oui, peu importe ce qui advient aux grandes-routes, il vous faut absolument obtenir un meilleur tarif marchandises.

M. Downey: Oui.

M. Thomas (Moncton): Ce qui m'intéresse énormément car c'est en contradiction avec ce qui a été dit plus tôt.

M. Downey: La plus grande partie de notre commerce se fait dans ce sens en ce moment.

M. Thomas (Moncton): Merci.

M. Nowlan: Dans un intérêt historique, et pour ma propre édification, ce qui dénote mon ignorance, est-ce que la voie à écartement étroit était exploitée à l'intérieur des concessions de ces sociétés et ensuite étendue à la route qui traverse l'île. Comment se fait-il que vous ayez une voie à écartement étroit?

M. Downey: Je n'ai pas la moindre idée, monsieur Nowlan. Demandez à monsieur Reid.

[*Text*]

Mr. Nowlan: But it is not a case of a company—either your company or Grand Falls—having the narrow gauge and extending it to the provincial gauge?

Mr. Downey: I think we came after. I know at Corner Brook we got...

Mr. Nowlan: You came after it.

Mr. Downey: Yes.

Mr. Nowlan: Thank you.

The Vice-Chairman: Thank you, sir.

Mr. Downey: Thank you very much, Mr. Chairman.

The Vice-Chairman: Steve Neary, a personal brief?

The Bell Island Delegation?

We have Mr. Jack Nolan representing the Bell Island constituency. Please refer to Brief A-20 which you will find on page 531.

Would you like briefly to summarize the presentation, sir?

Mr. Nolan: Mr. Chairman, and gentlemen, I have been directed by a public meeting of Bell Island citizens to present to you on their behalf a request to eliminate ferry rates for Bell Islanders using this service.

It is generally agreed that all levels of government have co-operated successfully in transplanting the majority of our citizens to job opportunities elsewhere, but it is contended that the remaining 6,000 people are being prevented from commuting to the local mainland regularly because of the high ferry rates, which also increase the cost of life's necessities to people who can least afford the extra burden.

It is also apparent that all property will depreciate abnormally and that the cost of maintaining this ferry service by the federal government, as well as welfare expenditures, will increase because the residents cannot afford to use the service regularly.

As our government would benefit from taxes paid through the increased employment opportunities if ferry rates were eliminated, it is our fervent prayer that you will give our suggestion your urgent consideration.

Mr. Horner: Could Mr. Nolan give the Committee some idea of the amount of money we are talking about here? Is it a very large

[*Interpretation*]

M. Nowlan: Mais est-ce que ce n'est p que votre société ou une autre avait introd ce système qui a ensuite été étendu à province?

M. Downey: Je crois que nous somm venus plus tard. Je sais qu'à Corner Bro nous avons ...

M. Nowlan: Vous êtes venus ensuite.

M. Downey: Oui.

M. Nowlan: Merci.

Le vice-président: Je vous remerc monsieur.

M. Downey: Merci beaucoup, monsieur président.

Le vice-président: Monsieur Steve Nea vous avez un mémoire personnel?

La délégation de Bell Island?

Nous avons ici M. Jack Nolan, qui repr sente la circonscription de Bell Island. Veu lez vous référer au mémoire A-20 que vo trouverez à la page 531. Pourriez-vous rés mer brièvement ce que vous avez à nous di monsieur?

M. Nolan: Monsieur le président, messieu Les citoyens de l'Île Bell m'ont demandé vous demander en leur nom qu'il puisse utiliser gratuitement les services traversier.

Tous sont d'accord pour dire que tous l gouvernements ont collaboré au déplaceme de la majorité des habitants de l'Île en l aidant à trouver de nouveaux emplois a leurs. Mais les 6,000 personnes qui reste prétendent qu'elles ne peuvent se rendre à terre ferme de façon régulière en raison d taux élevés du traversier. Il en résulte égal ment une augmentation du prix des biens consommation pour des personnes qui sont moins bien placées pour subir un tel farde supplémentaire.

Le coût d'entretien du service de trave sier par le gouvernement fédéral et les serv ces de bien-être seront aussi accrus en raiso du fait que les résidents ne pourraient p emprunter le traversier de façon régulière.

Puisque le gouvernement en retirerait ce tains avantages du point de vue taxation si service de traversier était gratuit, nous esp rons que vous étudierez notre demand attentivement.

M. Horner: Je me demande, M. Nolan, vous pourriez nous donner une idée du mon tant d'argent dont il est question? Est-ce qu

Texte]

mount or a small amount? And in asking the uestion I do not want to appear nsympathetic.

Mr. Nolan: At the present time, sir, I think ie federal government subsidizes this ferry ervice, to the extent of $268,000 a year.

Mr. Horner: The federal government?

Mr. Nolan: The federal government subsi-izes this ferry service to the amount of 268,000, I believe. We use the figure of $300,-00 approximately.

Mr. Horner: What revenue is taken in from ie toll on the passengers, or their cars?

Mr. Nolan: It is understood generally, lthough we find some difficulty in obtaining xact information on this, that it is subsidized) more than 50 per cent.

Mr. Horner: Could not a larger or more iodern ferry be put on, which would get the assengers across for the same amount of ibsidy as is now paid out?

Mr. Nolan: I do not think that is feasible. he ferry was originally built to service pproximately 14,000 people. Because of the ict that the mines have closed down com-letely and, as a result, we have no other ource of employment on Bell Island, approx-nately 8,000 people have been moved; but ie remaining 6,000 consisting of pensioners nd recipients of welfare, and so on, have ieir homes over there, and because of the ict that on moving elsewhere the govern-ient pays only $1,500, no matter the size or ondition of their homes, these people are etermined to stay; and, as a result, they are ntitled to that service.

Mr. Horner: I know somewhat of what you peak, coming from an area on the Prairies om which many people were shipped out me years ago.

Would a hovercraft, or something of that ort, be of any assistance, or be an improve-ient over what you already have?

Mr. Nolan: You are now asking a technical uestion which I do not know that I am mpetent to answer, but in my own humble pinion I think it would be more expensive.

Mr. Horner: I do not know. I have never een to Bell Island. I am merely trying to elp you in any way I can.

[*Interprétation*]

c'est une grosse somme d'argent ou une petite somme?

N'allez pas croire que je pose la question parce que je ne suis pas d'accord avec votre projet.

M. Nolan: A l'heure actuelle, monsieur, je crois que le gouvernement fédéral subventionne le service à raison de $268,000 par année.

M. Horner: Le gouvernement fédéral?

M. Nolan: Le gouvernement fédéral donne $268,000 par année, je crois. D'habitude, nous disons environ $300,000.

M. Horner: Quelle somme les taux de péage permettent-ils d'amasser?

M. Nolan: Nous croyons, bien qu'il nous soit difficile d'obtenir les renseignements précis à cet égard, que la subvention équivaut à plus de 50 p. 100.

M. Horner: Ne serait-il pas possible qu'un plus grand traversier ou un traversier plus moderne soit mis en service et que la subvention demeure à peu près la même?

M. Nolan: Je ne crois pas que ce soit possible. Au tout début, ce traversier devait desservir environ 14,000 personnes. En raison du fait que les mines ont été fermées complètement et qu'en conséquence il y a plus d'emplois de disponibles dans l'île, environ 8,000 personnes ont été déménagées; mais les 6,000 personnes qui restent, il s'agit de retraités et d'assistés sociaux, ont leur propre propriété là-bas. Et en raison du fait que lors du déménagement le gouvernement ne paie que $1,-500, peu importe la maison, ces gens ont décidé de demeurer sur les lieux; il en découle qu'ils ont droit à ce service.

M. Horner: Je suis un peu au courant de la situation dont vous parlez puisque je viens d'une région des Prairies d'où plusieurs personnes ont été déplacées, il y a quelques années.

Est-ce qu'un hydroglisseur ou autre appareil du genre serait utile?

M. Nolan: Je ne suis pas compétent pour répondre mais, à mon humble avis, je crois que ce serait plus dispendieux.

M. Horner: Je l'ignore également. Je ne me suis jamais rendu à l'île Bell, mais j'essaie tout simplement de vous aider.

[*Text*]

Mr. Nowlan: I have a supplementary on the figure that Mr. Nolan used. Did you say the subsidy was $268,000 a year.

Mr. Nolan: That is correct, sir.

Mr. Nowlan: Your brief says $3 million.

Mr. Nolan: It should not have said so, sir. Approximately $300,000, it should be.

Mr. Nowlan: Then the brief is wrong?

Mr. Nolan: I have a copy of the original brief right here. It says $300,000.

Mr. Nowlan: I have a copy, too. It reads...

Mr. Nolan: Yours is a copy of mine. If it says $3 million; sir that is incorrect.

Mr. Corbin: Mr. Chairman, perhaps I did not read this correctly, but there is some information that I cannot find in the brief. To what point of land is Bell Island connected by the ferry?

Mr. Nolan: Portugal Cove, which is 9 miles from here.

Mr. Corbin: How many islanders have cars?

Mr. Nolan: Are you speaking of cars on the island at the present moment?

Mr. Corbin: In a percentage.

Hr. Nolan: I would say $400.

Mr. Corbin: Out of a population of...?

Mr. Nolan: Apparently 6,300 is the recent figure.

Mr. Corbin: Does the ferry at this time carry cars from the island to the mainland?

Mr. Nolan: That is right, sir.

Mr. Corbin: How many can it transport?

Mr. Nolan: Depending on the size of the car, usually about 22 or 23.

Mr. Corbin: Does that satisfy the demand?

Mr. Nolan: Yes and no; under normal conditions I would say that it is reasonably satisfactory, but because of the fact tht possibly 300 to 400 people commute on week-ends to homes they maintain on Bell Island, and who are working within a couple of hundred miles

[*Interpretation*]

M. Nowlan: Une question supplémentair Avez-vous dit, monsieur Nolan, que la su vention était de $268,000 par année?

M. Nolan: Oui.

M. Nowlan: Votre mémoire dit tro millions.

M. Nolan: Le mémoire aurait dû dire env ron $300,000.

M. Nowlan: Donc, le mémoire est erroné?

M. Nolan: J'ai ici une copie du mémoi original. Le texte dit $300,000.

M. Nowlan: J'en ai également une cop et...

M. Nolan: Si l'on dit trois millions, mo sieur, c'est une erreur.

M. Corbin: Je n'ai peut-être pas lu comm il le faut, mais il y a des renseignements qu je ne trouve pas dans le mémoire. A qu point sur la terre ferme est reliée l'île Bell?

M. Nolan: Portugal Cove, qui est à 9 mill d'ici.

M. Corbin: Combien de résidants de l'î ont des automobiles?

M. Nolan: Vous parlez du nombre d'aut mobiles, en ce moment, dans l'île?

M. Corbin: En pourcentage, par exemple.

M. Nolan: Je dirais environ 400.

M. Corbin: Pour une population de ... ?

M. Nolan: 6,300 est le chiffre le plus récent.

M. Corbin: Le traversier transporte-t-il pr sentement les automobiles de l'île jusqu'à l terre ferme?

M. Nolan: Exactement.

M. Corbin: Combien le traversier peut-il e transporter à la fois?

M. Nolan: Cela dépend des dimensio des automobiles mais je dirais environ 22 o 23.

M. Corbin: Est-ce que cela répond à l demande?

M. Nolan: Oui et non. Dans des circonstan ces normales, je dirais que c'est plutôt satis faisant. Mais parce qu'il y a peut-être trois o quatre cents personnes qui voyagent réguliè rement en fin de semaine jusqu'à l'île Bell o elles possèdent une maison et qui travaille

[Texte]

f Portugal Cove—in other words, on the Avalon peninsula—it happens invariably that here is a continual waiting line at the cove efore this traffic is cleared up. I have seen it n many, many occasions, and I personally ave had to wait as many as five or six hours efore my turn came to get on the ferry.

Mr. Corbin: Do you use the reservation system to get your car across?

Mr. Nolan: No, sir.

Mr. Corbin: Thank you, sir.

Mr. Nolan: There is priority for the movement of certain types of goods such as oil.

Mr. McGrath: I was absent for a few moments when this brief was first presented nd perhaps my question has been dealt with. f it has, the witness can inform me.

How much money is being expended per nnum for relief at the present time on Bell sland. Do you have that figure?

Mr. Nolan: I have tried in many ways to et it.

Mr. McGrath: That makes two of us.

Mr. Nolan: You do appreciate, sir, that hese figures would have to come from the overnment and you gentlemen have far nore experience than I in trying to get facts ut of the government. I suggest you try ourself.

Mr. McGrath: Can you give an approximaion?

Mr. Nolan: I would say that approximately ,000 of the 6,000 people over there are eceiving welfare.

Mr. McGrath: What would be the average nonthly welfare cheque?

Mr. Nolan: I have never received one in my fe, sir. I am afraid I could not answer that.

Mr. McGrath: I appreciate that. I am trying o establish something here for the benefit of he Committee. I am supporting your brief, nd I want others to support it, as well. I vant to bring out these facts.

Mr. Nolan: As on everything else, sir, we lo hear ridiculous statements made. Whether r not they can be supported by evidence, I lo not know. I have heard of families, and ery large families—we have prolific people n Bell Island—of as many as 12, or 14 children, who receive possibly in the vicinity of 400 to $500 in welfare.

[*Interprétation*]

à 100 ou 200 milles environ de Portugal Cove, dans la péninsule d'Avalon, il y a invariablement une ligne d'attente à Portugal Cove. Personnellement, j'ai déja à attendre 5 ou 6 heures.

M. Corbin: Est-ce que vous utilisez le système de réservation?

M. Nolan: Non, monsieur.

M. Corbin: Merci, monsieur.

M. Nolan: Il y a toutefois priorité pour le transport de certains produits, tels le pétrole.

M. McGrath: Monsieur le président, j'étais absent pendant quelques minutes, alors la question que je désire poser l'a peut-être déjà été. Si tel est le cas, je suis sûr que le témoin me le dira. Combien d'argent dépensons-nous à l'heure actuelle pour les services de bien-être social?

M. Nolan: J'ai tenté par maintes fois d'obtenir ce détail.

M. McGrath: Nous sommes donc deux parce que moi aussi j'ai essayé.

M. Nolan: Vous savez fort bien que ces chiffres nous viennent du gouvernement et vous autres, vous avez beaucoup plus d'expérience que moi lorsqu'il s'agit de soutirer les renseignements du gouvernement. Peut-être pourriez-vous essayer.

M. McGrath: Auriez-vous une idée ou pourriez-vous deviner par exemple?

M. Nolan: Je dirais qu'il y a approximativement 4,000 personnes qui touchent les pensions du bien-être social sur les 6,000 résidants de l'Île.

M. McGrath: En moyenne, à combien peut s'élever le chèque du bien-être social?

M. Nolan: Non, je n'en ai jamais reçu de ma vie, je ne saurais donc pas vous répondre.

M. McGrath: Je le sais mais j'essaie de déterminer quelque chose à l'avantage du Comité. J'appuie votre mémoire et je voudrais que les autres l'appuient aussi. J'essaie donc d'obtenir ces renseignements.

M. Nolan: Évidemment, comme pour bien d'autres choses, nous entendons toutes sortes de déclarations ridicules. J'ignore s'il est possible de prouver de tels avancés. J'ai déjà entendu parler de familles nombreuses, car ils sont très prolifiques dans l'île, des familles qui ont 12, 13, 14 enfants, qui recevraient 400 ou 500 dollars par mois du bien-être social.

[*Text*]

Mr. McGrath: My point is that it would be a very substantial amount per year. To my mind this is the most important argument in support of your brief. You have 4,000 out of 6,000 on relief, unemployed, and the rates on the ferry almost imprison them, if you like, and force them to remain on welfare because they are unable to get to the mainland.

Mr. Nolan: That is right, sir.

Mr. McGrath: Mr. Chairman, I have one further question of the witness. Do you feel that a causeway to Bell Island is feasible.

Mr. Nolan: I do not.

Mr. McGrath: Why?

Mr. Nolan: I think it would be too expensive in comparison to the benefits that would be derived from it. To begin with there are extreme tides in Conception Bay. I am not a fisherman, but there are tremendous depths of water out there. I have heard it said, by men who should know, that it is over 100 fathoms in many places in the bay; that is 600 feet.

You would have to build a causeway to withstand in this bay some of the roughest waters in the world. I have travelled and I have experienced it. You can have a perfectly calm day crossing from Portugal Cove to Bell Island and within an hour the boat is unable to run because of tremendous tides and circumstances.

Mr. McGrath: Mr. Chairman, I think you will find a great deal of sympathy for this brief because of the extraordinary circumstances of this particular situation, which is perhaps unparallelled in the country.

I have one final question, Mr. Nolan. This brief is signed by Stephen A. Neary, M.H.A., who is now a minister in the government of Newfoundland, and who appeared before us this morning on behalf of that government. I was rather disappointed that he did not refer to this situation in his brief. Has the government of Newfoundland made representations to the government of Canada about it?

Mr. Nolan: There have been discussions, but exactly what the discussions concerned I am afraid I could not answer. However, on your specific question, I am not aware of it.

Mr. McGrath: Perhaps you might try to find out and let the Committee know through the Chairman. It is important.

Mr. Nowlan: Could I have your question again, please.

[*Interpretation*]

M. McGrath: Ce que je veux prouver, c'e qu'il s'agit d'une somme considérable vers chaque année. Et, à mon sens, c'est l'argume le plus fort à l'appui de votre mémoire. D 6,000 personnes, 4,000 vivent aux frais d bien-être social et sont en chômage. Les tau du traversier les emprisonnent presque et l forcent à demeurer justement sur la liste d bien-être social, car ils sont incapables de s rendre sur la terre ferme.

M. Nolan: Vous avez raison.

M. McGrath: Une autre question, monsieu le président. Croyez-vous qu'il serait possibl d'aménager une chaussée jusqu'à l'île Bell?

M. Nolan: Je ne le crois pas.

M. McGrath: Pourquoi?

M. Nolan: Je crois que ce serait trop coû teux comparativement aux avantages qui e découleraient. Tout d'abord, il y a des marée extrêmes dans la baie de la Conception. Je n suis pas un pêcheur, remarquez bien, mai l'eau est également très profonde à ce endroit. J'ai déjà entendu dire de la part d ceux qui devraient le savoir, qu'il y a plus d 600 pieds de profondeur.

Il faut donc une chaussée qui résisterait ces eaux, les plus traîtresses au monde. J'e ai fait l'expérience moi-même. La journé peut être tout à fait calme, et en moins d'un heure, il est impossible à un navire de traver ser en raison de la marée et d'autres facteurs.

M. McGrath: Je crois, monsieur le prési dent, que ce mémoire sera vu d'un très bo œil en raison des circonstances extraordinai res qui n'ont peut-être de parallèle ailleurs a pays. J'aurais une dernière question à vou poser, M. Nolan. Le mémoire est signé pa Stephen A. Neary, qui fait maintenant parti du cabinet du gouvernement de Terre-Neuv et qui a témoigné, ce matin, au nom du gou vernement. Je suis déçu de ce qu'il n'ait pa abordé cet aspect. Est-ce que le gouvernemen de Terre-Neuve a formulé des représentation auprès du gouvernement du Canada à ce égard?

M. Nolan: Il y a eu des discussions, mai à quel sujet exactement, je ne pourrais vou le dire. En ce qui concerne votre questio précise, je l'ignore.

M. McGrath: Vous pourriez peut-être vou informer et renseigner le comité par l'inter médiaire du président, car c'est important.

M. Nolan: Voudriez-vous répéter votr question?

[Texte]

Mr. McGrath: Has the government of Newfoundland officially made representations to the government of Canada to have the rates eliminated on the ferry service because of the serious economic situation?

Mr. Nolan: Now I understand you a little bit better. As I said previously, I was not aware of it, and I do not believe that they have. I think that would make it even clearer.

Mr. Trudel: Mr. Chairman, I would like to ask the witness how many people are involved, or how many crossings are made yearly? How many passengers are carried on the ferry in a year; or, if it is easier, in a week or in a month. Could you give us an idea?

Mr. Nolan: I would say possibly 5,000 a month would be a fair average figure.

Mr. Trudel: Five thousand a month.

Mr. Nolan: That, again, depends on the season, sir. As you are well aware, during the winter months there would not be as many people travelling; whereas in good weather during the summer there is an excess that could not be handled by the existing ferry.

Mr. Trudel: The next question, Mr. Nolan, through you, Mr. Chairman is: Would $500,000 be a fair estimate if the entire cost were borne by the federal government?

Mr. Nolan: I think it would be; but I am no authority.

Mr. Trudel: No; I am saying as an estimate.

Mr. Nolan: I think so, sir.

Mr. Trudel: Thank you, Mr. Chairman.

The Chairman: Mr. Pringle?

Mr. Pringle: Thank you, Mr. Chairman, Mr. Nolan, if free ferry service were implemented to your island do you think that the existing ferry equipment would be adequate to handle the traffic in view of the fact that it was free and available to anyone who might want to make use of it? Would increased facilities be required to accommodate the traffic?

Mr. Nolan: I personally think that except for the first month or so, when everybody would be having a little ride for free, as they do with everything the government supports, it might be adequate except, as I say, during peak periods such as weekends. However, if it were not adequate and we are able to prove that contention, I do not think it would be a very hard job to supplement with another ferry, if it were proved to be necessary.

[*Interprétation*]

M. McGrath: Est-ce que le gouvernement de Terre-Neuve a fait des représentations officielles auprès du gouvernement du Canada pour éliminer le tarif de traversier en raison de la situation économique très sérieuse?

M. Nolan: Maintenant, je vous comprends un peu mieux. J'ignore si de telles représentations ont été faites mais je ne le crois pas.

M. Trudel: Je voudrais demander à M. Nolan combien de traversées sont effectuées dans une année? Combien de passagers utilisent le traversier dans une année ou, si c'est plus facile, au cours d'une semaine ou d'un mois?

M. Nolan: Je dirais environ 5,000 par mois.

M. Trudel: 5,000 par mois.

M. Nolan: Cela dépend de la saison, encore une fois. Comme vous le savez, au cours de l'hiver, il n'y en a pas tellement de personnes qui voyagent, mais pendant la belle saison, en été, il y en a plus, et le traversier actuel ne suffit pas.

M. Trudel: Si le gouvernement fédéral devait défrayer le tout, croyez-vous que $500,000 suffiraient?

M. Nolan: Je le crois, mais je ne suis pas un expert en la matière.

M. Trudel: Je parle de chiffre approximatif.

M. Nolan: Je le crois.

M. Trudel: Merci.

Le président: M. Pringle?

M. Pringle: Merci, monsieur le président. Si le service de traversier jusqu'à l'ile était gratuit croyez-vous que le traversier pourrait répondre à la demande vu que le service serait gratuit et à la disposition de quiconque voudrait faire le voyage ou est-ce que cela nécessiterait une augmentation de l'équipement pour subvenir aux besoins de tous ces voyageurs?

M. Nolan: Personnellement, je crois que sauf pendant le premier mois, alors que tous voudraient profiter du service gratuit, ce serait suffisant, sauf, peut-être, pendant les périodes de pointe, comme les fins de semaine. Toutefois, si ce n'était pas suffisant, et nous pouvons le prouver, je ne crois pas que ce serait bien difficile d'ajouter un autre traversier, si c'était nécessaire.

[*Text*]

Mr. Pringle: This would be, of course, another additional federal expense and it would be an additional operating expense, an it could very well increase the cost more than double at the present time. Would that be a fair statement?

Mr. Nolan: May I point out, sir, that we are asking for only half a loaf now. If it appears necessary that we should get the full loaf, then I am sure you would give it every consideration.

Mr. Pringle: Do you feel that there is work available on the mainland for the people who would be able to take advantage of this and find employment on the mainland if they were able to take advantage of a free ferry service?

Mr. Nolan: In the great majority of cases, yes, sir.

The Chairman: Mr. Rose.

Mr. Rose: Mr. Nolan, in your comments on the prolific nature of the people on Bell Island, you have already given us an indication of how they spend their time. Is this perhaps because they are located right in the middle of Conception Bay? But I would like to ask...

Mr. Nolan: Our climate is cool, sir, if that is what you meant.

Mr. Rose: But I would like to ask you to enlarge on something you said about employment opportunities. There are here 4,000 out of 6,000 unemployed. Is there any fishing industry on the island now?

Mr. Nolan: There is one man who, I believe, employs three men and who is actively engaged in fishing.

Mr. Rose: Does your island have any tourist potential?

Mr. Nolan: Potential? We could go on all day to answer that question. It has potential.

Mr. Rose: Do you have a hospital on the island?

Mr. Nolan: We do, sir.

Mr. Rose: I would imagine that because of the large number of pensioners you have there—although this does not quite square with your earlier statements. I will not go back to that. Do you feel that they are well looked after? Do you feel that the facilities are adequate there?

[*Interpretation*]

M. Pringle: Il s'agirait, encore une fo d'une autre dépense du gouvernement féd ral, et d'une autre dépense d'exploitation cela pourrait plus que doubler le coût actu Est-ce que ce serait juste?

M. Nolan: Puis-je vous dire que nous demandons que la moitié du pain, à l'heu actuelle. Si, évidemment, ça devient néce saire de nous donner le pain entier, vous ét dierez cette possibilité, j'en suis sûr.

M. Pringle: Croyez-vous qu'il y a d emplois sur le continent pour les gens q pourraient en profiter pour y trouver emploi, s'il y avait un service de traversie gratuit?

M. Nolan: Dans la grande majorité des c oui, monsieur.

Le président: Monsieur Rose.

M. Rose: Monsieur Nolan, en commenta le fait que les gens de l'île Bell sont pro fiques, vous nous avez déjà dit comment passent leur temps. Peut-être est-ce par qu'ils se trouvent au beau milieu de la ba Conception? Mais j'aimerais demander ...

M. Nolan: Le climat est très frais, mo sieur, si c'est ce que vous voulez dire.

M. Rose: Oui, mais en ce qui concerne l occasions d'emploi, vous nous avez dit q 4,000 personnes sur 6,000 sont en chômag Est-ce qu'il y a de la pêche qui se fait da l'île, à l'heure actuelle?

M. Nolan: Il y a un seul homme, je cro qui emploie trois hommes pour la pêche.

M. Rose: Est-ce que vous avez des possibi tés pour le tourisme dans votre île?

M. Nolan: Des possibilités? Je pourrais pa ser toute la journée à vous répondre là-de sus. Il y a toujours des possibilités.

M. Rose: Avez-vous un hôpital sur l'île?

M. Nolan: Oui.

M. Rose: J'imagine qu'en raison du gra nombre de pensionnés—quoique cela n'a rien à voir avec vos déclarations, je n reviendrai pas—croyez-vous qu'on prend bi soin d'eux? Croyez-vous que les installatio sont suffisantes à cet égard?

[*Texte*]

Mr. Nolan: I have been in the hospital myself. I just recently came out about two weeks ago. I have been in hospitals all over the world, and I feel that Bell Island hospital is as good as any.

Mr. Rose: You have suggested that there should be a free ferry service to the island. Do you think that a ferry service is really an extension of the highway system?

Mr. Nolan: That is correct.

Mr. Rose: It should be for all the people, and it should not be paid for because it happens to be a water obstacle any more than a mountain obstacle or a river obstacle?

Mr. Nolan: I quite agree with that. Under the present circumstances we are really being discriminated against by having to pay for an extension of the high system.

Mr. Rose: But the federal government is already assisting this way. Do you not feel that this should be up to your provincial government?

Mr. Nolan: I do not think I should express a view on that because our provincial government seems to have some needs itself in the way of wanting money.

Mr. Rose: I only mentioned it because highways have traditionally been a provincial responsibility.

Mr. Horner: This is a principle established all across Canada, that the provincial government accepts most of the responsibilities for maintaining roads.

Mr. Nolan: Could we not consider this as a continuation of the Trans-Canada system?

Mr. Horner: I do not know that the Trans-Canada even comes near there. I could not tell you.

Mr. Nolan: You have got the Trans-Canada right to this building, and we are only 12 miles away.

The Chairman: Gentlemen, does the Committee feel that we could receive another brief this morning? Or would you rather adjourn until this afternoon? We have two more to go. We can resume here at 2.00 o'clock. I think Mr. Nesbitt has a report to make.

[*Interprétation*]

M. Nolan: J'ai déjà été hospitalisé moi-même. Je suis sorti de l'hôpital depuis deux semaines. J'ai visité des hôpitaux un peu partout dans le monde, et je trouve que l'hôpital de l'île Bell est aussi bon que n'importe quel autre hôpital.

M. Rose: Vous avez dit qu'on devrait avoir un service gratuit de traversiers. Croyez-vous qu'un service de traversiers est une véritable extension du réseau routier?

M. Nolan: Oui.

M. Rose: Tout le monde devrait en profiter et on ne devrait pas être obligé de le payer, en raison du fait qu'il s'agit d'un obstacle naturel, tout comme s'il s'agissait d'une montagne ou d'un fleuve.

M. Nolan: Je suis d'accord avec vous. En fait, dans les circonstances actuelles, il y a une distinction injuste, parce que nous devons payer pour cette extension de la route.

M. Rose: Mais le gouvernement fédéral aide déjà. A cet égard, ne croyez-vous pas que le gouvernement provincial devrait faire sa part aussi?

M. Nolan: Je ne crois pas que je devrais exprimer une opinion à ce sujet en raison du fait que le gouvernement provincial semble avoir ses propres besoins en ce qui concerne les finances.

M. Rose: Je ne l'ai mentionné que parce que les routes ont toujours été la responsabilité du gouvernement provincial.

M. Horner: C'est un principe en vigueur partout au Canada que le gouvernement provincial accepte la plus grande part des responsabilités pour l'entretien des routes.

M. Nolan: Est-ce que nous ne pourrions pas considérer cela comme une extension de la route Transcanadienne?

M. Horner: Je n'ai jamais entendu dire que la route Transcanadienne vient tout près d'ici. Je ne pourrais vous dire.

M. Nolan: La route Transcanadienne vient jusqu'à cet immeuble-ci, et nous ne sommes qu'à douze milles.

Le président: Messieurs, le Comité croit-il que nous pourrions entendre un autre mémoire ce matin, ou préférez-vous qu'on lève la séance jusqu'à cet après-midi. Il nous en reste deux encore. Nous pouvons revenir à quatorze heures. Je crois que M. Nesbitt a un rapport à nous donner.

[*Text*]

Mr. Nesbitt: Mr. Chairman, I would like to take this opportunity of thanking you very much indeed for your very generous co-operation, very helpful co-operation in dealing with a matter of order that I brought up a little earlier. It is my understanding, Mr. Chairman, that Mr. Pickersgill would not be able to come here today. Time would hardly permit, I agree. But I understand he has agreed to meet with the Committee as soon as convenient after we return to Ottawa. I am sure that would be quite satisfactory, and it would be very helpful and perhaps might obviate a great many questions that might otherwise have been raised and perhaps save time. It is also my understanding that the officials of the CNR will also be meeting with us as soon as we return, so that appropriate representations and decisions can be made prior to April 15.

The Chairman: You can rest assured that Mr. Pickersgill sill answer questions to the Committee as soon as we arrive back in Ottawa. We will also have the CNR people the same day or the day after. Do you want the CPR too? The arrangements are going to be made this afternoon, so as soon as we arrive in Ottawa we will have a meeting. Mr. McGrath.

Mr. McGrath: Mr. Chairman, before we adjourn I want to make a suggestion to the Committee that we might try and find time our schedule today and tomorrow to visit the CN station, look at the facilities in daylight, and perhaps have a quick look at the water front. I would suggest, Mr. Chairman, that we make provisions in our time to do that.

The Chairman: Would you arrange that and let me know so that I could notify the members? It is agreed.

The meeting is adjourned.

[*Interpretation*]

M. Nesbitt: Monsieur le président, je vou drais vous remercier de la grande générosit et de la grande collaboration que vous m'ave données pour la question du rappel au Règle ment, que j'ai soulevée plus tôt. J'ai cru com prendre, monsieur le président, que M. Pic kersgill serait incapable de venir ic aujourd'hui. Il manquerait un peu de temps j'en conviens, mais toutefois il a accepté d rencontrer le Comité le plus tôt possible dè notre retour à Ottawa. Je suis sûr que cel sera satisfaisant, et ce serait très utile e pourrait peut-être empêcher qu'on soulèv plusieurs questions et peut-être épargner ur peu de temps aussi. Je crois comprendre auss que les fonctionnaires du CNR nous rencontreront eux aussi dès notre retour à Ottawa Par conséquent, nous pourrons formuler des représentations et prendre des décisions avant le 15 avril.

Le président: Vous pouvez être sûr que M Pickersgill répondra aux questions du Comité, dès notre retour à Ottawa. Nous recevrons aussi les fonctionnaires du CN le même jour, ou le lendemain. Vous voulez recevoir des représentants du CP aussi? Alors, nous prendrons les dispositions voulues cet après-midi, et dès que nous arriverons à Ottawa, nous tiendrons une séance. Monsieur McGrath.

M. McGrath: Monsieur le président, avant de lever la séance, je voudrais formuler une suggestion aux membres du Comité. Nous pourrions peut-être essayer de trouver le temps, aujourd'hui ou demain, de visiter la gare du National-Canadien, d'examiner les installations pendant le jour, et peut-être aussi examiner le quai. Je crois que nous devrions essayer de trouver le temps voulu pour le faire.

Le président: Pourriez-vous prendre les dispositions voulues et m'en avertir, afin que je puisse prévenir les membres? Entendu.

La séance est levée.

AFTERNOON SITTING

The Chairman: Gentlemen our next brief will be H. B. Dawe Limited and I would ask Mr. John Hillyard, Manager, to make the presentation. Mr. Hillyard?

Mr. Hillyard: Thank you Mr. Chairman, ladies and gentlemen.

H. B. Dawe Limited are private operators in transportation with a service between Halifax, Nova Scotia and Cupids, Newfoundland

SÉANCE DE L'APRÈS-MIDI

Le président: Messieurs, notre mémoire suivant sera celui de la *H. B. Dawe Limited*, et je vais demander à M. John Hillyard, le directeur, de nous le présenter. Monsieur Hillyard?

M. John Hillyard: Merci, monsieur le président, mesdames, messieurs.

La *H. B. Dawe Limited* est une société d'exploitants privés qui assure un service entre Halifax, en Nouvelle-Écosse, et Cupids

[*Texte*]

listributing to almost all parts of the Avalon Peninsula. Our brief deals with our loss of ,000 tons of cargo to CNR yearly due to its lecrease of 40 per cent in rates on flour from Lakehead to Eastern Newfoundland and the ubsequent increase in right-of-way subsidies lue to heavy claims by consignees. This com- any has had no rate increases since 1958 vhile, in fact, costs have spiralled. We feel ve have been discriminated against by CNR nd we objected to their through rates for the nilling companies at the inception in 1965, hey are hauling traffic to our area at rates 10 o 20 per cent less than they do to Corner Brook or Stephenville on the West coast some 00 to 500 miles west of our present position.

In conclusion, we have the capacity and the acilities in vessels, warehousing and trucks o further expand and give additional service o the salt fish exporters in Newfoundland nd the general shippers in Eastern mainland, Canada, and we propose that shippers should e subsidized and permitted to use whichever ransportation system they choose and not be orced by heavy subsidies to use the National arrier. Small private operators are being iscriminated against while the freeze on reight rates is in effect in the Atlantic area, nd revenues are kept at one level while op- rating costs and labour costs are mounting ach year. We hope that this Committee will ake recommendations which will assist pri- ate operators, in this area, to successfully ompete for traffic in an open and unpre- udiced market.

The Chairman: Mr. Horner?

Mr. Horner: Mr. Dawe, are you familiar vith the new National Transportation Act at ll? If you are, I will ask some questions on , and if you are not, I will not ask you.

Mr. Hillyard: No, I am not.

Mr. Horner: All right, I will skip that part, ut in the new National Transportation Act it ays that all rates must be compensatory and y that they mean that all rates must cover he actual costs of delivery. At least, this is vhat I gathered during the debate. Here in a ense you are suggesting that the CNR rate is ot compensatory particularly on flour. You od your head to that, and while that it is

[*Interprétation*]

à Terre-Neuve, qui distribue à presque toutes les parties de la péninsule d'Avalon. Notre mémoire traite de notre perte de 7,000 tonnes de cargaison qui vont chaque année au National-Canadien, en raison de la diminution de 40 p. 100 de son tarif de transport de la farine de la tête des Grands Lacs à l'est de Terre-Neuve, et de l'augmentation des subventions au transport ferroviaire qui a découlé des nombreuses réclamations des consignataires. La société n'a pas augmenté son tarif depuis 1958, alors qu'en fait, les coûts sont montés en spirale. Nous estimons que le National-Canadien nous a traités de façon injuste, et nous nous sommes opposés dès le début, en 1965, à ses tarifs à l'égard des sociétés de mouture de grains, car il transporte les produits vers notre région à 10 ou 20 p. 100 de moins que vers Corner Brook ou Stephenville, sur la côte ouest, à 400 ou 500 milles à l'ouest de notre position actuelle.

En conclusion, nous avons tout le nécessaire pour l'entreposage, ainsi que les camions, pour prendre de l'expansion et assurer un meilleur service aux exportateurs de poisson salé de Terre-Neuve et aux expéditeurs en général de l'est du continent canadien. Nous proposons donc que les expéditeurs soient subventionnés et qu'ils puissent employer le mode de transport de leur choix au lieu d'être forcés, en raison des subventions élevées, à utiliser le National-Canadien. Les petits exploitants privés reçoivent un traitement injuste, car le gel des taux de transport des marchandises est en vigueur dans la région Atlantique, et les revenus sont maintenus au même niveau alors que les frais d'exploitation et le coût de la main-d'œuvre augmentent chaque année. Nous espérons que le Comité fera des recommandations qui aideront les exploitants privés de cette région à soutenir la concurrence sur un marché ouvert et juste.

Le président: Monsieur Horner?

M. Horner: Monsieur Dawe, est-ce que vous connaissez la nouvelle loi nationale sur les transports? Si vous la connaissez, je vais poser des questions à ce sujet; sinon, je m'en abstiendrai.

M. Hillyard: Non, je ne la connais pas.

M. Horner: Bon, je laisserai cette partie de côté. Mais dans la nouvelle loi nationale sur les transports, on dit que tous les tarifs doivent être compensatoires, et l'on veut dire par là que tous les tarifs doivent couvrir les frais de livraison réels. Du moins c'est ce que j'ai cru comprendre au cours du débat. Ici, en un sens, vous laissez entendre que le tarif du National-Canadien n'est pas compensa-

[*Text*]

quite visible to me it is not to the recording system.

You are in the business of shipping in the maritimes from Halifax to Newfoundland. Would you agree with the suggestion we heard in Halifax that the freight costs from the Atlantic Provinces to Newfoundland should be no higher than the water rate and the CNR rate across the strait really, from Montreal? Would you agree with that general principle?

Mr. Hillyard: Oh yes, I would agree with that.

Mr. Horner: If that were so, would you be able to offer serious competition to the CNR movement?

Mr. Hillyard: I think so.

Mr. Horner: Fine. I have no further questions. This is one suggestion we heard in Halifax and I wanted to ask you about it.

The Chairman: Mr. Skoberg?

Mr. Skoberg: Mr. Chairman, Mr. Hillyard, I understand that your company deals entirely in salt fish?

Mr. Hillyard: No, we are a shipping company and also fish exporters. We deal in salted cod.

Mr. Skoberg: Salted cod?

Mr. Hillyard: Salted cod, yes.

Mr. Skoberg: Do you own any trucks at all?

Mr. Hillyard: Yes, we have eight vehicles.

Mr. Skoberg: Eight trucks?

Mr. Hillyard: Yes.

Mr. Skoberg: Are you in favor of extending the MFRA rates to trucking transportation?

Mr. Hillyard: Yes, if the Maritime Freight Rates Act should apply to one carrier, it should apply to all carriers.

Mr. Skoberg: And you would expect, naturally, that your transportation system will qualify under those particular rates.

[*Interpretation*]

toire, en particulier pour la farine. Vous fa tes signe que oui de la tête; c'est très visib pour moi, mais pas pour le systèn d'enregistrement.

Vous vous occupez de l'expédition dans l Maritimes, d'Halifax à Terre-Neuve. Serie vous d'accord avec ce qu'on nous a dit Halifax, à savoir, que le tarif de transpo des marchandises des provinces de l'Atlant que jusqu'à Terre-Neuve ne devrait pas êt plus élevé que le tarif de transport par vo d'eau et le taux du National-Canadien pour traversée du détroit, en fait, à partir de Mor tréal? Êtes-vous d'accord avec ce princi général?

M. Hillyard: Oui, entièrement.

M. Horner: S'il en était ainsi, vous pourri représenter une sérieuse concurrence pour National-Canadien?

M. Hillyard: Oui, je pense.

M. Horner: Très bien. Je n'ai pas d'autre questions. C'est une proposition que nou avons entendue à Halifax, et je voulais vou demander ce que vous en pensiez.

Le président: Monsieur Skoberg?

M. Skoberg: Monsieur le président, mon sieur Hillyard, si j'ai bien compris, votr société s'occupe uniquement du transport d poisson salé?

M. Hillyard: Non, nous sommes une sociét d'expédition, et nous sommes aussi des expor tateurs de poisson. Nous nous occupons de l morue salée.

M. Skoberg: De la morue salée?

M. Hillyard: Oui.

M. Skoberg: Avez-vous des camions?

M. Hillyard: Oui, nous avons hu véhicules.

M. Skoberg: Huit camions?

M. Hillyard: Oui.

M. Skoberg: Êtes-vous en faveur d'un extension des tarifs de la Loi sur les taux d transport des marchandises dans les province Maritimes au transport par camion?

M. Hillyard: Oui, si la Loi sur les taux d transport des marchandises dans les province Maritimes s'applique à un mode de transpor elle doit s'appliquer à tous.

M. Skoberg: Et, naturellement, vous vou attendez à ce que votre mode de transpor soit admissible à ces tarifs spéciaux?

[*Texte*]

Mr. Hillyard: Exactly.

Mr. Skoberg: How much use do you make of the rail facilities right now?

Mr. Hillyard: In regard to rail facilities we transport goods from Halifax that are brought to Halifax from Montreal and western points by the CNR. So, in effect, as we said in our brief, the railways were feeling they were going to lose the transportation of so many thousand tons of cargo to Newfoundland, while in effect they were still transporting it to Halifax. They were not going to lose it; they were transporting it to Halifax and we were carrying it on to here.

Mr. Skoberg: How many people does your company employ at this particular time?

Mr. Hillyard: It varies between 60 and 90 people.

Mr. Skoberg: Are they organized at this point?

Mr. Hillyard: No.

Mr. Skoberg: What would you actually serve at LCL rates and how much of your shipments are actually LCL shipments?

Mr. Hillyard: Approximately 20 per cent, I would say.

Mr. Skoberg: What was that?

Mr. Hillyard: About 20 per cent.

Mr. Skoberg: About 20 per cent. Do you have any problem obtaining refrigerated cars, and are your trucks refrigerated?

Mr. Hillyard: No, we do not have any refrigeration service.

Mr. Skoberg: What if your traffic were to be shipped across the line to United States ports?

Mr. Hillyard: What do you mean, from Newfoundland or...

Mr. Skoberg: Yes.

Mr. Hillyard: The traffic that we bring to Halifax is usually transported to the Caribbean; most of the salted cod that we bring to Halifax is transported to the Caribbean.

Mr. Skoberg: Could you give me any indication of the number of hours that your peo-

[*Interprétation*]

M. Hillyard: C'est cela.

M. Skoberg: Quel usage faites-vous des installations ferroviaires, à l'heure actuelle?

M. Hillyard: Pour ce qui est des installations ferroviaires, nous transportons, de Halifax, les marchandises qui y arrivent, par le National-Canadien, en provenance de Montréal ou des régions de l'Ouest. Donc, en fait, comme nous l'avons dit dans notre mémoire, les chemins de fer estimaient qu'ils allaient perdre le transport de milliers de tonnes de marchandises en direction des Maritimes, alors qu'en fait ils continuaient le transport vers Halifax. Ils n'allaient pas le perdre: ils faisaient le transport jusqu'à Halifax, et nous acheminions ensuite les marchandises jusqu'ici.

M. Skoberg: Combien de personnes votre compagnie emploie-t-elle à l'heure actuelle?

M. Hillyard: Cela varie entre 60 et 90 personnes.

M. Skoberg: Sont-elles syndiquées, pour le moment?

M. Hillyard: Non.

M. Skoberg: Qu'est-ce que vous transporteriez au tarif de changement incomplet, et quelle proportion de vos expéditions faites-vous en fait par wagonnée incomplète?

M. Hillyard: Je dirais environ 20 p. 100.

M. Skoberg: Pardon?

M. Hillyard: Environ 20 p. 100.

M. Skoberg: Environ 20 p. 100. Avez-vous de la difficulté à obtenir des wagons réfrigérés, et vos camions sont-ils réfrigérés?

M. Hillyard: Non, nous n'avons pas de service réfrigéré.

M. Skoberg: Et s'il fallait expédier vos produits de l'autre côté de la frontière, vers les ports des États-Unis?

M. Hillyard: Qu'est-ce que vous voulez dire? A partir de Terre-Neuve ou...?

M. Skoberg: Oui.

M. Hillyard: Les marchandises que nous transportons vers Halifax sont généralement envoyées vers les Caraïbes; la plus grande partie de la morue salée que nous transportons jusqu'à Halifax est expédiée vers les Caraïbes.

M. Skoberg: Pourriez-vous me donner une idée du nombre d'heures de travail par jour

[*Text*]

ple now are working per day in the transportation field? I am thinking of the legislation that possibly could come in in regard to a 40 hour week.

Mr. Hillyard: Yes, they are working 8 hours a day.

Mr. Skoberg: Eight hours a day?

Mr. Hillyard: Yes.

The Chairman: Any other question gentlemen? Mr. Trudel?

Mr. Trudel: Mr. Chairman, from what I gather from this brief, the company claims that they have lost the entire flour trans-shipment business.

Mr. Hillyard: Not entirely.

Mr. Trudel: But the bulk of it?

Mr. Hillyard: The bulk of it, yes.

Mr. Trudel: This originated from Montreal?

Mr. Hillyard: Yes, Montreal and the lakehead.

Mr. Trudel: Montreal and the Lakehead. Could this not be a question of choice by the shippers themselves, as to the way they are going to ship their products?

Mr. Hillyard: No, sir, It is not a choice. I have correspondence in 1965 to show the Maple Leaf Mills Limited made representations to the CNR for a reduced all rail through rate on flour to Newfoundland, because their competitors had an unfair advantage through and all-water rate. Since that time, there is no all-water movement of flour into Newfoundland at all. So, there is no justification for this through rate to make one miller competitive with another.

Mr. Trudel: If there is no all-water movement, then, I would assume that one of your competitors obtained that business?

Mr. Hillyard: I do not understand that, Mr. Chairman.

Mr. Trudel: All-water rates to St. John's are available at the present time from the Lakehead or from Montreal.

[*Interpretation*]

que font vos gens à l'heure actuelle, dan l'industrie des transports? Je pense à mesure législative qui pourrait être adopt pour imposer la semaine de travail de heures.

M. Hillyard: Oui, ils travaillent 8 heur par jour.

M. Skoberg: Huit heures par jour?

M. Hillyard: Oui.

Le président: Y a-t-il d'autres question messieurs? Monsieur Trudel?

M. Trudel: Monsieur le président, d'aprè ce que j'ai pu comprendre de ce mémoire, l compagnie prétend qu'elle a perdu toutes s expéditions de farine.

M. Hillyard: Pas tout à fait.

M. Trudel: Mais la plus grande partie?

M. Hillyard: La plus grande partie, oui.

M. Trudel: Est-ce qu'elles venaient d Montréal?

M. Hillyard: Oui, de Montréal et de la têt des Grands Lacs?.

M. Trudel: C'est cela. Est-ce que ce n serait pas laissé au choix des expéditeur eux-mêmes, d'expédier leurs produits par te ou tel moyen?

M. Hillyard: Non, monsieur. Ce n'est pa une question de choix. J'ai de la correspon dance datant de 1965 qui montre que l *Maple Leaf Mills Limited* a présenté des ins tances au National-Canadien pour obtenir u tarif réduit pour le transport ferroviaire de l farine jusqu'à Terre-Neuve, car ses concur rents avaient un avantage injuste grâce à u taux maritime d'ensemble. Depuis c temps-là, toutefois, il n'y a pas de transpor de farine entièrement par voie d'eau jusqu'à Terre-Neuve. Et, alors, il n'y a pas de justi fication à l'heure actuelle pour avoir ce tau de passage pour qu'un meunier puisse faire l concurrence à un autre.

M. Trudel: S'il n'y a pas de transport pa voie d'eau, alors, il y a un de vos concurrent qui a obtenu ce commerce?

M. Hillyard: Je ne comprends pas très bien monsieur le président.

M. Trudel: Il est possible, à l'heure actuelle, d'obtenir de Lakehead, ou de Mont réal, des taux entièrement par voie d'eau jusqu'à Saint-Jean.

[*Texte*]

Mr. Hillyard: Yes, but there is no movement of flour by the all-water route, right now.

Mr. Trudel: Well then, assuming that it is coming by rail to Halifax what I want to establish...

Mr. Hillyard: You are right, yes.

Mr. Trudel: ...is that there is somebody else involved at the present time.

Mr. Hillyard: No, no. It is not coming to Halifax, it is going through North Sydney at a through rate.

Mr. Trudel: Oh, I see.

Mr. Hillyard: And it is coming into my area at less than it does to Stephenville and Corner Brook which are 500 miles West. I am claiming that on a mile ton basis, we are being discriminated against in our area because it is a cheaper rate from Western Ontario to Eastern Newfoundland than it is to Western Newfoundland.

Mr. Trudel: This is a point that I wanted to establish. Thank you, Mr. Chairman.

The Chairman: Mr. Horner, on a supplementary?

Mr. Horner: Thank you, Mr. Chairman. Has this any connection with where, under the Terms of Union, the rate from Sydney Harbour to Port aux Basques had to be considered as a 90 mile limit? Has this got any connection as to why they are doing it cheaper, do you think?

Mr. Hillyard: I do not think so.

Mr. Horner: You do not think so.

Mr. Hillyard: I do not think so. The point I was making just now is that the rate to Western Newfoundland is cheaper than the rate to Eastern Newfoundland.

Mr. Horner: I heard that point, yes. In presenting your argument later, I wanted to know.

Mr. Hillyard: Yes, that is fine.

The Chairman: Gentlemen, this completes the questioning on this brief and I want to thank you very much for coming.

The next brief is Newfoundland Hardwoods Limited and Newfoundland Fibrply Limited, Associated Companies of St. John's Newfoundland. Are they here? The brief will stand.

[*Interprétation*]

M. Hillyard: Oui, mais il n'y a pas de mouvement de farine entièrement par voie d'eau à l'heure actuelle.

M. Trudel: Et alors, si on présume que cela se fait par chemins de fer jusqu'à Halifax, ce que je veux établir ...

M. Hillyard: Vous avez raison.

M. Trudel: ... c'est que d'autres sont en cause à l'heure actuelle.

M. Hillyard: Non, non. Cela ne vient pas à Halifax. Cela passe par North Sydney grâce à un taux de passage.

M. Trudel: Je vois.

M. Hillyard: Et cela arrive dans ma région à un prix moins coûteux pour arriver à Stephenville et à Corner Brook, à 500 milles plus à l'Ouest. Et alors, je trouve qu'en fonction du nombre de tonnes par mille, il y a une distinction injuste dans notre région car cela coûte moins cher de l'ouest de l'Ontario jusqu'à l'est de Terre-Neuve que jusqu'à l'ouest de Terre-Neuve.

M. Trudel: C'est un point que je voulais justement éclaircir. Merci, monsieur le président.

Le président: Monsieur Horner, une question complémentaire?

M. Horner: Merci, monsieur le président. Cela a-t-il rapport avec le moment, en vertu des conditions de l'union, où le taux de Sydney Harbour jusqu'à Port-aux-Basques doit être considéré comme étant une limite de 90 milles? Cela a-t-il rapport à la raison pour laquelle on le fait à meilleur marché?

M. Hillyard: Je ne crois pas.

M. Horner: Vous ne le croyez pas?

M. Hillyard: Je ne le crois pas. Le point que je viens de soulever est que le taux pour l'ouest de Terre-Neuve est moins cher que celui jusqu'à l'est de Terre-Neuve.

M. Horner: Oui, je l'avais entendu. En présentant votre argument un peu plus tard, je voulais savoir ce qu'il en était.

M. Hillyard: Oui, c'est bien.

Le président: Messieurs, cela termine la période des questions pour ce mémoire, et je veux vous remercier d'être venu.

Notre prochain mémoire nous viendra de *Newfoundland Hardwoods Limited* et *Newfoundland Fibreply Limited Associated Companies*, de Saint-Jean, Terre-Neuve. Sont-ils ici? Ce mémoire sera réservé.

[*Text*]

Newfoundland Associated Fish Exporters Limited. I have on my right here, Mr. James Laws, Manager, who will make a short statement.

Mr. Laws: Mr. Chairman and gentlemen, thank you for the opportunity to expound a little on the very short brief which we put in last year. This brief points out to you that we feel we need some special assistance to offset the extra costs involved in the salt codfish export trade in nowadays having to ship all of our exports into the Caribbean and South America with trans-shipment mostly at Halifax.

Our business is a 100 per cent export business and you can appreciate, with the very stiff competition in the markets abroad in the fish business which exists not only today but has done for many years, the additional cost of transporting from Newfoundland ports to such a port as Halifax, where mostly the goods are trans-shipped, is a very vital factor in the economics of the whole business. We find ourselves at a disadvantage against the position of our competitors in the Maritimes. In Halifax, for instance, an exporter can ship all of his goods to the Caribbean at his doorstep. We cannot.

Virtually 100 per cent of our goods nowadays have to be transported mostly to Halifax for shipment to the Caribbean. We feel that some form of equalization should be applied to the Newfoundland salt cod fish industry.

I should point out, perhaps that many years ago, when the Canadian National was operatnig, they did carry our exports to the Caribbean at the same rate as they did from the Maritime Provinces. When Canadian National boats stopped operating then we found that the shipping companies operating from the mainland required us to pay the full cost from the Maritimes to the Caribbean, plus of course the cost of transporting from Newfoundland to Halifax. We have from time to time struggled with this problem and tried to find other methods, such as direct shipping from Newfoundland ports to the Caribbean, but nothing of lasting success has been achieved. We do feel there is need, Mr. Chairman, for some special consideration in this respect. I think it is a matter of equalization of rates in some way.

[*Interpretation*]

Newfoundland Associated Fish Exporter Limited. J'ai ici, à ma droite, M. James Law qui va vous faire un bref exposé.

M. James Laws: Monsieur le présiden messieurs, merci beaucoup, de m'avoir donn l'occasion de vous donner plus de détails su le mémoire très court que nous vous avon présenté l'an dernier. Le mémoire vou signale que nous avons besoin d'une aide par ticulière pour contrebalancer les frais sup plémentaires engagés dans le commerce d l'exportation de la morue salée, étant donn que, à l'heure actuelle, il nous faut exporte tous nos produits aux Antilles et en Amériqu du Sud, transférant nos expéditions surtout Halifax.

Notre production est entièrement destinée l'exportation. Vous comprendrez donc, qu'e vertu de la concurrence très ferme que nou rencontrons sur les marchés étrangers dans l commerce du poisson, situation qui n'est pa d'aujourd'hui, mais qui existe depuis bien de années, le coût de transport des ports d Terre-Neuve jusqu'à un port comme Halifax par exemple, où la plupart des produits n sont que réexpédiés, cela est un facteu essentiel dans l'économie de tout le com merce. Nous nous trouvons à un désavantag devant la situation de nos concurrents dan les Maritimes. A Halifax, par exemple, u exportateur pourrait expédier sa productio entière aux Antilles à partir presque de s porte. Nous, nous ne le pouvons pas.

Presque tous nos produits aujourd'hui doi vent être transportés jusqu'à Halifax e ensuite, réexpédiés aux Antilles. Nou croyons donc qu'une certaine forme de péré quation devrait s'appliquer à l'industrie de l morue salée de Terre-Neuve.

Je devrais peut-être dire que le Canadien National, il y a quelques années, transportai nos exportations jusqu'aux Caraïbes au mêm taux qu'il le faisait pour les provinces de Maritimes. Lorsque les navires du National Canadien ont cessé de les exporter, nou avons alors réalisé que les compagnies d navigation et d'expédition qui étaient exploi tées à partir de la terre ferme, nous obli geaient à payer tous les frais à partir de Maritimes jusqu'aux Caraïbes en plus de frais de transport de Terre-Neuve jusqu' Halifax.

De temps à autre, nous étions aux prise avec ce problème et avons tenté de trouve un moyen pour expédier la marchandis directement aux Caraïbes mais nous n'avon jamais réussi à trouver de solution perma nente. Nous trouvons, donc, monsieur le pré sident, qu'il faut accorder une attention spé ciale à ce problème. Il s'agit en fait, à mo avis, d'un problème d'égalisation des taux.

[*Texte*]

The Chairman: Mr. McGrath.

Mr. McGrath: You did not specify what orm of assistance or how much assistance ou required. Can you give us some idea of hat you think this would cost?

Mr. Laws: Well, to put it simply, the cost transporting from Newfoundland ports to alifax and other ports, for general purposes, e can say is one cent a pound or $20.00 for a ort ton. The amount of cargo carried from ewfoundland in the way of dried saltfish in 968 would have been the equivalent of about 5,000 tons. Now this one cent a pound obvisly will reflect itself back right away to the rice of fish to the fisherman, and you will nderstand what a cent a pound to a fisherian means.

Mr. McGrath: Have you made any epresentations to the Government of Canada ther than this brief to this committee?

Mr. Laws: I am not sure, but I could say ecifically that we have made representaons directly on this point. We have from me to time made representations to Ottawa ointing out some of the disadvantages we ad and still have in competition with our ompetitors from Europe. This has been most our line with Ottawa. I might emphasize e point that Newfoundland's major competirs in the Caribbean and South America, part of course from those exporters in the aritimes, are the European, Spanish and rench industries.

Mr. McGrath: And it is subsidized competion from these countries.

Mr. Laws: There are very heavily subsized and supported in one form and another. a general way I can say that France and pain can export into the Caribbean and their st of freight is only about one-half of what costs us from here. This has been pointed ut many times to the appropriate epartments in Ottawa.

Mr. McGrath: What effect would the prosed or talked about salt cod marketing oard have on this submission?

Mr. Laws: Well, I cannot say of course recisely what would happen under a form of alt cod marketing board but it depends how would operate. I presume that if by this is eant a form of marketing which would conol all marketing and in effect group it into ne heading, it would have some effect on the ossibility of consolidating the shipping and

[*Interprétation*]

Le président: Monsieur McGrath.

M. McGrath: Monsieur Laws, vous n'avez pas précisé quelle forme d'assistance ou la somme de l'assistance nécessaire. Avez-vous une idée de ce qu'il pourrait en coûter?

M. Laws: Le coût du transport entre Terre-Neuve et Halifax est de un cent la livre ou $20 la tonne. Il s'est transporté en 1968 environ 15,000 tonnes de poisson séché. Ce prix de un cent la livre se reflétera dans le prix de revient du poisson pour le pêcheur et vous savez ce que peut signifier ce cent-la-livre pour le pêcheur.

M. McGrath: Avez-vous fait des représentations au gouvernement du Canada, en plus de nous avoir soumis ce mémoire?

M. Laws: Je n'en suis pas certain mais je puis vous dire que nous avons fait certaines représentations directes à cet égard. De temps à autre, nous avons fait des représentations à Ottawa signalant certains des désavantages que nous avons eus et que nous avons toujours à soutenir vis-à-vis nos concurrents européens.

Voici ce que nous avons dit principalement à Ottawa. Je pourrais peut-être souligner toutefois, que les principaux concurrents de Terre-Neuve aux Antilles et en Amérique du Sud, en plus évidemment des exportateurs des Maritimes, sont les industries européennes, espagnoles et françaises.

M. McGrath:: Ces industries sont subventionnées.

M. Laws: Oui. Fortement subventionnées et appuyées sous une forme ou sous une autre.

De toute façon, je pourrais dire que l'Espagne et la France exportent à partir de leur pays jusqu'aux Antilles et que leurs frais sont inférieurs aux nôtres dans une proportion de 50 p. 100. Nous l'avons signalé à plusieurs reprises aux ministères appropriés à Ottawa.

M. McGrath: Une dernière qustion, monsieur le président. Quel effet l'office de commercialisation de la morue salée pourrait-il avoir sur ce mémoire?

M. Laws: Je ne saurais dire précisément ce qui se passerait s'il y avait un office de commercialisation pour la morue salée, puisque tout dépendrait du fonctionnement de cet office. Si l'on songe à une mise en marché unifiée, il pourrait en découler une certaine consolidation des expéditions ce qui entraînerait peut-être une forme d'expédition directe.

[*Text*]

therefore perhaps tend towards a certain amount of direct shipping. But I do not think tht this would necessarily occur with all of our business. I am not sure of this. It would depend very greatly on competitive conditions, but I think we would still be forced to a certain degree at any rate to utilize transshipment at Halifax.

Mr. McGrath: I would just end, Mr. Chairman, by noting for the record that the Minister of Fisheries said yesterday that he was expecting to make a statement on the salt fish marketing board within a few weeks.

The Chairman: Mr. Allmand.

Mr. Allmand: Sir, if I understood you correctly, you would rather have a shipping service direct from Newfoundland to the Caribbean. Is that correct?

Mr. Laws: I am not sure whether I would prefer that. Something needs to be done one way or the other. One way would be a direct service from the appropriate ports of Newfoundland—not necessarily St. John's because you have to bear in mind that a lot of this production is at several major ports outside the City of St. John's. What really could be done is a direct service from these ports to the Caribbean. Either that or some form of equalization where we have to transport to Halifax.

Mr. Allmand: In your letter that we have before us you say that none of the ships that go down to the Caribbean and South America work out of Newfoundland but, rather, work out of either Halifax or Saint John.

Mr. Laws: Yes. Saguenay Shipping Ltd. is really the only constant line operating in that area from Canada.

Mr. Allmand: Are your shipments from Newfoundland big enough to justify one of these large vessels that go out of Halifax? Would the cargo be big enough from Newfoundland to justify picking up here, or do they have other reasons for not picking up here?

Mr. Laws: Well, we have talked with a firm like Saguenay Shipping Ltd. on this point—not in the last year or two but prior to this—and there were efforts to bring ships in here, but generally speaking it all ends up with them saying: "No, the diversion is too costly, the time involved is too great and we must run a regular fast service down, it just is not a practical proposition because the volume is not sufficient to justify it."

[*Interpretation*]

Mais je n'en suis pas sûr. Tout dépendrait la concurrence et des conditions de la conc rence. Toutefois, je crois qu'il serait néc saire de transborder la marchandise à H fax.

M. McGrath: Aux fins du dossier, monsi le président, j'aimerais dire que le minis des Pêcheries a déclaré hier, qu'il fera u déclaration, au sujet d'un tel office d'ici qu ques semaines.

Le président: M. Allmand.

M. Allmand: Si j'ai bien compris, vous p férez avoir un service direct de Terre-Neu aux Caraïbes. Est-ce exact?

M. Laws: Je ne suis pas sûr si c'est là préférence mais il faut faire quelque chose pourrait s'agir d'un service direct à partir ports appropriés de Terre-Neuve, pas néc sairement Saint-Jean, parce qu'il faut te compte du fait qu'une bonne partie de la p duction se trouve dans divers ports d'imp tance, à l'extérieur de la ville de Saint-Je Il serait possible d'établir un service direct ces ports aux Caraïbes, ou une formule d'é lisation des taux lorsqu'il s'agit de transpor la marchandise jusqu'à Halifax.

M. Allmand: Dans votre lettre, lettre d nous sommes saisis maintenant, vous di qu'aucun des navires qui vont dans les Car bes et en Amérique du Sud ne commence s voyage à partir de Terre-Neuve, mais qu partent plutôt d'Halifax ou de Saint-Jean.

M. Laws: La Saguenay Shipping Ltd. est seule ligne régulière dans cette région Canada.

M. Allmand: Est-ce que vos expéditions partir de Terre-Neuve sont assez considé bles pour justifier l'utilisation d'un de grands navires qui partent de Halifax? Est qu'il y aurait assez de cargaisons à partir Terre-Neuve pour justifier qu'ils procèd ainsi ou y a-t-il d'autres raisons pour ne l le faire.

M. Laws: Nous avons discuté de cela avec Saguenay Shipping Ltd. non pas il y a un deux ans, mais bien avant. On a essayé d'at rer des navires ici, mais règle générale, refusent presque toujours en disant que détour est trop grand, et trop coûteux, q cela prend trop de temps, qu'ils doivent fou nir un service régulier et rapide, et que n'est pas une suggestion pratique parce q le volume est insuffisant.

[Texte]

I point out here that there is a difference. ou will notice that I am talking about our xport business with the Caribbean and outh America. I am not referring to our usiness with Europe. Actually with Europe e do a much more efficient and effective b, we carry more cheaply to the European arket than we do to the Caribbean, and this because we generally do ship our goods rectly from Newfoundland to Europe.

Mr. Allmand: Are the ships that carry your oducts from Newfoundland to Europe the me line that...

Mr. Laws: No, this is quite different. Some- mes these are liners running between, say, ontreal and the Mediterranean and we have em call in at St. John's when we have suffi- ent cargo to warrant it, and on many other casions we charter our own small ships in e open market and they load directly at the rts here and carry to the European stination.

Mr. Allmand: Therefore, if I understand ou correctly, you cannot have that same peration to the Caribbean and South Ameri- a because the volume is not that large.

Mr. Laws: Well, it is not that it is not that rge, as we stand under present conditions. I ink partly it is due to the weekly and two eekly services which are being run out of alifax to the Caribbean ports and, conse- uently, buyers in the Caribbean only buy ally from week to week. It is difficult to sell em a block of fish which can be carried in a artered ship, such as we do in the case of urope. You will appreciate the buyer's point f view here. He persists, he says that there a weekly ship and you will put so much on very ship. This is the problem.

Mr. Allmand: Have you ever investigated e possibilities of air cargo out of ewfoundland?

Mr. Laws: I think that would be too costly r this business.

Mr. Allmand: That is all, thank you very uch.

The Chairman: Mr. Mahoney, on a supple- entary question.

Mr. Mahoney: Do you have any advantage ver the people in Halifax in shipping to urope?

[*Interprétation*]

Je vous signalerai ici qu'il y a une distinction à faire. Vous verrez que je vous parle de nos exportations aux Caraïbes et en Amérique du Sud. Je ne vous parle pas de notre commerce avec l'Europe. Avec l'Europe, notre commerce est beaucoup plus efficace parce que le transport est plus économique vers l'Europe que vers les Caraïbes. Cela est dû au fait que, règle générale, nos marchandises sont expédiées directement de Terre-Neuve vers l'Europe.

M. Allmand: Ces navires qui transportent ainsi vos produits de Terre-Neuve à l'Europe, appartiennent-ils à la mème compagnie de navigation...

M. Laws: Non, non. C'est une toute autre chose. Parfois il s'agit de navires qui vont de Montréal à la Méditerranée et qui arrêtent à Saint-Jean lorsque nous avons une cargaison suffisante et bien souvent nous affrétons nos propres petits navires sur le marché libre qui chargent directement aux ports ici et se rendent jusqu'aux destinations européennes.

M. Allmand: Je vois. Mais si j'ai bien compris, vous ne pouvez avoir ces mêmes opérations vers les Caraïbes et l'Amérique du Sud parce que le volume nest pas aussi considérable.

M. Laws: Ce n'est pas parce que le volume n'est pas assez considérable dans les conditions actuelles, je crois que cela est dû en partie aux services hebdomadaires et bihebdomadaires qui vont de Halifax aux ports des Caraïbes et par conséquent les acheteurs des Caraïbes n'achètent que de semaine en semaine. C'est difficile de leur vendre une quantité de poisson qu'on peut transporter au moyen de navires affrétés comme dans le cas de l'Europe. Il faut tenir compte du point de vue de l'acheteur. Comme il y a un navire à toutes les semaines, il insiste pour qu'on y mette une certaine quantité de poisson. Voilà le problème.

M. Allmand: Est-ce que vous avez songé à la possibilité d'un transport aérien, à partir de Terre-Neuve.

M. Laws: Ca serait trop coûteux pour ce genre d'entreprise.

M. Allmand: C'est tout, je vous remercie.

Le président: Monsieur Mahoney, question supplémentaire.

M. Mahoney: Par rapport aux gens d'Halifax, avez-vous certains avantages en matière de transport vers l'Europe?

[*Text*]

Mr. Laws: No, there is no advantage because they would have the same rates from Halifax as we could get from Newfoundland.

Mr. Mahoney: What tonnage do you ship on a weekly, monthly, or annual basis to the Caribbean?

Mr. Laws: I said that last year Newfoundland shipped into that area about 15,000 short tons, so this is something over 1,000 to 1,250 tons a month average.

The Chairman: Mr. Perrault, on a supplementary question.

Mr. Perrault: In considering assitance for transportation of this kind, could you tell the committee whether the market for dry salted cod is increasing or decreasing? Do you have other lines in addition to the salted cod?

Mr. Laws: No. My own company are dealing exclusively in this item.

Mr. Perrault: Is there a general increase in world demand, or a decrease?

Mr. Laws: Now are you speaking of world demand or of the Caribbean? I am not sure of your question.

Mr. Perrault: In the Caribbean, in the first instance.

Mr. Laws: I think figures would probably show today that there has been some reduction in total in the Caribbean area. That does not apply to every destination or every country in the Caribbean, but in certain spots there has been a reduction. Now there are many reasons for this which I will not attempt to elaborate on now.

Mr. Perrault: Is this because of transportation difficulties in getting the product to market or personal taste?

Mr. Laws: I do not think it is personal taste so much. It is due partly to competition from cheap food stuffs such as poultry, which is much cheaper than fish products today in the Caribbean, and also the cost of transport. If I were at the end where my competitors are in Europe I would have a tremendous advantage right away. They have cut right into our market because of their price advantage.

Mr. Perrault: The reason for my question, Mr. Chairman, is simply to ascertain whether or not providing transportation assistance to

[*Interpretation*]

M. Laws: Non, pas véritablement pa qu'ils auraient exactement le même tau partir de Halifax qu'à partir de Terre-Neuv

M. Mahoney: Que serait le tonnage heb madaire, mensuel ou annuel que v expédiez?

M. Laws: J'ai dit que l'année dernièr Terre-Neuve a expédié dans cette région quivalent disons d'environ 15,000 tonnes, s 1,250 tonnes par mois en moyenne.

Le président: Monsieur Perrault, une qu tion complémentaire.

M. Perrault: Si l'on songe à fournir l'aide pour ce genre de transport, pourri vous dire au comité si le marché pour morue salée augmente ou diminue. Est-ce q vous avez d'autres produits à part cela?

M. Laws: Non. Ma propre compagnie ve ce produit exclusivement.

M. Perrault: Est-ce qu'il y a une augmen tion, ou une diminution de la demande mo diale?

M. Laws: Dans la demande mondiale celle des Caraïbes?

M. Perrault: Dans les Caraïbes.

M. Laws: Je pense que les chiffres no montreront sans doute aujourd'hui qu'il y eu une certaine baisse, dans l'ensemble, da la région des Caraïbes. Cela ne s'applique p à chacune des destinations et chacun des pa mais à certains endroits. Il y a différent raisons, et je n'essaierai pas d'en élaborer l motifs.

M. Perrault: Est-ce dû à des difficultés matière de transport vers les marchés ou à u goût purement personnel?

M. Laws: Je ne crois pas que ça soit dû un goût personnel tellement. C'est dû en pa tie à la concurrence nous venant d'autres de rées alimentaires, telles la volaille, qui so moins coûteuses que les produits du poiss aujourd'hui dans les Caraïbes et aussi a coût du transport. Si, disons j'étais au mêm endroit que mes concurrents en Europe, alo j'aurais un très grand avantage immédiat ment. Ils se sont taillé une place dans n marchés à cause de leurs prix.

M. Perrault: La raison pour laquelle je pos la question, c'est de savoir si le fait de fou nir des subventions au transport ne résou

Texte]

is industry may meet the basic problem cing the industry—that is, consumer reference.

Mr. Laws: I am quite sure that part of this the price problem—the competitive advan-ge which our European competitors have ver us. The difference between $25.00 and 50.00 a ton is $25.00 a ton; it is just as simple that. This is an industry where there is a ery very low profit margin.

Mr. Perrault: Has your industry been fected by devaluation of currency?

Mr. Laws: Yes indeed, 15 per cent. As you now, a great deal of our major markets in e Caribbean and elsewhere has been tied to erling and this immediately affected us to at extent.

Mr. Perrault: Do you think that merely oviding transportation subsidies can meet e basic problem of devaluation of currency?

Mr. Laws: No, I think there are two sepa-te problems here.

The Chairman: Mr. Trudel.

Mr. Trudel: Mr. Chairman, I believe the itness, Mr. Laws, in his statement men-oned that the rates for the Spanish and the rench companies are one-half the rates that e have here. Could you tell us, sir, is the ain reason the size of the ship or the way at they ship it? There must be a reason if ere is a difference of $25.00 a ton in their ipping structure?

Mr. Laws: Of course part of the reason is e very thing we are complaining about, the ditional costs we have to meet in transport-g from Newfoundland to Halifax.

Mr. Trudel: Would your cost then, sir, be the range of $25.00 a ton from here?

Mr. Laws: Well no, roughly $20.00 a ton.

Mr. Trudel: $20.00 a ton?

Mr. Laws: Approximately $20.00 a ton.

Mr. Trudel: Their shipments cover a great-distance.

Mr. Laws: Yes, but my note says that the st of transporting from here is $19.00 to 3.00 a ton.

Mr. Trudel: To Halifax?

Mr. Laws: To Halifax.

The Chairman: Mr. Skoberg.

[*Interprétation*]

drait pas le problème de base de l'industrie de la pêche, la préférence du consommateur.

M. Laws: Une partie de ce problème réside dans le prix, l'avantage concurrentiel que possèdent nos concurrents européens par rapport à nous. La différence qui existe entre $25 et $50 la tonne, c'est $25 dollars la tonne tout de même. C'est aussi simple que cela. C'est une industrie où la marge de profit est mince.

M. Perrault: Est-ce que votre industrie a été affectée par la dévaluation des devises?

M. Laws: Oui. 15 p. 100. Comme vous le savez, nos principaux marchés sont rattachés à la livre sterling. Cela nous a affectés jusqu'à un certain point.

M. Perrault: Croyez-vous que, si on vous fournissait seulement des subventions en matière de transport, cela pourrait résoudre le problème de base de la dévaluation.

M. Laws: Non. Ce sont là deux problèmes distincts.

Le président: Monsieur Trudel.

M. Trudel: Je pense que le témoin, monsieur Laws, a dit dans sa déclaration que les taux des sociétés européennes et espagnoles sont la moitié de ceux que nous avons ici. Pourriez-vous nous dire alors quelle en est la raison principale, la dimension des navires, ou la façon dont se fait l'expédition. J'imagine qu'il y a un motif vu qu'il y a une différence de 25 dollars la tonne de différence.

M. Laws: Une des raisons, dont nous nous plaignons, c'est le coût additionnel qu'il nous faut assumer en faisant le transport de Terre-Neuve à Halifax.

M. Trudel: Vos coûts alors seraient de l'ordre de $25 dollars la tonne à partir d'ici?

M. Laws: Non, environ $20 la tonne.

M. Trudel: $20 dollars la tonne?

M. Laws: Oui, $20 dollars la tonne.

M. Trudel: Les expéditions de ces chargements se font sur un plus long parcours.

M. Laws: Oui, mais le coût du transport à partir d'ici se situe entre 19 et $23 dollars la tonne.

M. Trudel: D'ici à Halifax?

M. Laws: C'est exact.

Le président: Monsieur Skoberg.

[*Text*]

Mr. Skoberg: How much use do you make of the rail service at this particular time.

Mr. Laws: For the purpose of exporting we use it very very little indeed. I think the rail cost is higher than it is at present by sea. Ours is an all sea movement.

Mr. Skoberg: What about truck service?

Mr. Laws: We use them sometimes. In the last six months trucks have been used to a certain degree but they could never possibly carry the total cargo that we have. Last year we put out about 15,000 tons of cargo. Trucks could never carry any quantity, and the cost at the present time by truck is a little higher than it is by sea.

Mr. Skoberg: Are you satisfied with the availability of rail and truck service?

Mr. Laws: I did not quite get your question.

Mr. Skoberg: Are you satisfied now with the availability of cars and trucks in so far as your use is indicated.

Mr. Laws: When you say cars, do you mean rail cars?

Mr. Skoberg: Yes.

Mr. Laws: Well, as I say, we have not used them a great deal because sea transport is most effective and more efficient, costwise, from our point of view, and because the plants producing the dry products are not always alongside the railway.

Mr. Skoberg: I have a supplementary to Mr. McGrath's questions a while ago about the marketing board. I understand that a salt cod marketing board has been proposed. I do not know, coming from Saskatchewan, whether or not it has been set up. Do you think this marketing board should include more species than the salt cod?

Mr. Laws: Well, I think the government's interest is to study the salt cod industry. I do not know of course what the government may have in mind but I should think that their study is directed solely and confined in this case to the salt cod industry.

Mr. Skoberg: Well is it your Association's opinion that it should include more than salt cod?

[*Interpretation*]

M. Skoberg: Quel usage faites-vous des s vices ferroviaires à l'heure actuelle?

M. Laws: Aux fins de l'exportation n l'utilisons très peu. Je pense que le coût transport par rail est plus élevé que ne l' en ce moment le transport maritime. No mode de transport est exclusivement ma time.

M. Skoberg: Que dire des camions?

M. Laws: Nous les utilisons parfois. cours des six derniers mois les camions été utilisés dans une certaine mesure mais ne pourraient vraiment transporter toute cargaison que nous avons. L'année dernièr nous avions 15,000 tonnes de cargaison. L camions ne pouvaient jamais en transport une telle quantité. En ce moment le coût transport par camion est un peu plus éle que celui du transport par mer.

M. Skoberg: Est-ce que vous êtes satisf du service ferroviaire et routier?

M. Laws: Je n'ai pas tout à fait compris.

M. Skoberg: Est-ce que vous êtes satisf de la disponibilité des wagons de chemin fer et des camions.

M. Laws: Lorsque vous parlez de wagon oui. Parlez-vous des wagons de chemin fer?

M. Skoberg: Oui.

M. Laws: Nous ne les avons pas telleme utilisés parce que le transport maritime e des plus efficace et beaucoup plus efficace notre avis et vu que les usines qui produise le produit séché ne sont pas toujours amén gées près de la voie ferrée.

M. Skoberg: J'ai une question complémen taire à celle de M. McGrath au sujet l'office de commercialisation. Si je compren bien, on envisage la constitution d'un office commercialisation de la morue séchée salé Comme je viens de Saskatchewan, je ne sa pas si c'est déjà fait. Croyez-vous que c office devrait inclure un plus grand nomb d'espèces que simplement la morue salée?

M. Laws: Non, je pense que l'intérêt d gouvernement est d'étudier l'industrie de morue salée. Je ne sais pas à quoi songe gouvernement mais j'oserais croire que leu études se feraient exclusivement dans ce ca ci à l'industrie de la morue salée.

M. Skoberg: Selon votre association, est-c qu'on devrait inclure d'autres espèces poisson?

[*Texte*]

Mr. Laws: No, I think the salt codfish ndustry has to be studied on its own. I have ot thought about whether it could be com- ined with anything else. It might be possible ut I doubt it.

Mr. Skoberg: Coming from the West, natu- ally we are quite interested in a two-price ystem for grain and I am wondering down ere whether or not your Association con- der that there should be a floor price stablished.

Mr. Laws: Of course, the grain system is a otally different system to understand, but I ink when you refer to a floor price some- mes there is a lot of misunderstanding as to hat exactly that is. In a general way, an- wering your question, I think down here a oor price would be generally approved. I ink that is correct.

Mr. Skoberg: It would which?

Mr. Laws: I think it would be approved.

Mr. Skoberg: It would be approved?

Mr. Laws: I think so. That is to say, inter- reting the general understanding of the ords "floor price." I think so.

Mr. Skoberg: I have a last question, Mr. hairman. Do you consider that there is suffi- ient coastguard protection right now for the ndustry?

Mr. Laws: Coastguard protection? I do not ink we have anything here referred to xactly as coastguard, but I know there is a ery strong view down here that a great deal ore protection is necessary for the fishing ndustry.

Mr. Skoberg: That is for the small fisher- an as well as the larger corporations?

Mr. Laws: Particularly from the point of iew of the small, inshore fishermen who are cattered around this coastline.

The Chairman: Thank you. Mr. Pringle?

Mr. Pringle: With regard to a transporta- ion subsidy do you feel that it is possible to rovide sufficient subsidy to take care of the ifferential in competitive prices throughout he world so far as salt cod is concerned? I an recall that not too many years ago poul- ry sold for a considerably higher price than sh and through many efficiency measures, nd so on, they were able to reduce the cost f production to a point where the price now s considerably less than fish.

[*Interprétation*]

M. Laws: Non, je pense que l'industrie de la morue salée seule doive être étudiée. Je n'ai pas pensé du tout si on pouvait l'unir à un autre élément. C'est peut-être possible mais j'en doute.

M. Skoberg: Vu que nous venons de l'ouest nous sommes intéressés à un système à deux prix pour les céréales et je me demande si votre association considère l'établissement d'un prix minimum.

M. Laws: Je pense, parce que le système pour le grain est tout à fait différent, je ne le comprends pas, mais je crois que lorsque vous parlez d'un prix minimum, on ne comprend pas toujours exactement ce que cela signifie. En général, pour répondre à votre question, je pense qu'un prix minimum aurait l'approbation générale ici. Je pense que c'est juste.

M. Skoberg: Il serait quoi?

M. Laws: Il serait approuvé.

M. Skoberg: Il serait approuvé?

M. Laws: Oui, selon l'interprétation générale de l'expression «prix minimum». Je crois que oui.

M. Skoberg: Une dernière question. Trouvez-vous que, en ce moment, la protection offerte par la garde côtière pour cette industrie est suffisante.

M. Laws: La protection de la garde côtière? Je ne crois pas que nous ayions quelque chose qu'on puisse appeler une garde côtière, mais les gens d'ici sont nettement d'avis qu'il faudrait protéger davantage l'industrie de la pêche.

M. Skoberg: Pour le petit pêcheur aussi bien que pour les grandes entreprises?

M. Laws: Surtout pour les petits pêcheurs le long de la côte.

Le président: Merci. Monsieur Pringle?

M. Pringle: Pour ce qui est des subventions en matière de transport, croyez-vous que ce soit possible de subventionner suffisamment pour parer à l'écart entre les prix concurrentiels sur les marchés mondiaux de la morue? Il n'y a pas tellement d'années, lorsque la volaille se vendait plus chère que le poisson, grâce à des mesures d'efficacité et ainsi de suite, on en est arrivé à faire baisser le coût de production au point que le prix de la volaille est beaucoup moins élevé maintenant que celui du poisson.

[*Text*]

I am wondering whether your industry is doing all it can, or perhaps you have something in the mill, to reduce your costs, so that with the subsidy now you will be able to improve your cost picture and compete in world market for salt cod?

Mr. Laws: Undoubtedly every industry needs a certain amount of improvement. I dare say there is always room for some improvement in efficiency, and I certainly think that applies to the salt codfish industry. I believe that the present study by the federal government in connection with the industry obviously must be taking into account how the industry can be improved, both production and the marketing of the product. This is surely the government's present study.

Mr. Pringle: Do you feel that a subsidy at the present time would make it possible for you to compete in world markets, taking today's prices into consideration?

Mr. Laws: Do I feel that a subsidy would help us?

Mr. Pringle: Would it provide the necessary difference to do the job in view of the market picture?

The fact still remains that it is costing today on every pound of fish that goes out of this province into the Caribbean a cent a pound higher than any other exporter, even our own competitors in Nova Scotia. Therefore, if assistance could be obtained in some form by assistance to ships, freighting costs to be assisted or directly to exporters—I do not know. Obviously it must improve the net return and thereby benefit the fishermen of this island.

The Chairman: Mr. Nowlan?

Mr. Nowlan: Mr. Chairman, the witness mentioned earlier the subsidized competition in the Caribbean from, I gather, Italy and France.

Mr. Laws: From Spain.

Mr. Nowlan: Spain?

Mr. Laws: Spain and France.

Mr. Nowlan: I wonder if he could just elaborate a little on that. Recently there has been a general allegation, either in the fishing industry or the agricultural industry competing in European and Caribbean markets, of subsidized competition from state farms, apple farms in France and different types of subsidies. To your knowledge is this a sub-

[*Interpretation*]

Est-ce que votre industrie fait tout son po sible ou est-ce que vous avez quelque chose l'usine pour abaisser vos frais de façon q ces subventions vous permettent d'amélior le facteur coût et concurrencer sur le marc mondial de la morue salée?

M. Laws: Il ne fait aucun doute que tou industrie a besoin d'une certaine améliorati Je dirais qu'il y a toujours possibilité d'am liorer l'efficacité et cela vaut aussi certain ment pour l'industrie de la morue salée. crois que l'étude faite en ce moment par gouvernement fédéral de concert avec l'indu trie doit tenir compte des moyens d'amélior cette industrie, tant du point de vue de production que de la commercialisation d produit. C'est sûrement l'étude en cours d gouvernement.

M. Pringle: Croyez-vous qu'une subventi en ce moment vous permettrait de concurre cer sur le marché mondial, compte tenu d prix actuels?

M. Laws: Vous désirez savoir si je su d'avis qu'une subvention nous aiderait?

M. Pringle: Enfin est-ce qu'elles seraie suffisantes pour faire le travail vu l'état d marchés.

Mais le fait demeure qu'il nous en coûte u cent la livre pour chaque livre de poisso expédiée de ces provinces dans les Caraïbe un cent la livre de plus que pour tout autr exportateur et même nos propres concurrent de la Nouvelle-Écosse. Par conséquent, si o pouvait obtenir de l'aide d'une façon ou d'un autre, soit de l'aide aux navires, des tari marchandises subventionnés, ou directemer aux exportateurs, qui sait. Il faut évidem ment améliorer le bénéfice net si c'est à l'a vantage des pêcheurs de cette île.

Le président: Monsieur Nowlan.

M. Nowlan: Monsieur le président, l témoin nous a parlé de la concurrence sub ventionnée dans les Caraïbes qui vient de l'I talie et de la France.

M. Laws: De l'Espagne.

M. Nowlan: De l'Espagne?

M. Laws: De l'Espagne et de la France.

M. Nowlan: Pourrais-je élaborer un pe plus. Il y a, depuis quelque temps, une allé gation qui a été faite, de la part de l'industri de la pêche ou de l'industrie de l'agricultur qui concurrence sur le marché européen o dans les Caraïbes, de cette concurrence sub ventionnée de part des fermes étatisées, de vergers de la France et différents genres d

[*Texte*]

sidy in transportation cost to the Caribbean, or is it a subsidy in actually growing the product or back where the fish is caught? How concrete is your allegation of a subsidized competition?

Mr. Laws: I will be specific so far as Spain is concerned. There is a direct subsidy paid to Spanish exporters of dried codfish-codfish which you might see today on a Spanish trawler in this harbour. It is taken to Spain in its wet form and processed. When it is exported the exporter is paid a direct subsidy which has fluctuated a bit in the last two or three years, but I believe at the moment it is at the rate of seven per cent on the f.o.b. value. That is paid on all exported dried fish from Spain. In addition, that Spanish exporter...

Mr. Nowlan: Excuse me; is that paid to the carrier or to the shipper?

Mr. Laws: That is paid to the shipper. I have before me a note which was sent to the Minister of Trade and Commerce in Ottawa a year or so ago on the last occasion we were dealing with this, pointing this out to Ottawa. At that time the rate of freight paid by a Spanish exporter to Puerto Rico varied between $21 and $26 a ton, whereas from Newfoundland to Puerto Rico the rate was approximately $50 a ton. So there is in the freight rate itself something like $25 a ton, and the direct subsidy paid on export at seven per cent represents another cent and a half a pound. There is another $25 a ton.

Mr. Nowlan: Is Spain your main competitor in the Caribbean?

Mr. Laws: Did you say the largest competitor?

Mr. Nowlan: Where does Spain rank?

Mr. Laws: In the case of Puerto Rico it is a very important competitor. About eight or nine years ago they started in that market and I would say they have reached as much as 50 per cent of it. I think they have lost a little ground in the last twelve months under our pressure but they are very vital there.

Mr. Nowlan: How much is the Puerto Rico market in relation to the Caribbean market?

Mr. Laws: It is one of the vital markets for Canada.

[*Interprétation*]

subventions. A votre avis, est-ce que ce sera une subvention du coût de transport vers les Caraïbes ou est-ce une subvention à la production du produit ou aux pêcheurs mêmes? Enfin, cette allégation de concurrence subventionnée est fondée?

M. Laws: En ce qui concerne l'Espagne, je puis préciser des faits. Une subvention directe est versée aux exportateurs espagnols de la morue séchée, la même morue que vous pourriez voir dans le port à bord d'un chalutier espagnol. On l'emporte en Espagne sous sa forme naturelle et on l'apprête. A l'exportation, on verse une subvention directe qui a varié un peu depuis deux ou trois ans, mais je crois qu'à l'heure actuelle il s'agit de 7 p. 100 fret sur la valeur F.A.B. Cette subvention est payée pour tout le poisson séché exporté d'Espagne. De plus, l'exportateur espagnol...

M. Nowlan: Pardon. Est-ce qu'elle est payée au transporteur ou à l'expéditeur?

M. Laws: A l'expéditeur. J'ai devant moi une note qui a été envoyée au Ministre du Commerce à Ottawa, il y a environ un an, la dernière fois que nous avons discuté de cette question, dans laquelle on signale la chose à Ottawa. A ce moment-là, le taux du transport des marchandises de cet exportateur jusqu'à Porto Rico variait de $21.00 à $26.00 la tonne, alors que de Terre-Neuve à Porto Rico le taux est d'environ $50.00 la tonne. Il y a donc, dans les tarifs des marchandises, une différence de l'ordre de $25.00 la tonne, et la subvention directe payée à l'exportation à raison de 7 p. 100 représente encore un cent et demi la livre ou $25.00 la tonne.

M. Nowlan: Est-ce que l'Espagne est votre principal concurrent dans les Antilles?

M. Laws: Avez-vous parlé du concurrent le plus important?

M. Nowlan: Quelle est l'importance de l'Espagne?

M. Laws: Dans le cas de Porto Rico, c'est un concurrent très important. Il y a huit ou neuf ans, ils ont pénétré dans ce marché et je dirais qu'ils ont capturé jusqu'à 50 p. 100 du marché. Je crois qu'ils ont peut-être perdu un peu de terrain depuis douze mois par suite de nos efforts, mais leur contribution est vitale.

M. Nowlan: Mais que vaut le marché de Porto Rico par rapport au marché des Caraïbes?

M. Laws: C'est un des marchés vitaux pour le Canada.

[*Text*]

Mr. Nowlan: But in percentage terms; is it 50 per cent of the Caribbean market potential or is it 25 per cent?

Mr. Laws: No; it is not 50 per cent but it is probably more than 25 per cent. It is probably somewhere between 30 and 40 per cent.

Mr. Horner: I have a supplementary. It concerns shipping to the Caribbean. Newfoundland now is considered in the Atlantic region for purposes of the Maritime Freight Rates Act by which you do receive a subsidy, but if you are shipping to a foreign country or a place other than Canada generally you do not receive that subsidy. If the Maritime Freight Rates Act was made available to you when shipping to the United States or to the Caribbean would this be enough of a subsidy to allow you to compete and hold your share of that market?

Mr. Laws: I am not sure of the extent of assistance that would mean, but does not the Maritime Freight Rates Act rather apply only to the railways?

Mr. Horner: Well, if we made it apply to all modes of transportation and if we made it apply on all areas within this select area—I have a recommendation written down and I hope the Committee will accept it later on that we will make it apply to the border, say, of the United States but not within the border, and only in what is now called the select area under the Maritime Freight Rates Act. In other words, this would not be all the way to the Caribbean but it may be half way, and 20 per cent of the freight rate would then be covered under the subsidy.

Mr. Laws: Is 20 per cent the effect of the Freight Rates Act?

Mr. Horner: 20 per cent under the Maritime Freight Rates Act.

Mr. Laws: It would be some part of the one cent a pound I referred to, but it would still be only 20 per cent of it, presumably. Everything helps but that still is only one-fifth. You see, this is where we feel a certain amount of handicap.

We know that within Canada through the various forms of assistance in various acts there is assistance granted to, for instance, the movement of grain to the export point. We know there is assistance, presumably under the Maritime Freight Rates Act, in the shipment of potatoes from P.E.I., say, to Hali-

[*Interpretation*]

M. Nowlan: Mais en pourcentages, est-c que c'est 50 p. 100 du marché potentiel ou 2 p. 100?

M. Laws: Non, pas 50 p. 100, mais probablement plus de 25 p. 100. Probablemer entre 30 et 40 p. 100.

M. Horner: Oui, j'aurais une question supplémentaire. Il s'agit des expéditions vers le Antilles. A l'heure actuelle, Terre-Neuve e considéré comme une partie de la région d l'Atlantique aux fins de la *Loi sur les taux d transport des marchandises dans les provinces Maritimes* en vertu de laquelle vous recevez une subvention, mais si vous expédiez ver un pays étranger ou en dehors du Canada e général, vous ne recevez pas cette subvention Si la *Loi sur le taux de transport des marchandises dans les provinces Maritimes* éta étendue à vos expéditions vers les Caraïbe ou vers les États-Unis, est-ce que cela suffira pour soutenir la concurrence et conserve votre part de ce marché?

M. Laws: Je ne sais pas exactement ce qu serait le volume de cette aide, car je ne con nais pas trop la loi mais est-ce que cette Lo ne s'applique pas uniquement aux chemins d fer?

M. Horner: Si nous l'étendions à tous le modes de transport et à toutes les parties d la région désignée. . . J'ai préparé une recommandation écrite à cet effet et j'espère que l Comité l'acceptera un peu plus tard, pour qu la loi s'applique à la frontière des États-Unis mais non à l'intérieur des États-Unis, et dan la région désignée aux termes de la Loi Autrement dit, on ne subventionnerait pas l transport jusqu'aux Antilles mais peut-être à mi-chemin, de sorte que 20 p. 100 des frais d transport seraient couverts par la subvention.

M. Laws: Est-ce que l'effet de la Loi sur le taux de transport est de 20 p. 100?

M. Horner: 20 p. 100 en vertu de la Loi.

M. Laws: Alors ce serait une partie d'un cent la livre que j'ai mentionné, mais seulement 20 p. 100 j'imagine. C'est déjà cela, mais il ne s'agit que du cinquième du coût total C'est là que nous ressentons un certain handicap.

Nous savons qu'à l'intérieur du Canada grâce à diverses formes de subventions accordées par diverses mesures législatives, par exemple, au mouvement des céréales vers les ports d'exportation. Nous savons qu'il y a aussi, en vertu de la Loi sur le taux des marchandises une certaine aide au transport

[*Texte*]

fax when they are exported, but this is because they use the rail service; this is all they can do. In our case we have to use sea and we just have not the opportunity of any assistance.

Mr. Horner: This is the government's decision, but if the Committee recommended that it apply to all modes of transportation, and you can hardly expect the Committee to make a particular or special case for dry salt fish, would this be enough if we made it apply to boats in the select area? I think perhaps the Committee, being generous and in favour of trying to help Newfoundland particularly would be prepared to go along with that if it would help you.

Mr. Laws: Well, I must say thank you for the suggestion. It does help although it does not go as far as I am suggesting to you by any means.

Mr. Horner: I would like to go as far as I can; if the committee is more generous I will vouch it.

The Chairman: Mr. Nesbitt, on a supplementary.

Mr. Nesbitt: Referring to your complaints about the Spanish government's paying a direct subsidy to their exporters of dried fish, has any objection been made to the Canadian government by you on the grounds that it is a violation of the General Agreement on Tariffs and Trade.

Mr. Laws: Yes; it has been pointed out by us, of course, on numerous occasions to the authority in Ottawa and I know that their negotiating teams have had this pointed out to them in their various negotiations under GATT and I have been in touch with those particular officials myself. So far apparently they have not been able to find any way to deal effectively with it.

Just to emphasize it to you—and I must, Mr. Chairman, take a few seconds to say this—it is not only the export subsidy that Spanish exporters receive, but we produce a similar quality of fish here in this island which we find we cannot sell into Spain because of the high tariff that they have against imports, so we are in this kind of bind.

Mr. Nesbitt: Coming and going, as you might say.

Mr. Laws: Absolutely.

[*Interprétation*]

des pommes de terre dans les provinces Maritimes, de l'Île du Prince-Édouard à Halifax lorsqu'elles sont exportées. Mais c'est parce qu'ils empruntent le chemin de fer; il n'y a pas d'autre moyen. Dans notre cas, il faut absolument transporter par navire et nous ne sommes pas admissibles aux subventions.

M. Horner: Il s'agit d'une décision du gouvernement, mais si le Comité devrait recommander qu'on l'applique aux divers modes de transport, et vous ne pouvez certainement pas vous attendre à ce que le Comité fasse un cas particulier pour la morue séchée et salée, mais est-ce que ce serait suffisant si le Comité l'étende aux navires dans la région désignée? Je crois que le Comité est généreux et désire venir en aide à Terre-Neuve en particulier, et il serait prêt à appuyer cette mesure si vous le jugez utile.

M. Laws: Je dois vous remercier de la proposition, mais elle ne va pas aussi loin que je le souhaitais.

M. Horner: Je voudrais aller aussi loin que je le puis, mais à condition que le Comité soit d'accord.

Le président: M. Nesbitt a une question supplémentaire.

M. Nesbitt: Pour revenir à vos plaintes relatives au fait que le gouvernement de l'Espagne verse une subvention directe à leurs exportateurs de poisson séché, est-ce que vous avez protesté auprès du gouvernement fédéral qu'il s'agissait d'une infraction du GATT?

M. Laws: Je dois vous remercier de la prosieurs reprises aux autorités à Ottawa et je sais que d'autres l'ont signalé aux équipes de négociateurs aux cours des négociations de la GATT, et j'ai communiqué avec ces fonctionnaires moi-même. Jusqu'à présent, ils n'ont apparement pas trouvé moyen de régler le problème.

Je dois prendre juste quelques secondes, monsieur le président, pour expliquer que ce n'est pas simplement la subvention à l'exportation que les exportateurs espagnols reçoivent, mais nous produisons une qualité semblable de poisson, ici dans notre île, que nous ne pouvons pas vendre en Espagne en raison du tarif très élevé imposé sur les importations, de sorte que nous nous trouvons très mal pris.

M. Nesbitt: On pourrait dire dans les deux sens.

M. Laws: Oui.

[*Text*]

Mr. Nowlan: You mentioned Spain and covered that fairly well. Have you any specifics on France and how it subsidizes the sale of its fish to the Caribbean? We will not take the time of the Committee but if you have it at your fingertips I certainly would appreciate your sending those particulars to the Clerk or the Chairman of the Committee, because this whole problem of subsidized competition, both in the fishing industry and in the agricultural industry, is certainly one that I think involves federal interests.

Mr. Laws: I could give some additional information in connection with France, and I will be only too happy to provide it to the Chairman of the Committee.

Mr. Nowlan: I appreciate it. Some other member has already touched on this, but is another one of your problems, frankly, the fact of a change in taste resulting in salt cod going down and frozen fish products coming up in the Caribbean?

Mr. Laws: No, I do not agree with anybody who says that salt fish is being replaced by frozen fish. I do not think that is so; I think the consumption being attained—whatever there is and it is not a great quantity—in the Caribbean of frozen fish is additional consumption.

Mr. Nowlan: It is what?

Mr. Laws: I think it is additional fish consumption. I do not think it is just a question of replacing.

Mr. Nowlan: You mentioned the CN boats. These were the boats that were on before the war.

Mr. Laws: Yes.

Mr. Nowlan: The war ended their fishing service and they went into wartime service.

Mr. Laws: Yes.

Mr. Nowlan: Do you think it would be an advantageous, positive move if some type of shipping interest, perhaps even the CN, could get back into that business?

Mr. Laws: Yes, I think so.

Mr. Nowlan: Well, my last question is...

Mr. Laws: Indeed, let me say there are some criticisms in the Caribbean about the service from Canada. Some of the smaller islands—I am not speaking of the larger ones such as Trinidad or Barbados; they have a

[*Interpretation*]

M. Nowlan: Vous avez très bien exposé situation de l'Espagne. Avez-vous des préc sions au sujet de la France et de la façon do elle subventionne ses ventes de poisson au Antilles? Je ne voudrais pas faire perdre temps au Comité, mais si vous les avez portée de la main, je vous saurais gré communiquer ces chiffres au secrétaire ou président du Comité car toute cette questi de concurrence subventionnée tant dans l'i dustrie de la pêche que dans l'industrie agr cole, intéresse grandement le gouverneme fédéral.

M. Laws: Je pourrais peut-être vous donn des renseignements supplémentaires au suj de la France et je serais très heureux de l communiquer au président du Comité.

M. Nowlan: Merci. Un autre député mentionné, au sujet d'une autre question, fait que la popularité de la morue salée dim nue et que celle des poissons congelés au mente aux Antilles?

M. Laws: Non, je ne suis pas du tout d'ac cord qu'on remplace la morue salée par poisson congelé. Je ne crois pas que ce soit cas. Je trouve que la consommation de pois son congelé aux Caraïbes, en elle n'est pas forte que cela, est une consommatio supplémentaire.

M. Nowlan: C'est quoi?

M. Laws: Une consommation supplémen taire de poisson. Ce n'est pas du tout un question de remplacement.

M. Nowlan: Vous avez parlé des navires d CN. Ce sont ceux qui étaient exploités avan la guerre.

M. Laws: Oui.

M. Nowlan: La guerre, évidemment, a mi fin à leur exploitation pour la pêche et il sont allés faire la guerre.

M. Laws: Oui.

M. Nowlan: Alors est-ce que ce serait avan tageux si une entreprise de transport, peut être même le CN, pouvait reprendre ce genr de service?

M. Laws: Oui, je crois que oui.

M. Nowlan: Ma dernière question...

M. Laws: Permettez-moi d'ajouter que cer tains, aux Antilles, critiquent le service offer par le Canada. Certaines petites îles, je n parle pas des plus grandes comme Trinidad e les Barbades qui ont un service plus rapide

[*Texte*]

very fast service—are very critical of what they consider to be a poor service from Canada because of the long time that it takes en voyage to those points.

Mr. Nowlan: My last question concerns your brief in the form of a letter. I may be way off base here, but is not one of the factors in your industry the fact that St. Pierre and Miquelon are becoming a loading or trading area and that Spanish boats, French boats and others are coming in there and upsetting the balance? There is no mention of it in your brief.

Mr. Laws: No; I do not think that affects our salt codfish industry here.

Mr. Nowlan: It is not the salt cod industry?

Mr. Laws: No.

The Chairman: Mr. Mahoney?

Mr. Mahoney: Do I take from your answer to Mr. Nowlan's question regarding the possible change in taste that the per capita consumption of fish is increasing, in your opinion?

Mr. Laws: Of fish in total?

Mr. Mahoney: In total, yes.

Mr. Laws: Well, the governments of practically all countries, certainly many countries that I know of, are very active in trying to promote an increased consumption of fish in one form or the other. I think sometimes they are meeting with some success, but a great deal of course depends upon the availability of the resource in their local waters. Some of them have a certain amount of success in that others do not.

Mr. Mahoney: It would follow from your answer that at least in your market area you feel the per capita consumption of fish is on the increase?

Mr. Laws: I am not sure whether it is correct to say it is on the increase. Let me say there is certainly a desire on the part of their respective governments to see an increase and I think if they can find the resources within reasonable range of their own countries they will increase their production and their consumption. I believe there is certainly also the opportunity for maintaining, if not increasing, and in some places we may increase our export of fish. After we have overcome cer-

[*Interprétation*]

critiquent assez amèrement le service qu'elles considèrent plutôt piètre en raison du temps qu'on met à livrer.

M. Nowlan: Pour revenir à votre mémoire très bref, sous forme de lettre. J'ai peut-être tort ici, mais est-ce que l'un des facteurs de votre industrie ne serait pas le fait que St-Pierre et Miquelon deviennent un endroit de chargement ou un lieu de commerce où les bateaux espagnols, français et autres viennent et créent un déséquilibre. Ce n'est pas mentionné dans votre mémoire.

M. Laws: Non. Je ne crois pas que cela touche pas de tout l'industrie de la morue salée.

M. Nowlan: Il ne s'agit pas de l'industrie de la morue salée?

M. Laws: Non.

Le président: Monsieur Mahoney?

M. Mahoney: Est-ce que je dois comprendre, d'après la réponse que vous avez donnée à M. Nowlan au sujet du changement de goût que la consommation de poisson par habitant augmente d'après vous?

M. Laws: La consommation du poisson dans son ensemble?

M. Mahoney: Oui, c'est cela.

M. Laws: Les gouvernements de presque tous les pays, au moins de plusieurs pays que je connais, sont intéressés à promouvoir une plus grande consommation du poisson, sous une forme ou sous une autre. Je crois parfois qu'ils y réussissent dans une certaine mesure, mais tout dépend évidemment de la disponibilité des ressources en poisson dans leurs propres eaux. Il y en a qui réussissent assez bien à cet égard et d'autres qui ne réussissent pas.

M. Mahoney: Et, par conséquent, dans votre marché la consommation du poisson augmente.

M. Laws: Ce n'est pas nécessairement une augmentation mais disons qu'ils veulent augmenter la consommation ou les gouvernements veulent voir une augmentation de la consommation du poisson. Si on peut leur trouver les ressources, dans un rayon adéquat de leur propre pays, ils augmenteront certainement leur consommation du poisson. Je crois qu'on a, certainement, aussi l'occasion de maintenir, sinon d'augmenter et à certains endroits, nous pourrions peut-être augmenter

[*Text*]

tain other problems such as quality, competition, competitive prices, and so on, we can look forward to some increase.

The Chairman: Thank you, Mr. Laws.

Our next brief is from the Springdale Chamber of Commerce, and I will call upon Mr. Harold W. Parsons to present his views.

Mr. Harold W. Parsons (Springdale Chamber of Commerce): Mr. Chairman, members of the Standing Committee, ladies and gentlemen, the brief submitted in February of 1968 by the Springdale Chamber of Commerce was clearly in support of the brief submitted by the Newfoundland Board of Trade and it supported the recommendations of the Central Newfoundland Chamber of Commerce.

The transportation problem in the Springdale area is unique because it is not on a rail line service of the CNR and it is being serviced by Clarke Traffic Services into Botwood.

We recommend that suitable facilities be established by the CNR at Springdale to provide CNR truck services into Springdale from Badger, Newfoundland, as all freight for the Springdale area and for the mining companies which are adjacent to Springdale terminate at Badger, and that a portion of the current CNR coastal and branch line operations, which are now being phased out, be reallocated for the purpose of providing truck freight services. We recommend better control by the CNR of the disparity in freight rates as well as control of storage and handling. We suggest that the CNR should rapidly convert to containerized freight, which would be hauled by rail, ship or truck.

Since our brief was submitted we have been experiencing longer delays in delivery by CNR because of our L.C.L. freight now terminating at Grand Falls instead of Badger. The CNR trucks haul it to Badger station, where it is left for pick-up by local trucks. Apparently other central Newfoundland towns are getting a trucking service from Grand Falls by the CNR for L.C.L. freight. We request this service because our area is principally being penalized because of the assumption that we are being serviced by CNR coastal boats, but this is now more of a

[*Interpretation*]

la consommation et notre propre exportatio du poisson. Après avoir réglé certains autre problèmes, comme la qualité, la concurrenc les prix concurrentiels, etc., nous pourrion alors nous attendre à une certain augmentation.

Le président: Merci, monsieur Laws.

Notre prochain mémoire est celui de l Chambre de commerce de Springdale. J demanderai donc M. Harold W. Parsons d bien vouloir se présenter.

M. Harold W. Parsons (Chambre de com merce de Springdale): Monsieur le présiden membres du Comité permanent, mesdames e messieurs, le mémoire présenté au mois d février 1968 par la Chambre de commerce d Springdale appuie entièrement le mémoir présenté par la Chambre de Commerce d Terre-Neuve et appuie les recommandation de la Chambre de Commerce de Terre-Neuv centrale.

Mais les problèmes de transport, dans l région de Springdale, est unique du fait qu nous n'avons pas de service ferroviaire d National-Canadien et est desservie par l *Clarke Traffic Services* à partir de Botwood.

Nous recommandons que des services adé quats soient aménagés par le National-Cana dien à Springdale pour nous assurer le ser vice de camionnage à partir de Badge Terre-Neuve, étant donné que toutes les mar chandises destinées à la région de Springdal et aux entreprises minières de la région s'ar rêtent à Badger et qu'une partie des subven tions assurées aux opérations côtières et de embranchements du National-Canadien qu disparaissent maintenant peu à peu, soien réparties de nouveau pour assurer le servic de transport routier des marchandises. Nou recommandons un meilleur contrôle par l National-Canadien de l'écart entre les tarif marchandises, et aussi pour la manutentio faite par le National-Canadien. Nous suggé rons que le National-Canadien utilise de plu en plus le système de cadres qui seraien transportés par chemins de fer, camions o navires.

Depuis la présentation de notre mémoire nous avons connu de plus en plus de retar des livraisons par le National-Canadien, cause des chargements incomplets qui s'arrê tent à Grand Falls au lieu d'à Badger. Le camions du National-Canadien les transpor tent à Badger d'où ils sont livrés par u camion local. Apparemment, d'autres villes d Newfoundland ont un service de camions d Grand Falls pour les chargements incomplets Nous demandons ce service parce que notr région est pénalisée en grande partie du fai que l'on suppose que nous sommes desservi

[*Texte*]

uisance than a service and freight delivery o Springdale by boat is practically nil. At est it only operates about seven months out f the year. Any freight bypassing Badger tation and terminating at Lewisporte for fur- herance by CNR boats arrives approximately wo weeks later with at least 50 per cent nore damages.

We have been cramped and penalized by a ubsidized service which only operates about even months of the year and we feel we hould be serviced by the CNR by the trunk oads system.

The businesses in the Springdale area can- ot hope to be competitive with other central Newfoundland towns because of excessive osts of transportation and the Springdale usinessmen and the Chamber of Commerce ver the years have investigated different nodes of transportation, including shipping irect, and nothing seems to be much better han the CNR. We think the time has come or us to get a break and get some action on he trunk roads system into our area.

The Chairman: Are there any questions, entlemen?

Mr. Skoberg: Where is Springdale? I am ying to find it on the map.

Mr. Parsons: Springdale is in central New- oundland at the head of Little Falls Bay. It s about 60 miles west of Grand Falls.

The Chairman: Mr. Perrault.

Mr. Perrault: What kind of economic activi- y is principally carried on there? What kind f potential does the area have?

Mr. Parsons: Chiefly mining and pulpwood perations.

Mr. Perrault: Mining. Are they doing any xploration work there at the present time?

Mr. Parsons: There is some, yes. Some ines are in operation.

Mr. Perrault: So it could open up a new rea?

Mr. Parsons: It is quite possible that more ining will open up there.

Mr. Perrault: Thank you, Mr. Chairman.

[*Interprétation*]

par le navire côtier du National-Canadien, mais cela est plutôt un embarras qu'un service et la livraison des marchandises par navire à Springdale est à peu près nulle. Au meilleur, elle ne fonctionne que sept mois sur douze. Toutes les marchandises qui vont de Badger à Lewisporte à bord de navires du National-Canadien arrivent environ au moins deux semaines plus tard et même plus, avec 50 p. 100 de plus de dommages.

Nous avons été gênés et pénalisés par un service subventionné qui ne fonctionne que sept mois par année et nous sommes d'avis que nous devrions avoir un service par route principale assurée par le National-Canadien.

Les entreprises de la région de Springdale ne peuvent pas espérer être concurrentielles avec les autres villes du centre de Terre-Neuve vu le coût excessif des transports et les hommes d'affaires et la Chambre de commerce de Springdale ont étudié, au cours des années, les différents modes de transport, y compris l'expédition directe, et rien ne semble être mieux que ce que pourrait offrir le National-Canadien. Nous sommes d'avis que peut-être nous devrions maintenant avoir aussi notre chance et pouvoir avoir une partie de réseaux de routes principales dans notre région.

Le président: Y a-t-il d'autres questions, messieurs?

M. Skoberg: Où est situé Springdale? Je voudrais voir exactement sur la carte.

M. Parsons: Springdale est situé au centre de Terre-Neuve au bout de la baie Little Falls, à environ 60 milles à l'ouest de Grand Falls.

Le président: Monsieur Perrault.

M. Perrault: Quel genre d'activités économiques avez-vous dans cette région? Et quelles sont les possibilités de cette région?

M. Parsons: Ce sont essentiellement des exploitations de mines et de bois à pâte.

M. Perrault: Des mines. Est-ce qu'on fait du travail d'exploration en ce moment?

M. Parsons: Oui. Il y en a qui sont exploitées présentement.

M. Perrault: On pourrait alors ouvrir une nouvelle région?

M. Parsons: Il est fort possible que d'autres entreprises minières soient ouvertes à cet endroit.

M. Perrault: Merci beaucoup monsieur le président.

[*Text*]

The Chairman: Are there say other questions?

Mr. Peddle: Apart from what comes in by boat, there is no CNR service into Springdale?

Mr. Parsons: No, that is right, there is not, apart from the CNR boat, which only operates about seven months during the year.

Mr. Peddle: And all merchandise which comes in by rail comes to Badger, which is about what, 40 miles?

Mr. Parsons: It is about 45 miles.

Mr. Peddle: It is about 45 miles east, and the CNR makes no attempt to deliver merchandise. The consignees have to call at Badger to pick up their merchandise. Is this correct?

Mr. Parsons: That is correct.

Mr. Peddle: Springdale is a town with a population of what, 2,500?

Mr. Parsons: About 3,000.

Mr. Peddle: About 3,000, and there is no attempt at all by the CNR to deliver merchandise from Badger?

Mr. Parsons: Not as yet.

The Chairman: Mr. Skoberg.

Mr. Skoberg: I just have one question, Mr. Chairman. Sir, has your Chamber made representations to the Canadian Transport Commission in regard to this brief?

Mr. Parsons: Have we made representations to what?

Mr. Skoberg: Have you made official representation in regard to your complaint to the CTC in Ottawa?

Mr. Parsons: I do not think so.

The Chairman: Are there any other questions, gentlemen? Mr. Allmand.

Mr. Allmand: Sir, what are these Clarke Traffic Services? As a Montrealer I am not familiar with them.

Mr. Parsons: Clarke traffic services is a shipping service which operates out of Montreal down to. .

Mr. Allmand: You mean Clarke Steamship Lines?

[*Interpretation*]

Le président: Avez-vous d'autres questions

M. Peddle: Il n'y a pas de service du Nati nal-Canadien allant à Springdale, sauf le se vice par navires?

M. Parsons: Non, c'est exact, il n'y a pas d service du National-Canadien, sauf les nav res qui ne sont exploités que sept mois pa année.

M. Peddle: Et, toutes les marchandise transportées par rail arrivent à Badger, so à 40 milles?

M. Parsons: C'est à environ 45 milles.

M. Peddle: C'est à environ 45 milles à l'e et le National-Canadien ne fait aucun effo pour délivrer ces marchandises. Alors, on do aller les chercher à Badger, n'est-ce pas?

M. Parsons: C'est exact.

M. Peddle: Springdale a une population d combien, 2,500?

M. Parsons: Environ 3,000.

M. Peddle: Environ 3,000 et le National Canadien n'essaie pas du tout de délivrer le marchandises à partir de Badger?

M. Parsons: Non, pas encore.

Le président: Monsieur Skoberg.

M. Skoberg: J'aurais une question à pose monsieur le président. Monsieur, est-ce qu votre Chambre de commerce a fait des ins tances à la Commission canadienne des trans ports à l'égard de ce mémoire?

M. Parsons: Avons-nous fait des instance à quel propos?

M. Skoberg: Avez-vous fait des instance officielles au sujet de votre plainte auprès d la Commission canadienne des transports Ottawa?

M. Parsons: Je ne pense pas.

Le président: Messieurs, avez-vous d'autre questions? Monsieur Allmand.

M. Allmand: Monsieur, qu'est-ce que c'es ce service *Clarke Traffic Services*? Étan Montréalais, je ne suis pas au courant de cel

M. Parsons: C'est un service qui fonctionn à partir de Montréal.

M. Allmand: Vous voulez dire *Clark Steamship Lines*, n'est-ce pas?

[Texte]

Mr. Parsons: Clarke Steamship Lines, yes.

Mr. Allmand: Oh, I see.

Mr. Parsons: They come into Botwood, St. ohn's and Corner Brook, but they only come to Botwood during the summer months.

Mr. Allmand: Are there any general trucking lines which operate into Springdale?

Mr. Parsons: There are some trucking lines ut the rates are usually a bit higher than the NR rates. In some cases and on some commodities they are a lot higher. So far there as been no regular service.

Mr. Allmand: Thank you.

Mr. Corbin: A supplementary question to r. Peddle's inquiry. You said that the Town Springdale has a population of approximately 3,000 people and it is located about 45 50 miles from Badger. Are there other wns along the route from Badger to Springale that could also be serviced by the CNR ucks?

Mr. Parsons: There is a mining company wn and another smaller town, but Springale services a group of small towns which e scattered all around us.

Mr. Corbin: You mean along the coast?

Mr. Parsons: Along the coast.

Mr. Corbin: Springdale would be the centre r some coastal villages?

Mr. Parsons: Springdale is the centre for e Green Bay area.

Mr. Corbin: What is the approximate popution of that whole area, including pringdale?

Mr. Parsons: I would think about 8,000.

Mr. Corbin: Thank you.

The Chairman: I wish to thank you, sir for our brief.

This morning I arranged for the Committee hear two charming ladies, and they are ere this afternoon. They are not on our genda but I promised that we would hear em this afternoon. I will now call upon iss Freeda Berry.

Mr. Perrault: Mr. Chairman, what organiation do they represent, please?

The Chairman: The Canadian Association Social Workers.

[*Interprétation*]

M. Parsons: Oui, *Clarke Steamship Lines.*

M. Allmand: Oh, je vois.

M. Parsons: Ils viennent à Botwood, Saint-Jean et Corner Brook; mais à Botwood c'est seulement pendant l'été.

M. Allmand: Est-ce qu'il y a des lignes de camionnage allant à Springdale?

M. Parsons: Oui, mais les taux, habituellement sont un peu plus élevés que le taux du National-Canadien. Dans d'autres cas pour certaines denrées, ils étaient beaucoup plus élevés. Jusqu'ici il n'y a pas eu de service régulier.

M. Allmand: Merci.

M. Corbin: Je voudrais poser une question supplémentaire à la demande de M. Peddle. Vous dites que la ville de Springdale a une population d'environ 3,000 personnes et est située à environ 45 ou 50 milles de Badger. Est-ce qu'il y a d'autres villes le long de cette route de Badger à Springdale qui pourraient être aussi desservies par les camions du National-Canadien?

M. Parsons: Il y a la ville d'une société minière et un autre plus petit village, mais Springdale dessert un ensemble de petits villages disséminés ici et là.

M. Corbin: Le long du littoral?

M. Parsons: Le long du littoral.

M. Corbin: Springdale est le centre pour un nombre de villages côtiers?

M. Parsons: Springdale est le centre de la région de Green Bay.

M. Corbin: Quelle est la population approximative de cette région y compris Springdale?

M. Parsons: Je dirais environ 8,000.

M. Corbin: Merci beaucoup.

Le président: Je désire vous remercier, monsieur, pour la présentation de cette soumission.

Ce matin, j'ai engagé le Comité à entendre deux charmantes dames et elles sont ici cet après-midi. Elles ne figurent pas à l'ordre du jour, mais je leur ai promis de les entendre cet après-midi, donc je cède la parole à M[lle] Freeda Berry.

M. Perrault: Monsieur le président, quel organisme représentent-elles, s'il vous plaît?

Le président: L'Association canadienne des travailleurs sociaux.

[*Text*]

Miss Freeda Berry (Canadian Association of Social Workers): Mr. Chairman and members of the Committee, the members of the Canadian Association of Social Workers, the Newfoundland branch, part of whose competence lies in the social implications of change, would like to submit a short brief on the problems which they feel would be presented if and when it comes to the point that the only trans-island means of transportation would be by bus.

The groups of people for whom we show concern are the aged and infirm, the sick and the physically and mentally handicapped, both adults and children. Our desire is to put the point on record that unless an alternate and specialized type of transportation is provided, should the train service cease, we envision that very severe problems will result and certainly there will be suffering on the part of the groups enumerated above.

Members of this professional association who are engaged in the health, child welfare or aging fields often in the course of duty, and at other times, have to meet the incoming train. On many occasions they see sick people and handicapped children and adults in wheel chairs or with braces and crutches, and quite often stretcher cases, being helped off the train. Bus travel for such people is well-nigh impossible. When aircraft are unable to land, which can happen for a period of up to three days or more, the only reliable form of public transportation from the west coast and the central areas of Newfoundland is the train service.

Many of these incoming patients, who come to St. John's for specialist treatment, surgery or attendance at clinics of a specialized nature, are required to be at their respective hospitals or rehabilitation centres at a certain time on a certain date, and they must have reliable public transportation. Many of them must lie flat for quite a period of the journey, and this refers particularly to children as well as to those who have to be carried on and off on stretchers, and many old people who cannot sit up for long periods. For this reason the train is a very useful method of transportation.

It should be pointed out with particular reference to children that when parents have two or three children who are receiving some form of specialized treatment in St. John's or other large centre they attempt, and quite rightly so, to have the appointment set during the same period to save journeys and costs. A

[*Interpretation*]

Mlle Freeda Berry (Association canadienne des travailleurs sociaux): Monsieur le président et membres du Comité, les membres de l'Association canadienne des travailleurs sociaux, section de Terre-Neuve, dont une partie de leur mandat porte sur les répercussions sociales d'un changement, désirent présenter ces commentaires dans un mémoire, voulant que le seul moyen de transport à travers l'île est celui des autobus.

Le groupe de personnes qui nous préoccupent sont les personnes âgées, les invalides, les malades, les handicapés sur le plan physique et mental, les adultes et les enfants. Nous voulons donc consigner au compte rendu le fait qu'à moins que d'autres possibilités de modes de transport ne leur soit assurées si le service de train prend fin, nous prévoyons des problèmes très grands dont seront l'objet ces groupes de personnes à bord de l'autobus.

Les membres de notre association professionnelle qui s'occupent de la santé et du bien-être des enfants ou des personnes plus âgées, bien souvent au cours de leur travail et à d'autres périodes doivent accueillir le train en gare. Plus d'une fois, on y voit des gens malades, des enfants handicapés, des adultes en chaises roulantes ou, avec des béquilles et bien souvent des gens sur civière qu'on doit descendre du train. Alors, l'autobus, pour ces personnes, est pratiquement impossible. Lorsque les avions ne peuvent pas atterrir, ce qui peut se produire pour une période allant jusqu'à trois jours ou plus, le seul autre mode de transport public pour les régions centrales et du littoral ouest de Terre-Neuve, c'est le service ferroviaire.

Bon nombre de ces patients, qui viennent à Saint-Jean pour avoir un traitement spécialisé, de la chirurgie ou pour se rendre à des cliniques de nature spécialisée, doivent être dans les hôpitaux, aux centres de réhabilitation, à un certain moment, à une certaine date et doivent donc pouvoir compter sur des modes de transport public fiables. Un bon nombre d'entre eux doivent se coucher pour une bonne partie du trajet, surtout pour ce qui est des enfants et aussi ces personnes que bien souvent on doit transporter sur civière et bon nombre de vieilles personnes qui ne peuvent rester assises pendant de longues périodes. Donc, pour cette raison, le train est un excellent mode de transport.

Maintenant, pour ce qui est des enfants, il nous faut signaler que lorsque les parents ont deux ou trois enfants qui reçoivent un traitement spécialisé à Saint-Jean ou dans d'autres centres spécialisés, ils ont tout à fait raison de prévoir un rendez-vous pendant cette même période pour épargner du temps et les coûts

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pe of situation that can be found is that a family who has one child with a heart ndition, another who is physically hand- ıpped and wearing bracing and a third who mentally retarded. Having had the experi- ce of travelling on the bus it has been ongly brought to our minds that one moth- trying to look after two or three such ildren travelling on the bus has a much ore difficult task than she has on the train.

The opportunity to communicate with other ssengers is greater on the train and they n be asked to lend a hand. The problem of eding is lessened on the train because the ning room is readily accessible and does not quire getting up and down steps. There is ore freedom for a child's activity on the ain and children find it hard to sit still in e position for very long.

Toilet facilities are not too different but the ep up makes it much more difficult for the ysically handicapped and the elderly. There e children as well as adults who are essen- ılly always sick in motor vehicles. This ould also create a problem of cleaning up d would be unpleasant for passengers in ch a confined area.

It has come to our attention that parents e already stating that they will be unwilling travel on the bus with their children and erefore will be unable to keep their appoint- ents. This in itself is serious as we are ncerned for our sick children and desire at they should have the best attention ssible.

Our concern for the elderly is the discom- rt of sitting in one position or possibly ternating between an upright and a reclin- g position for many hours, which is not sily borne even by the physically healthy ople. It would also appear that there are no cilities for stretcher cases. For those who me from intermediary points—for example, om Deer Lake—it is essential to travel on a ıs which stops very frequently. Due to the ed to keep on schedule it is seldom possible get off the bus, and this makes it extreme- tiring.

The door has to be opened at every railway ossing and in cold weather this also adds to e discomfort as the cold blast of air comes rough the bus. Due to the constant stopping ıd starting and opening and closing of the ors it is virtually impossible to sleep for a oment at night. If an elderly person drops sleep the head is liable to fall sideways and ere is no side wing to protect it. Whilst knowledging that the bus seats are comfort-

[*Interprétation*]

On peut souvent trouver une situation où il y a un enfant avec une situation cardiaque, un autre handicapé et l'autre qui est arriéré. Ayant voyagé par autobus, nous nous rendons compte qu'une mère qui essaie de s'occuper de deux ou trois de ses enfants à bord d'un autobus aurait beaucoup plus de difficultés à le faire que si elle était à bord du train.

L'occasion de communiquer avec d'autres passagers est plus grande sur le train et on peut leur demander de prêter service. Il est moins difficile de se nourrir sur le train parce que pour aller au wagon-restaurant on n'a pas à monter et à descendre d'escaliers. Il y a plus de liberté d'action pour un enfant à bord du train. Et pour les enfants qui éprouvent de la difficulté à toujours rester assis bien tranquilles, c'est plus avantageux.

Les salles de toilette ne sont pas tellement différentes, mais il est beaucoup plus difficile d'y aller dans les autobus pour les personnes âgées et les handicapés. Il y a aussi d'autres enfants et des adultes qui sont toujours malades dans les véhicules moteurs. Ceci crée aussi un problème de nettoyage qui serait désagréable pour les passagers dans un tel milieu fermé.

Les parents, semble-t-il, disent qu'ils ne sont pas prêts à voyager à bord de l'autobus avec leurs enfants, donc, ils ne seront pas en mesure d'être à leur rendez-vous. C'est donc une situation grave qui nous préoccupe et nous voulons que ces enfants aient la meilleure attention voulue.

Notre préoccupation pour les personnes âgées, c'est que lorsqu'elles se trouvent dans une position donnée, elles sont renvoyées par en arrière et cela devient très difficile pour elles. Il n'y a pas aussi de service pour les civières. Pour ceux qui viennent de points intermédiaires par exemple, de Deer Lake, il est essentiel de voyager à bord d'un autobus qui arrête très souvent. Vu le besoin de conserver l'horaire, il est très souvent difficile de descendre de l'autobus ce qui rend la chose beaucoup plus difficile.

Il faut ouvrir la porte à chaque passage à niveau et le temps froid ajoute au manque de confort vu les courants d'air. Vu qu'il faut reprendre, arrêter et repartir, il est assez difficile souvent de pouvoir dormir le soir. Si une personne âgée s'endort, bien souvent sa tête tombe sur le côté et il n'y a pas de bras protecteur. Il faut donc reconnaître, tout de même, que le siège de l'autobus, pour une personne moyenne en bon état de santé, est

[*Text*]

able for the average person on an average journey, the points made above show that the actual comfort of the seats is not the entire answer for the groups in whom we are interested.

It is therefore recommended that the train service be retained, if possible. If the present schedule cannot be maintained it is recommended that at least one train per week be run for the convenience of the groups named in this brief. It is felt that this matter warrants special consideration and should not be ignored for it will create further social problems and ultimately increased expenditure.

The Chairman: This charming lady asked me if she laid out her point. She thinks she laid out her point clearly enough, and she does not think that any questions should be asked at this time. I have another charming lady who has a brief similar to this one. If you would agree, we will hear the other lady and the members of the Committee can question both of them.

Mr. McGrath: May I be permitted to make one comment, Mr. Chairman? I would like to compliment this lady on this brief because it opens up a whole new aspect of this problem which has not been sufficiently dealt with, and I thank her for that.

The Chairman: Could I call on the other lady to come forward please? This is Mrs. Doreen Murray.

Mrs. Doreen Murray: Mr. Chairman, I am submitting this brief as a private citizen.

My object is to ask for consideration of the retention, even if only on a partial basis, of the Newfoundland passenger train service on the grounds of its tourist potential.

My views are based on the experience of a journey from Montreal to St. John's by train which I undertook last May.

I found the ride from Montreal to North Sydney comfortable but unremarkable in that the amenities it offers are standard across Canada. But the "Newfie Bullet" was a unique experience in every respect.

Taking the bad side first, the train is uniquely neglected, run down and dirty, but not irremediably so. It is also slow, and a businessman in a hurry would probably do better to travel some other way. But to a person with leisure who is looking for the unusual, a ride on the "Bullet" is unique because the whole atmosphere of the train is

[*Interpretation*]

assez confortable, mais le confort du siè n'est pas la réponse pour ces personnes q nous intéressent.

Par conséquent, nous recommandons que service du train soit maintenu. Si le prése horaire ne peut être maintenu, qu'il y ait a moins un train par semaine pour ces groupe de personnes ainsi désignées par ce mémoir Cette question mérite une attention plus pa ticulière et il faut en tenir compte, autremer cela entraînera d'autres problèmes sociau et, en dernière ligne de compte, des dépens accrues.

Le président: Cette dame bien charmant me dit qu'elle a fait part de son point de vu elle croit que c'est assez clair et elle ne cro pas que l'on doive lui poser des question maintenant. Il y en a une autre qui a u mémoire semblable à celui-ci. Si cela vou convient on pourra permettre à l'autre dam de présenter son mémoire et les membres d comité pourront poser des questions au deux.

M. McGrath: Est-ce que vous me permette de faire un commentaire, monsieur le prési dent. Je désire féliciter cette dame pour so mémoire parce que cela nous ouvre tout u nouvel aspect de ce problème dont on n'ava pas suffisamment parlé.

Le président: Je demanderais à l'autr dame de bien vouloir se présenter. Je vou présente Mme Doreen Murray.

Mme Doreen Murray: Monsieur le prési dent, je présente ce mémoire en tant qu simple citoyen. Monsieur le président, je vou drais vous demander d'envisager le maintie même à temps partiel, du service-voyageu de Terre-Neuve vu l'attraction touristique. J me fonde sur l'expérience d'un voyage allan de Montréal à Saint-Jean en train, voyage qu j'ai fait au mois de mai dernier. J'ai trouv que le voyage de Montréal à North Sydne était confortable, mais sans caractéristique remarquables, parce que vue les agrément qu'il offre sont tout à fait normaux partout a Canada. Mais le «Newfie Bullet» est un expérience tout à fait unique à tout point d vue.

Tout d'abord le côté défavorable. Le trai est très négligé, abimé et sale, mais on peut remédier. Il est lent et un homme d'affaire pressé devrait plutôt choisir un autre mode d transport. Mais une personne qui s'y rend pa plaisir, et cherche l'exceptionnel se ren compte que ce voyage est bien unique parc qu'il règne une ambiance bien différent

exte]

fferent', combining a turn-of-the-century ra of the Reid era when the railway was ilt with a rich local flavour.

This is felt directly one steps on board. ost of the passengers are Newfoundland es from stops along the way, and many of m look, speak and act so differently from ssengers on the mainland train that they ght be another race.

The food is different also. I had fresh fish lowed by an English style cabinet pudding th lemon sauce which compared more than vourably with the standardized North erican fare on the mainland train.

The "Bullet" is friendly and informal. Last ng at night all hands adjourn to the dining for a "mug up" of cocoa and toast, and to this was one of the highlights of the trip, th the train jogging madly and everyone ting around with elbows on the table tching their cups and enjoying the local k and jokes and good humour.

mention these details because the mem-s of the Committee will I think not experi-ce them on the short ride they will be ing while in St. John's. All they are likely observe on that journey are the train's advantages.

Based on this personal experience, my lief is that with a little fixing-up and the per publicity the "Bullet" could be a great rist asset to Newfoundland.

My main reason for presenting this brief is at I am convinced Newfoundland has a eat and unrealized potential for tourism. is is based on its geographical position as island just off the huge, highly industrial-d and urbanized North American land iss. This factor, which is a liability as gards industrial development and means at possible development has to be highly bsidized and operates even then at a disad-ntage, is for tourism an asset which I think e Tourist Development Office has not taken o account to the extent that it might have.

Most of Newfoundland's tourist thinking pears to be directed towards the wealthy rtsman, with emphasis on tuna fishing, nting for moose, caribou and bear and so . But these diversions appeal to relatively w, and can be afforded by even fewer.

This brings me back to the "Bullet". On my rney last year I met a Montreal girl, a ysiotherapist on vacation, who instead of ing both ways had given up two days of r holiday to ride on Newfoundland's nar-w gauge railway. I understand this is not at uncommon, despite the fact that the train

[Interprétation]

l'aura de la fin du siècle de l'époque Reid à la construction des chemins de fer. On le sent tout de suite en montant à bord. La plupart des voyageurs sont des terre-neuviens qui peuvent monter et descendre là où bon leur semble. Beaucoup entre eux ont l'air, parlent et agissent si différemment des voyageurs du continent qu'ils pouraient être d'une autre race.

La nourriture est différente aussi. J'ai mangé du poisson frais suivi d'un flan à l'anglais avec une sauce au citron qui peut se comparer plus que favorablement avec le menu connu américain du train continental. Ce train offre une ambiance amicale et inconventionnelle. Le soir on se rend au wagon-restaurant pour une tasse de cocoa et des rôties et pour moi cela a été un des sommets de ce voyage, le train secoue et les gens sont là avec leurs coudes sur la table, leurs verres et ils racontent les histoires et les potins. Je mentionne ces détails parce que les membres du Comité ne pourront pas s'en rendre compte au cours de cette petite tournée qu'ils feront à partir de Saint-Jean. Tout ce qu'ils pourront observer au cours de ce voyage ce sont les désavantages du train. En se fondant sur cette expérience personnelle, je crois qu'avec un peu de travail et de la publicité appropriée le «Bullet» pourrait vraiment devenir un attrait touristique à Terre-Neuve.

La principale raison pour laquelle je présente ce mémoire est que je suis convaincu que Terre-Neuve offre de très grandes possibilités de tourisme vu son emplacement géographique comme île, tout à côté de ce continent géant, extrêmement industrialisé et urbanisé qui est l'Amérique du Nord. Ce facteur qui est une responsabilité pour le développement industriel et signifie qu'une expansion éventuelle doit être subventionnée et fonctionne même en ce moment-là avec un certain déficit, ce facteur est un élément positif pour le tourisme dont le Bureau touristique n'a pas tenu compte dans la mesure où ils auraient pu le faire. Une grande partie de la pensée touristique de Terre-Neuve s'oriente essentiellement vers le côté sportif, insistant sur la pêche au thon, la chasse à l'élan, au caribou et aux ours. Mais ces attractions n'intéressent que peu de personnes et très peu peuvent se les permettre.

J'en reviens donc au *Bullett*. Au cours de mon voyage, l'année dernière, j'ai rencontré une jeune fille de Montréal, une physiothérapeute en vacances, qui, au lieu de prendre l'avion, aller-retour, a consacré deux jours de ses vacances pour prendre ce *Bullett*. Ce n'est pas du tout une chose rare malgré le fait que

[*Text*]

has never been publicized officially as a tourist attraction. Holidaymakers everywhere nowadays are looking for somewhere different to go, and I believe there are great numbers of middle-income people, particularly the young who are adventurous and free to get around, to whom the "Bullet", cleaned up and welcoming, could have tremendous appeal.

Apart from the train itself, the country through which it passes is spellbinding, empty and wild for great stretches, with settlements that seem isolated and remote, and in other parts of the run softer, with birch stands and streams. Imaginative publicity could bring people to ride through such country from all over North America. To dwellers in big cities, names like Topsail would be alluring in themselves.

Before the passenger train goes irrevocably, I should like to ask the Committee to give consideration to the points of view I have put forward. In support of it, I might mention that in Great Britain there are two small trains, one in Kent and one in South Wales, both great tourist attractions, and the Newfoundland narrow-gauge ride could surpass these. With regard to cost, Canadian National says it has no intention of discontinuing the freight service. Therefore since it still has to keep up the track and retain many of its employees some of the expense of running the passenger service would be incurred in any case.

Newfoundlanders are accustomed to their train and I believe do not fully appreciate its potentialities. I hope we are not going to lose the "Bullet" just at a time when people are on the move everywhere, looking for pleasure and somewhere new to go, a time when its possibilities could be realized.

The Chairman: I want to thank the two ladies for their briefs. The first question is from Mr. Perrault.

Mr. Perrault: Mr. Chairman, I think we all appreciated hearing from Miss Berry and Mrs. Murray. It was nice to have them visit our hearing. They are the first ladies I think we have heard from on this tour.

This is a point of information, Miss Berry. Do you have a flying doctor service in Newfoundland at the present time, an air ambulance?

Miss Berry: Yes, in some of the remoter areas.

Mr. Perrault: Do they employ helicopter service?

[*Interpretation*]

ce train n'a jamais vraiment fait de publicit comme attraction touristique. Les vacancier partout essaient de trouver un endroit parti culier pour leurs vacances et je pense qu'u très grand nombre de personnes à reven moyen, surtout pour les jeunes aventurier libres pour se déplacer le *Bullet*, nettoyé e de bon accueil, pourrait offrir une très grand attraction.

A part le train même, le paysage est vrai ment fascinant, vide et sauvage sur de gran des distances avec quelques centres isolés e éloignés et d'autres régions où le paysage s'a doucit avec des bouleaux et des rivières. Un publicité très imaginée pourrait attirer de gens de toutes les régions de l'Amérique d Nord pour voyager dans ce pays. Pour le gens des grandes villes, un nom comme Top sail serait très attrayant.

Avant que le service voyageur disparaiss je demanderais au comité de tenir compte d point de vue que je viens de vous présente En l'appuyant, je pourrais vous dire qu'e Grande-Bretagne, il y a deux petits trains, u à Kent, un en Galles du sud, les deux de attractions touristiques et les voies étroite seraient même un meilleur attrait. En ce qu concerne le coût, le National-Canadien n'a pa du tout l'intention de mettre fin au service d transport des colis. Donc ils doivent mainten les rails et bon nombre de leurs employé dont une partie des dépenses pour faire fon tionner le service voyageur serait maintenu de toute façon. Les Terreneuviens sont hab tués à ce train et n'apprécient pas toutes le possibilités. J'espère que nous ne perdron pas le *Bullett* au moment où les personnes s déplacent partout, essayant de trouver d nouvelles distractions. C'est le moment d réaliser ces perspectives.

Le président: Je remercie ces deux dam de nous avoir présenté leur mémoire. La pr mière question viendra donc de M. Perrault.

M. Perrault: Monsieur le président, je cro que nous avons tous beaucoup aimé entend les audiences de mesdames Berry et Murra Nous sommes contents qu'elles soient venue à notre audience. Ce sont les premières dam que nous avons entendues au cours de cet tournée. A titre d'information, M[lle] Berr avez-vous, à l'heure actuelle, un service d'am bulance aérien?

Mlle Berry: Oui, dans certaines régio éloignées.

M. Perrault: Est-ce qu'ils emploient l hélicoptères?

[Texte]

Miss Berry: Yes, particularly out of St. nthony, that area, and to the southwest ast. I would prefer that somebody more in e know in the Department of Health would nswer this question for you.

Mr. Perrault: How efficient is it?

Miss Berry: I think it is quite efficient.

Mr. McGrath: Would this flying service pply only to what could be considered as nergency cases?

Miss Berry: Emergency, and the outlying ttage hospital areas where there are no ads.

Mr. Perrault: Do you have an approximate timate of the number of people per week ho would require this care?

Miss Berry: I could not give you that. My n experience was 10 years with handi-pped children, and I could give you those gures later. But I do not know the total ming into St. John's.

Mr. Perrault: Do you know of anybody in ewfoundland who has discussed this concept ith the CNR or with the Canadian Transport mmission?

Miss Berry: I very much doubt it.

Mr. Perrault: Did you oppose the CNR plication at the time of the hearings on ese grounds?

Miss Berry: Our association did not partici-te at that time.

Mr. Perrault: Thank you, Mr. Chairman.

Mr. Skoberg: Mr. Chairman, it is very lightening to have some people from the cial science end of our community appear fore us. We have heard many economists, t I am sure that this social end of it is mething that is most important. I am just ndering if either of you ladies could tell us you know of any other place in the world at does not have a passenger service of me description? This will be the only prov-ce in Canada that will not have a passenger rvice, and is it your opinion and that of the ople you represent and of the people you eet day in and day out, that they really cognize this as downgrading the Newfound-nd people?

Mrs. Murray: Yes. I think it is wrong that is should be the only province without pas-nger service.

The Chairman: Mr. Corbin.

[*Interprétation*]

Mlle Berry: Oui, surtout de Saint-Antoine et vers la côte sud-ouest. Je préférerais que quelqu'un qui soit beaucoup plus au courant du ministère de la Santé puisse vous répondre.

M. Perrault: Est-ce que c'est efficace?

Mlle Berry: Oui, je pense très efficace.

M. McGrath: Est-ce que ce service d'ambulance aérien ne desservirait pas tout simplement les cas d'urgence?

Mlle Berry: Oui, effectivement les cas d'urgence et les régions très éloignées qui ont des hôpitaux de petite ville sans accès de routes.

M. Perrault: Avez-vous une estimation du nombre de personnes, par semaine, qui ont besoin de ces soins.

Mlle Berry: Je ne saurais vous le dire. J'ai eu de l'expérience avec les enfants handicapés. Je pourrais vous donner ces chiffres, mais je ne saurais vous donner les autres chiffres venant à Saint-Jean.

M. Perrault: Est-ce que quelqu'un de Terre-Neuve a discuté avec le National-Canadien ou la Commission canadienne des transports.

Mlle Berry: J'en doute.

M. Perrault: Est-ce que vous vous êtes opposée à la demande du National Canadien au moment de l'audience à ce sujet.

Mlle Berry: Non, notre association n'y a pas participé à ce moment.

M. Perrault: Merci, M. le président.

M. Skoberg: Monsieur le président, ce serait beau d'avoir quelqu'un qui s'occupe de sciences sociales devant notre comité. Nous avons entendu beaucoup d'économistes, mais je suis sûr que cet aspect social est quelque chose de très important. Je demande si l'une ou l'autre pourrait nous dire si vous connaissez un autre endroit dans le monde qui n'a pas de service voyageur de quelque sorte? Vous aurez donc la seule province au Canada qui n'aura pas de service voyageur par train. Est-il votre opinion personnelle, l'opinion de ceux que vous représentez au jour le jour, qu'on le reconnaisse comme une dégradation des Terre-Neuviens?

Mme Murray: Oui, je crois que nous ne devrions pas être la seule province au Canada sans service voyageur.

Le président: Monsieur Corbin.

[*Text*]

M. Corbin: Monsieur le président, je voudrais poser mes questions en français, si la chose est possible.

Mr. McGrath: Our province is officially bilingual.

Mr. Corbin: This is why I would like to make my statement in French.

Je crois que Mlle Berry a certainement du mérite d'avoir porté ce problème très humain à notre attention. Cependant, étant donné que les problèmes des soins médicaux, et peut-être aussi les problèmes du transport des malades relèvent des autorités provinciales, selon la constitution canadienne, je me demande si Mlle Berry ou quelqu'un de son groupe a discuté de ce problème très sérieux avec les autorités provinciales et quelle a été leur réaction?

Miss Berry: The answer that I can give is that this matter arose at a meeting of our association three months ago for the first time, because no one had previously travelled on the bus and therefore it was never brought to anyone's attention, the province or the CNR, previously.

M. Corbin: Une autre question, monsieur le président. En regardant la carte de Terre-Neuve, je remarque que tout le long du parcours du chemin de fer il y a des hôpitaux, et je remarque aussi que la plus grande distance qui sépare deux de ces hôpitaux est peut-être de 75 ou de 100 milles. Dans ce cas, un bon service d'ambulance ou un service du genre ne suffirait-il pas à la population dans la plupart des cas?

Miss Berry: At the present time the specialist services required by in almost every case the people we refer are in St. John's, and this is particularly so with regard to the physically handicapped. There are no specialists in other centres. Perhaps in the future the services will be better dispersed, but for the next 10 to 20 years the majority of those requiring specialist care must come to St. John's.

M. Corbin: Monsieur le président, j'aurais une question à poser à l'autre dame, si vous le permettez. Je m'excuse, je n'ai pas bien compris son nom. Voudriez-vous le répéter, s'il vous plaît?

[*Interpretation*]

Mr. Corbin: Mr. Chairman, if possible, should like to ask my questions in French.

M. McGrath: Notre province est officielle ment bilingue.

M. Corbin: C'est la raison pour laquelle j pose ma question en français.

I believe that Miss Berry should be con gratulated for bringing this very human prob lem to our attention. However, in view of the fact that problems concerning medical care and maybe also problems concerning the transportation of patients come under the jurisdiction of the provincial authorities according to the Canadian Constitution, I wonder whether Miss Berry or someone belonging to her group has discussed this very serious problem with the provincial authorities, and what was their reaction?

Mlle Berry: La réponse que je pourrais vous donner, c'est que cette question a été soulevée lors d'une réunion de notre association, il y a trois mois, et pour la première fois parce que personne auparavant n'avait fait le voyage en autobus. Par conséquent, le problème n'avait jamais été attiré à l'attention soit de la province, soit du National-Canadien auparavant.

Mr. Corbin: Another question, Mr. Chairman. Looking at the map of Newfoundland, I notice that there are hospitals all along the railway line, and I also notice that the greatest distance separating these hospitals may be 75 or 100 miles. In this case, would a good ambulance service or a service of this type not be sufficient in most cases for the population?

Mlle Berry: A l'heure actuelle, les services de spécialistes demandés dans presque tous les cas dont les gens auraient besoin et dont nous nous occupons, se trouvent ici à Saint-Jean, et c'est particulièrement vrai quant aux handicappés au point de vue physique. Il n'y a pas d'autres spécialistes dans les autres centres. A l'avenir, il se peut fort bien que les services soient mieux disposés, mais d'ici dix ou vingt ans je crois que nous devrons toujours songer que ceux qui auraient besoin de services spécialisés doivent venir à Saint-Saint-Jean.

Mr. Corbin: Mr. Chairman, with your permission, I would like to ask the other lady a question. I am sorry, but I didn't quite get her name. Would you kindly repeat it?

[*Texte*]

The Chairman: Mrs. Doreen Murray.

M. Corbin: Madame Murray, j'ai beaucoup imé la suggestion que vous faites de conerver le train comme attrait touristique. Maintenant, j'ai manqué quelques passages de os commentaires et je me demande si vous ous proposez de conserver le train sur toute ligne comme attraction touristique ou tout mplement de limiter son trajet à quelques illes, soit la région immédiate de la ville de aint-Jean.

Mrs. Murray: No, I would suggest taking he train as it is, with perhaps one or two ervices a week. I know of many people from he United States and Canada who have come pecially to ride on the train for the whole ngth of the trip. With a short trip you ould not get the advantage of the varying enery and the different types of towns and ountry that you go through.

M. Corbin: Avez-vous une idée, madame urray, du nombre de personnes étrangères, touristes, qui pourraient se servir du train cours de l'année?

Mrs. Murray: If it were advertised properly think there would be a great many. There re not many places in North America that re as unusual as Newfoundland. That is one the things people like about Newfoundland. lready you have Newfoundland songs and ewfoundland jokes. I think Newfoundland as an attraction for people in big cities.

M. Corbin: Je vous remercie beaucoup.

Le président: Avez-vous terminé vos questions, monsieur Corbin?

M. Corbin: Oui, monsieur le président.

Mr. Nesbitt: On a supplementary, Mr. hairman, is Mrs. Murray of the opinion that erhaps the possibilities of tourist travel in ewfoundland will be very much greater fter the great publicity in the national press the last few weeks about the Bullet?

Mrs. Murray: Oh yes, I think there is lready. I was speaking to somebody at lunch me who told me some friends of theirs came pecially to Newfoundland from Toronto to ike this ride because they thought the Bullet as coming off. If we had official publicity I ink there would be many more of them.

[*Interprétation*]

Le président: Madame Doreen Murray.

Mr. Corbin: Mrs. Murray, I really like the suggestion you made to keep the train as a tourist attraction. However, I missed some parts of your comments and I wonder whether you are proposing to keep the train running on the entire line as a tourist attraction or simply to limit its run to a few miles, that is in the immediate vicinity of St. John's. ,

Mme Murray: Non, je suggérerais que l'on prenne le train comme il est avec peut-être un ou deux voyages par semaine. Je connais plusieurs personnes des États-Unis et du Canada qui sont venus spécialement pour faire un voyage en train pendant tout le voyage. Alors, avec un court voyage en train, vous n'auriez pas les avantages des différents genres de paysage et les différents genres de villes et de pays que vous traversez.

Mr. Corbin: Do you have any idea, Mrs. Murray, as to the number of foreigners, tourists, who might use the train during the year?

Mme Murray: Je crois que si on faisait une bonne publicité, il y en aurait beaucoup. Je ne crois pas qu'il existe beaucoup d'endroits en Amérique du Nord qui soient si extraordinaires que Terre-Neuve. C'est une des choses que l'on aime de Terre-Neuve. Déjà vous avez des chansons de Terre-Neuve, vous avez des farces qui sont typiquement terre-neuviennes. Je crois que Terre-Neuve comporte une attraction pour les gens des grandes villes.

Mr. Corbin: Thank you very much.

The Chairman: Are you through with your questions, Mr. Corbin?

Mr. Corbin: Yes, Mr. Chairman.

M. Nesbitt: Une question complémentaire monsieur le président, je me demandais si à son avis, Mme Murray croit que peut-être les possibilités touristiques à Terre-Neuve seraient plus grandes à la suite de la grande publicité dans les journaux à travers le pays depuis quelques semaines au sujet du *Bullet*?

Mme Murray: Oui, je crois qu'il y en a déjà. Je parlais justement à quelqu'un au cours du déjeuner qui m'a dit que des amis sont venus spécialement à Terre-Neuve de Toronto pour faire ce voyage, parce qu'ils croyaient que le *Bullet* allait disparaître. Si nous avions une publicité officielle, je crois qu'il y en autrait davantage.

[*Text*]

Mr. Horner: Miss Berry, I would like to compliment both you ladies for your brief which presents the human aspect of the Bullet and the passenger service on the Island.

In your opinion, Miss Berry, has the railroad in even the past 10 years made a concerted effort to improve the service, or even maintain the service on the Bullet?

Miss Berry: No; I feel that it has gone down. The quality of the service has definitely gone down.

Mr. Horner: You say that in your opinion the service has gone down, but did they make any effort to entice more passengers on to the Bullet by lowering the fares, or by instituting family fares, and weekend excursions as they did on the mainland a few years ago? I think they had a red, white and blue plan.

Miss Berry: We have the red, white and blue plan. They have done that to encourage some...

Mr. Horner: Have they lowered the fares?

Miss Berry: I do not understand the scaling but there is a cheaper fare on the red, on the white on the blue or whatever it is. They have done this, yes.

An hon. Member: They have lowered the fares, but they also lowered the service.

Miss Berry: Yes.

Mr. Horner: In other words, you were not getting more for your money.

Did they attempt to speed up the time for the over-all trip, in any way? I understand it takes 21 hours to go from Port-aux-Basques to St. John's?

Miss Berry: This is probably bound up with a technical thing in the running of engines. When I first travelled on the train I believe it took 27 hours, so perhaps it has come down a little.

Mr. Horner: Did they attempt to put on new or modern coaches? I know that on the mainland the CNR, after years and years of saying that dome cars were not necessary, all of a sudden broke out and bought several dome cars for the mainland services.

Miss Berry: There has been nothing as modern as that. The very old coaches were replaced many years ago, and there has not been anything else that I know of, but I do not want to state that officially.

[*Interpretation*]

M. Horner: J'aimerais féliciter les deux dames de leur mémoire qui présente l'aspect humain du *Bullet* et du service des voyageurs sur l'île de Terre-Neuve. Mademoiselle Berry, à votre avis, depuis dix ans mettons, est-ce que le chemin de fer a fait un effort concerté pour essayer d'améliorer ou même de maintenir le service du *Bullet*?

Mlle Berry: Non, j'ai l'impression que le service s'est nettement détérioré.

M. Horner: Vous dites qu'à votre avis le service s'est détérioré, mais est-ce que le chemin de fer a fait un effort pour essayer d'attirer plus de passagers à bord de *Bullet* en réduisant le tarif ou en substituant des tarifs familiaux et des excursions de fin de semaine comme on l'a fait sur le continent il y a quelques années? Je crois qu'il y avait des tarifs rouge, blanc et bleu?

Mlle Berry: Nous avons le tarif bleu, blanc, rouge. Il l'ont fait pour encourager ..

M. Horner: Est-ce qu'on a réduit les tarifs?

Mlle Berry: Je ne comprends pas le tarif, mais il y a certainement un taux réduit pour le programme bleu, blanc, rouge. Oui, ils l'ont fait.

Une voix: Ils ont réduit les tarifs, mais ils ont réduit le service en même temps.

Mlle Berry: Oui.

M. Horner: En d'autres termes, vous n'en avez pas eu plus pour votre argent. A-t-on essayé d'accélérer le parcours général? Sauf erreur, il faut 21 heures pour aller de Port-aux-Basques à Saint-Jean?

Mlle Berry: C'est probablement une question technique qui a trait au fonctionnement des moteurs. Quand j'ai pris le train pour la première fois, cela prenait 27 heures, alors, on a peut-être un peu réduit le temps du parcours.

M. Horner: A-t-on essayé d'y mettre des wagons modernes ou nouveaux? Je sais que sur le continent, le CNR, après avoir dit pendant des années que les voitures panoramiques n'étaient pas nécessaires, en a soudain acheté plusieurs pour les services continentaux.

Mlle Berry: Non, il n'y a rien eu d'aussi moderne. Les wagons très anciens ont été remplacés il y a longtemps et je ne crois pas qu'il y ait d'autre chose, mais je ne voudrais pas le dire de façon officielle.

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Mr. Horner: Relative to the replacement s service, is it your opinion that road con-ions during most winters—and I under-nd you are having a lovely winter in New-ndland this year—would present no real zard on the Trans-Canada highway which uld, in a sense, be...?

Miss Berry: No, I would not say they uld not. Even in this so-called good winter buses have already been held up on the st coast by blizzards. There were icy condi-ns the last time I caught it and it was held for an hour and a quarter. It makes quite onsiderable difference.

Mr. Horner: In other words, you would say t the rail service provides a more reliable vice to meet the weather conditions on the and?

Miss Berry: I do not deny that it can be d up in bad blizzard weather, but not as ch as buses could be.

Mr. Horner: I have just one further ques-n for Mrs. Murray. With regard to adver-ement possibilities, I gather from your ef that you believe the CNR has made no l effort to capitalize on the potential tour-attraction that the Bullet might well be?

Mrs. Murray: Yes, I think that is so.

Mr. Horner: Could some of the responsibili-for advertising and attracting tourists to Province of Newfoundland also lie with Newfoundland government? Would you they have made a concerted effort to ract tourism and use the Bullet as a fea-e attraction?

Mrs. Murray: No, not so far as I know. I do think I have ever seen any reference to Bullet in their advertising.

Mr. Horner: Forgive me for even referring it, but the Province of Alberta considers rism to be a tremendous industry and does ensive advertising throughout the United tes. Has the Province of Newfoundland ried on any extensive campaign featuring ride on the Bullet and the feasibility of ting off into the wilderness moose hunting, d so on?

Mrs. Murray: Of course, I have no connec-n with this...

Mr. Horner: Yes, I know; but as an erested person you would have been aware something like this?

Mrs. Murray: Yes, I think I would have en.

[*Interprétation*]

M. Horner: En ce qui concerne le service d'autobus de remplacement, diriez-vous à votre avis que les conditions de la route au cours de la plupart des hivers, et je crois savoir que votre hiver cette année est très doux, ne présentent aucun danger réel sur la route transcanadienne qui serait, dans un sens...

Mlle Berry: Non, je ne dirais pas cela. Même avec notre «bon» hiver, les autobus ont déjà été retardés par des tempêtes sur la côte ouest. Il y avait de la glace la dernière fois que je l'ai pris et il a été retardé pendant une heure et quart. Cela fait une différence considérable.

M. Horner: En d'autres termes, les chemins de fer représentent un moyen de transport beaucoup plus sûr pour faire face aux conditions climatiques sur l'île?

Mlle Berry: Je ne nie pas que les chemins de fer puissent être retardés par les tempêtes, mais pas autant que les autobus.

M. Horner: J'aurais une dernière question à poser à Mme Murray. En ce qui concerne les possibilités publicitaires, d'après votre mémoire, j'ai cru comprendre que le CNR n'avait pas vraiment essayé de profiter des possibilités touristiques que le «*Bullet*» représente?

Mme Murray: C'est bien ça, à mon avis.

M. Horner: Serait-il possible que les responsabilités de publicité pour attirer les touristes à Terre-Neuve incombent aussi au gouvernement de Terre-Neuve? Diriez-vous que ce gouvernement a fait un effort concerté pour essayer d'attirer les touristes et employer le «*Bullet*» comme attraction particulière?

Mme Murray: Non, pas à ma connaissance. Je ne crois pas avoir jamais vu d'allusion au «*Bullet*» dans leur publicité.

M. Horner: Pardonnez-moi si je fais même une allusion, mais la province d'Alberta considère le tourisme comme étant une industrie formidable et elle fait beaucoup de publicité à travers les États-Unis. La province de Terre-Neuve a-t-elle fait une grande campagne publicitaire mettant en vedette un voyage en «*Bullet*» et la possibilité de débarquer en plein bois pour aller chasser l'orignal etc.?

Mme Murray: Évidemment, je n'ai pas de rapport avec...

M. Horner: Oui, mais je sais en tant que personne intéressée, vous l'auriez su?

Mme Murray: Oui, je le crois.

[*Text*]

Mr. Rock: My first question to the two charming ladies is to ask how often they themselves use the Bullet?

The Chairman: Mr. Rock, would you repeat your question, please?

Mr. Rock: How often do these two ladies use the train? I would like to know how often people use the train.

Miss Berry: In this particular era, hardly at all, unless the planes are not taking off or landing because of fog. This might happen once a year at a particular time when I am travelling. Therefore, planes and cars are used.

Mr. Rock: In other words, you mostly use your own car.

Miss Berry: It has been my clients who have used the train for many years.

Mr. Rock: And Mrs. Murray?

Mrs. Murray: This is the first time I have been all the way on the train. I have been in Montreal in hospital. I could not fly, so I came down for the first time on the train. I had a tourist's impression of the train, because it was new to me, and this is how it struck me. I wrote my brief because it seemed to me its potentialities were so great.

Mr. Rock: Could Miss Berry explain what she meant when she talked of the downgrading of the train? In other words, what type of downgrading have you noticed?

Miss Berry: This is not part of the brief. Some one asked me a question.

Mr. Rock: Some one asked you about downgrading, and you accepted the fact that there had been a lot of downgrading. I would like to know what type of downgrading there has been.

Mr. Horner: On a point of order. I think you are referring to a question I asked. I asked if there had been any improvements. I did not use the word "downgrading".

The Chairman: Would you care to answer that question?

Miss Berry: All I can say is what is observed on meeting trains, and what is said by parents of children, that the actual fabric itself seems to have gone down. It does not look as bright.

Mr. Rock: Are you referring to the washing of the train and things like that—the windows, and so on?

[*Interpretation*]

M. Rock: J'aurais une première question poser aux deux charmantes dames. Combie de fois prennent-elles, elles-mêmes l «*Bullet*»?

Le président: Voulez-vous répéter la ques tion, Monsieur Rock, je vous prie?

M. Rock: Avec quelle fréquence ces dame prennent-elles le train? J'aimerais savoir ave quelle fréquence les gens prennent le train.

Mlle Berry: Rarement, à cette époque par ticulière, à moins que les avions ne décollen ou n'atterrissent pas en raison de brume. Cel peut se produire une fois par année lorsque j voyage. Alors, on prend l'avion o l'automobile.

M. Rock: En d'autres termes, vous vou servez de votre propre automobile.

Mlle Berry: Ce sont mes clients qui pren nent le train depuis de nombreuses années.

M. Rock: Et Madame Murray?

Mme Murray: C'est la première fois que j prends le train pour tout le trajet. Je su allée à l'hôpital à Montréal. Je n'ai pu y alle en avion et, je suis donc venue en train, alo j'ai eu l'impression d'un touriste en trai parce que c'était tout nouveau pour moi, c'est l'impression que j'ai eue. J'ai rédigé mo mémoire parce qu'il me semblait que s perspectives étaient remarquables.

M. Rock: Est-ce que Mlle Berry pourra nous expliquer ce quelle entend par la dét rioration du service? Quel genre de détéri ration du service avez-vous remarqué?

Mme Berry: Cela ne fait pas partie de mo mémoire. Quelqu'un m'a posé une question.

M. Rock: Quelqu'un vous a demandé tout l'heure ce qui en était de la détérioration d service et vous avez admis qu'il y en avait e beaucoup. Je voudrais savoir quel genre d détérioration il y a eu.

M. Horner: J'invoque le Règlement. Je cro qu'on se réfère à une question que j'ai posé J'ai demandé s'il y avait eu des amélioration Je n'ai pas employé le mot «détérioration».

Le président: Pourriez-vous répondre cette question?

Mlle Berry: Tout ce que je peux dire, c'e ce que j'ai vu moi-même à bord les trains, ce que les parents des enfants me disent, c'e que le tissu lui-même semble être moins lu sant qu'auparavant.

M. Rock: Parlez-vous du lavage du trai des fenêtres et autres choses analogues?

[*Texte*]

Miss Berry: It is not kept up as well, or not leaned as well.

An hon. Member: I bet they are cleaning it his afternoon!

The Chairman: Mr. Perrault you wanted to sk a supplementary question?

Mr. Perrault: Mr. Chairman, it is accurate o say that Miss Berry and Mrs. Murray are ot frequent commuters on the train but I hink the ideas being advanced are neverthe-ess very interesting.

I would like, first of all, to ask Miss Berry whether she would favour the establishment f a once-weekly service by a bus especially quipped for cases of the kind she described, o make a tour of the Island to bring those eople into St. John's?

Miss Berry: I suppose it could be done but would envisage it as being very difficult to uild a bus that would suit all of these people nd be able to bring enough of them at the ight time.

Mr. Perrault: Conceivably, with nurses board...

Miss Berry: You would need that service. It night be something that could be planned for he future, but I have never seen that kind of us.

Mr. Perrault: There may be a unique situa-ion here which can be met by a service even nore specialized than merely the train ervice?

Miss Berry: It could be, yes.

Mr. Perrault: Second, I have a question of Mrs. Murray who has advanced this very nteresting idea.

Incidentally, I have a St. John's tourist older and it promotes travel by train. We vere given this before we came down. I ongratulate the City of St. John's for being roud of its railway.

Do you believe that a continuation of pas-enger facilities of the kind that you lescribed, basically for tourist promotion pur-oses, should be continued even though it nay incur heavy deficits?

Mrs. Murray: As I say in my brief, some of he expenses of running the passenger train vould be incurred in any case if the freight rains are kept on. The track still has to be ept up, and a certain amount of personnel re required.

Mr. Perrault: Yes; but there are certain osts which can be attributed directly to these

[*Interprétation*]

Mlle Berry: On ne l'entretient pas ou on ne le nettoie pas aussi bien.

Une voix: Je vous parie qu'on est en train de le nettoyer après-midi!

Le président: Monsieur Perrault, vous vouliez poser une question supplémentaire?

M. Perrault: Monsieur le président, il est exact de dire que M[lle] Berry et M[me] Murray ne prennent pas le train très souvent, mais je crois que les idées qu'elles ont avancées sont très intéressantes. J'aimerais tout d'abord poser la question suivante à M[lle] Berry: est-ce que vous seriez en faveur d'un service une fois par semaine par un autobus, spécialement équipé pour des cas comme ceux que j'ai décrits, pour faire la tournée de l'Île pour amener ces gens à St-Johns?

Mlle Berry: Je suppose que cela pourrait se faire, mais je crois qu'il serait très difficile de construire un autobus suffisant à tout le monde et qui pourrait en amener assez au bon moment.

M. Perrault: Il est possible qu'avec des infirmières à bord...

Mlle Berry: Vous auriez besoin de ce service. C'est quelque chose qu'on pourrait prévoir pour l'avenir, mais je n'ai jamais vu de tels autobus.

M. Perrault: Il se pourrait qu'il y ait une situation unique ici qui pourrait être résolue par un service encore plus spécialisé que celui du train lui-même?

Mlle Berry: Oui, peut-être.

M. Perrault: Deuxièmement, je voudrais poser une question à M[me] Murray qui a avancé cette idée très intéressante. A propos, j'ai ici, un dépliant publicitaire de la ville de St-John's qui justement nous invite à prendre le train. On nous l'a remis avant de venir ici. Je félicite la ville de St. Johns d'être fière de son chemin de fer. Est-ce que vous croyiez que la continuation des aménagements pour les passagers du genre que vous avez décrit, surtout pour favoriser le tourisme, pourrait se poursuivre même si elle peut subir de forts déficits?

Mme Murray: Comme je le dis dans mon mémoire, certaines dépenses pour le train de voyageurs seraient subies quand même si l'on maintient les trains de marchandises. Il y aurait un certain personnel et les voies à entretenir.

M. Perrault: Oui, mais il y en aurait quand même qu'on pourrait attribuer directement au

[*Text*]

passenger services. Would you tolerate deficits on such a service and, if so, to what extent?

Mrs. Murray: Would the deficit not be made up by the amount of tourism you have?

Mr. Perrault: Or course, that is just speculating.

Mrs. Murray: Prince Edward Island is geographically comparable to Newfoundland and they have a great thing in tourism. If they had a Bullet I expect they would be very glad to hang on to it.

Mr. Perrault: Thank you.

Mr. Marshall: My question is directed to Miss Berry, Mr. Chairman.

You mention in your brief, Miss Berry, the aged coming from intermediary points and you mentioned Deer Lake as an example. There is a town adjacent to Deer Lake, the town of Howley. Did you ever have any experience of bringing the aged from that town?

Miss Berry: No.

Mr. Marshall: What would be the situation...

Miss Berry: They would have to be brought in, I would say, by taxi to Grand Falls to pick up the express. I have not got my timetable with me.

Mr. Marshall: How would the taxi get from Howley to the main highway when there is no road?

Miss Berry: Oh, no; that is the train. You are right. I am sorry. I was thinking of Buchans when you said Howley.

Mr. Marshall: They say there is going to be a link remaining between Deer Lake and Howley, but according to the attitude of the Canadian Transport Commission we do not know that in a couple of years they may not discontinue that service, too. These people would be completely isolated, would they not?

Miss Berry: They would be completely isolated. I suppose they would have to be brought out by helicopter.

Mr. Marshall: They have been promising to build a short stretch of road there for some seven years now and it is not built yet. So these people would be completely isolated?

Miss Berry: Yes.

[*Interpretation*]

service des voyageurs. Tolériez-vous des déficits pour un tel service et, alors, dans quelle mesure?

Mme Murray: Est-ce que les déficits ne seraient pas comblés par le tourisme que vous avez?

M. Perrault: Il ne s'agit là évidemment que de conjectures.

Mme Murray: L'Île du Prince Édouard est géopgrahiquement comparable à Terre-Neuve et ils ont beaucoup de tourisme. J'imagine que s'ils avaient le *Bullet*, ils seraient très contents de le garder.

M. Perrault: Merci.

M. Marshall: J'ai une question à poser à Mlle Berry. Mlle Berry, vous avez mentionné dans votre mémoire, que les vieillards venaient de points intermédiaires et vous avez donné comme exemple, *Deer Lake*. Il y a une ville adjacente à Deer Lake qui s'appelle *Howley*. Avez-vous déjà, eu l'expérience de transporter les vieillards de *Howley*?

Mlle Berry: Non.

M. Marshall: Quelle serait la situation...

Mlle Berry: Je dirais qu'il faudrait qu'ils se rendent par taxi à Grand Falls pour prendre l'express. Quel est le point le plus rapproché? Je n'ai pas mon horaire avec moi.

M. Marshall: Mais comment le taxi se rendrait-il de Howley à la grande route puisqu'il n'y a pas de route?

Mlle Berry: Oh non, c'est le train. Vous avez raison. Excusez-moi. Je songeais à Buckans lorsque vous avez dit Howley.

M. Marshall: On dit qu'il y aurait un lien restant entre Deer Lake et Howley mais d'après l'attitude de la Commission canadienne des Transports, nous ne savons pas si d'ici deux ans, ils ne cesseront pas ce service aussi. Alors ces gens seraient complètement isolés, n'est-ce pas?

Mlle Berry: Oui, ils seraient complètement isolés. J'imagine qu'on devrait les amener par hélicoptère.

M. Marshall: Ils ont promis de construire une courte route depuis environ sept ans maintenant et on ne l'a pas construite encore. Alors ces gens seraient complètement isolés, n'est-ce pas?

Mlle Berry: Oui.

[*Texte*]

Mr. Marshall: Thank you.

I would like to ask Mrs. Murray a question. uring your ride on the Newfoundland train d you discuss anything with the employees, ich as the porters and the conductors?

Mrs. Murray: No, I did not.

Mr. Marshall: You did not. I am sure this ould have been very interesting.

Mr. Allmand: Miss Berry, I notice that our association is a Canadian association of cial workers.

Are you therefore familiar with the proceures that are used in other centres in Cana- where there is no passenger rail service d where they had the same medical probms. For example, on Prince Edward Island, ntrary to what was said by somebody fore, there is no more passenger rail serce. In Fredericton, New Brunswick there is passenger rail service, and the same is ue of many areas in Canada. How does your ssociation treat these people there?

Miss Berry: This brief is from the Newundland Branch only and has no national plications, so there has been no comparison ade.

Mr. Allmand: But they must have met the oblem that you posed in other areas. How d they meet such a problem?

Miss Berry: No doubt they have, but I have answer to that, Mr. Allmand.

Mr. McGrath: Just for the record, there is a ssenger service on Prince Edward Island.

Mr. Allmand: There is?

Mr. McGrath: I have the schedule before e.

The Chairman: One moment please, Mrs. urray would like to reply.

Mrs. Murray: In respect of the deficit curred by the train, are there not deficits curred by railways almost everywhere?

The Chairman: Are you finished, Mr. llmand?

Mr. Allmand: I think it is a serious prob- m that you have brought up, madam, and at is why I am interested in how they deal ith the problem in areas of Canada where

[*Interprétation*]

M. Marshall: Merci. J'aimerais maintenant poser une question à Mme Murray. Dans votre voyage dans le train de Terre-Neuve, est-ce que vous avez discuté avec les employés comme les chefs de train, les porteurs, etc.

Mme Murray: Non.

M. Marshall: Je suis sûr que la conversation aurait été fort intéressante, si vous l'aviez fait.

M. Allmand: Mlle Berry, je constate que votre association est une association canadienne de travailleurs sociaux.

Vous êtes donc au courant des méthodes suivies dans d'autres centres du Canada. Il n'y a pas de service ferroviaire pour les voyageurs et on a des problèmes médicaux aussi. Par exemple, à l'Île-du-Prince-Édouard contrairement à ce qu'on a dit, il n'y a plus de service de voyageur et à Frédéricton au Nouveau-Brunswick, il n'y en a plus non plus. Et c'est la même chose dans plusieurs régions du Canada, cela n'existe plus. Comment votre Association traite-t-elle les gens dans ces régions?

Mlle Berry: Le mémoire qui vous a été présenté vient tout simplement de la succursale de Terre-Neuve seulement et n'a pas de portée nationale. Il n'y a donc pas de comparaisons qui ont été établies.

M. Allmand: Non, mais ils ont dû rencontrer le même problème dans d'autres régions; comment l'ont-ils résolu?

Mlle Berry: Ils l'ont résolu, sans doute, mais je n'ai pas de réponse à ce sujet-là, monsieur Allmand.

M. McGrath: Seulement pour le compte rendu, il existe un service voyageurs à l'île du Prince-Édouard?

M. Allmand: Vraiment?

M. McGrath: J'ai l'horaire devant moi.

Le président: Un instant, s'il vous plaît. Madame Murray voudrait ajouter quelque chose.

Mme Murray: Au sujet du déficit des trains, il y a des déficits des chemins de fer partout, n'est-ce pas?

Le président: Avez-vous terminé, monsieur Allmand?

M. Allmand: Je crois que c'est un grave problème que vous avez soulevé, Madame. Et, c'est la raison pour laquelle je m'intéresse à la façon dont on résout le problème dans les

[*Text*]

they have no passenger rail service. In addition, many areas that do have it have a rail liner, which is almost like a bus. I do not know if you are familiar with the rail liner service. I think what we should do is find out how they deal with these problems in the many parts of Canada where there is no passenger rail service.

I would like to point out that the judgment of the Canadian Transport Commission which permitted the CNR to withdraw the *Newfoundland Bullet* says that if the CNR is not able to provide adequate replacement service for passengers then they will reconvene another hearing and perhaps change the ruling. It might be worthwhile for you as a member of this Association and for us to try and keep a record of the number of stretcher and other difficult social cases and if you find out that there is a real problem between now and April 15 you can request a rehearing from the Canadian Transport Commission.

Mrs. Murray: That is a very interesting point.

Mr. Allmand: If you have statistics, for example, that so many people per week have to come in to St. John's and cannot get the service they require, I think you should bring that to the attention of the Canadian Transport Commission and ask for a rehearing.

The Chairman: Mr. Peddle.

Mr. Peddle: Mr. Chairman, it seems that members of the Committee have the usual idea of Newfoundland and they just do not know because they do not understand. They are nice fellows, I like them and all that, but they just do not understand the situation.

I have heard hon. members of the committee mention hospitals at least 75 and 100 miles—obviously they just do not understand.

Mr. Corbin: Mr. Chairman, on a point of privilege, I did not say that. I thought by looking at the map that they were perhaps such a distance and nobody gave me the facts. I should have been corrected then.

Mr. Peddle: Mr. Chairman, I will ask one of the ladies a question.

Miss Berry, someone mentioned the business of air ambulance. Lest the Committee

[*Interpretation*]

régions du Canada où il n'y a pas de service voyageurs. De plus, dans plusieurs régions où il en existe un, c'est un autorail, et cela ressemble presque à un autobus. Je ne sais pas si vous êtes familiers avec le service d'autorail. J'estime que ce que nous devrions faire, c'est de chercher comment on résout le problème dans les endroits où on n'a pas de service voyageurs.

Je voudrais tout simplement vous signaler que le jugement de la Commission canadienne des transports, qui a permis aux chemins de fer Nationaux du Canada de retirer le *Bullet*, dit que si cette compagnie n'est pas en mesure de remplacer adéquatement le service voyageurs, la Commission convoquera une autre audience et on changera peut-être l'ordonnance. Ce sera peut-être alors une bonne idée pour vous, à titre de membre de cette Association, et pour nous, d'essayer de tenir compte du nombre de cas de civière et des autres cas difficiles de travail social, et si vous pouvez trouver un problème véritable d'ici le 15 avril, vous pouvez alors demander une autre audience de la Commission canadienne des transports.

Mme Murray: C'est un point très intéressant.

M. Allmand: Si vous avez des statistiques, par exemple, à l'effet que tant de personnes par semaine doivent venir à Saint-Jean pour obtenir les services dont elles ont besoin, je crois que vous devriez attirer l'attention de la Commission canadienne des transports sur ce fait et demander une autre audience.

Le président: Monsieur Peddle.

M. Peddle: Monsieur le président, il semble que les membres du Comité ont une idée ordinaire de Terre-Neuve qu'ils ne connaissent tout simplement pas parce qu'ils ne comprennent pas. Ce sont de personnes gentilles et aimables, mais elles ne comprennent tout simplement pas la situation.

J'ai entendu des députés, qui sont membres du Comité, mentionner des hôpitaux à moins de 75 et 100 milles; évidemment ils ne comprennent pas.

M. Corbin: Monsieur le président, une question de privilège. Je n'ai pas dit cela. En examinant la carte, j'ai estimé que les hôpitaux étaient peut-être à cette distance, mais personne ne m'a repris. On aurait dû alors me corriger.

M. Peddle: Je pose une question à l'une de ces dames maintenant. Mademoiselle Berry, quelqu'un a mentionné un service d'ambulance aérien. Pour ne pas donner une mau-

[*exte*]

t the wrong impression, am I correct in ying that air ambulance service is not effec- e in Corner Brook, Port aux Basques, hich is 500 miles from here?

Miss Berry: To the best of my knowledge— d I would prefer not to answer this directly cause something may have come in lately at I know nothing about—the air ambu- nce service here has always been from the mote areas of the southwest coast and ound to St. Anthony and the northern eas.

Mr. Peddle: But to your knowledge, there no air ambulance service from Port-aux- sques, which is 550 miles from here?

Miss Berry: I would presume that if there re an emergency there could be.

Mr. Peddle: In the case of an emergency.

Miss Berry: Someone from the Department Health really should answer that question.

Mr. Peddle: Another member asked the two dies how often they used the trains. I think s implies that those ladies had to use the ain in order to present their brief. It is like ying that in order to criticize a hockey me they had to be a hockey player. I do not e that.

The Chairman: Why do you not put your n questions, Mr. Peddle.

Mr. Rock: Mr. Chairman, it is being ferred that we have no right at all to ques- n here. I think we have the right to ques- n as much as we want. It is important to d these things out. I would like to know if se people who are presenting briefs today ed the train too. I have the right to know at.

The Chairman: Mr. McGrath.

Mr. McGrath: I would like to raise a point order, Mr. Chairman, because I think it is rhaps an inadvertent omission on your part. rangements have been made for us to tour train facilities this afternoon at four lock and I could not think of a better note which to end than to thank these two arming ladies for the excellent evidence d brief that they presented. I just offer that ggestion to you.

The Chairman: I am keeping my eye on my tch and we will be there on time, Mr.

[*Interprétation*]

vaise impression au Comité, est-ce que j'ai raison de dire que le service d'ambulance aérien n'est pas en vigueur à Corner Brook ou à Port-aux-Basques à 500 milles d'ici?

Mlle Berry: Au mieux de ma connaissance, et je préférerais ne pas y donner réponse de façon directe, car il se peut que quelque chose se soit produit dernièrement et que je n'en sois pas au courant, le service d'ambulance aérien a toujours été en vigueur depuis les régions éloignées de la côte Sud-ouest et des alentours jusqu'à St. Anthony et les régions du Nord.

M. Peddle: Mais, à votre connaissance, il n'y a pas de service d'ambulance aérien depuis Port-aux-Basques, qui se trouve à 550 milles d'ici?

Mlle Berry: J'imagine que s'il y avait un cas d'urgence, il y en aurait.

M. Peddle: Dans un cas d'urgence?

Mlle Berry: Quelqu'un du ministère de la Santé devrait vraiment vous répondre à ce sujet-là.

M. Peddle: Un autre député a demandé aux deux dames quelle était la fréquence de leurs voyages en train. C'est impliquer tout de même que les dames doivent emprunter le train afin de venir présenter un mémoire. C'est tout comme si on disait que pour critiquer une joute de hockey, il fallait être joueur de hockey. Je ne comprends pas cela.

Le président: Pourquoi ne pas poser votre propre question, monsieur Peddle?

M. Rock: Monsieur le président, on dirait qu'on n'a pas du tout le droit de poser des questions ici? Je crois que nous avons le droit de poser les questions que nous voulons. Il est important d'obtenir ces renseignements. Je voudrais savoir si ces gens qui présentent des mémoires aujourd'hui, ont aussi voyagé en train? J'ai le droit de le savoir.

Le président: Monsieur McGrath?

M. McGrath: J'aimerais soulever une question de principe, monsieur le président, parce que c'est peut-être un oubli tout simplement de votre part. Des dispositions ont été prises pour que nous fassions la tournée des installations ferroviaires aujourd'hui à 4 heures, et je n'aurais pu penser à un meilleur moyen de terminer que de remercier ces deux charmantes dames, pour les excellents témoignages et mémoire qu'elles ont présentés. C'est une simple suggestion que je vous fais.

Le président: Je surveille ma montre, monsieur McGrath, et nous y arriverons à temps,

[*Text*]

McGrath—as long as you have arranged everything for the tour.

Mr. McGrath: The windows are cleaned and everything.

The Chairman: Mr. Peddle, have you completed your questions? If so, Mr. Peddle is next.

Mr. Pringle: Mr. Chairman, my questions have all been amply answered, some of them a couple of times, so I will pass at this time.

The Chairman: This completes the questioning of the two charming ladies. Thank you very very much. We will adjourn until tomorrow morning at 9.30. To those who would like to go on this tour, may I say that the bus will be at the door at four o'clock.

(*End of volume I—Balance in volume II*)

[*Interpretation*]

à condition que vous ayez pris toutes les dispositions.

M. McGrath: Les fenêtres sont propres et tout est prêt.

Le président: Monsieur Peddle, est-ce que vous avez terminé vos questions? Si oui, M. Pringle est le suivant.

M. Pringle: Oui. On a déjà amplement répondu à toutes mes questions, et deux fois à certaines d'entre elles. Donc, je cède mon tour.

Le président: Ceci met fin aux questions posées à ces charmantes dames. Merci beaucoup. Messieurs, nous levons la séance jusqu'à demain matin, 9 heures 30. Pour ceux d'entre vous qui désirez participer à cette tournée, l'autobus sera ici à la porte à 4 heures.

(*Fin du volume I—suite au volume II*)

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STANDING COMMITTEE ON

TRANSPORT AND COMMUNICATIONS

COMITÉ PERMANENT DES

TRANSPORTS ET DES COMMUNICATIONS

Chairman H.-Pit Lessard *Président*

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ST. JOHN'S, NEWFOUNDLAND

LE 21 FÉVRIER 1969

LE 22 FÉVRIER 1969

ST. JOHN'S, TERRE-NEUVE

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Respecting

Transportation problems of the Atlantic Provinces.

Concernant

Problèmes de transport dans les provinces de l'Atlantique.

The Queen's Printer, Ottawa, 1969
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29692—9

EVIDENCE

(Recorded by Electronic Apparatus)

Saturday, 22 February, 1969

The Chairman: Ladies and gentlemen, I ould like to welcome those who are present- g briefs here today.

We will start this morning with a presenta- on from the Newfoundland Board of Trade. ay I call the Newfoundland Board of Trade, ease. Would you come forward. I have on y right Mr. Ploughman, who will present e brief. On his immediate right are Mr. cLoughlan and Mr Ayre. I believe you ant to summarize part of your brief, Mr. loughman.

The brief is found on page 516.

Mr. Burford Ploughman (Chairman, Trans- rtation Committee, Newfoundland Board of ade): Gentlemen, in the brief that we have esented we tried to deal with some of the ajor points affecting transportation in New- undland. There are many hundreds of prob- ns here which, combined, certainly have a eat effect on the cost of living of Newfound- nders and the economic growth. It was teresting to note that the report of the oyal Commission on the Economic State and ospects of Newfoundland and Labrador, hich was released after we presented our ief last spring, substantiates a number of e points contained in our brief.

One point we made was that over 90 per nt of our traffic into Newfoundland is car- , goods consumed and so on, which origi- tes from central Canada or a point west of ontreal. There is not a two-way flow of affic. You do not have the freight moving ck into central Canada. One of the tables in e Economic Prospects Commission report dicates that in 1965 the eastbound tonnage as 570,000 tons, whilst the westbound ton- ge was 50,000 tons. So this gives you some dication of what I mean by the imbalance the flow of traffic. It certainly adds a great al to the cost of operation for the two main rriers, the CNR and Clarke Steamships.

We endeavoured to find out what the total st for freight was coming in from the main-

TÉMOIGNAGES

[Enregistrement électronique]

Le samedi 22 février 1969

Le président: Mesdames et messieurs. J'aimerais souhaiter la bienvenue à ceux qui ont un mémoire à nous présenter aujourd'hui.

Nous allons commencer, ce matin, par le mémoire du *Newfoundland Board of Trade*. Je demanderais aux représentants de cet organisme de venir à l'avant de la salle. Merci. A ma droite, M. Burford Ploughman, celui qui va nous présenter le mémoire, à sa droite, MM. James W. McLoughlan et Anthony G. Ayre. J'ai l'impression, monsieur Ploughman, que vous voulez résumer une partie de votre mémoire.

On trouvera le mémoire à la page 516 du compte rendu.

M. Burford Ploughman (président du comité des transports, Newfoundland Board of Trade): Messieurs, dans le mémoire que nous avons présenté, nous avons voulu traiter de certains points importants concernant les transports à Terre-Neuve. Il y a des centaines de problèmes ici qui, tous ensemble, ont certainement une grande influence sur le coût de la vie des Terre-Neuviens ainsi que sur la croissance économique de la province. Chose intéressante, le rapport de la Commission royale d'enquête sur la situation économique et les perspectives de Terre-Neuve et du Labrador, lequel a été publié après la présentation de notre mémoire, le printemps dernier, appuie un certain nombre des arguments que nous avions invoqués.

L'un d'eux, c'est que plus de 90 p. 100 du trafic vers Terre-Neuve consiste en marchandises et en biens provenant du centre du Canada et de points à l'ouest de Montréal. C'est un trafic à sens unique, car peu de marchandises venant de Terre-Neuve atteignent le centre du Canada. L'un des tableaux qui figurent dans le rapport de la Commission fait voir qu'en 1965, le volume de marchandises à destination de l'Est totalisait 570,000 tonnes contre 50,000 à destination de l'Ouest. On voit ainsi l'écart immense entre les deux. Voilà qui contribue beaucoup à faire hausser les frais d'exploitation pour les deux principaux transporteurs, le National-Canadien et *Clarke Steamships*.

Nous avons essayé d'établir les frais de transport des marchandises destinées à Terre-

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[*Text*]

land of Canada here to Newfoundland, and I think it would have been interesting to know what the per capita cost of freight is to the people of Newfoundland. I was disappointed to find out that these figures are not available. I do not think they are available even to the provincial government or to the federal government. You gentlemen are here today to listen to problems on transportation and as far as I am concerned I think this is one of the most vital figures that we should know.

I have come up with an estimate, and it is purely an estimate because I do not have all the available figures, but I estimate that the cost of freight for the average family in Newfoundland is $500. And I want to repeat that figure—$500 per family in Newfoundland. To give you an example of what I mean, let us take Ontario as an example. Ninety per cent of the food that they consume is either processed or grown in Ontario. Here in Newfoundland it is only 10 per cent, so we have to bring in over 90 per cent from central Canada. And a large part of this $500 that Newfoundland has had to pay is in addition to what someone would have to pay in central Canada or in some other part of Canada. We feel this is one of the most important points in our brief that we would like to discuss. If we are speaking of regional disparity or trying to overcome it, I think transportation is one of the main areas, as far as Newfoundland is concerned, for which we have to try to find some solutions.

We would strongly recommend that the transportation authorities of the federal and provincial governments undertake a short-range and a long-range study of our transportation problems. The short-range study could deal with extending the freight rate freeze on present rates and extending subsidies to other carriers and so on. With respect to the long-range study, we feel here that transportation cannot be considered as a separate entity.

We feel that this study should be made in consultation with the new federal Department of Regional Economic Expansion and its counterpart in the provincial government. For example—and I am not suggesting that this has happened in the case of the provincial government—it would be pointless to spend millions of dollars in paving roads to communities which will be phased out 10 or 20 years from now. We feel that if the provincial and federal governments have a policy of centralization in Newfoundland, this has to be taken into account in the long-term study to make certain that the moneys—and there is only a limited amount of money available—are going to be utilized in the best possible way. And that, gentlemen, is just my summary of the brief.

[*Interpretation*]

Neuve et provenant de la partie continental du Canada. Il aurait été intéressant, je pens de savoir à quoi s'établissent ces frais par têt d'habitant à Terre-Neuve; je suis désolé qu personne, même le gouvernement provincia ou le gouvernement fédéral, n'ait de telle données. Messieurs, vous êtes ici, aujourd'hu pour connaître les problèmes relatifs a transport; or j'estime qu'il importerait a plus haut point de tenir de tels renseigne ments.

J'ai tenté d'en faire une estimation, je di bien une estimation, car je n'ai pas tous le chiffres en main, et j'en suis arrivé à un moyenne de $500 par famille terre-neuvienne Je le répète, $500 par famille. Aux fins d comparaison, prenons l'Ontario, par exemple Là 90 p. 100 des biens de consommation pro viennent de la province même, tandis qu' Terre-Neuve, c'est seulement 10 p. 100, d sorte que le reste doit venir du Canada cen tral. En outre, une grande partie de ces $50 est en sus de ce que les gens paient dans l Canada central ou ailleurs au pays. Nou trouvons que c'est un des points les plu importants de notre mémoire, un dont nou aimerions discuter. On parle de disparité régionales, de les éléminer; dans cette opti que, je crois que les transports constituen pour Terre-Neuve le domaine le plus impor tant pour lequel il faut trouver une solution.

Nous recommandons fortement que le autorités fédérales et provinciales, en matièr des transports, entreprennent des études court et à long terme de nos problèmes d transport. L'étude à court terme pourrai avoir pour objet le gel des tarifs-marchandi ses actuels, le financement des autres trans porteurs, et ainsi de suite. Quant à l'étude long terme, nous ne croyons pas que la ques tion des transports doive être isolée.

Cette étude devrait se faire en collaboratio avec le nouveau ministère de l'Expansion éco nomique régionale et avec son homologu provincial. Ainsi—et je ne prétends pas que l chose se soit produite au palier provincial—i est inutile de paver des routes à coût de mil lions de dollars pour des localités qui son appelées à disparaître d'ici 10 ou 20 ans. Si l province et le gouvernement fédéral adopten une politique de centralisation à l'égard d Terre-Neuve, il faudrait en tenir compte dan l'étude à long terme, pour être bien sûr qu les fonds, déjà limités, sont employés à bo escient. Voilà, messieurs, un bref résumé d mon mémoire.

Texte]

The Chairman: Thank you very much. Mr. Rose.

Mr. Rose: Mr. Ploughman, I notice that on page 517 of your brief you say that you are a captive market for various manufacturing centres in Ontario and Quebec. Do you not also feel that the businessmen in Newfoundland have a captive market for goods that they sell here?

Mr. Ploughman: Not to the same extent. It is a captive market providing we have the manufacturing facilities and the industry here in Newfoundland that you may have in central Canada or in other parts of Canada.

Mr. Rose: Let us not limit it to manufactured goods but let us think of the goods that are imported. It has been said that there is an advantage taken of the people here by local businessmen in charging more, perhaps, or all that the traffic will bear. Does that not work to the disadvantage of the people here in Newfoundland—on the matter of the cost of imported goods that are retailed through the local business groups, whether they are merchants or wholesalers, or whatever they are? In other words, it is not really competitive here because there is not any real competition for these sales.

Mr. Ploughman: I would disagree with that strongly. There is competition. I do not know of any product being sold in Newfoundland today where you have only one firm selling that particular product. You do have competition. Do you know of any commodities on which anyone has a monopoly?

Mr. Rose: No. I am not acquainted with that part of it. What I have raised a number of times during these hearings is a matter of great concern to me, whether subsidies to transportation or any other subsidies ultimately reach the people who need it most, and this is why I raised the question with you.

Mr. Ploughman: I would agree with you here. We question as well whether the subsidy does eventually reach the consumer. But the question is whether the carriers involved—and there is only one carrier, which is the CNR which I understand receives certain subsidies—pass this on, and gain because of their costing procedures.

Mr. Rose: Therefore I take it that you are saying, and I am not trying to put words in

[*Interprétation*]

Le président: Merci beaucoup. Monsieur Rose.

M. Rose: Monsieur Ploughman, à la page 517 de votre mémoire, vous dites que Terre-Neuve constitue un marché circonscrit pour diverses villes industrielles de l'Ontario et du Québec. Ne croyez-vous pas que les commerçants de Terre-Neuve aient aussi un marché circonscrit à l'égard des produits qui se vendent ici?

M. Ploughman: Pas dans la même mesure. C'est un marché circonscrit à condition d'avoir ici même à Terre-Neuve les industries et les facilités de fabrication dont jouissent le Canada central ou les autres parties du pays.

M. Rose: Ne nous limitons pas aux produits ouvrés, mais parlons aussi des importations. On dit que les commerçants d'ici abusent peut-être de leur clientèle en leur comptant plus qu'il ne faut ou le plus qu'ils peuvent. Cela ne joue-t-il pas au désavantage des Terreneuviens? Quant au coût des denrées importées qui sont vendues ici, en gros ou au détail, que sais-je, n'est-il point vrai que la concurrence ne joue pas ici, vu les circonstances qui y règnent?

M. Ploughman: Je ne puis vraiment pas en convenir. Il y a certainement une concurrence qui s'exerce; en fait, je ne connais actuellement aucun produit qui soit vendu à Terre-Neuve que par une seule société commerciale. Il y a certainement de la concurrence. Connaîtriez-vous une seule denrée qui soit l'objet d'un monopole?

M. Rose: Non, mais je connais peu ce domaine. La question que j'ai soulevée à plusieurs reprises au cours de nos séances, celle qui me préoccupe beaucoup, c'est de savoir si les subventions octroyées pour les transports ou à d'autres fins profitent en dernière analyse à ceux qui en ont le plus besoin. Voilà pourquoi je vous ai posé cette question.

M. Ploughman: A cet égard, j'abonde dans le même sens. Nous aussi, nous demandons si ces subventions parviennent à la longue aux consommateurs? Les transporteurs en cause—et il n'y en a qu'un, effectivement, soit le CNR, qui est financé, sauf erreur, dans une certaine mesure—en font-ils bénéficier les consommateurs, suivant leurs systèmes de comptabilité, voilà la question.

M. Rose: En d'autres termes, sans vouloir vous souffler les mots, vous dites, n'est-ce

[*Text*]

your mouth—please disagree if you feel that way about it—that if the subsidy is not passed on it is not because of any action on the part of the local businessmen but it is laid directly to the door of the carrier. Do you agree with me?

Mr. Ploughman: Right. That is correct.

Mr. Rose: Mr. Ploughman, you asked in your brief under your recommendations on page 518, point (vii), to discuss alternative modes of transportation. You said you had hoped that you would have an opportunity to discuss this when you appeared this morning. Is that not what your brief says?

> Nevertheless we would appreciate your providing us with an opportunity to discuss important aspects of...

alternative modes of transportation. I do not quote you. I paraphrase you.

The Chairman: On what page do you quote from?

Mr. Rose: Page 518, point (vii).

Mr. Ploughman: Is there any particular mode that...

Mr. Rose: It was our request and I was giving you this opportunity, but let us pass on from that for the moment. Would you like to comment on the suggestion that has been made throughout the Atlantic Provinces that there be a rationalization of licensing throughout the Atlantic Provinces agreed to by the various provinces so that trucking could move freely throughout the various provinces without the impediments of various licensing and other regulations which are provincial regulations?

Mr. Ploughman: Yes. This would certainly be of help to the truckers and also would result in savings to the...

Mr. Rose: Do you agree with the concept of Atlantic union?

Mr. Ploughman: With Atlantic union? Political union?

Mr. Rose: Yes.

Mr. Ploughman: As an individual, I would like to see a study made of this and after I see the results of the study... Personally I think it might be a good thing, but I cannot speak for the Board of Trade on this.

Mr. Rose: Thank you.

The Chairman: Mr. Horner.

Mr. Horner: Mr. Chairman, first of all I would like to congratulate Mr. Ploughman for

[*Interpretation*]

pas, que si la subvention n'atteint pas le consommateurs, la faute n'en est pas au commerçants locaux, mais aux transporteurs?

M. Ploughman: C'est exact.

M. Rose: Monsieur Ploughman, au chapitr des recommandations, page 518, section vi de votre mémoire, vous préconisez des discus sions au sujet d'autres modes de transpor Vous espériez avoir l'occasion d'en parler c matin, n'est-ce pas? Il est dit dans votr mémoire que:

> ...néanmoins, nous aimerions bien avoi l'occasion de discuter plusieurs aspect importants...

des autres modes de transport. Je ne cit point, je reprends la phrase à mon compte.

Le président: Où en êtes-vous?

M. Rose: Page 518, section vii.

M. Ploughman: Y a-t-il un mode particulie auquel vous faites allusion?

M. Rose: Tel que vous le demandiez, j'a voulu vous en fournir l'occasion, mais passon pour le moment. Que pensez-vous de ce qu l'on propose pour les provinces de l'Atlanti que, soit que l'on y rationalise la délivranc des permis d'exportation, avec l'assentimen des provinces, afin que les camionneurs puis sent y circuler librement sans être gênés pa les divers règlements et dispositions établi par les provinces?

M. Ploughman: Je crois que cela aiderai les camionneurs et qu'on pourrait réalise ainsi des économies...

M. Rose: Êtes-vous en faveur de l'union de provinces de l'Atlantique?

M. Ploughman: Vous voulez dire au poin de vue politique?

M. Rose: Oui.

M. Ploughman: A titre personnel, j'aimerai bien qu'on en fasse l'étude et quand j'en aura vu le résultat...D'après-moi, ce serait peut être une bonne chose, mais je ne puis parle au nom du Board of Trade à ce sujet.

M. Rose: Merci.

Le président: Monsieur Horner?

M. Horner: Monsieur le président, j'aime rais d'abord féliciter monsieur Ploughman

[*Texte*]

aling with the difference between horizon- freight rates and flat freight rates because s is a problem we have had trouble with in stern Canada. I have been listing a number recommendations that I would like the mmittee to accept after we have started to aw up our brief. On page 518 you suggest it special consideration should be given to eduction in rates on eastbound freight.

We had a brief from the Mayor of Halifax, I lieve it was, suggesting that there should a reduction on raw materials moving east o the Maritimes. The person presenting t case convinced me that there was some tification for his argument. Would that isfy you, or are you referring to finished oducts?

Mr. Ploughman: We are referring to ished products.

Mr. Horner: Finished products?

Mr. Poughman: Yes. Certainly on raw terials this would help as well, but mainly were thinking of finished products.

Mr. Horner: You agree of course with other ggestions that were made, that there should an equal rate from Halifax to St. John's, there is from Montreal to St. John's. In ier words, the Maritimes, as much as possi-, should be a viable entity in themselves. you understand what I mean—the rate ould not really prohibit the Maritimes from ding among themselves.

Mr. Ploughman: No, I would agree. If we n trade within the provinces, certainly we uld like to do this.

Mr. Horner: With regard to coastal ser-es, you suggest that if any of them are ne away with the money certainly should spent in a system of trunk roads. Is there, your opinion, a moral or legal obligation the CNR under the terms of Confederation maintain a coastal service to areas that ve no road or railway service.

Mr. Ploughman: Yes, I think there is a gal responsibility on the part of the CNR to aintain coastal services, and they do. The NR does receive a subsidy from the federal vernment for the operation of such a vice.

Mr. Horner: In your opinion—and you are presenting the Board of Trade for the ole province of Newfoundland...

[*Interprétation*]

d'avoir parlé de la différence qui existe entre les tarifs marchandises horizontaux et les tarifs marchandises fixes. C'est un problème que nous avons eu à envisager dans l'ouest du Canada. J'ai énoncé plusieurs recommandations que je voudrais que le comité accepte quand il rédigera son mémoire. A la page 518, vous suggérez qu'on accorde une attention spéciale à la réduction des tarifs pour les marchandises à destination de l'Est.

Nous avons reçu un mémoire du maire d'Halifax, je pense, qui propose de baisser les tarifs concernant les matières premières destinées aux Maritimes. La personne qui m'a présenté le mémoire m'a convaincu qu'il y avait des explications pour cela. Est-ce que cela vous satisferait ou est-ce que vous parlez des produits ouvrés?

M. Ploughman: Nous parlons des produits ouvrés.

M. Horner: Des produits ouvrés?

M. Ploughman: En effet. Pour ce qui est des matières premières, cela aiderait certainement aussi, mais principalement, nous songions aux produits ouvrés.

M. Horner: Vous êtes d'accord évidemment avec d'autres suggestions qui ont été formulées à l'effet qu'il y ait un taux égal entre Halifax et Saint-Jean tout comme cela existe de Montréal à Saint-Jean. En d'autres termes, les provinces Maritimes, autant que possible, devraient constituer une entité viable, vous comprenez ce que je veux dire. En d'autres termes, les taux ne devraient pas empêcher les provinces Maritimes de commercer entre elles.

M. Ploughman: Oh non, je suis tout à fait d'accord que le commerce intra-provincial devrait exister. Nous aimerions voir cela.

M. Horner: Au sujet des services côtiers, vous dites que si on en élimine un, l'argent devrait certainement être dépensé pour un réseau de routes principales. Y a-t-il, selon vous, une obligation morale ou légale de la part du CNR, aux termes de la Confédération, de continuer à entretenir le service côtier pour les régions qui n'ont pas de service ferroviaire ou de service routier?

M. Ploughman: Je crois, en effet, qu'il existe une obligation légale pour le CNR de maintenir les services côtiers et il le fait. Le CNR reçoit une subvention du gouvernement fédéral pour l'exploitation d'un tel service.

M. Horner: A votre avis, et vous représentez le Board of Trade de toute la province de Terre-Neuve, si j'ai bien compris?

[*Text*]

Mr. Ploughman: Yes, that is correct.

Mr. Horner: ...would you say, the CNR has lived up to this obligation of providing coastal services?

Mr. Ploughman: Yes, but I think at the time of union this service was much more vital than it is today. Roads have been extended into certain areas where there is no longer the necessity of a steamship operation.

Mr. Horner: I fully understand that. But where there is no road coastal services are still provided and are very necessary.

Mr. Ploughman: Yes.

Mr. Horner: Would you say that where coastal services have been removed the money in fact saved has gone into the building of a trunk roads system.

Mr. Ploughman: No, I would not say that.

Mr. Horner: You would not say that.

Mr. Ploughman: No. Any saving on the part of the CNR would really mean that it, the CNR, would receive less subsidy. In other words, if one year there was a $9 million deficit then the federal government would pay the $9 million. The federal government pays.

Mr. Horner: Yes.

Mr. Ploughman: But there is no understanding, as far as I am concerned, that any savings is going to be applied.

Mr. Horner: This is the point you are attempting to make in number 17 in your brief—that you believe there should be a greater relationship between money saved and money spent on the trunk roads.

Mr. Ploughman: That is right. We would like to see the federal government paying a large part. Let us use the Burin Peninsula as a good example. There is a steamship service to the Burin Peninsula at the moment. There is approximately 40,000 people there. If the federal government decided to pay a larger share of the cost of roads to that area they could probably phase out the steamship service to that area. This in effect is what we were saying.

Mr. Horner: I have just one further question on the bus service. The bus service is supposed to be on a trial basis in lieu of the *Newfoundland Bullet*. I was on the bus and

[*Interpretation*]

M. Ploughman: C'est exact.

M. Horner: A votre avis, est-ce que le C a rempli ses obligations en matière de serv côtier?

M. Ploughman: Oui, mais je crois qu moment de l'union, ce service était beauc plus nécessaire qu'il ne l'est à l'heure actue Vous avez des routes maintenant qui ont prolongées dans certaines localités où il n' plus nécessaire d'avoir un service de navir vapeur.

M. Horner: Je comprends, mais là où il a pas de routes, les services côtiers existent ils sont toujours nécessaires.

M. Ploughman: Oui, c'est exact.

M. Horner: Et, est-ce que vous diriez q là où on a enlevé les services côtiers, l'arge effectivement épargné a servi à la constr tion du réseau de routes principales?

M. Ploughman: Non, ce n'est pas ce que dirais.

M. Horner: Vous ne le diriez pas.

M. Ploughman: Non. Toute épargne de part du CN, signifierait simplement que le recevrait moins de subventions. En d'aut termes, si dans une année le déficit était d millions de dollars, le gouvernement fédé compenserait pour les 9 millions. C'est le go vernement fédéral qui paie.

M. Horner: En effet.

M. Ploughman: Il n'y a pas eu d'entente, ma connaissance, que l'argent épargné ser rait à d'autres fins.

M. Horner: C'est le point que vous essay de signaler au numéro 17 de votre mémoi Vous estimez qu'il doit y avoir une meilleu coordination entre l'argent épargné et l'arge dépensé pour les routes principales.

M. Ploughman: Oui. Nous aimerions voir gouvernement fédéral payer une grande pa Prenons la péninsule de Burin comme exe ple. Il y a, à l'heure actuelle, un service navires à vapeur pour la péninsule et population est d'environ 40 mille habitants. le gouvernement fédéral décidait de pay une plus grande part du coût des routes po cette région, il pourrait peut-être éliminer service de navires à vapeur dans cette régio En fait, c'est ce que nous disions.

M. Horner: Une dernière question en ce q a trait au service des autobus. Le service d autobus est censé être une expérience po remplacer le train Bullet. J'ai pris l'autob

[*Texte*]

he *Bullet* last night and I enjoyed the ride very much. But one thing I noticed, and I want your advice on it, is that in coming back on the bus the road appeared to me to be far narrower than our Trans-Canada Highway across the rest of Canada.

Mr. Ploughman: Which route did you take.

Mr. Horner: It went up to Holyrood and came back on the Trans-Canada Highway.

Mr. Ploughman: That is our widest road.

Mr. Horner: With that thought in mind, would you say that in heavy snow conditions across the mainland of Newfoundland to Corner Brook and Port aux Basques it is wide enough to provide safe service? We have had briefs suggesting that it is not and that is why I am asking you.

Mr. Ploughman: I think this depends on the volume of traffic. In certain areas of Newfoundland it may be wide enough today but in other areas, probably between here and Holyrood where you have a large volume of traffic, it may not be wide enough.

Mr. Horner: Are you aware of any accidents that have occurred? In other words, is the bus safety factor one that this Committee should consider?

Mr. Ploughman: I would say that the safety factor is important in any aspect. But, as far as the Board of Trade is concerned, we have already made a statement. We have supported the operation of the busses with the understanding that the passenger service would continue to a point where we could make a proper judgment of this. We have not gone on record really as saying that we favour the discontinuance of the passenger service.

The Chairman: Mr. Skoberg.

Mr. Skoberg: I have a suppelmentary question, Mr. Chairman. In view of the type of winter you are having now, do you think you can make a fair judgment on the merits of bus versus train operations?

Mr. Ploughman: No. I think we are earlier this winter. We did have a fair amount of

[*Interprétation*]

et le Bullet hier soir et j'ai beaucoup aimé le voyage. Mais, il y a une chose que j'ai remarquée et j'aimerais avoir votre avis à ce sujet. En revenant par autobus, j'ai eu l'impression que la route était de beaucoup plus étroite que la route transcanadienne ne l'est ailleurs au Canada.

M. Ploughman: Quelle route avez-vous empruntée?

M. Horner: Nous sommes allés à Holyrood et nous sommes revenus par la route transcanadienne.

M. Ploughman: C'est là la route la plus large.

M. Horner: A votre avis, donc, quand il y a beaucoup de neige, à travers Terre-Neuve jusqu'à Corner Brook et Port aux Basques, est-ce que vous diriez que la route est assez large pour assurer un service sûr? Nous avons eu des mémoires nous indiquant qu'elle ne l'est pas, c'est pour cela que je vous en parle.

M. Ploughman: Je crois que cela dépend du volume de la circulation. Dans certaines régions de Terre-Neuve, il se peut que la route soit assez large, mais dans d'autres régions, disons entre ici et Holyrood, où vous avez une plus grande circulation, il se peut que la route ne soit pas assez large.

M. Horner: Êtes-vous au courant d'accidents qui se seraient produits? En d'autres mots, est-ce que le facteur de sécurité, pour ce qui est des autobus, devrait être pris en considération par notre Comité?

M. Ploughman: Je dirais que le facteur sécurité est toujours important. Mais en ce qui concerne le Board of Trade, nous avons déjà fait une déclaration et nous avons dit que nous appuyions l'exploitation du service d'autobus, compte tenu du fait que le service ferroviaire pour les voyageurs pourrait continuer pendant un certain temps afin de nous permettre de l'évaluer. Nous n'avons pas déclaré que nous étions en faveur de la discontinuation du service ferroviaire pour les voyageurs.

Le président: Monsieur Skoberg.

M. Skoberg: Une question supplémentaire, monsieur le président. Vu le genre d'hiver que vous avez à l'heure actuelle, est-ce que vous seriez en mesure de juger raisonnablement du service des autobus comparativement à celui des trains?

M. Ploughman: Non, je ne crois pas, car nous sommes en avance cet hiver. Il est vrai

[*Text*]

snow, but we have had a relatively mild winter since then. Next year the snowfall could be three or four times what it is this year. So I do not think you could really make a judgment on the basis of the winter we are having this year.

Mr. Skoberg: In your opinion, sir, and in the opinion of your Board, do you consider a trial period should be extended in order to give this a fair test?

Mr. Ploughman: Yes, we would because this has not been a winter where we have had a lot of snow and from the weather aspect it would not be a fair trial.

Mr. Rock: A further supplementary, Mr. Chairman.

The Chairman: Mr. Rock.

Mr. Rock: Has the *Newfoundland Bullet* itself ever been struck in a severe winter?

Mr. Ploughman: Yes.

Mr. Rock: Why the comparison then? You are basing everything on a severe winter, as if a severe winter will only harm your highways and not your railways.

The Chairman: Order please.

Mr. Ploughman: I think there is also the safety aspect. I think the train would be safer in the winter than a bus. If we were experiencing very heavy snowfalls continuously throughout the winter I think the safety factor would be a consideration—I think it would be safer on the train than it would be on the bus.

The Chairman: Mr. Mahoney.

Mr. Mahoney: Sir, you refer in your brief to the fact that 90 per cent of your freight movement is incoming, presumably 10 per cent outgoing, and then you gave us the figures of a 50,000 ton outflow and 570,000 ton inflow. Is that a gross figure for the whole province or are you talking about the Avalon Peninsula?

Mr. Ploughman: No, this would be a gross figure for the province.

Mr. Mahoney: Including the timber movements from Price, Bowater's and so on?

[*Interpretation*]

que nous avons eu passablement de neige mais l'hiver a été plutôt doux depuis ce temps. L'an prochain nous pourrions avoir 3 ou 4 fois plus de neige qu'on en a eu cette année. Et alors, je ne crois pas qu'il soit possible de faire un jugement d'après l'hiver que nous avons cette année.

M. Skoberg: A votre avis et selon votre *Board of Trade* est-ce que la période d'essai devrait être prolongée afin d'avoir une expérience plus raisonnable?

M. Ploughman: Oui, étant donné que cet hiver ne nous a pas apporté beaucoup de neige et que du point de vue du climat ce ne serait vraiment pas une bonne expérience cette année.

M. Rock: Est-ce que je pourrais poser une question supplémentaire, monsieur le président?

Le président: Monsieur Rock.

M. Rock: Pendant les hivers rigoureux, est-ce que le *Bullet* a déjà été pris dans la neige?

M. Ploughman: Oui.

M. Rock: Et alors où trouvez-vous votre comparaison? Vous fondez toute votre argumentation sur un hiver rigoureux, tout comme si l'hiver allait affecter vos routes seulement, mais non vos chemins de fer.

Le président: A l'ordre, s'il vous plaît.

M. Ploughman: Je crois qu'il y a aussi l'aspect de la sécurité. Je crois que le train serait peut-être plus sûr en hiver que l'autobus. S'il y avait continuellement des chutes de neige abondantes, au cours de l'hiver, le facteur de sécurité serait certainement important. Je crois que vous seriez plus sûr en train qu'en autobus.

Le président: Monsieur Mahoney.

M. Mahoney: Monsieur, vous avez parlé dans votre mémoire du fait que 90 p. 100 du transport des marchandises viennent vers Terre-Neuve alors que 10 p. 100 en sortent. Ensuite, vous avez donné les chiffres de 50,000 tonnes en produits sortant et 570,000 tonnes qui entrent. Est-ce que ce sont les chiffres pour toute la province ou parlez-vous de la péninsule Avalon?

M. Ploughman: Non, il s'agit des chiffres pour toute la province.

M. Mahoney: Y compris le transport du bois de Price, Bowater's et ainsi de suite?

[*Texte*]

Mr. Ploughman: This figure is taken from he report of the Royal Commission on the conomic State and Prospects of Newfoundnd and Labrador.

Mr. Mahoney: For what year, sir.

Mr. Ploughman: 1965.

Mr. Mahoney: Since that time have the ood industries expanded quite substantially nd, if so, do you feel there would be some gnificant difference in that ratio now?

Mr. Ploughman: I could not honestly say hether the ratio has changed because I ould imagine the eastbound volume has creased considerably since then as well.

Mr. Mahoney: Implicit in these figures then the fact that an awful lot of equipment is eadheading west.

Mr. Ploughman: Yes, that is correct.

Mr. Mahoney: Do you visualize such a evelopment of industry here that it could ventually eliminate this discrepancy?

Mr. Ploughman: This is what we would ke. I think this would be the answer to our roblem. I mentioned in the brief the Macherson Royal Commission on Transportation. heir report indicated that as far as the ansportation environment of Canada was ncerned—they were looking at Canada as a hole—it reached a point where it was very mpetitive now and there was no longer the me necessity for the federal government to ke the same interest as far as subsidies and on are concerned.

If I could use an example, back in the 00's the federal government of Canada was uite prepared to build railways out west to pen up Canada and the revenue from the heat and so on that moved over the rails as certainly well below what the cost of the il service was. Since then this has changed ecause you do have different modes of transrtation and much more vigorous mpetition.

Here in Newfoundland I do not contend we ave this. We only have two major carriers, e CNR and Clarke Steamships, carrying ost of the volume from the mainland of anada here to Newfoundland.

Mr. Mahoney: I think anyone from western anada who looks back to the 19th century

[*Interprétation*]

M. Ploughman: Les chiffres sont tirés, comme je l'ai dit, du rapport présenté par la Commission royale d'enquête sur l'état et les possibilités économiques de Terre-Neuve et du Labrador.

M. Mahoney: Pour quelle année, monsieur?

M. Ploughman: Pour 1965.

M. Mahoney: Depuis ce temps, l'industrie du bois s'est-elle accrue sensiblement, et, si tel est le cas, y a-t-il, selon vous, une différence marquée dans ce rapport à l'heure actuelle?

M. Ploughman: Je ne saurais dire honnêtement si le rapport a changé, car j'ai l'impression qu'il y a eu une augmentation considérable aussi dans les produits vers l'est.

M. Mahoney: Il ressort donc de ces chiffres qu'il y a beoucoup de matériel qui se dirige directement vers l'ouest?

M. Ploughman: Oui, c'est exact.

M. Mahoney: Est-ce que vous entrevoyez le développement de l'industrie ici, qui pourrait à la longue éliminer ces disparités?

M. Ploughman: C'est ce que nous voudrions voir. Ce serait en fait la solution à nos problèmes. J'ai mentionné dans le mémoire le rapport de la Commission royale d'enquête MacPherson sur les transports. Et, dans ce rapport, on indique que, pour ce qui est du milieu des transports au Canada, on a pris le Canada dans son ensemble, nous en sommes arrivés à un point où il y a beaucoup de concurrence et il n'y a plus la même nécessité pour le gouvernement fédéral de s'y intéresser autant sous forme de subventions, par exemple.

Comme exemple, je pourrais dire qu'au 19e siècle le gouvernement fédéral était très consentant à construire des lignes de chemin de fer dans l'Ouest afin de développer le Canada et les revenus provenant du blé, par exemple, transporté sur rails, étaient de beaucoup inférieur au coût du service ferroviaire. Mais, depuis ce temps, cela a changé, car vous avez des modes de transport différents et la concurrence est beaucoup plus vigoureuse maintenant.

Ici à Terre-Neuve, je prétends que nous n'avons pas cette concurrence. Nous n'avons que deux compagnies, le CNR et la «Clarke Steamships» qui sont les transporteurs de la plus grande partie des denrées qui nous viennent du Canada, de la terre ferme, jusqu'ici.

M. Mahoney: Aucun habitant de l'Ouest du Canada, en revoyant le 19e siècle, ne serait

[*Text*]

would disagree that there was really much important competition in transportation. It was pretty well the CPR.

Mr. Ploughman: This is the point I am making. There was no competition then but there is today. We do not have this competition in Newfoundland.

Mr. Rose: On a point of order, Mr. Chairman, I would like to comment that nobody from British Columbia ever looks back to the nineteenth century, we look ahead.

Mr. Mahoney: It would not hurt at all if you took a look at yourselves sometime! There is not really much, though, in the figures you have given us that would really interest a competitive transportation system, is there? It seems to me that the trade is even pretty slim for the people who are trying to handle it now.

Mr. Ploughman: This goes back to your original question when you asked about industry. This is the answer. As a Board of Trade, if we had this two-way flow of traffic, if we had the industry and if we had a competitive situation we would not want the federal government to pay the cost. We do not have it and because of this we feel that the federal government...

Mr. Mahoney: What types of industry do you feel can be realistically expected within the foreseeable future to develop and to help this out?

Mr. Ploughman: That is a question that you probably should have asked the government when they appeared yesterday. When I say "the government", I think a large part of the industry that has been developed in Newfoundland has been through the—and I suppose the same would apply to any province...

Mr. Mahoney: As businessmen you must have some ideas, though, and hopefully you pass them on to the government, or do you wait for them to give you the word?

Mr. Ploughman: No, we pass them on. As you probably are aware, there are certain planned developments in Newfoundland at the moment. You should be familiar with Come-By-Chance.

Mr. Mahoney: I am indeed.

Mr. Ploughman: Stephenville, and other areas of Canada. Of course, there is the fishery again, which is most important.

[*Interpretation*]

d'accord qu'il y avait beaucoup de concu rence. Il n'y avait à peu près que le C.P.R.

M. Ploughman: C'est le point que je désir souligner. Il n'y avait pas de concurrenc alors, mais maintenant il y en a. Nous n'avor pas cette concurrence à Terre-Neuve.

M. Rose: Un rappel au règlement, monsieu le président. J'aimerais mentionner que le gens de la Colombie-Britannique ne se repor tent jamais vers le 19e siècle. Ils se porter toujours vers l'avenir.

M. Mahoney: Cela ne vous ferait pas d tort du tout de vous regarder un peu. Le chiffres que vous nous avez donnés, ne nou indiquent pas vraiment l'intérêt que pourra avoir un réseau concurrentiel de transpor n'est-ce pas? Il me semble que le commerc n'est pas assez élevé même pour les gens qu s'en occupent présentement.

M. Ploughman: Ceci se rattache à votr première question lorsque vous avez abord l'industrie. C'est là la réponse. En tant qu *Board of Trade*, si nous avions ce couran dans les deux sens, si nous avions l'industrie si nous avions une situation concurrentielle nous ne voudrions pas que le gouvernemen fédéral en assume les frais. Comme nous n les avons pas, nous croyons que le gouverne ment fédéral . . .

M. Mahoney: Quel genre d'industrie, votre avis, pourrait vraiment s'installer ic dans un avenir prochain et aider à résoudr le problème?

M. Ploughman: C'est une question que vou auriez sans doute dû poser au gouvernemen lorsqu'il a comparu hier. Lorsque je dis «l gouvernement», je pense qu'une bonne parti de l'industrie de Terre-Neuve a été établie pa l'entremise du—et j'imagine que la mêm observation vaut pour les autres provinces.

M. Mahoney: Mais en tant qu'homm d'affaires, vous devez avoir certaines idées J'espère que vous en avez fait part au gou vernement, ou est-ce que vous attendez qu'i vous sollicite?

M. Ploughman: Non, nous les communi quons. Comme vous le savez sans doute, nou projetons certains aménagements à Terre Neuve présentement. Vous avez sans dout entendu parler de Come-by-Chance.

M. Mahoney: Certainement.

M. Ploughman: Stephenville et d'autre régions du Canada. Il y a aussi les pêcherie qui sont très importantes.

[Texte]

Mr. Mahoney: Thank you.

Le président: Monsieur Godin?

M. Godin: Merci, monsieur le président. e témoin nous a révélé que 90 p. 100 des iens utilisés dans la province proviennent es importations. Pourrait-il nous dire dans uelle proportion ces produits proviennent oit des autres provinces canadiennes, soit de Angleterre ou soit de l'Europe?

Mr. Ploughman: The bulk of the products ould come from Canada. Prior to Confeder- ion only about 10 per cent of the goods that e used in Newfoundland came from Canada. t that time we were buying from Europe, om the United States and from other world arkets, but today I would say that well over) per cent would come from Canada. I think is raises an important point because most of e raw materials which are shipped out of ewfoundland are shipped to the United tates and to the European markets—particu- rly the United States—so from a transporta- on aspect Confederation was a disadvantage r us because, as I say, the flow of traffic efore was more from New York to St. John's nd the boats would take our raw materials own and, of course, these same boats would ring back the products that we bought.

M. Godin: A l'occasion de notre passage au ouveau-Brunswick et en Nouvelle-Écosse, n s'est rendu compte que là, il existe vrai- ent un surplus de production et que les gens nt vraiment un problème avec les mauvais oyens pour l'exportation. Est-ce que Terre- euve tente à importer davantage de ces pro- nces plutôt que du centre du Canada?

Mr. Ploughman: That is a rather difficult uestion to answer. Many of the companies iat the trade does business with are national mpanies, and if they have plants in the aritimes and it is more economically feasi- e to ship from those plants in the Maritimes Newfoundland, then this is done. I think ie people of Newfoundland, and probably of ie Atlantic provinces, are conscious of trying support each other and of trying to do usiness with each other, but this could prob- ly be done to a greater extent.

M. Godin: Selon le rapport qui nous est umis, on ne trouve pas le nom de votre ssociation dans les mémoires qui ont été umis à la Commission d'enquête. Est-ce que os idées ou vos impressions au sujet du train raient changé depuis le début de cette nquête?

[Interprétation]

M. Mahoney: Merci.

The Chairman: Mr. Godin?

Mr. Godin: Thank you, Mr. Chairman. The witness told us that 90 per cent of products used in the province are in the form of imports. Could he tell us to what extent these products come either from other provinces in Canada, or from England, or from Europe?

M. Ploughman: La majeure partie des produits viendrait du Canada. Avant la Confédération, seulement 10 p. 100 environ des produits et denrées que nous utilisions à Terre-Neuve venaient du Canada. Alors, nous achetions en Europe, aux États-Unis et parfois sur d'autres marchés mondiaux. Mais aujourd'hui, je dirais que beaucoup plus de 90 p. 100 viennent du Canada.

Ceci soulève, je pense, un point important, car la plupart de nos matières premières qui sont expédiées à partir de Terre-Neuve, le sont vers les États-Unis et vers les marchés européens, mais surtout aux États-Unis. C'est pourquoi, du point de vue du transport, la Confédération fut un désavantage pour nous, parce que le débit autrefois, allait de New York vers Saint-Jean. Nos navires apportaient alors nos matières premières à New York et ces mêmes navires rapportaient les produits que nous achetions aux États-Unis.

Mr. Godin: During our trip to New Brunswick and Nova Scotia, we noticed that there was a surplus of production and that people there really have a problem because of poor transportation means. Is Newfoundland trying to import more goods from these provinces rather than from Central Canada?

M. Ploughman: Il n'est pas facile de répondre à votre question. Bon nombre de compagnies sont des compagnies nationales et, si elles ont des usines dans les Maritimes et s'il est plus économique d'expédier à partir de leurs usines des Maritimes vers Terre-Neuve, elles le font. Je pense que les gens de Terre-Neuve et probablement des provinces de l'Atlantique, s'efforcent de s'aider les unes les autres et de commercer les unes avec les autres. Mais ils pourraient le faire dans une plus grande mesure.

Mr. Godin: According to the report submitted to us, the name of your Association does not appear in the briefs submitted to the Royal Commission of Inquiry. Have your views or your ideas changed since the beginning of this inquiry with regard to the train?

[*Text*]

Mr. Ploughman: We did not refer to the train in our brief. So you mean as far as the passenger service is concerned? I think we stated our views earlier on this. The Board of Trade took the stand—and this is no different—that we wanted to see the buses in operation, provided the service continued to the point where a proper comparison could be made of the two services.

The Chairman: Mr. McGrath?

Mr. McGrath: I notice in recommendation No. (vii) of your brief you make reference to other modes of transportation. Specifically, are you in favour of the application of the MFRA to other modes of transportation?

Mr. Ploughman: Yes, and particularly to the trucking industry as well as to the steamship industry. We feel this would certainly help to maintain this competitive position.

Mr. McGrath: How important a factor would it be if it were applied to steamship transportation? I am thinking of a Montreal-St. John's service.

Mr. Ploughman: It is a question of subsidies to carriers, and a member of the Board who is sitting in the audience raised the point at the annual meeting of the Board of Trade whether or not the subsidy should be passed on to the shippers. If it were passed on to the shippers I think there would be a better chance that the saving would be passed on to the consumer, which is what we are interested in. The main thing is being able to work out the mechanics of this. I imagine it would be very difficult.

For example, you could give a subsidy to the CNR of possibly 25 per cent, but when they get into their procedure for costing—I am not suggesting the CNR will do this—they could very well show that the cost of moving goods from Montreal to St. John's is 25 per cent more than it actually is. I am sure you are familiar with the costing procedure. How is this subsidy going to passed on to the individual?

Mr. McGrath: That is the burning question.

The Chairman: Do you have a supplementary, Mr. Perrault?

Mr. Perrault: Mr. Chairman, I just wanted to ask the witness what he estimates the cost of this subsidy extension will be. Has the Board of Trade worked out the cost on this?

[*Interpretation*]

M. Ploughman: Nous n'avons pas du tou parlé du train dans notre soumission. Voulez vous parler du service voyageur? Je pens avoir déjà fait part de notre point de vue plu tôt. Le *Board of Trade* a exprimé une lign de conduite qui n'est pas différente de la nôtre Nous voulions voir les autobus en service pourvu que le service soit ainsi mainten jusqu'à ce qu'il soit possible de faire un comparaison valable des deux services.

Le président: Monsieur McGrath?

M. McGrath: Je vois que dans la recom mandation no. (vii) de votre mémoire, vou parlez d'autres modes de transport. Êtes-vou réellement en faveur de l'application au autres modes de transport des dispositions d la Loi sur les taux de transport des marchan dises dans les provinces Maritimes?

M. Ploughman: Oui, surtout pour l'industri du camionnage et pour les lignes maritimes Nous croyons que cela nous aiderait à mainte nir une situation concurrentielle.

M. McGrath: Est-ce que ce serait un facteu important si on l'appliquait au transpor maritime? Je pense à un service Montréal Saint-Jean.

M. Ploughman: C'est une question de subsi des aux cargos. Un membre du *Board* qui es ici dans l'auditoire a soulevé ce point à l réunion annuelle du *Board of Trade* à savoi si les subventions devraient être accordée aux expéditeurs. Si on le faisait, je pense qu le consommateur aurait plus de chances d faire ces épargnes et c'est ce que nous vou lons. Il importerait surtout de mettre au poin des rouages qui nous permettraient de l faire. J'imagine que ce ne serait pas facile.

Par exemple, si vous donniez une subven tion de 25 p. 100 au National-Canadien, i pourrait, je ne dis pas qu'il le ferait, mais i pourrait établir ses coûts de façon à démon trer que le coût du transport des denrées disons de Montréal à Saint-Jean, est de 25 p 100 de plus qu'il ne l'est en réalité. Je suis certain que vous connaissez cette procédure Comment cette subvention va-t-elle être pas sée aux particuliers?

M. McGrath: C'est la question de l'heure.

Le président: Voulez-vous poser une ques tion supplémentaire, monsieur Perrault?

M. Perrault: Je veux simplement demander au témoin ce qu'il en coûterait pour cette extension des subventions. Le *Board of Trade* a-t-il essayé de calculer ce qu'il en coûterait?

[*Texte*]

Mr. Ploughman: No, we have not. All we know is that transportation costs are extremely high at the moment and if there is a 10 per cent increase it is always on a much higher base in Newfoundland because we pay a higher freight rate, and we can ill afford it because the salary levels in Newfoundland are much lower than they are anywhere else in Canada.

Mr. Perrault: We have this paradox, that some of the Maritime Provinces, of course, want lower freight rates going out of the Maritimes to the central provinces and here we have Newfoundland asking for lower rates coming in. It is going to be difficult to evolve any kind of standard policy.

Mr. Ploughman: I think in the case of Nova Scotia and New Brunswick, where there is probably more industry than in Newfoundland, that aspect could be more important. If Newfoundland had more industry I think the Maritime Freight Rates Act, which now provides these subsidies, would be more important, but it is not as important today. Our big concern today is that everything that is coming in and everything that is going out is going to New York or to Europe, or somewhere else, it is not going back to the mainland of Canada.

Mr. Perrault: Thank you, Mr. Chairman.

The Chairman: Mr. McGrath?

Mr. McGrath: As businessmen, what is the view of the Newfoundland Board of Trade regarding the present rate structure on our ferries to the mainland?

Mr. Ploughman: Again we consider that the rates are high, particularly as far as truck transport is concerned. This could be one way of bringing about a competitive situation. It would certainly help if the rates on trucks going across the gulf were lowered.

Mr. McGrath: I am surprised there is not a specific recommendation from the Board in this regard, because it would appear to me to be a very important point in considering any other modes of transportation.

I have one other question which is in a new area and it is something that is not referred to in the brief. How does the Board feel about the present air services from the mainland to Newfoundland?

[*Interprétation*]

M. Ploughman: Non. Nous savons seulement que les frais de transport sont très élevés en ce moment et que, s'il y a une augmentation de 10 p. 100, l'augmentation de base est toujours beaucoup plus élevée à Terre-Neuve parce que le tarif marchandise est plus élevé et pourtant nous pouvons difficilement nous le permettre parce que le niveau des salaires à Terre-Neuve est bien moins élevé que n'importe où ailleurs au Canada.

M. Perrault: C'est un paradoxe. Certaines des provinces Maritimes veulent un tarif inférieur sur les marchandises allant des Maritimes vers les provinces centrales tandis qu'à Terre-Neuve c'est le contraire. Il sera assez difficile d'établir une politique normalisée.

M. Ploughman: Je pense que cet aspect pourrait être plus important pour la Nouvelle-Écosse et le Nouveau-Brunswick où il y a probablement un peu plus d'industries que nous n'en avons ici à Terre-Neuve. Si Terre-Neuve avait plus d'industries, la Loi sur les taux de transport des marchandises dans les provinces Maritimes, qui prévoit ces subventions, deviendrait plus importante. Mais elle n'est pas aussi importante aujourd'hui. Notre principale préoccupation c'est que tout ce qui nous est expédié, tout ce qui est expédié à l'extérieur, s'en va à New York ou en Europe ou ailleurs, et ne retourne pas à l'intérieur du Canada.

M. Perrault: Merci, monsieur le président.

Le président: Monsieur McGrath?

M. McGrath: En tant qu'hommes d'affaires, quel est le point de vue du *Board of Trade* de Terre-Neuve, à l'égard de la structure actuelle des taux sur les transbordeurs allant vers l'intérieur?

M. Ploughman: Une fois de plus, nous trouvons que les taux sont élevés, surtout, pour le transport par camions. Ceci pourrait être une façon de créer la concurrence. Cela pourrait certainement aider si les tarifs sur les camions qui partent pour le Golfe, avaient un tarif moins élevé.

M. McGrath: Je suis étonné qu'il n'y ait pas eu une recommandation précise formulée par le *Board* à cet égard, parce que cela me semblerait un point très important à examiner en considérant les autres modes de transport.

Je voudrais poser une autre question dans un nouveau secteur d'activités dont on ne parle pas dans le mémoire. Qu'est-ce que le *Board* pense des services aériens du Continent à Terre-Neuve?

[*Text*]

Mr. Ploughman: The service has certainly improved. I think Mr. McGrath raised this question on a previous occasion, is that I certainly think we should have an alternate airport here. I think you were lucky to get in on Thursday night and this has not been an infrequent occurrence as far as St. John's is concerned.

Mr. McGrath: Mr. Chairman and Mr. Ploughman, I received a parliamentary return a couple of days ago in reply to a question of mine about the number of hours when the ceiling was less than 200 feet and/or visibility less than ¼ of a mile for certain airports. I asked about St. John's, Gander, Stephenville, Moncton, Sydney, Halifax International, Montreal International, and Toronto International. It is rather interesting because St. John's stands out by a mile. In these figures for 1967, we had 608 hours of fog when the airport was non-operational, zero disability, as compared to 51 for Montreal, 202 for Moncton, and 135 for Toronto. Anybody who has to travel to Newfoundland frequently would know the significance of these figures and the significance of what I am talking about.

I heard that Air Canada was losing $1 million a year as a consequence of this condition, this weather factor in Torbay. I would think that a strong case could be made, and certainly a body like the Newfoundland Board of Trade would be vitally concerned in this. A strong case could be made for building a new airport, as was done in Halifax. They built a completely new airport in Halifax.

Our airport at Torbay is a wartime airdrome that was taken over and extended and expanded, and the fact remains that it was built in the worst possible location. Would the Board strongly support a move for a new airport, not an alternate airport, but a new one?

Mr. Ploughman: The Board of Trade has already gone on record as supporting an alternate airport. When you say a new one, Halifax has a new one, and they have this fog factor. In other words, replacing the existing facility entirely.

Mr. McLoughlan said we supported an alternate because we did not think we would get anything else. But if we could, yes, we would.

[*Interpretation*]

M. Ploughman: Le service a certainemen été amélioré. Un secteur, du moins pour ce qui est de Saint-Jean, et je pense que monsieur McGrath a déjà soulevé la question, et à mon avis, il nous faudra certainement un aéroport alternatif ici. Vous êtes chanceux d'avoir pu atterrir jeudi soir, et cela se produit assez souvent à Saint-Jean.

M. McGrath: Monsieur le président et monsieur Ploughman, j'ai reçu un rapport parlementaire il y a quelques jours, en réponse à une question, pour savoir pendant combien d'heures le plafond était inférieur à 200 pieds et/ou la visibilté de moins de un quart de mille pour certains aéroports. J'ai demandé ces renseignements pour les aéroports de Saint-Jean, Gander, Stephenville, Moncton, Sydney, Halifax International, Montréal International, et Toronto International. C'est plutôt intéressant, parce que, à Saint-Jean, on ressort du reste dans une proportion d'un mille. D'après les chiffres pour l'année 1967, nous avons eu 608 heures de brouillard, alors que la visibilité à l'aéroport était nulle et le trafic aérien suspendu, comparativement à 51 heures pour Montréal, 202 pour Moncton et 135 pour Toronto. Quiconque doit se rendre assez souvent à Terre-Neuve saurait la signification de ces chiffres ici et ce dont on parle.

J'ai entendu dire que la société Air Canada perdait 1 million de dollars par année par suite des conditions atmosphériques à Torbay. Je serais porté à croire qu'on pourrait très bien présenter un argument valable et sûrement un organisme comme le *Board of Trade* de Terre-Neuve, s'intéresserait vraiment à la question. On pourrait facilement demander à ce qu'il se construise un nouvel aéroport comme ce fut le cas à Halifax. Ils y ont construit un nouvel aéroport.

Notre aéroport à Torbay est un aérodrome militaire qui a été agrandi, et qui est très mal situé. La Commission appuierait-elle vraiment la proposition en vue de la construction d'un nouvel aéroport, pas un aéroport alternatif, mais un nouveau?

M. Ploughman: On sait que le *Board of Trade* est déjà en faveur d'un aéroport alternatif. Lorsque vous dites un nouvel aéroport, Halifax en a déjà un, et ils ont aussi le brouillard. En d'autres termes, qui remplace complètement les installations actuelles.

M. McLoughlan avait dit que nous étions en faveur d'un aéroport alternatif car il ne croyait pas que nous aurions obtenu autre chose. Mais si nous pouvions, certainement nous le serions.

'exte]

Mr. McGrath: Perhaps if we went after a mpletely new airport we might end up with alternate.

Mr. Allmand: Mr. Ploughman, in your brief u talk about the problems of ice conditions the Cabot Strait, the St. Lawrence and the lf of St. Lawrence. You said that in the st two years there was quite a blockage of eight cars coming across the Strait during e winter. In what month does this blockage ie to ice generally occur?

Mr. Ploughman: I believe it would be ound April—March and April—when we t the easterly winds, the prevailing wind at at time, and the ice would back up into the rt of Sydney. Some years you may not get y ice at all, and then other years this con- tion could go on for six to eight weeks. It is t a consistent pattern, but last year, and this as after this brief was presented, the condi- ns were not too hard. But we could very ell have a serious situation again this year.

What we were suggesting in the brief is ternate facilities. We suggested Halifax, but ulgrave we feel now would be the most actical place for the alternate facilities.

There is no need of breaking down this eight. Sydney has the facilities to handle is. When you get an ice condition, the boat nnot go into Sydney, and we are suggesting at to skirt the ice and go into Mulgrave ould mean probably another seven or eight urs. But if it does that now, it means the eight cars have to be broken down. And stead of taking probably six or seven hours load, it may take two or three days. So e are suggesting that there be facilities Mulgrave, and we have a rough timate of the cost. We estimate about $2½ - $3 millions for these facilities at Mulgrave. ight now it is costing them a lot of money ecause it is taking the boats so long to ad.

Mr. McGrath: If they were to build these cilities at Mulgrave or Halifax to deal with ie ferry properly, according to what you say ey would be used only six to eight weeks a ar at the most, and that may not be every ar. It could be, but possibly not.

Mr. Ploughman: This is correct.

Mr. McGrath: The problem with your ggestion is that for the expenditure made aybe the benefits would not be high enough s an investment. You have not thought of her alternatives?

[*Interprétation*]

M. McGrath: Si nous demandions un aéroport entièrement nouveau, nous finirions par avoir un aéroport alternatif.

M. Allmand: Monsieur Ploughman, dans votre mémoire, vous parlez du problème des glaces dans le Détroit de Cabot, le Saint-Laurent et le Golfe du Saint-Laurent. Vous avez dit que, deux années de suite des wagons-marchandises ont été bloqués dans le détroit au cours de l'hiver. A quel mois cela arrive-t-il généralement?

M. Ploughman: Je pense que cela arrive plutôt en avril—mars et avril—avec les vents de l'est, alors que les glaces s'accumulent dans le port de Sydney. Certaines années, vous ne voyez pas de glace du tout, d'autres années ces conditions peuvent durer de 6 à 8 semaines. Ce n'est pas une caractéristique constante, mais l'année dernière, après la présentation de ce mémoire, les conditions étaient assez bonnes. Mais on ne peut jamais savoir. Cette situation grave peut de nouveau survenir cette année.

Ce que nous proposions dans le mémoire, c'est d'avoir des installations alternatives. Nous avons proposé Halifax, mais à notre avis, Mulgrave serait l'endroit idéal pour ces installations. Il n'y a pas lieu de répartir ces marchandises. Sydney dispose de toutes les installations nécessaires pour cela. Et lorsque vous avez des glaces, ces navires ne peuvent se rendre à Sydney et nous proposons que s'ils contournent les glaces et se rendent à Mulgrave, cela entraînerait probablement 7 ou 8 heures de plus. Mais si c'est le cas, les wagons-marchandises devront être répartis. Et au lieu que cette manutention dure six ou sept heures, elle prendra peut-être 2 ou 3 jours. Par conséquent, nous proposons qu'on aménage des installations à Mulgrave. Il en coûterait environ 2 millions à 3 millions de dollars pour l'aménagement de ces services à Mulgrave. En ce moment, il en coûte beaucoup d'argent, parce que le chargement des navires dure longtemps.

M. McGrath: Si ces services étaient aménagés, à Mulgrave ou à Halifax, pour régler la question des transbordeurs comme vous le dites, on ne s'en servirait que pendant 7 ou 8 semaines au plus, et peut-être pas chaque année.

M. Ploughman: Oui, c'est juste.

M. McGrath: Le problème, avec cette proposition, c'est que, à la suite des dépenses qui ont été faites, les avantages ne seraient pas assez grands. C'est un investissement. Vous n'avez pas songé à d'autres solutions de rechange?

[*Text*]

Mr. Ploughman: Yes, but when you speak of investment, I do not think you speak of it in terms of just $2 or $3 million if you consider that when you have this ice blockade it could take four or five or six weeks for freight to move across. You get this backup. What effect is this having on costs?

There could be a large building under construction and there could be materials involved in that building and held up in one of those cars for four or five weeks. So the construction of that job is held up for four or five weeks. You could have a farmer waiting to get feed. What do we do then? We have to fly it in. The over-all loss to the whole economy of Newfoundland has to be taken into consideration as well when you weigh the investment of that $2 or 3 million at Mulgrave.

Mr. McGrath: What percentage of your trade—let us say your importation of products into Newfoundland and the export of products out to the mainland of Canada—goes by ship, up the St. Lawrence, directly to Montreal, as compared with that which comes by railway and ferry across the Cabot Strait? It is Clarke Steamships that works between Montreal and Newfoundland, is it not?

Mr. Ploughman: Yes. I tried to get the figure for 1968. I know in the case of the CNR their volume was 402,000 tons for 1968. I have the 1965 figure.

Mr. McGrath: The latest figure you have.

Mr. Ploughman: It is for 1965. East-bound freight was 291,000. In other words, the CNR carried 291,000 tons at that time. In 1968 this has gone up to 402,000. The private steamships carried 185,000. So again, I would think that this increase has been correspondingly equal to the rail.

Mr. McGrath: Would these steamships work from Newfoundland up the St. Lawrence River towards Montreal, or do they work into Halifax too? Do you have steamships that bring freight from the Maritime Provinces, or is it all from up the river?

Mr. Ploughman: It is mainly directly from Montreal to Corner Brook, Botwood and St. John's. There is some service out of Halifax, but this would be relatively small.

[*Interpretation*]

M. Ploughman: Oui, mais lorsque vous pa lez des investissements, je ne crois pas qu vous puissiez considérer des dépenses de l'o dre de 2 ou 3 millions de dollars comme éta un investissement. Si vous considérez qu'av ce barrage de glaces, il faut peut-être 4, 5 c 6 semaines pour dégager la cargaison. Que en seraient les effets sur le coût?

Il pourrait y avoir un édifice en construc tion dont les matériaux sont retenus sur cett cargaison, de 4 à 5 semaines, ce qui fait qu les travaux de construction sont également retardés de 4 à 5 semaines. Un agriculteur n reçoit pas le fourrage. Que faire? C'est bie simple, on le fait venir par avion. Si vou tenez compte de l'investissement de ces deu ou trois millions de dollars à Mulgrave, vou devez également tenir compte de la perte glo bale à toute l'économie de Terre-Neuve.

M. McGrath: Quel pourcentage de votr commerce, c'est-à-dire vos importations d produits à Terre-Neuve et les produits d'ex portation vers le continent canadien, se fai par navire le long du Saint-Laurent, directe ment à Montréal, comparativement à ce qu arrive par chemins de fer et transbordeur travers le Détroit de Cabot? C'est la Clark Steamships qui fait la navette entre Montréa et Terre-Neuve, n'est-ce pas?

M. Ploughman: Oui. J'ai essayé d'obteni les chiffres pour 1968. Je sais que dans le ca du National-Canadien, le volume était d 402,000 tonnes pour 1968. J'ai les chiffres pou l'année 1965...

M. McGrath: Les derniers chiffres don vous disposez.

M. Ploughman: Ils sont pour l'année 1965 Le fret en direction de l'Est était de 291,000 C'est-à-dire que le National-Canadien a trans porté 291,000 tonnes en 1965. En 1968, ce chif fre est passé à 402,000 tonnes. Les société de navigation maritime ont transporté 185,00(tonnes. Par conséquent, une fois de plus, j(dirais que cette augmentation équivaut à l'augmentation ferroviaire.

M. McGrath: Ces navires vont-ils directe ment de Terre-Neuve via le Saint-Lauren jusqu'à Montréal, ou s'arrêtent-ils aussi à Halifax? Avez-vous des navires qui transpor tent des marchandises des Maritimes ici, ou est-ce que cela vient de Montréal seulement?

M. Ploughman: Ces marchandises provien nent directement de Montréal à Corner Brook, Botwood et Saint-Jean. Il y a des ser vices à partir de Halifax mais ils sont plutôt faible.

Texte]

Mr. Trudel: Mr. Chairman, I gather from the rief that the witness is looking for additional acilities or transportation facilities to the rea. Would this be correct?

Mr. Ploughman: When you say additional acilities, do you mean additional carriers?

Mr. Trudel: Carriers, because you said the ompetition was limited.

Mr. Ploughman: This would be desirable.

Mr. Trudel: Starting from that assumption, ie carriers that are now presently servicing ie area are travelling empty 90 per cent of ie time. They are only carrying volume out. et in the briefs that we have had so far, everal manufacturers or other Boards of rade similar to yours have mentioned that ey could not find service for the outgoing erchandise. We have had one instance here they said it was absolutely impossible r them to obtain space. I am trying to relate ie two statements, and they seem to be so ir apart.

Mr. Ploughman: Is this in Newfoundland?

Mr. Trudel: I am talking about the Atlantic rovinces.

Mr. Ploughman: This may apply in Nova cotia, but it does not apply in ewfoundland.

Mr. Trudel: You mentioned the $500 figure r transportation. Would this be per capita?

Mr. Ploughman: No, per family.

Mr. Trudel: Have you a comparable chart iat you could use for the rest of Canada?

Mr. Ploughman: I feel that the federal gov- rnment should bring in legislation to make iese figures available. I think the federal overnment and the provincial government hould know what the cost is, and realize that ost of what we use here in Newfoundland omes from the mainland of Canada. I think is important that we know what the freight . How can we really rationally discuss this nless we have it?

Right now DBS may have those figures. I o not know if they have them. But even if ey did, under the secrecy act you could not et them, even as Members of Parliament. I ink freight is an important factor I have

[*Interprétation*]

M. Trudel: Monsieur le président, d'après le mémoire, j'en conclus que le témoin demande des services de transport supplémentaires pour la région. Est-ce vrai?

M. Ploughman: Lorsque vous parlez d'installations supplémentaires, voulez-vous dire transporteurs supplémentaires?

M. Trudel: Des transporteurs supplémentaires parce que vous disiez que la concurrence était limitée.

M. Ploughman: Oui, c'est souhaitable.

M. Trudel: En partant de cette hypothèse, les transporteurs qui présentement desservent la région, sont vides dans 90 p. 100 des cas. Et pourtant, dans les mémoires que nous avons eus jusqu'ici, bon nombre de fabricants et de Chambres de commerce analogues au vôtre, ont dit qu'ils ne pouvaient pas trouver de service pour leurs marchandises qui allaient vers l'extérieur. Nous avons eu un cas où ils disaient qu'il était impossible d'obtenir de l'espace. J'essaye de rapprocher les deux déclarations qui semblent être tellement opposées.

M. Ploughman: Cela s'est-il passé à Terre-Neuve?

M. Trudel: Je parle des provinces de l'Atlantique.

M. Ploughman: Cela vaut peut-être pour la Nouvelle-Écosse, mais pas pour Terre-Neuve.

M. Trudel: Vous avez mentionné le chiffre de $500 pour les transports. Ce chiffre serait-il per capita?

M. Ploughman: Non, par famille.

M. Trudel: Avez-vous un tableau comparatif que vous pourriez utiliser pour le reste du Canada?

M. Ploughman: Je considère que le gouvernement fédéral devrait introduire une législation pour que ces chiffres soient disponibles. Je pense que les gouvernements fédéral et provincial, devront savoir ce que ça coûte et comprendre que la plupart de ce que nous utilisons ici provient du continent. Il est impossible que nous sachions ce qu'il en coûte par famille pour le transport. Comment pouvons-nous en discuter si nous n'avons pas cette statistique?

En ce moment, le Bureau fédéral de la Statistique a peut-être ces données. En vertu de la loi sur la statistique, je ne sais pas même s'ils les ont. Et même s'ils les avaient, en vertu de cette loi, vous ne pourriez pas les

[*Text*]

come up with an estimate of $500 per family. I think we should know what this cost really is.

Mr. Trudel: I do not disagree with your statement, sir, and I feel that it is certainly a point of value. But I wanted to find out whether you had any comparable chart.

I would like to suggest to you—and I am not trying to start a debate here—that this transportation aspect is taken into consideration in the equalization payment. You have a 62 or 61 per cent factor in your equalization payment for this province, which is 2½ to 3 times higher than half of Canada. Possibly in some cases the entire amount is in excess of what is being given to the other half of the country.

Mr. Ploughman: I would like to think that possibly one of the big considerations is that most of our minerals here in Newfoundland, or most of what we ship out of this province, is not going back to Canada, but it is ore and paper and so on. And I think here we are making quite a contribution to the gross national product of Canada, and the flow of traffic is going to foreign countries. I think in the equalization grants that you are referring to, this is probably as important a factor as the one you just mentioned.

Mr. Trudel: Possibly, and I think this will have to be verified further. I gathered from your information that the subsidy for the coastal services was not reflected back to the province.

Mr. Ploughman: There are two subsidies in the case of the CNR. One is the subsidy on the Gulf service, which I think approximates $6 million a year, and in the case of this service the rate is based on an extension of the rail. The other subsidy is the coastal service, which about three years ago came to about $7 million.

Mr. Trudel: A supplementary question to Mr. McGrath's question. I gather he is looking for another location for the airport, an alternate location. Is this the inference that was made?

Mr. Ploughman: Yes, that is right.

Mr. Trudel: Thank you, Mr. Chairman.

[*Interpretation*]

obtenir en tant que députés. Et je pense qu le transport des marchandises est un facteu très important. J'ai fait une évaluation d $500 par famille. Je pense que nous devrion vraiment savoir ce qu'il en coûte.

M. Trudel: Je ne suis pas en désaccord ave votre déclaration, et je pense que c'est là u point de vue valable. Mais je voulais savoir s vous aviez un tableau comparatif.

Je voudrais dire, et là, je ne veux pa commencer tout un débat, que dans les paie ments de péréquation, l'on a tenu compt de la question des transports. Vous avez u facteur de 62 ou 61 p. 100 dans les paiement de péréquation pour cette province, soit 2 fois à 3 fois supérieur à ceux de la moitié d Canada. Et dans certains cas même, tout l montant excède ce qui est donné à l'autr moitié du pays.

M. Ploughman: J'aimerais croire que l'un des grandes considérations vient du fait qu la plupart de nos minéraux ici à Terre-Neuv ou sinon la plupart de ce que nous expédion à l'extérieur de cette province, n'est pa retourné au Canada, mais c'est le minerai, l papier etc. Je pense ici que notre contributio au produit national brut est importante et qu le débit du trafic se dirige vers les pay étrangers. Je pense qu'en ce qui concerne le subsides de péréquation auxquels vous fai tes allusion, cela est un facteur tout auss important que celui dont vous venez d parler.

M. Trudel: Peut-être, et je pense qu'il faudrait le bien vérifier. J'ai cru comprendre qu les subventions consenties aux services côtier n'ont pas produit d'effets sur la province.

M. Ploughman: Il y a deux subventions dans le cas du Canadien-National. Une de ce subventions est celle qui a été consentie au service du Golfe et qui s'élève à environ 6 millions de dollars par année, et dans le cas de ce service, le tarif est basé sur une extension du rail. L'autre subvention est pour le service côtier, laquelle il y a environ trois ans de cela, se montait à presque 7 millions de dollars.

M. Trudel: Une question complémentaire à celle posée par M. McGrath. Je crois comprendre qu'il cherche un autre site ou un autre emplacement pour l'aéroport. Est-ce bien ce qu'il a dit?

M. Ploughman: Oui, c'est cela.

M. Trudel: Merci, monsieur le président.

Texte]

The Chairman: Gentlemen, this is the end f the questioning on your brief, and I would ike to thank you.

Our next brief is from Lundrigans Limited, nd I would like to call upon Mr. H. W. undrigan, Vice-President of Lundrigans imited; also Mr. Peter Cook, Manager of D. . L. Transport and Mr. Ronald Newhook, ice-President and General Manager of North tar Cement Limited.

Mr. Lundrigan will summarize his brief.

Mr. H. W. Lundrigan: Mr. Chairman and hembers, a year ago we prepared a brief for ubmission to the Standing Committee on ransport and Communications, the facts of hich were contributed by various groups ithin our organization.

As you may know, our organization is ade up of many activities, but in particular he brief covered the activities of D. B. L. ransport, which is a trucking transport com- any. Mr. Cook is here with me today and Ir. Ronald Newhook of North Star Cement, a rm associated with us on the west coast of ewfoundland, and Mr. W. Shildes who is ssociated with the steel company here which s a relatively new industry, and with which ve have become associated since our brief vas submitted.

Events since the submission of the brief ave shown that the government today is also oncerned about the development of areas of anada including almost all of Newfoundland s areas which need assistance for growth nd development. Our transportation is ssociated with almost every industry and we eel that the benefits of transportation to an ndustry should be looked at more closely han the actual detailed solutions of the trans- ortation itself. In other words, we are very uch concerned about transportation as it ffects an industry.

Therefore we would like to point out and tress again the the importance of secondary ndustry for the proper growth and develop- ent of the province.

We are extremely fortunate in Newfound- and to have several large major industries. n general there would be the paper industry n two large centres in Corner Brook and rand Falls, a mining complex in Labrador ity and, of course, various fisheries develop- ents throughout the province. These large ndustries are beneficial and we should not in ny way belittle this. They do not provide for ontinued increase in employment which aturally comes from growth in population.

[*Interprétation*]

Le président: Merci. Voilà la fin de la période des questions. Je vous remercie, messieurs.

Le prochain mémoire nous vient de la *Lundrigans Limited*, et j'aimerais demander à monsieur Lundrigan, vice-président de la *Lundrigans Limited*, ainsi qu'à monsieur Peter Cook, directeur au D.B.L. Transport et monsieur Ronald Newhook, vice-président et directeur général de la *North Star Cement Limited*. Monsieur Lundrigan commencera par nous résumer son mémoire.

M. H. W. Lundrigan: Monsieur le président et messieurs les députés. Il y a un an, nous avons préparé un mémoire à présenter au comité permanent des transports et des communications. Les données du mémoire avaient été fournies par divers groupes de notre organisme.

Comme vous le savez peut-être notre organisme s'occupe de plusieurs domaines, mais le mémoire couvre en particulier l'activité de la D.B.L. Transport, une société de transport par camion. Monsieur Cook, monsieur Ronald Newhook, de la North Star Cement, société qui située sur la côte ouest de Terre-Neuve et affiliée à la nôtre, et monsieur Bill Shildes, qui est associé à une aciérie assez nouvelle et à laquelle nous nous sommes associés depuis que le mémoire a été présenté.

Depuis que nous vous avons présenté notre mémoire, les événements ont démontré que le gouvernement s'intéresse aussi au développement des régions du Canada notamment presque tout Terre-Neuve, en tant qu'endroits qui auraient besoin de croître et de se développer. Le transport est lié à preque toutes les industries et nous croyons que l'on devrait peut-être examiner d'un peu plus les avantages du transport pour une industrie que les solutions actuelles en détail du transport lui-même.

En d'autres termes, nous nous préoccupons beaucoup des effets du transport sur l'industrie. Nous voudrions donc signaler, et insister encore une fois, sur l'importance de l'industrie secondaire pour le développement et l'expansion appropriés de la province.

Nous sommes très fortunés à Terre-Neuve, d'avoir plusieurs grandes industries d'importance. De façon générale, il y aurait l'industrie du papier dans deux grands centres, à Corner Brook et à Grand Falls, un complexe minier à Labrador dans Labrador City et évidemment différentes entreprises d'amélioration des pêcheries à travers la province. Ces grandes industries soient bonnes, utiles et nous ne devrions pas les déprécier d'aucune manière. Elles ne donnent pas lieu à une aug-

[*Text*]

It is a fact that the primary industries are constantly searching for ways to automate which inevitably reduces the number of people employed and this, of course, adds to the unemployment list.

Therefore, it inevitably falls upon the secondary industries to provide jobs for future generations. Even if some large second centre of primary industry were to be established, the problem will occur again in the next generation. Secondary industries, of course, can only be developed as markets are available for the products manufactured. The most successful secondary industries are those established in large urban areas where transportation is not such a significant part of the total operation.

The rise in the population is nearly 500,000 for the whole of Newfoundland, and it is very rapidly understood that the only secondary industries that could be successful are those which could produce products that could be consumed by a population within the province.

Our organization over the past few years has been investigating means of diversification. Our studies have concluded that there are a very few industries which could be economically established and be successful with a consumer market of this size. It also should be realized that it would be unwise to consider that in any production the manufacturer could hope to service an entire consumer population. Even to expect to obtain 50 per cent of a market would be more than is normally expected. Consequently, the only effective consumer market that any secondary industry could expect in this province would be one of about 250,000 people. Any secondary industry, therefore, must have access to a much larger market.

While Newfoundland is situated geographically this would mean the Maritime Provinces and Eastern Quebec. To give any secondary industry, particularly in Western Newfoundland, any possibility of development and growth, the problem of transportation has to be looked at in the light of how these industries would be assisted in getting their manufactured goods to market, not only in Newfoundland but off the island across the gulf and into the oher provinces of Canada.

We are ideally situated for marine transport, but for the services that consumers today are demanding road and rail transport services have also to be provided.

[*Interpretation*]

mentation continuelle de l'emploi qui provien naturellement de l'accroissement de la popu lation. Il est vrai que les industries primaire cherchent sans cesse à mécaniser, ce qu réduit inévitablement le nombre d'employé et allonge la liste des chômeurs.

Il revient donc aux industries secondaire de fournir des emplois aux futurs générations Même si quelques grands centres secondaire d'industrie primaire devaient être créés, l problème se répéterait pour la prochain génération. Les industries secondaires ne peu vent être développées que si les débouché sont disponibles pour les produits manufactu rés. Les industries secondaires les plus floris santes, sont celles qui sont établies dans le grand centres urbains où le transport ne cons titue pas tellement une partie essentielle d leur activité.

L'accroissement de la population de Terre-Neuve dans son ensemble, est de 500,000 seulement, et l'on constate bien vite que les seules industries secondaires qui pourraient réussir sont celles qui pourraient produire des denrées qui seraient consommées ici-même dans la province.

Depuis quelques années, nous essayons de trouver le moyen de diversifier ces industries, mais nous en sommes venus à la conclusion qu'il y a très peu d'industries secondaires qui pourraient s'établir ici avec succès, étant donné le nombre limité de consommateurs. Il faut réaliser aussi qu'aucune industrie ne devrait espérer pouvoir desservir toute la population. Même si l'on arrivait à desservir la moitié de la population, ce serait plus que ce que l'on pourrait normalement espérer.

Par conséquent, le seul débouché auquel une industrie secondaire pourrait s'attendre dans cette province serait composé d'environ 250,000 consommateurs. Ainsi toute industrie secondaire doit nécessairement avoir accès à un plus grand débouché.

Étant donné la situation géographique de Terre-Neuve, cela voudrait dire les provinces Maritimes et l'est du Québec.

Pour permettre à toute industrie secondaire, surtout dans l'ouest de Terre-Neuve, de se développer et de croître, il faudrait examiner le problème des transports à la lumière de la façon dont on pourrait aider ces industries à acheminer leurs produits vers les débouchés, non seulement à Terre-Neuve, mais à travers le Golfe et dans les autres provinces du Canada.

Du point de vue du transport maritime, nous sommes très bien situés, mais pour pouvoir assurer aux consommateurs les services qu'ils exigent de plus en plus, les services du transport ferroviaire et routier sont nécessaires.

[*Texte*]

We have pointed out in our brief that in e terms of union with Canada there refer- ce is made to the gulf crossing, and I will ote it specifically:

> For the purpose of railway rate regulation the Island of Newfoundland will be included in the Maritime region of Canada, and through traffic moving between North Sydney and Port-aux-Basques will be treated as all-rail traffic.

was apparently the intention at the time of ion that for the purpose of establishing rail tes to consider the Gulf of St. Lawrence as n-existent. At the time of union only exports the primary industries were considered d these exports were primarily by ocean eight. If we are able to develop this prov- ce and place Newfoundland on an equal onomic footing with other provinces of nada, we must reverse the flow and export anufactured goods from Newfoundland to nsumer markets on the mainland of Cana- . If the legislators in the day of union were epared to assist Newfoundland with its ports, then it seems not unreasonable to quest the legislators of the day to provide r assistance to industries by arranging that ports as well can cross the gulf onto the ainland of Canada at a cost that would not greater than if a road existed between rt-aux-Basques and Sydney. For New- undland to have equal opportunity it should t cost an industry any more to transport eight from, say, Stephenville to Sydney an other points in Canada although we have is natural barrier.

This could be accomplished if the ferry ossing, for purposes of establishing freight tes, were to be considered as a bridge or a useway. From our studies in preparation of r submission we realize the complexity of e problems facing the Standing Committee. e feel the emphasis should be placed on ays and means by which transportation uld assist in the future development of this ovince, for if we are successful in this and r economy becomes buoyant and healthy e are not so much concerned with the gional disparities. Transportation may not en be such an important segment of our onomy.

May I summarize briefly the four main ints very specifically covered in the brief? ey are:

1. That the Maritime Freight Rates Act sistance be extended to all modes of ansport.

[*Interprétation*]

Nous avons insisté, dans notre mémoire, sur le fait que dans les conditions de l'union de Terre-Neuve avec le Canada, il est question de la traversée du Golfe et je vais la citer:

> «L'île de Terre-Neuve sera comprise dans la région Maritime du Canada en ce qui a trait aux règlements touchant les tarifs de chemins de fer et le trafic d'entier parcours entre Sydney-Nord et Port-aux-Basques sera réputé être du trafic exclusivement ferroviaire.»

Lors de l'Union, pour établir les tarifs ferroviaire, ou voulait considérer le Golfe du Saint-Laurent comme non-existant. Seulement l'exportation des industries primaires étaient prises en considération et le transport de ces marchandises se faisait par bateau. Si nous pouvons développer la province et mettre Terre-Neuve sur un pied d'égalité avec les autres provinces du Canada, il nous faudra absolument renverser la direction du trafic et exporter les produits manufacturés de Terre-Neuve vers les débouchés du continent canadien. Si les législateurs du temps de l'union, étaient prêts à aider Terre-Neuve avec ses importations, il me semble très raisonnable de demander aux législateurs d'aujourd'hui de fournir une aide aux industries en prenant les dispositions pour que leurs exportations aussi puissent traverser le golfe vers le continent canadien à un prix qui ne dépasserait pas celui que l'on payerait s'il existait une route entre Port-aux-Basques et Sydney. Pour que Terre-Neuve jouisse des mêmes avantages, il faudrait voir à ce qu'une industrie ne débourse pas plus pour transporter ses produits par exemple de Stephenville à Sydney, que d'autres points du Canada malgré cette barrière naturelle.

Nous pourrions le faire si, pour établir des tarifs-marchandises le traversier était considéré comme étant un pont ou une route.

Une brève étude de notre mémoire nous fait comprendre la complexité des problèmes qu'aura à faire face le Comité permanent. Nous estimons que l'on devrait surtout trouver des moyens qui permettraient aux transports d'aider à l'expansion future de notre province, car si nous y réussissons et que notre économie devienne vraiment saine, nous ne nous préoccuperons plus tellement des disparités régionales. Le transport ne sera peut-être plus considéré comme étant un important secteur de notre économie.

Je voudrais à présent vous parler brièvement des quatre points mentionnés dans le mémoire. Ce sont les suivants: 1. que l'aide prévue par la Loi sur les taux de transport des marchandises dans les provinces maritimes porte sur tous les moyens de transports.

[*Text*]

2. That provisions be made available on the Gulf Ferry service for modern handling techniques such as piggyback containerized cargo so that Newfoundland can enjoy the benefits of the use of these new methods which are very rapidly being established elsewhere in Canada.

3. That tolls for trucks and tractor trailors on the gulf service crossing be set at rates not greater than the expenditure required to operate vehicles over an equivalent highway distance—for example, as if the bridge existed. Now, this means market potential would be increased in the mainland for Newfoundland products, and improved transport services would be available to all areas of the island.

4. That assistance be given to improving dock and road facilities, particularly in Corner Brook, in order to provide adequate room and facilities for transfer of cargo to and from trucks, including provisions for handling trailers carried by ships and containerized cargo.

We feel that the economic lifeline for Newfoundland, if not in whole then in part, lies in the North Sydney-Port-Aux-Basques Gulf Ferry service. The economy, the standard of living and the socio-economic position of Newfoundland are dependent not only on maintaining existing services, but on continually striving to improve their quality and efficiency. We strongly feel that the amendment of the Maritime Freight Rate Act to meet the above conditions, a revision of the Gulf Ferry charges, and the updating of transport facilities on the Gulf Ferry and at docks, would greatly assist in the economic development of Newfoundland. We think if we can reverse the trend it is quite apparent it would benefit Canada as a whole.

The Chairman: Gentlemen, before going any further I would like to welcome a gentleman here in the audience this morning whom I think everybody knows. I want to mention the name of the Minister of Defence Production, Hon. Don Jamieson. Mr. Breau?

Mr. Breau: Mr. Chairman, since our arrival in Newfoundland some of the briefs have indicated that they would be interested in having subsidies for transportation to reduce the pressure on the consumer, to reduce the prices.

You seem to indicate, as the other Maritime provinces have, that it would be helpful to

[*Interpretation*]

2. Que les techniques modernes de manu tention, telles que les containers rail-rout soient mises à la disposition du service d traversier du Golfe pour que Terre-Neuv puisse profiter de ces nouvelles méthodes q sont adoptées très rapidement ailleurs a Canada.

3. Que les péages pour les camions et le camions-remorques soient fixés à des tau n'excédant pas les frais de transport requ pour une même distance routière, c'est-à-di comme si le pont existait. De cette façon c augmenterait les débouchés sur le continen canadien pour les produits de Terre-Neuve de meilleurs services de transport seraien disponibles à toutes les régions de l'île.

4. Que l'on fournisse l'aide nécessaire pou améliorer les quais et installations routière surtout à Cornerbrook, afin de disposer d l'espace nécessaire pour le transfert des ca gaisons et que l'on construise les installation nécessaires à la manutention des remorque transportées par bateau et aux marchandise transportées dans des «containers».

Nous estimons que la survie économique d Terre-Neuve réside, au moins en partie, sino totalement, dans le service des transporteur entre Sydney-nord et Port-aux-Basques. L'é conomie, le niveau de vie et la situatio socio-économique de Terre-Neuve ne déper dent pas seulement du maintien des service actuels, mais aussi de la continuité des effort accomplis en vue d'accroître leur qualité, leu efficacité. A notre avis, une modification de l Loi sur les taux de transport des marchandi ses dans les provinces Maritimes, en vue d satisfaire les conditions précitées, une révi sion des taux de transport du *Gulf Ferry* e l'amélioration des installations de transpor du *Gulf Ferry* et des installations de quais e d'entreposage favoriseraient grandement l'ex pansion économique de Terre-Neuve, pour l plus grand bien du Canada tout entier.

Le président: Messieurs, avant d'aller plu loin, j'aimerais maintenant souhaiter la bien venue à un monsieur ici à l'auditoire ce mati qui est connu de tout le monde, je crois. Et j veux par là mentionner le nom du ministr de la Production de défense, monsieur Do Jamieson. Monsieur Breau?

M. Breau: Monsieur le président, depui notre arrivée à Terre-Neuve, certains mémoi res faisaient mention de subventions qu devraient être consenties aux transports afi de réduire la pression exercée sur le consom mateur, sous forme des prix.

Vous semblez indiquer, comme les autre provinces des Maritimes, qu'il serait avanta

[*Texte*]

ave freight subsidies on raw materials so nat you could manufacture here and have etter access to the markets in central anada.

Now, there could be a conflict of opinion ere. Could you tell us whether you have any pecific kinds of industries in mind? For xample, we heard yesterday that a car ould cost more in Newfoundland because of ne freight and perhaps food. Could you tell s whether you have specific kinds of prodcts in mind, not necessarily in detail but in eneral, that you think could be manufacured here and sold in Central Canada? Could ou elaborate on that?

Mr. H. W. Lundrigan: Rather than be spefific I could say that any product, if you want o think about it, can be manufactured in ewfoundland or anywhere, for that matter, ut you must find a number of people who ould consume it. If it is manufactured in ewfoundland—there are not many products; here are quite a number of secondary indusries here now—for a continued growth we ave to get access to other population or therwise there cannot be any secondary ndustry.

Our company, together with others, comined on a study of secondary industries for estern Newfoundland. We started off with 0 products, but cut down to nine that were tudied. Two of them were possibilities and ne will probably come off. Every one of the tems was based on putting in a minimumized factory which in four weeks would prouce the whole production necessary for Newoundland. So, consequently the success of econdary industries is the availability of dditional markets, and herein we think the ransportation would assist greatly.

Mr. Breau: Yes, I agree with that but the roblem that has been indicated to us here is hat consumers pay a lot more for their roducts in Newfoundland. It would be great o have secondary industries and to have ccess to the market, but you have to protect he consumer. Do you think that freight subidies, industrial incentive and good producivity can held you to reduce the level of onsumer prices in Newfoundland?

Mr. H. W. Lundrigan: One could answer es to that but it would probably not work ut that way. Again not trying to be evasive, think the emphasis is on the wrong point. If veryone is employed, the price to the con-

[*Interprétation*]

geux d'obtenir des subventions sur les matières premières afin que vous puissiez entreprendre la fabrication ici et avoir un meilleur accès aux débouchés du Canada central.

Il se peut que les opinions diffèrent à ce sujet. Pouvez-vous nous dire si vous avez des industries précises en vue? Par exemple, hier, on nous a dit qu'une automobile, par exemple, coûterait plus à Terre-Neuve en raison des taux de transport et peut-être les aliments aussi. Pouvez-vous nous indiquer si vous avez des produits particuliers, non pas en détail, mais peut-être en général, qui d'après vous pourraient être fabriqués ici et vendus au Canada Central?

M. H. W. Lundrigan: Nous pourrions peut-être dire que, peu importe le produit auquel vous songez, s'il est fabriqué à Terre-Neuve ou ailleurs. Il faut absolument trouver les gens pour les acheter. Si les produits sont manufacturés à Terre-Neuve, il n'y a pas beaucoup de produits, il y a maintenant beaucoup d'industries secondaires ici, mais pour avoir une expansion continue, il faut absolument trouver un accès à d'autres marchés. Autrement, on ne pourrait pas avoir d'industrie secondaire.

Notre compagnie de concert avec d'autres a fait une étude sur la possibilité des industries secondaires pour l'ouest de Terre-Neuve. Nous avons commencé avec 20 produits et nous en sommes réduits à 9. Deux d'entre eux étaient des possibilités et on devra probablement en retrancher un. Chacun des item était fondé sur l'établissement d'une usine de dimensions minimales qui, dans l'espace de 4 semaines, aurait suffisamment de production pour couvrir tout Terre-Neuve. Par conséquent, le succès de l'industrie secondaire dépend de la possibilité de débouchés. C'est là que nous trouvons que le transport aiderait beaucoup.

M. Breau: Je suis parfaitement de votre avis, mais le problème qu'on nous a signalé ici est le fait que les consommateurs paient beaucoup plus pour leurs produits à Terre-Neuve. Ce serait très bien d'avoir des industries secondaires et d'avoir accès au marché, mais il faut protéger le consommateur. Croyez-vous que des subventions au transport de la marchandise, l'encouragement de l'industrie et une bonne production vous aideraient à réduire le niveau des prix aux consommateurs à Terre-Neuve?

M. H. W. Lundrigan: Je pourrais répondre oui, mais les choses n'iraient probablement pas de cette façon. Je n'essaie pas d'être vague mais je crois qu'on insiste sur le mauvais point. Si tout le monde est employé, le

[*Text*]

sumer is not as important as if half of them are unemployed and consumer prices are low. Reduction or assistance in freight rate obviously has to affect the consumer in lower prices; there is no question about that. Whether its effect will be significant or as great as in other parts of Canada I could not answer. I do not think so.

Mr. Rose: Mr. Chairman, in Mr. Lundrigan's reply to the last question to the effect that if everyone is employed, price is not a factor, I would suggest to Mr. Lundrigan that that depends upon the level of wages. Is that not so? Because we have heard a great deal about the problems of production in a...

Mr. H. W. Lundrigan: But I did not say "not important". I said not "as important".

Mr. Rose: Not "as important". I am sorry if I misquoted you, because I think what you talked about is what has been talked about throughout the Atlantic provinces, and that is the creation of an internal market. When you have the level of unemployment and the low wages here, while it gives you certain productive advantages because of these low wages, it also works against you because the people here do not have the funds with which to purchase some of these products.

Mr. Lundrigan: That is true, but if the market is expanded, if the market area is expanded—Japan probably has the highest wage rate, the highest standard of living speaking of the City of Tokyo. The people are employed, it is a higher standard of living. The cost of living is higher but the economy is good, and secondary industry is so strong in that nation as to be phenomenal.

Mr. Rose: In spite of their isolation.

Mr. H. W. Lundrigan: Yes. To give you an idea of the position of our secondary industries in Newfoundland, based on a report . . .

Mr. Rose: While you are looking for that, I think we could add the point that Japan has a very high population which also makes a difference.

Mr. H. W. Lundrigan: That is right. But their sales are also outside Japan; it is not all internal sales.

Mr. Rose: That is right, and 51 per cent of their industry is owned by Japanese.

Mr. H. W. Lundrigan: This is a study in 1961, that in secondary industries, Newfound-

[*Interpretation*]

prix aux consommateurs n'est pas aussi important que si la moitié d'entre eux sont chômeurs et que les prix sont bas. Une réduction dans l'aide donnée aux transports doit nécessairement affecter les prix aux consommateurs, mais que ce changement soit significatif ou aussi important que dans le reste du Canada, je ne pourrais dire. Je ne crois pas.

M. Rose: Monsieur le président, au sujet de la réponse que monsieur Lundrigan a donnée à la dernière question à l'effet que si tout le monde travaille, les prix ne sont pas un facteur, je pourrais peut-être lui dire que cela dépend du niveau des salaires. N'est-ce pas? Car nous avons beaucoup entendu parler des problèmes de production.

M. H. W. Lundrigan: Je n'ai pas dit «important», mais «pas aussi important».

M. Rose: Pas aussi important. Je m'excuse si je vous ai mal interprété mais ce dont vous parlez, je crois, c'est ce qu'on nous a dit partout dans les provinces de l'Atlantique, soit la création de marchés internes. Lorsque vous avez le niveau du chômage et de bas salaires ici, même si vous avez certains avantages de production, à cause justement de ces bas salaires, il y a aussi un désavantage car les gens n'ont pas les fonds voulus pour acheter ces produits.

M. H. W. Lundrigan: C'est vrai, mais si le marché, si le secteur du marché... par exemple, le Japon a peut-être le niveau de paye le plus élevé, le niveau de vie le plus élevé, du moins pour la ville de Tokyo. Les gens travaillent, ils ont un niveau de vie plus élevé. Le coût de la vie est élevé, mais l'économie est bonne et l'industrie secondaire dans ce pays peut être qualifiée de phénoménale.

M. Rose: Malgré leur isolement.

M. H. W. Lundrigan: Oui. Je vais vous donner une idée de la situation de nos industries secondaires à Terre-Neuve, fondée sur le rapport...

M. Rose: Pendant que vous cherchez cela, je pense que nous pourrions ajouter que le Japon a une grande population ce qui fait une différence.

M. H. W. Lundrigan: Oui, mais ses ventes se font à l'extérieur, et non uniquement dans le pays.

M. Rose: C'est juste, et 51 p. 100 de ses industries sont la propriété des Japonais.

M. H. W. Lundrigan: Il s'agit d'une étude faite en 1961 des industries secondaires et

[Texte]

nd had 3.5 per cent of the gross domestic roduct and Canada in secondary industries ad 23 per cent. In primary industries New- oundland had 24½ per cent and Canada 13 er cent. We were over-balanced with the rimary industries.

Mr. Rose: Yes. It is your isolation too, and think you have made this point. I think we, British Columbia, because of our isolation om the central Canadian markets, find our- lves at a similar disadvantage at times.

I do not feel, sir, that you hold out a great al of hope for the development of second- y industries in this province in a reasonable riod of time. I get the distinct feeling that is reminds me somewhat of a colonial area an emerging area, developing area, in hich there are a reasonably large proportion people who are extremely well off in the rimary industries and a great number of ople who are living under extremely pressed conditions. Do you agree with that?

Mr. H. W. Lundrigan: What you say is a ct but I do not agree that I portray the titude that there is no hope.

Mr. Rose: Well, sir, yes; that is what I am ggesting.

Mr. H. W. Lundrigan: I would like to . . .

Mr. Rose: You are suggesting it is very fficult.

Mr. H. W. Lundrigan: Yes, of course.

Mr. Rose: But it is not hopeless?

Mr. H. W. Lundrigan: I would think not.

Mr. Rose: The kind of suggestions that you ve made about the transportation subsidies d access to the Canadian market must be ne at a great social cost to the rest of nada?

Mr. H. W. Lundrigan: Yes, I would say that could.

Mr. Rose: In subsidies of one form or nother.

Mr. H. W. Lundrigan: Since Canada and ewfoundland joined together there is pected to be a flow of assistance from the ainland of Canada until our economy is ore buoyant. This was understood.

Mr. Rose: Sir, the government in this prov- ce has found it expedient and efficient to ove people from the outports into the owth centres because of the greater ease, r social benefit—this can be argued; never-

[*Interprétation*]

indiquant que Terre-Neuve avait 3.5 p. 100 du produit domestique brut et le Canada, dans les industries secondaires, 23 p. 100. Pour les industries primaires, Terre-Neuve avait 24½ p. 100 alors que le Canada avait 13 p. 100. Nous avons trop d'industries primaires.

M. Rose: Oui, votre isolement y est pour quelque chose et je crois que vous avez signalé ce point. Nous, en Colombie-Britannique, à cause de notre isolement des marchés centraux canadiens, avons parfois les mêmes désavantages.

Je trouve que vous n'exprimez pas beaucoup d'espoir pour les industries secondaires dans la province pour un certain temps. J'ai l'impression que cela me fait penser à une région coloniale ou une région émergeante, en voie de développement, où il y a une très grande proportion de gens qui se trouvent très bien dans les industries primaires et de nombreux autres qui se trouvent dans un état de dépression même. Êtes-vous d'accord?

M. H. W. Lundrigan: Ce que vous dites est vrai, mais je ne suis pas d'accord que je ne donne aucun espoir.

M. Rose: C'est vrai, monsieur, voilà ce que j'avance.

M. H. W. Lundrigan: J'aimerais. . .

M. Rose: Oui, mais vous suggérez tout de même que c'est très difficile.

M. H. W. Lundrigan: Évidemment.

M. Rose: Mais, est-ce sans espoir?

M. H. W. Lundrigan: J'espère que non.

M. Rose: Le genre de suggestion que vous avez faite au sujet des subventions au transport et de l'accès aux débouchés du Canada doit se faire à un coût social très élevé pour le reste du Canada.

M. H. W. Lundrigan: Oui, je dirais que c'est possible.

M. Rose: Sous forme de subvention d'une sorte ou d'une autre.

M. H. W. Lundrigan: Comme Terre-Neuve et le Canada sont unis, on s'attendait qu'il y ait cette aide du continent jusqu'à Terre-Neuve, jusqu'à ce que notre économie soit en meilleure posture. Cela avait été entendu.

M. Rose: Le gouvernement de cette province a trouvé bon et efficace de déménager les gens vers les centres de croissance à partir des régions éloignées en raison d'avantages sociaux, on pourrait en discuter, mais je crois

[*Text*]

theless I think this is the philosophy behind it. The government is presently engaged in this kind of a program. Following that philosophy and enlarging on it it seems to me that perhaps the Government of Canada might feel the same way, that it might be expedient to move more people into certain areas of specialization rather than expecting every area in Canada to be equally competitive and self-sufficient in terms of secondary industries.

Mr. H. A. Lundrigan: When you say that do you mean greater centralization in the Province of Newfoundland or are you saying the whole Province of Newfoundland should be moved into Ontario?

Mr. Rose: I am suggesting to you, sir, that what you have done here locally might be considered as a philosophy on a larger picture, and that certain areas in Canada might be considered better for, say, raising wheat and not for secondary industries; certain areas might be considered to be more efficient for primary industries, and that the social cost to Canadians might be too great to expect every area to be equally productive in terms of secondary industries.

Mr. H. W. Lundrigan: I could not agree because that would mean that you would have to have an employment crisis where there is 100,000 people unemployed, then you inject the primary industry to employ that 100,000 or 10,000. Then you wait until the growth population builds up a crisis again and inject another primary industry. The whole system is based on 99 people becoming unemployed because they become 21 years of age and are educated. You are hoping to find employment for these people and you cannot find it by putting 99 in a primary industry.

Mr. Rose: I think this constant outflow of people has been the problem of the Maritimes. Would you not agree?

Mr. H. W. Lundrigan: No, it is not a problem. The outflow of people is a necessity in many cases because there is no employment, and you have to get a gradual employment by secondary industry. I don't know of any other way to do it?

Mr. Rose: And you are suggesting that the solution to this is to subsidize transportation and inject massive doses of social capital

[*Interpretation*]

tout de même que c'est la philosophie qui animé le gouvernement. Le gouvernemer poursuit à l'heure actuelle ce genre de pro gramme. Suivant sa philosophie maintenant e l'élaborant, il me semble que le gouverne ment du Canada pourrait peut-être avoir le mêmes réactions, soit que ce serait mieux d déplacer plus de gens dans certaines région de spécialité plutôt que de s'attendre à ce qu chaque région du Canada soit aussi concur rentielle et indépendante en termes d'indus tries secondaires.

M. H. W. Lundrigan: Quand vous dite cela, est-ce que vous voulez dire une plu grande centralisation à Terre-Neuve, o est-ce que vous voulez dire que toute la pro vince de Terre-Neuve devrait déménager e Ontario?

M. Rose: Non, ce que je suggère, c'est qu ce que vous avez fait ici au plan local pour rait peut-être être étudié comme philosophi sur une plus grande échelle et que certaine régions du Canada pourraient être considé rées comme plus propices à la culture du blé par exemple, et non pour l'industrie secon daire; certaines régions pourraient être consi dérées plus efficaces pour l'industrie primair et le coût social aux Canadiens pourrait êtr trop élevé si l'on voulait que chaque régio soit aussi productrice en termes d'industri secondaire.

M. H. W. Lundrigan: Je ne peux pas êtr d'accord, car cela voudrait dire nécessaire ment une crise de chômage; là où il y 100,000 chômeurs, vous créez une industri primaire pour en employer 100,000 ou 10,000 Ensuite, vous attendez que la croissance de l population provoque une autre crise et vou créez une autre industrie primaire. Tout l système est fondé sur le fait qu'il y a 99 per sonnes qui deviennent chômeurs parce qu'elle ont 21 ans et qu'elles sont instruites. Vou espérez trouver des emplois pour ces gen mais vous n'en trouverez pas en plaçant le 99 dans l'industrie primaire.

M. Rose: Selon moi, le problème des Mari times est justement cette immigration cons tante des gens.

M. H. W. Lundrigan: Non, ce n'est pas u problème. Cette immigration est nécessair dans plusieurs cas car il n'y a pas d'emploi. I faut obtenir peu à peu des emplois grâce à l'industrie secondaire. Je ne connais d'autre moyens.

M. Rose: Et alors, vous suggérez que l façon de le faire, c'est de subventionner le transports et d'injecter beaucoup de capita

[*Texte*]

rom the remainder of Canada so this area an develop equally with the rest of Canada?

Mr. H. W. Lundrigan: I would never have ny objection to injections of massive doses of apital, but that is not my point. My point is at transportation should be looked at in the ght of assistance to this problem. It is good talk about the freight rates going up or ing down, or competition in trucking, hich we have covered in our brief. All these ings, I think, have to be discussed because her people have greater interests than the pic we are discussing right now, but you ust look at this problem in the light of how e solution to transport will affect secondary dustries for the purpose of this discussion id if you can assist the making of watches Port aux Basques by shipping them to ntral Canada, why not use transportation stead of injections of capital?

Mr. Rose: This is my concern and this is hy I have raised it pretty well with every rief. How we are going to make certain that ny grants, subsidies, or payments of any nd actually reach the people who need to be ached?

Mr. H. W. Lundrigan: I would say give portunity to the people in this province, on is Island, so that these disadvantages will ot hit them. Let me emphasize it by putting the other way: make greater advantages for tting it here. An investor in Central Cana- a looks at Ontario, at Nova Scotia and at ewfoundland. He is not concerned about anada. He is an investor. You have been ere and have travelled on our train and our us and so on: would you put your money ere?

Mr. Rose: I do not have any.

Mr. H. W. Lundrigan: I say you must make e economic climate and one of the factors is ansportation.

Mr. Horner: Mr. Lundrigan, first of all I ould like to compliment you for your nowledgeable brief. Certainly one, in read- g over the brief, could understand you now something of the economy of New- undland. I am concerned with the higher st of living that exists here in Newfound- nd. What percentage of industry's general st would you say could be attributed to the ansportation factor. Could you give us an lea: is it a big factor or a little factor?

Mr. H. W. Lundrigan: It is a phenomenal ctor, not only in the dollars and cents eight rate—

[*Interprétation*]

social du reste du Canada, pour que cette région se développe au même rythme que le reste du Canada?

M. H. W. Lundrigan: Je ne m'opposerais jamais à des apports massifs de capital, mais je ne veux pas parler de cela. Il faut examiner les transports à la lumière de l'aide à ce problème. C'est très bien de parler du coût des transports qui monte ou baisse ou de la concurrence des camions que nous avons mentionnée dans notre mémoire. Il faut en parler parce que d'autres personnes ont des intérêts plus marqués que le sujet que nous discutons actuellement, mais il faut nécessairement étudier ce problème à la lumière de la réaction qu'aura cette aide sur les industries secondaires aux fins de la présente discussion. Si vous pouvez aider l'industrie de la fabrication des montres à Port aux Basques en permettant d'exporter ces produits au centre du Canada, pourquoi ne pas utiliser les transports au lieu d'apports de capital?

M. Rose: C'est ce qui me préoccupe et c'est pourquoi j'en ai parlé dans presque tous les mémoires. Comment allons-nous, justement, nous assurer que les octrois, la péréquation ou les paiements soient passés aux gens à qui on devrait le faire?

M. H. W. Lundrigan: Je dirais, donnons l'occasion aux gens de Terre-Neuve afin que ces désavantages ne les touchent pas, ou je pourrais peut-être dire, rendons plus avantageux le fait de s'installer ici. L'habitant du centre du Canada qui place des capitaux regarde en Ontario, en Nouvelle-Écosse et à Terre-Neuve. Il se soucie peu du Canada. Il veut tout simplement placer des fonds. Vous êtes venus ici, vous avez voyagé par train, par autobus, etc.; est-ce que vous placeriez vos fonds ici?

M. Rose: Je n'en ai pas.

M. H. W. Lundrigan: Et alors, je prétends qu'il faut établir le climat économique nécessaire, et un des facteurs est le transport.

M. Horner: Monsieur Lundrigan, je désire vous féliciter de votre mémoire très bien documenté. En lisant votre mémoire, on peut se rendre compte que vous êtes au courant de l'économie de Terre-Neuve. Je suis préoccupé du coût de la vie élevé qui existe ici à Terre-Neuve. Quel pourcentage, diriez-vous, des frais généraux de l'industrie pourrait être attribué au facteur transport? Pourriez-vous nous donner une idée; est-ce un facteur important ou non?

M. H. W. Lundrigan: C'est un facteur phénoménal, non seulement en dollars et en cents, pour frais de transport...

[*Text*]

Mr. Horner: It is a nominal factor?

Mr. H. W. Lundrigan: It is phenomenal. It is a large factor. It is a tremendous factor. Mr. Ploughman mentioned delays in shipping, delays, for instance, caused by an ice blockade or inadequate facilities provided throughout the province for distribution and so on. It is a problem.

Mr. Horner: I think the one of the boards of trade blamed it on the carrier and said that the carrier was taking advantage of the subsidies and not necessarily passing it on to the consumer. Would you agree with that statement?

Mr. H. W. Lundrigan: You are asking, is it a fact?

Mr. Horner: All right: is it a fact that the carrier has been receiving the biggest advantage of this subsidy and is perhaps the culprit in the high cost of transportation on the island. Perhaps it is justifiable; perhaps it is the because of the elements he has to put up with.

Mr. H. W. Lundrigan: There is a subsidy of the ferry crossing as it is now across the Gulf, and the benefits, presumably, already go to the consumer because the pay back is to the transportation facility.

Mr. Horner: This is true and I am reminded now of the statement of the Minister in the House when he categorically stated that lawyers in Newfoundland charged the higher transfer rates in the building of homes than anywhere else in Canada. Now we have evidence to suggest that carriers are the most expensive part of transportation in Newfoundland.

I am just trying to isolate the factors that contributed to the high cost of living.

Mr. H. W. Lundrigan: Transportation problems contribute to the high cost. For instance, if you are building a building and it is delayed four weeks, it ends up in the cost of the project, does it not?

Mr. Horner: I presume you are a member of the Canadian Trucking Association or the Maritime Motor Transport Association. The Motor Transport Association, we are told, appeared on December 7, 1967 before the Minister of Transport in Ottawa, asking that the MFRA subsidy be made applicable to all modes of transportation, particularly the trucking industry. They were told that it would cost an additional $4 million and at that time the government turned it down. Do

[*Interpretation*]

M. Horner: Un facteur nominal?

M. H. W. Lundrigan: C'est phénoménal, u facteur très important. M. Ploughman a parl des retards dans la livraison des marchandi ses, délais entraînés par les barricades d glace, des services inadéquats, dans la pro vince, pour les livraisons, etc. C'est u problème.

M. Horner: Je crois qu'un des membres d *Board of Trade* a rejeté le blâme sur le transporteurs disant qu'ils bénéficiaient de subsides sans en faire nécessairement béné ficier les consommateurs. Est-ce que vous êtes d'accord avec une telle déclaration?

M. H. W. Lundrigan: Vous demandez s c'est un fait?

M. Horner: Oui. Est-ce un fait que le trans porteur a bénéficié du plus grand avantag que présente cette subvention et que c'es peut-être lui qui est responsable des coût très élevés du transport à Terre-Neuve. Il es peut-être justifié, vu les conditions auxquelle il doit se soumettre.

M. H. W. Lundrigan: Il y a une subventio pour le service des transbordeurs sur le golfe ces avantages, j'imagine, vont déjà aux con sommateurs parce que le retour se fait en service des transports.

M. Horner: Oui, c'est juste. Cela me rappelle la déclaration faite par le ministre en Chambre. Il a déclaré de façon catégorique je pense, que les avocats de Terre-Neuve exigeaient des taux de transfert, pour la construction de maisons, plus élevés que partou ailleurs au Canada. Maintenant, on dit que c sont les transporteurs qui sont le facteur le plus coûteux du transport à Terre-Neuve.

J'essaie tout simplement d'isoler les facteurs qui contribuent à votre coût de vie très élevé.

M. H. W. Lundrigan: Les problèmes de transport contribuent au coût très élevé, ainsi si vous construisez un édifice et que la construction est retardée de quatre semaines, cela augmente le coût des travaux.

M. Horner: Je suppose que vous faites partie de l'Association canadienne des camionneurs ou de l'Association des camionneurs des Maritimes. On a dit plus tôt, que cette dernière association a comparu, le 7 décembre 1967, devant le ministre des Transports à Ottawa, ils ont demandé que les subventions payées au titre de la Loi sur les taux de transport des marchandises dans les provinces maritimes soient applicables à tous les modes de transport et surtout à l'industrie du

Texte]

ou think that that $4 million was a realistic gure? If so, have you any idea whether it as low, high or otherwise?

Mr. P. Cook: I do not have any idea, but I as at that meeting—and Mr. Hellyer ssumed that any subsidy which would go to ie truck carrier would be over and above ie rail. In other words, there would be no ovement of traffic from rail to truck or rail water, the rail would remain at that level id increase the present level and the trucks ould add an additional burden. This was his eason at the time for turning it down.

Mr. Horner: He felt that MFR being pplied to the trucks and other modes would ot necessarily be passed on to the shipper. Is iat what he said?

Mr. Cook: No, no, I did not say that. He id that he thought that the rail traffic would emain at the present level and that this ould only create an additional expenditure money.

Mr. Horner: I see what you mean.

Mr. Cook: We argued that part of the pres- it payment of $14 million would be turned er to truck, water and air and that they ould be left with the lower amount paid to ie rail.

Mr. Horner: You firmly believe that it ould create an atmosphere of greater com- etition if it were passed on to all modes of ansportation?

Mr. Cook: I do not believe in subsidy at all. think subsidies should go to either the anufacturer or the consumer. The purpose a subsidy, in my understanding, is to make cheaper to the consumer. I think that we ould seek our own level in transportation.

Mr. Horner: I think we have seen plenty of idence to suggest that perhaps there is not ough competition in the transportation dustry in Newfoundland and in the Mari- nes generally.

Mr. Cook: Transportation is stifled because st from the gulf alone 40,000 pounds of eight in a boxcar costs $8 and a tractor-

[*Interprétation*]

camionnage. On leur a dit qu'il en coûterait quatre millions de dollars de plus, et à ce moment-là, le gouvernement a refusé. Croyez-vous que quatre millions de dollars représentaient un chiffre réaliste, et dans l'affirmative, pensez-vous que c'était élevé, faible ou quoi?

M. Cook: Je n'en ai pas la moindre idée, mais j'étais à cette réunion et M. Hellyer croyait que toute subvention qui serait donnée aux camionneurs serait en plus de ce qui serait donné aux chemins de fer. En d'autres termes, il n'y aurait pas de mouvement de trafic du rail à la route ou du rail au bateau, le rail resterait à ce niveau et augmenterait le présent niveau; et les camions seraient un fardeau additionnel. C'est la raison qu'il a invoquée à ce moment-là pour refuser la subvention.

M. Horner: Il croyait que les taux de transport des marchandises dans les provinces maritimes, appliqués aux camions et autres modes de transport, ne seraient pas alors nécessairement accordés à l'expéditeur.

M. Cook: Non, non. Je n'ai pas dit cela. Il a dit qu'il pensait que le trafic ferroviaire resterait au niveau actuel et que cela ne ferait que créer une dépense d'argent supplémentaire.

M. Horner: Oui, je comprends ce que vous voulez dire.

M. Cook: Nous disions qu'une partie du présent paiement de 14 millions de dollars seraient donnés au transport routier, maritime et aérien et ce serait sans doute le montant le moins élevé et restant qui sera payé au transport ferroviaire.

M. Horner: Vous croyez vraiment que cela créerait une atmosphère de plus grande concurrence si cela était accordé à tous les modes de transport.

M. Cook: Je ne crois pas du tout en ces subventions. Je pense que les subventions devraient aller au fabricant ou au consommateur. Le but d'une subvention, comme je le comprends, est de faire baisser le coût en faveur du consommateur. Je crois que nous devrions rechercher notre propre niveau dans le transport.

M. Horner: Je pense que nous avons eu suffisamment de preuves qu'il n'y a pas suffisamment de concurrence dans l'industrie des transports à Terre-Neuve et dans les Maritimes en général.

M. Cook: Le transport est étouffé parce que du golfe seulement, un wagon de 40,000 livres de marchandises dans un wagon couvert coû-

[*Text*]

trailer costs $120. You have to take into consideration also a minimum of 12 hours to lay in your equipment. The same equipment going over a 90-mile stretch of road would, if you averaged 45 miles an hour, take 2 hours. So it is quite a cost in manpower, lack of utilization of your capital investment and so forth.

Mr. H. W. Lundrigan: For instance, particularly with secondary industry, where there is a road and the transport units pick up the produce, take it to market and bring back on return trips, this is possible. But where the freight rate now is such that there is disparity, the manufacturer could not touch the road transport system; it has to go by rail and, consequently, runs into the difficulties on both ends.

Mr. Horner: I have one further question and it has to do with having the Maritimes Freight Rates Act apply to goods for export. Now today, under the Maritimes Freight Rates Act, within a select area you get a 30 per cent subsidy on goods coming into central Canada, for example, but not, as we heard yesterday, to the Caribbean or into the Boston area. I think, particularly back in 1867, many people in the Maritimes felt there should be an Atlantic free trade area, along the coast here particularly.

In a sense, having a Maritimes Freight Rates subsidy only apply to goods going into central Canada, I think it could be argued that you are in a way subsidizing the consumers in central Canada—and this should not necessarily be the case. If you could direct your goods to markets anywhere in the world, that subsidy should apply for the same length of travel. Do you know what I mean?

Mr. Cook: I agree with that.

Mr. Horner: And that would be of great benefit to various industries.

Mr. Cook: Oh, I think if there is going to be a subsidy it has to apply to all modes and it has to apply equally in all directions.

The Chairman: Mr. Perrault.

Mr. Perrault: In view of the remarks that we have heard from Mr. Lundrigan today, I would like to ask him whether we can presume that he believes that transportation sub-

[*Interpretation*]

tent $8., un tracteur coûte $120. Il faut aus tenir compte d'un minimum de retard de 1 heures dans la livraison de notre équipemen Ce même équipement parcourant, disons, un route de 90 milles, serait livré, si vous faite en moyenne 45 milles à l'heure, en deux heu res. C'est donc très coûteux pour la main d'œuvre, pour le manque d'utilisation de immobilisations et ainsi de suite.

M. H. W. Lundrigan: Par exemple, surtou en ce qui concerne les industries secondaire où il y a une route et les unités de transpor recueillent les produits, les acheminent a marché et en ramènent d'autres à leur retou cela est possible, mais où le tarif-marchandis est tel qu'il y a un écart, le fabriquant n peut s'intéresser au transport routier; il doi le faire par chemin de fer et c'est pourquo vous avez tant de difficultés aux deux bouts.

M. Horner: Une autre question. Il s'agit d voir les dispositions de la Loi sur les taux d transport de marchandises dans les Maritime s'appliquer aux produits d'exportatio Aujourd'hui, dans les régions choisies, au termes de la Loi, vous pouvez avoir une sub vention de 30 p. 100 pour les marchandise acheminées vers le Canada central, mais no pas, comme on l'a vu hier, vers les Antille ou la région de Boston. Je pense, surtout pou ce qui de 1867, que bon nombre de personne des Maritimes croyaient alors qu'on devrai avoir une zone atlantique de libre-échang surtout le long du littoral.

En un sens, si on avait une subventio visant les taux de transport de marchandise dans les Maritimes qui ne s'appliquerai qu'aux denrées acheminées vers le Canad central, je pense qu'on pourrait prétendre qu vous vous trouvez essentiellement à subven tionner les consommateurs du Canada centra et il n'en serait pas nécessairement ainsi. S vous pouviez vous tourner de n'importe que côté dans le monde, cette subvention devrai s'appliquer à la même distance de transpor Comprenez-vous ce que je veux dire.

M. Cook: Je suis d'accord.

M. Horner: Croyez-vous que ce serait avan tageux pour diverses industries?

M. Cook: Oh, je crois que s'il doit y avoi une subvention, il faudrait qu'elle s'appliqu à tous les modes de transport et dans toute directions.

Le président: Monsieur Perrault?

M. Perrault: Vu les observations que nou avons entendues de la part de M. Lundriga aujourd'hui, je voudrais lui demander s'i croit que les subsides de transport ne son

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lies are really a second best form of assis-ıce to the Province of Newfoundland and at he would rather see a strong economic se here which would eliminate the need for bsidies?

Mr. H. W. Lundrigan: Yes, I would say that true. If we have a strong economic base I ink that subsidies and freight rates fall into econdary position.

Mr. Perrault: You regard them as a tempo-ry means to strengthen the Newfoundland nomy, you do not look on them as some-ing to be perpetuated ad infinitum.

Mr. H. W. Lundrigan: I would not think ey should be. If we had a strong economic se I could not see it being a serious factor.

Mr. Perrault: Mr. Lundrigan, you have also oken of the problem of accessibility to pulation centres and markets. It is a prob-n that we face in Western Canada as well— traditional problem of selling in central nada. This gives rise to my next question. uld further tariff reductions or free trade certain areas of industry between Canada d the United States be of assistance to eco-mic development in Newfoundland?

Mr. H. W. Lundrigan: Yes, I think it uld, but you would be going down one il—you would be then specializing in the ovince in certain types of industry.

Mr. Perrault: But you talk about accessibil-to market?

Mr. H. W. Lundrigan: Yes.

Mr. Perrault: If lower tariffs are going to ake further population centres accessible to wfoundland industries, surely this would present a benefit for you.

Mr. H. W. Lundrigan: Yes.

Mr. Perrault: It might eliminate, presuma-y, some of the transportation subsidies ich we have agreed is the second best from aid.

Mr. H. W. Lundrigan: Yes.

Mr. Perrault: For example, some of the aritime provinces are interested in freer ade in forest products so they can sell coat-papers in the United States, for example. w this is an area which may eventually minate the need for transportation bsidies.

[*Interprétation*]

qu'un deuxième choix d'aide à la province de Terre-Neuve et que vous préféreriez avoir une assiette économique plus solide?

M. H. W. Lundrigan: Oui, je dirais que c'est vrai, si nous avons un fondement économique solide, je crois que les subsides et les tarifs-marchandises tombent à l'arrière plan.

M. Perrault: Vous voulez avoir un moyen permanent de renforcer votre économie. Vous ne voulez pas voir le subsides perpétués *ad infinitum*?

M. H. W. Lundrigan: Je ne crois pas qu'ils devraient l'être. Si le fondement était solide, je ne crois pas que ce soit un facteur sérieux.

M. Perrault: Monsieur Lundrigan, vous avez aussi parlé du problème d'accessibilité aux centres de population et aux débouchés. C'est un problème que nous avons aussi dans l'ouest du Canada. Vous savez que le problème traditionnel se présente toujours pour vendre dans le Canada central. J'en arrive donc à ma question suivante. Y a-t-il d'autres diminutions tarifaires ou des zones de libre-échange pour certaines industries entre le Canda et les États-Unis qui pourraient peut-être aider le développement économique de Terre-Neuve?

M. H. W. Lundrigan: Oui, je le crois, mais vous vous acheminiez dans une nouvelle voie, vous vous trouveriez à spécialiser dans la province dans certains genres d'industries.

M. Perrault: Vous parlez de l'accessibilité au marché.

M. H. W. Lundrigan: Oui.

M. Perrault: Si des tarifs inférieurs vont permettre que d'autres centres de populations soient à la portée des industries de Terre-Neuve, cela serait sûrement à votre avantage.

M. H. W. Lundrigan: Oui.

M. Perrault: Cela pourrait peut-être faire disparaître certaines subventions qui, nous l'avons convenu, sont la seconde forme préférée d'aide.

M. H. W. Lundrigan: Oui.

M. Perrault: Par exemple, certaines des provinces Maritimes s'intéressent à un plus libre échange pour les produits forestiers pour qu'ils puissent vendre du papier enduit aux États-Unis. C'est un secteur où il y aurait peut-être plus de nécessité d'avoir des subsides en matière de transport.

[*Text*]

Mr. H. W. Lundrigan: Yes, but I think your question leaves us where we are now. For instance, Newfoundland is regarded by most of Canada as a fisheries province. Some people think of it as a paper industry province. Now some people think of Labrador in terms of mining and if nobody thinks about mining then they are just not interested in it. Why should it be that way? We have disadvantages, geographically, because of markets. On page 541 you will note that it says if an industry were established on the west coast of the province our very minimum market would be 300 miles from us. So if you take tha attitude we are restricted to one, two or three modes of industry or else we are left abandoned.

Mr. Perrault: Yes, but you have water transport to the whole Atlantic Seaboard of the United States. Why would it not be feasible, for example, for you to establish a furniture manufacturing industry in Newfoundland? You have a skilled population, you have intelligent people.

Mr. H. W. Lundrigan: All right.

Mr. Perrault: Why could you not consider something like that?

Mr. H. W. Lundrigan: I agree. But can you see a market other than, say, the heart of Montreal for a shipload of furniture?

Mr. Perrault: There is the east coast of the United States.

Mr. H. W. Lundrigan: But could you not see that we would have to have warehouse facilities there. We are doing that with primary industry, but . . .

Mr. Perrault: But secondary industry is your main employer of people per dollar invested.

Mr. H. W. Lundrigan: That is right.

Mr. Perrault: So if you could get more markets for your goods it would be more beneficial. Frankly, many members of the Committee are trying to determine ways in which the job can be done in Newfoundland, partially through transportation subsidies, but we do not want to saddle all the Canadian taxpayers with limitless amounts of subsidies because we know, in the final analysis it is the second best form of aid.

Mr. H. W. Lundrigan: Right.

Mr. Perrault: So my question simply is whether there is some combination of freer

[*Interpretation*]

M. H. W. Lundrigan: Oui, mais je crois q votre question nous laisse où nous somm arrivés. Par exemple, on considère Terr Neuve comme étant une province de pêch Certains croient que c'est la province de l'i dustrie du papier. D'autres croient qu'a Labrador, ce sont les mines et si personne pense aux mines, on n'y est pas intéress Pourquoi en serait-il ainsi? Nous avons d désavantages sur le plan géographique, cause des marchés. A la page 541, vous voy que si une industrie s'établissait sur le littor ouest de la province, notre marché le pl rapproché serait au moins à 300 milles. Don si vous prenez une telle attitude, vous dev vous en tenir à un, deux ou trois modes d'i dustrie ou alors nous sommes abandonnés.

M. Perrault: Oui, mais vous avez tout littoral atlantique des États-Unis. Pourqu par exemple, ne pas avoir une industrie fabrication de meubles à Terre-Neuve? Vo avez une population intelligente, spécialisée.

M. H. W. Lundrigan: Très bien.

M. Perrault: Pourquoi ne pas songer quelque chose du genre?

M. H. W. Lundrigan: J'en conviens, ma pouvez-vous voir un marché autre que le ce tre même de Montréal pour une cargaison meubles?

M. Perrault: Le littoral est des États-Unis.

M. H. W. Lundrigan: Oui, mais ne voye vous pas qu'il nous faudrait avoir des insta lations d'entreposage là? Nous faisons ce pour les industries primaires.

M. Perrault: Mais votre industrie seco daire est votre principal employeur par doll investi.

M. H. W. Lundrigan: Oui, c'est juste.

M. Perrault: Alors, si vous avez plus débouchés pour vos marchandises, ce sera avantageux. Franchement, plusieurs membr du Comité essaient de trouver des voies moyens pour faire le travail à Terre-Neuv en partie par des subventions de transpor mais on ne veut pas imposer aux contribu bles des subventions qui sont sans limite parce que nous savons qu'en fin de compt c'est toujours la seconde meilleure formu d'aide.

M. H. W. Lundrigan: C'est juste.

M. Perrault: Donc, ma question vise savoir s'il y a un programme qui vise le libr

[Texte]

ade, lower tariffs and transportation subsi-ies that can do the job for Newfoundland?

Mr. H. W. Lundrigan: I agree.

Mr. Perrault: And I do not think that any : us should be defeatist about this whole iing.

Mr. H. W. Lundrigan: No. If you could ave a combination of all that you said, :condary industries and freer trade in cer-in types of industries. This all would aid and elp the situation. I am not saying that there as to be secondary industry.

Mr. Perrault: In what industries would you ke to see freer trade established?

Mr. H. W. Lundrigan: That is a good uestion.

The Chairman: I think we are getting away om our subject?

Mr. Perrault: But it relates to how much e are going to pay in transportation ubsidies.

The Chairman: Mr. Allmand.

Mr. Allmand: Mr. Lundrigan, how many arriers are competing in the trans-island rucking business now in Newfoundland?

Mr. Cook: Four on a regular basis. There re probably upwards of 100 on a non-chedule basis, but there are four on a regu-ar basis, issuing bills of lading and that sort f thing.

Mr. Allmand: These are all Newfoundland ompanies?

Mr. Cook: Intra they are; extra there are x, there are two mainland companies.

Mr. Allmand: Yesterday we heard that the NR is in trucking but they only truck along ie Trans-Canada Highway—they are not rucking down the gravel roads to the smaller ommunities. Does your company truck down ie gravel roads to serve all these smaller ommunities?

Mr. Cook: On an LCL freight basis, no; on truckload basis, yes, if road conditions per-nit. A lot of our roads are closed because of ridges and so forth, but when the roads are pen to us we do so on a truckload basis, yes.

[Interprétation]

échange des tarifs plus bas et des subsides en matière de transport et qui pourrait le faire pour Terre-Neuve?

M. H. W. Lundrigan: J'en conviens.

M. Perrault: Et je ne pense pas qu'aucun d'entre nous devrait être défaitiste à ce sujet.

M. H. W. Lundrigan: Non. Si vous pouviez avoir un ensemble de tout ce que vous avez dit, des industries secondaires et un échange plus libre pour certains genres d'industries, tout cela aiderait la situation. Je ne dis pas qu'il faut que ce soit des industries secondaires.

M. Perrault: Dans quelles industries aimeriez-vous avoir un échange plus libre?

M. H. W. Lundrigan: C'est une bonne question.

Le président: Je pense qu'on s'éloigne un peu du sujet.

M. Perrault: Il s'agit de rattacher cela aux subventions que nous paierons.

Le président: Monsieur Allmand?

M. Allmand: Monsieur Lundrigan, combien de transporteurs se font la concurrence pour le camionnage à travers l'île à Terre-Neuve?

M. Cook: Quatre régulièrement. Peut-être jusqu'à 100, disons, suivant des livraisons irrégulières. Mais il y en a quatre d'une façon régulière, émettant des feuilles de route, etc.

M. Allmand: Ce sont toutes des compagnies de Terre-Neuve?

M. Cook: Intra, oui; extra, il y en a six, deux qui sont des compagnies de Terre ferme.

M. Allmand: Hier, nous avons entendu dire que le National-Canadien pour ce qui est du camionnage venait seulement le long de la route transcanadienne. Ils n'entrent pas sur les routes de gravier vers les plus petites collectivités. Que dire de votre compagnie? Est-ce que vous faites du transport le long des routes de gravier vers les petites collectivités? Est-ce que vous les desservez ces petits villages?

M. Cook: Non, pas pour les chargements incomplets, mais pour les chargements complets, oui. Un bon nombre de nos routes sont fermées à cause des ponts. Mais, là où nous pouvons aller, oui.

[*Text*]

Mr. Allmand: Do these three competitors you have do the same? Were you including CNR in these four companies?

Mr. Cook: Oh no. That is not a competitor, that is the government.

An hon. Member: Hear, hear.

Mr. Cook: All other competitors get in on this.

Mr. Allmand: Do I get the impression that you feel the CNR trucking business is not fair competition for your company?

Mr. Cook: Most definitely. I am dead against it; first, on the grounds that they are subsidized under the MFRA because they travel on the rail bill of lading; second, they are subsidized in the general railway deficit; and third, they can move across that gulf for $8 and $40 a pound where it costs us $120.

Mr. Allmand: I understand that gasoline and fuel in Newfoundland is very expensive.

Mr. Cook: Our gasoline diesel tax is 2 cents a gallon less than Nova Scotia and it is 2 cents a gallon more than New Brunswick.

Mr. Allmand: You say 2 cents less than Nova Scotia.

Mr. Cook: And 2 cents more than New Brunswick.

Mr. Allmand: We had a false impression.

Mr. Cook: I might say that the transport costs of the fuel are higher though here, and when you get away from marine depots the cost of the gas goes up as high as 5 cents in transport.

The Chairman: Mr. Rose, on a supplementary.

Mr. Rose: I take it that you have no objection necessarily to the subsidy paid to the CNR as far as transportation is concerned just as long as you get a piece of it too.

Mr. Cook: I think I answered that earlier when I said that I prefer to see a subsidy go to the shipper or the manufacturer rather than to the carrier. The carrier can hide its subsidy and I do not think it gets passed on as quickly.

[*Interpretation*]

M. Allmand: Ces trois concurrents que vou avez, est-ce qu'ils font la même chose? Est-c que vous incluez le National-Canadien dan ces quatre compagnies?

M. Cook: Non, ce n'est pas un concurren c'est le gouvernement.

Une voix: Très bien.

M. Cook: Tous les autres concurrents participent.

M. Allmand: Ai-je bien l'impression qu vous croyez que ces opérations de camionnag du National-Canadien ne présentent pas un concurrence juste pour votre compagnie?

M. Cook: Sûrement. Je m'y oppose du fai qu'il est subventionné en vertu de la Loi su les taux de transport des marchandises dan les Maritimes. Ils ont une feuille de route deuxièmement, ils sont subventionnés e vertu de subsides ferroviaires, et c'est plus o moins caché, et, troisièmement, ils peuven franchir le golfe à $8 et $40 la livre et cel nous en coûte $120.

M. Allmand: Si je comprends bien l'assenc et le carburant à Terre-Neuve coûtent trè cher.

M. Cook: La taxe sur l'essence, sur l'huil diesel, est 2c. le gallon de moins qu'en Nou velle-Écosse et 2c. de plus qu'au Nouveau Brunswick.

M. Allmand: Vous dites 2 cents de moin qu'en Nouvelle-Écosse?

M. Cook: Oui et 2 cents de plus qu'a Nouveau-Brunswick.

M. Allmand: Nous avions une fauss impression.

M. Cook: Je dirais que le coût de transpor de l'essence est plus élevé ici, et lorsque l'or s'éloigne des dépôts maritimes l'essence es augmentée même de 5 cents.

Le président: Monsieur Rose, questio complémentaire?

M. Rose: Je ne crois pas que vous soye vraiment opposé à la subvention payée a National-Canadien aussi longtemps que vou en ayez une part.

M. Cook: Je pense y avoir répondu auparavant lorsque, j'ai dit que je préférais voir un subside aller à l'expéditeur plutôt qu'a transporteur. Le transporteur peut cacher l subside et je ne crois pas qu'il est rapidement transmis.

[Texte]

Mr. Rose: Are you saying this as a trucker?

Mr. Cook: I am saying this as a business-an. I feel that you are far better off if the ipper or manufacturer gets the subsidy ecause I think our free enterprise system ill force him to pass it on faster than the arrier.

Mr. Rose: This has been a concern all rough these hearings, and it has been men-oned nearly every time. The mechanics of it e that there are far fewer carriers than ere are shippers and the big problem of iministration is probably going to eat up a t of the costs, as well.

Mr. Cook: There does not seem to be any roblem of collecting income tax or Canada ension Plan. I think it would work pretty ell if it were executed properly.

Mr. Rose: I see. They should open their ooks as you people do.

Mr. Cook: I think it is reasonable.

The Chairman: Mr. Allmand?

Mr. Allmand: Your trucks cross over to ova Scotia by the ferry. Are you doing that usiness now?

Mr. Cook: Yes, we operate regularly. When say "regularly", it depends on the ferry. We o regularly to Nova Scotia and New runswick.

Mr. Allmand: Do any of the Nova Scotia-ew Brunswick carriers come across to Port ux Basques?

Mr. Cook: There are a few coming on a egular basis, yes.

Mr. Allmand: Yesterday the representatives f the Newfoundland government gave us uite a detailed program for a trunk road evelopment in Newfoundland. I presume at you would very strongly support their equest to us? Are you familiar with their rief?

Mr. Cook: Some of it, yes. I agree with the oard of Trade on this. I think there has to e a lot of planning and that it has to be done the light of what is going to be there in 10 ears or 20 years time. Certainly the Burin eninsula, the Bonavista Peninsula and the reat Northern Peninsula need roads, and eed them very very badly; and that is where he bulk of our population is now centred, ith the exception of the South coast, outside f St. John's, Corner Book and Grand Falls.

Mr. Allmand: Thank you very much.

[*Interprétation*]

M. Rose: Vous dites cela en tant que camionneurs?

M. Cook: En tant qu'homme d'affaires, c'est un avis personnel. Je suis d'avis qu'il vaut beaucoup mieux, disons, que l'expéditeur ou le fabriquant obtienne la subvention, et je pense qu'on peut le faire plus facilement.

M. Rose: C'est une préoccupation qui est revenue tout au cours de ces audiences et qui fut mentionnée à peu près chaque fois. Il y a beaucoup moins de transporteurs que d'expéditeurs, et l'administration pourra représenter une bonne partie des coûts.

M. Cook: Avec l'impôt et le Régime de pensions du Canada, j'imagine que cela pourrait très bien fonctionner.

M. Rose: Il leur faudrait ouvrir leur livres tout comme les autres.

M. Cook: Je crois que c'est raisonnable.

Le président: Monsieur Allmand?

M. Allmand: Vos camions vont en Nouvelle-Écosse par le transbordeur? Est-ce que vous le faites maintenant?

M. Cook: Oui, nous opérons régulièrement; tout dépend du transbordeur. Nous allons régulièrement au Nouveau-Brunswick et en Nouvelle-Écosse.

M. Allmand: Est-ce qu'il y a des transporteurs de la Nouvelle-Écosse et du Nouveau-Brunswick qui traverse à Port-aux-Basques?

M. Cook: Oui, il y en a quelques-uns qui le font régulièrement.

M. Allmand: Hier, les représentants du gouvernement de Terre-Neuve nous ont exposé un programme détaillé pour le développement des routes principales à Terre-Neuve. J'imagine que vous appuyez fortement ces demandes qu'ils nous ont formulées. Est-ce que vous connaissez leur mémoire?

M. Cook: Une partie, oui. Je suis d'accord avec la chambre de commerce. Je crois que cela prendra beaucoup de planification et que cela devra se faire à la lumière de ce qu'il y aura d'ici 10 ou 20 ans. Les péninsules de Burin, de Bonavista et du Nord ont un besoin urgent de routes, et c'est là où se trouve le gros de la population, à l'exception de la côte sud, à l'extérieur de Saint-Jean, Cornerbrook et Grand Falls.

M. Allmand: Merci beaucoup.

[*Text*]

The Chairman: Mr. Mahoney?

Mr. Mahoney: On the "land bridge" concept, sir, you have about 90 miles from North Sydney to Port aux Basques. When you speak of a rate equivalent to the highway rate are you speaking of a cost of moving your unit 90 miles, plainly and simply, or are you suggesting a rate that would, in effect, compensate you for the delay in time, as well? In one case we are talking about a two-hour movement and in the other case presumably seven or eight.

Mr. H. W. Lundrigan: If it were just purely and simply the 90 miles, that would be progress.

Mr. Mahoney: The time dimension is not really...

Mr. H. W. Lundrigan: The time we have learned to live with. We would like to have compensation, but it is difficult to pay enough money to compensate for time, depending on the reason for the delay.

Mr. Mahoney: Yes; so you are really speaking in the one dimension of distance.

Mr. H. W. Lundrigan: At the moment, yes. I mean as far as the season is concerned, yes.

Mr. Mahoney: Secondly, you refer to the CNR being able to move a unit across this channel for $8 and yourselves for $120. Is it a fact that an identical unit with a CNR sign on it gets over at something like one-fifteenth the cost?

Mr. Cook: As close as we can come, and I refer to the MMPA brief which was mentioned earlier, it is calculated on the average cost per mile to move a car in the Maritime provinces. This is the basis. They also consider the commodities, but the average worked out to $8. On P.E.I. the same situation exists. On Prince Edward Island I think it is $15.90 or $16 for a tractor trailer and it is $2 for a boxcar both ways. I mean $2 over, and if it comes back empty it is still only $2.

Mr. Mahoney: You are then speaking of the CNR moving its freight in boxcars and not in tractor-trailers?

Mr. Cook: It is a container to move freight and it is not really important what the shape

[*Interpretation*]

Le président: Monsieur Mahoney?

M. Mahoney: Selon le concept du pont te restre, il y a environ 90 milles de North Sy ney à Port-aux-Basques. Lorsque vous parl d'un taux équivalent à celui qui prévaut s les grandes routes, parlez-vous alors d'u coût pour le transport de votre unité sur u parcours de 90 milles purement et simpl ment, ou est-ce que vous parlez d'un taux q en réalité vous compenserait pour le retard Dans un cas on parle de deux heures et da l'autre cas de 7 ou 8.

M. H. W. Lundrigan: Si nous parlions sim plement de 90 milles, cela constituerait dé un progrès.

M. Mahoney: Le facteur temps...

M. H. W. Lundrigan: Nous avons appris nous arranger du facteur temps. Nous aim rions avoir de la compensation pour ce temp mais il est difficile d'obtenir suffisamme d'argent pour compenser pour le temp quelle que soit la raison du retard.

M. Mahoney: Mais vous ne parlez que d'un dimension.

M. H. W. Lundrigan: Oui, en ce qui con cerne la saison.

M. Mahoney: Deuxièmement, vous dite que le National-Canadien peut déplacer un unité en travers ce détroit pour $8 et, vous mêmes, il vous en coûte $120. Est-ce un fai qu'une unité identique qui porte le sigle d CN coûte moins cher à transporter, parfois 1 fois moins?

M. Cook: Je cite maintenant le mémoire d la MPA dont j'ai déjà parlé et qui a ét présenté à Fredericton:

> Aussi approximativement que possible, l coût du transport par rail est calculé d'a près le millage—le coût moyen par mill pour transporter une unité dans les pro vinces Maritimes.

C'est ce qui sert de base. On a trouvé que l moyenne était de 8 dollars. L'Île du Prince Édouard connaît la même situation, où il e coûte $15.90 ou $16 pour un camion-remorqu et $2 pour un wagon couvert aller et retour Je veux dire qu'il en coûte $2 pour l'aller e $2 pour le retour, même à vide.

M. Mahoney: Vous parlez du CN qui trans porte sa marchandise en wagons couverts e non en camions-remorque?

M. Cook: Il s'agit d'un cadre pour transporter de la marchandise, et la couleur ou la

'exte]

the colour of it is. It is a container in hich freight is carried that counts.

Mr. Mahoney: I appreciate that, but I just anted to understand exactly what we are lking about. A CN tractor-trailer unit...

Mr. Cook: It would depend entirely on the ll of lading on which it moved. If it moves a rail bill of lading and if the movement as a passenger plan I would imagine they ould be assessed in the same manner as we 'e, but I would have to find this out for ire. However, if it is a movement on a CN ll of lading it is assessed on the railway hedule of rates; and most of their goods do ove under a CN bill of lading. In the same anner they are able to transfer part of the FRA once it is approved to their trucks.

Mr. Mahoney: Thank you.

The Chairman: Mr. Skoberg?

Mr. Skoberg: Mr. Chairman, Mr. Lundrigan nd possibly Mr. Cook may enter into this articular phase. You mentioned a while ago iat the CNR was not a competitor; it was the overnment. When I look at the preamble of our brief I see that the majority of what we ave before us was actually built by the peole of the province and is operated by your rporation, I presume. How can there be ompetition, and how can you speak about ompetition, if these industries are owned by ie province of Newfoundland? If you are anaging these corporations, the Atlantic ypsum Limited and North Star Cement imited, in what relationship are you operatng with the government at this particular me?

Mr. H. W. Lundrigan: In the case of North tar Cement Limited, we are associated in hat we are on the west coast of Newfoundand and consequently joined in on this brief. Ve have no other connection. That is the Jorth Star Cement Limited.

In the case of Atlantic Gypsum Limited, his was an industry that was operating at the ime. We took it over at one fifth of its capacty, and took it over as a management conract with the provincial government, to conlinue its operation and endeavour to improve t.

Mr. Skoberg: In the event that the provinial government is in favour of the retention of the MFRA rates, would it not be correct hat, as management people in that particular

[Interprétation]

forme ne sont pas importantes. Ce qui compte, c'est que c'est un cadre qui sert à transporter de la marchandise.

M. Mahoney: Je comprends, mais je voulais aussi comprendre ce dont nous parlions. Un camion-remorque du CN...

M. Cook: Tout dépend de la feuille de route. S'il est transporté par rail dans un train de voyageurs, il sera évalué de la même façon que nous, mais il faudrait que je m'en assure. Cependant, si c'est une feuille de route du CN, le coût du transport sera calculé d'après les taux du chemin de fer, et la majorité de leurs marchandises est transportée sous une feuille de route du CN. De la même façon, ils peuvent transférer une partie des taux de la Loi sur les taux de transport des marchandises dans les provinces Maritimes une fois qu'elle sera approuvée pour le transport fait par camion.

M. Mahoney: Merci.

Le président: Monsieur Skoberg?

M. Skoberg: MM. Lundrigan et Cook pourraient peut-être répondre à ma question. Vous avez dit il y a quelque temps que le National-Canadien n'était pas un concurrent mais que c'était le gouvernement. Dans votre mémoire, dans le préambule, je vois que la majeure partie de ce que nous avons ici a été construit par des gens de la province et est administré par votre société, je présume. Comment peut-il y avoir de la concurrence et comment pouvez-vous parler de concurrence si ces industries sont la propriété de Terre-Neuve? Si vous gérez ces corporations que nous avons ici, Atlantic Gypsum Limited et North Star Cement Limited, quels sont vos rapports avec le gouvernement à l'heure actuelle?

M. H. W. Lundrigan: Dans le cas de la *North Star Cement Ltd.*, nous sommes associés en ce sens que nous sommes sur la côte ouest de Terre-Neuve et par conséquent nous avons participé à ce mémoire. Nous n'avons pas d'autre rapport. Dans le cas de l'Atlantic Gypsum Limited, il s'agissait d'une industrie qui, à ce moment-là, fonctionnait et ne fonctionnait qu'à un cinquième de son plein rendement. Nous avons pris un contrat avec le gouvernement provincial en vue d'en maintenir l'exploitation et de l'améliorer.

M. Skoberg: Si, disons, le gouvernement provincial était en faveur du maintien des dispositions de la Loi sur les taux de transport des marchandises dans les provinces

[*Text*]

industry, you would support the same principle?

Mr. H. W. Lundrigan: You are referring here to Mr. Cook's opinion that...

Mr. Cook: I qualified it by saying it was personal.

Mr. Skoberg: I am just trying to clarify it in my mind.

Mr. H. W. Lundrigan: Relative to the competition in the trucking industry, *per se*—and obviously all interests are not exactly the same when there is a conglomerate as you have here—as long there is competition the level at which it is established is irrelevant. The freight rate subsidy could be applied, or not applied, as long as they are all equal. This is the truckers' opinion.

Mr. Skoberg: You make this quite clear. You say in your preamble:

> Lundrigans Limited has an operating management agreement for Atlantic Gypsum Limited. This firm was among the first of the new industries built by the Government of Newfoundland after Confederation.

Mr. H. W. Lundrigan: That is right.

Mr. Skoberg: As of today what is your direct connection with the government in the operation of Atlantic Gypsum Limited?

Mr. H. W. Lundrigan: It is a management contract, to take over the plant and run it economically on a basis competitive with products coming into the province; and without any subsidy from the provincial government, or any other government, other than what is given to everyone in freight and so on.

Mr. Skoberg: And your profit-and-loss statement has to be made available to the government.

Mr. H. W. Lundrigan: Yes, sir.

Mr. Skoberg: Are these industries now showing a considerable, or a recognized, profit?

Mr. H. W. Lundrigan: After we took it over about three years ago it showed an improvement in the second year, and it is now in the third year. It is a profit-making business; it is very marginal, but it is profitable, and is now at about 40 per cent production capacity rather than 20 per cent.

[*Interpretation*]

Maritimes, n'est-il pas juste de dire que, e tant que responsables de l'administratio vous appuierez le même principe?

M. H. W. Lundrigan: Vous parlez ici d l'avis de M. Cook?

M. Cook: J'ai dit que c'était une opinio personnelle.

M. Skoberg: Je voulais préciser.

M. H. W. Lundrigan: Pour ce qui est de l concurrence dans l'industrie du camionnag il est évident que les intérêts ne sont pas tou à fait les mêmes lorsqu'il y a cet ensembl que vous avez ici. Aussi longtemps qu'il y concurrence, le niveau n'est pas pertinent. O pourrait appliquer ou non les subsides sur l tarif-marchandises, aussi longtemps qu'il aura égalité. Voilà donc l'avis de camionneurs.

M. Skoberg: Vous dites dans votre préam bule que:

> De plus, la *Lundrigrans Limited* dirige l compagnie *Atlantic Gypsum Limited* e vertu d'un accord conclu avec cette der nière. La *Atlantic Gypsum Limited* étai une des nouvelles industries construite par le gouvernement de Terre-Neuv après la Confédération.

M. H. W. Lundrigan: C'est juste.

M. Skoberg: Quels sont vos rapports direct avec le gouvernement pour ce qui est de l'ex ploitation de la *Atlantic Gypsum Limited*?

M. H. W. Lundrigan: C'est un contrat d'ad ministration en vue d'exploiter l'usine d façon concurrentielle avec les produits qu entrent dans la province, et cela, sans sub vention du gouvernement provincial ou d tout autre gouvernement, à l'exception de ce que chacun reçoit pour le transport des marchandises.

M. Skoberg: Donc votre bilan doit être mis à la disposition du gouvernement?

M. H. W. Lundrigan: Oui.

M. Skoberg: Est-ce que ces industries font maintenant des bénéfices assez élevés?

M. H. W. Lundrigan: Nous avons assumé la direction de la compagnie il y a trois ans, la situation s'est améliorée dès la deuxième année et, maintenant, nous en sommes à la troisième année. C'est rentable, marginal mais rentable, et la capacité de production est maintenue à 40 p. 100 au lieu de 20 p. 100.

[*Texte*]

Mr. Skoberg: What amount of freight com-ıg out of Atlantic Gypsum Limited and Iorth Star Cement Limited is carried by rail s compared to truck?

Mr. H. W. Lundrigan: Nearly all is carried y rail for the benefit of the subsidy, and we et in so far as Cape Breton Island with the roducts.

Mr. Skoberg: I have another question, Mr. hairman, for Mr. Lundrigan. You refer to Iorth Star Cement Limited. In view of what ve were told here yesterday about the rate ometimes being as much as 50 per cent less er hour for the workers, what is the com-arison between construction costs here and ıose on the mainland?

Mr. H. W. Lundrigan: Many studies have een made on this by various agencies, and it as been established that the construction ost in Newfoundland is in the order of 20 er cent higher than in other parts of Canada.

Mr. Skoberg: The reason I ask, sir, is that , in fact, transportation is a major cause of ıe high cost of living in the province it hard-adds up in the case of a product that is ıade right here.

Mr. H. W. Lundrigan: The products that re made here are sold competitively with roducts coming in from other parts of Cana-a—sold competitively—and at the same time eople are employed in their manufacture. hat is the only benefit.

Mr. Skoberg: How much export do you ave from the North Star Cement Limited?

Mr. H. W. Lundrigan: Outside the province?

Mr. Skoberg: Yes.

Mr. H. W. Lundrigan: Perhaps Mr. ewhook could answer that.

Mr. Ronald Newhook (North Star Cement imited): Approximately 30 per cent.

Mr. Skoberg: Thirty per cent to export. hat is its destination?

Mr. Newhook: Mostly Labrador.

Mr. H. W. Lundrigan: To Seven Islands.

Mr. Newhook: This would be the lower St. awrence, and eventually some of this would et back into the province of Newfoundland ırough Seven Islands.

[*Interprétation*]

M. Skoberg: Quelle proportion de marchandises sortant de la *Atlantic Gypsum Limited* et de la *North Star Cement Limited*, est transportée par rail plutôt que par camions?

M. H. W. Lundrigan: A peu près tout est transporté par le chemin de fer vu la subvention et nous allons jusqu'à l'île du Cap-Breton avec ces produits.

M. Skoberg: Une autre question, monsieur le président. Monsieur Lundrigan, vous parlez de la *North Star Cement Limited*. Vu ce dont on nous a parlé hier, en nous disant que le taux horaire est parfois jusqu'à 50 p. 100 inférieur, pour les travailleurs, quelle comparaison pouvez-vous établir entre le coût de construction ici comparativement à celui du continent?

M. H. W. Lundrigan: Bon nombre d'études ont été faites par différents organismes et on a établi que le coût de construction à Terre-Neuve était de 20 p. 100 plus élevé que dans les autres régions du Canada.

M. Skoberg: La raison pour laquelle je vous pose la question, c'est que si vraiment le transport est un des principaux facteurs de l'augmentation du coût de la vie ici dans la province, cela ne veut pas dire que vous pourriez utiliser un produit fabriqué ici et utiliser ensuite le transport comme étant le motif de ces prix élevés?

M. H. W. Lundrigan: Les produits fabriqués ici sont vendus en concurrence avec les produits venant des autres parties du Canada, le seul avantage étant que les gens d'ici sont employés à leur fabrication.

M. Skoberg: Quelles sont les exportations de la North Star Cement Limited?

M. H. W. Lundrigan: Vers l'extérieur de la province?

M. Skoberg: Oui.

M. H. W. Lundrigan: M. Newhook pourrait peut-être répondre à cette question.

M. Ronald Newhook (North Star Cement Limited): Environ 30 p. 100 d'exportations.

M. Skoberg: Vers quelles destinations?

M. Newhook: Surtout au Labrador.

M. H. W. Lundrigan: Sept-Îles aussi.

M. Newhook: Le Bas-Saint-Laurent; une partie reviendrait à Terre-Neuve par Sept-Îles.

[*Text*]

Mr. Skoberg: Would I be correct in saying, as we were told yesterday, that in some cases wages are as much as 50 per cent less than they are in other parts of Canada?

Mr. H. W. Lundrigan: There are areas in which this is quite correct; but there are industries where it is not correct.

Mr. Skoberg: It would not be correct in the industry that you are operating?

Mr. H. W. Lundrigan: No; it may be correct in certain aspects of our industry, yes, but not in all.

Mr. Skoberg: Is it your opinion that the port facilities for the handling of containerization traffic should be supplied by the federal authorities.

Mr. H. W. Lundrigan: My reasoning that the federal authorities should be involved is that the development of containerization in other parts of Canada is very very phenomenal indeed and other means of transport such as that piggy back operation Toronto-Montreal is quickly done, but we do not know of it down here. We cannot send a piggy back from St. John's to Sydney. It will not be accepted in the sense that it is in the other parts of Canada.

Mr. Skoberg: I am referring to the facilities such as a crane for the moving of these containers. Do you believe it is the responsibility of the federal government and the port authorities to install this type of crane?

Mr. H. W. Lundrigan: Yes; to provide this service.

Mr. Skoberg: There have been indications from many sources that this should be the responsibility of the shippers, and once again there is added cost. My point is merely to consider that.

Mr. H. W. Lundrigan: I could not support that in the secondary industry sense, because there are many, many shippers and it has to be centralized through one agency, which would be the carrier.

Mr. Skoberg: I have one final question, Mr. Chairman. In our travels, of course, we hear a considerable amount of discussion of, and references to, the waterfront gangs. We see it in other parts of the country, as well. Possibly I could use my own particular community as an example. Are these people controlling the actual interests of secondary industry at this time? For a so-called waterfront gang to

[*Interpretation*]

M. Skoberg: Est-ce que j'ai raison de dir que certains des salaires sont jusqu'à 50 p 100 inférieurs à ceux des autres régions d Canada?

M. H. W. Lundrigan: Oui. Dans certain secteurs, c'est juste, mais pas dans d'autres.

M. Skoberg: Dans votre industrie, est-c que c'est juste?

M. H. W. Lundrigan: Non, peut-être suivan certains aspects de notre industrie mais no pas pour tous.

M. Skoberg: Est-ce que vous croyez que le services portuaires pour la manutention de cadres devraient être fournis par le gouverne ment fédéral?

M. H. W. Lundrigan: La raison pou laquelle je veux la participation du gouverne ment fédéral, c'est que la mise au point d transport par cadres dans les autres région du Canada constitue un élément plutôt phéno ménal, et les autres moyens de transpor comme le service rail-route Toronto-Montréa sont assez rapides mais on n'a rien de cela ici On ne peut rien envoyer par service rail route de St-Jean à Sydney. Ce ne sera pa accepté comme dans les autres régions d Canada.

M. Skoberg: Je parle aussi des autres servi ces, comme les grues. Croyez-vous que c'es là la responsabilité du gouvernement fédéra et des autorités portuaires?

M. H. W. Lundrigan: Oui, afin d'assurer c service.

M. Skoberg: On a souvent dit que c devrait être la responsabilité des expéditeurs et cela ajoute de nouveau aux frais. Je veux seulement tenir compte de cela.

M. H. W. Lundrigan: Je ne suis pas d'ac cord pour ce qui est des industries secondai res car il y a bon nombre d'expéditeurs, et i faut que tout soit centralisé à partir d'une agence qui serait le transporteur.

M. Skoberg: Juste une dernière question Au cours de nos voyages, nous entendrons beaucoup parler des bandes des ports. On peut le voir aussi dans d'autres régions du pays. Je pourrais peut-être prendre ma propre collectivité comme exemple, est-ce que ces personnes contrôlent vraiment les industries secondaires en ce moment? Lorsqu'une équipe travaille ensemble, se peut-il qu'elle

[*Texte*]

ork together, do they exempt any possibility f more competition? Do you believe this is ue here?

Mr. Lundrigan: I am not familiar with that.

Mr. Cook: Are you saying that there is a oup of merchants ganging together to stop e from coming in?

Mr. Skoberg: You people refer to a water-ont gang here. No doubt it will be a group anding together. Well, all right, we will use group of merchants then. Do you think this as any bearing at all in fact?

Mr. H. W. Lundrigan: That would prevent econdary industries from coming in? Is that our question?

Mr. Skoberg: Or competition generally.

Mr. H. W. Lundrigan: No. I would say you ould find pockets of that but if any mer-ant is affected he naturally resists. But on e basis of people who are interested in the evelopment of this province I could not see at for anything.

The Chairman: Mr. Horner.

Mr. Horner: I do not know whether these gures have been given to the Committee, ut what percentage of the transportation to Newfoundland coming across from North ydney to Port aux Basques would move by il and what percentage would move by uck?

Mr. H. W. Lundrigan: Which way now?

Mr. Horner: Let us say coming to ewfoundland.

Mr. H. W. Lundrigan: Coming to New-undland.

Mr. Cook: I would say less than 5 per cent oves by truck.

Mr. Horner: Less than 5 per cent goes by uck. Basically because of that land bridge?

Mr. Cook: Yes. The whole concept of the ing, the way it is operated right now, really galizes a monopoly. It is only fair to say at at the time this Act was passed and the nditions were drawn up there was no high-ay, but the problem is that there is a reluc-nce to change, and this is the whole crux of e matter.

Mr. Horner: I agree. This what we are nding in Newfoundland and in the Mari-mes, that the Maritime Freight Rates Act ally has not grown with the conditions. To

[*Interprétation*]

empêche une concurrence supplémentaire? Croyez-vous que ce soit vrai ici?

M. Lundrigan: Je ne suis pas au courant de cette situation.

M. Cook: Dites-vous qu'il y a des marchands qui se groupent pour empêcher certains produits d'entrer?

M. Skoberg: Vous parlez de cette bande du bord de l'eau. Il est certain qu'il s'agira d'un groupe qui fera front commun. Bon, alors, parlons d'un groupe de marchands. Est-ce que vous croyez que cela a quelque rapport que ce soit?

M. H. W. Lundrigan: Que cela empêcherait des industries secondaires de venir ici? Est-ce là votre question?

M. Skoberg: Ou la concurrence en général.

M. H. W. Lundrigan: Non. Je dirais qu'on en trouverait, mais si un marchand est affecté, naturellement, il résiste. Mais suivant les personnes qui s'intéressent au développement de cette province, je ne vois pas qu'il puisse en être ainsi.

Le président: Monsieur Horner.

M. Horner: J'ignore si les chiffres ont été fournis au Comité, mais quelle proportion du transport vers Terre-Neuve en provenance de Sydney-Nord à Port aux Basques viendrait par chemin de fer et quel pourcentage par camion?

M. H. W. Lundrigan: Dans quel sens?

M. Horner: Disons, pour aller à Terre-Neuve.

M. H. W. Lundrigan: Pour aller à Terre-Neuve.

M. Cook: Je dirais que moins de 5 p. 100 est transporté par camion.

M. Horner: Moins de 5 p. 100 par camion. Essentiellement à cause de ce pont?

M. Cook: Oui. Tout le principe de la question, de la façon dont cela fonctionne maintenant, se trouve à légaliser un monopole. Il est juste de dire qu'au moment où cette loi a été adoptée et les conditions posées, il n'y avait pas de route, mais le problème est que l'on répugne à changer et c'est là le cœur du problème.

M. Horner: Oui, j'en conviens. C'est ce que nous trouvons à Terre-Neuve et dans les Maritimes, à savoir que la Loi sur les taux de transport des marchandises dans les provinces

[*Text*]

pursue that question a little further, what percentage moves out in the same way?

Mr. H. W. Lundrigan: Out of the province?

Mr. Horner: Out of the province, across that...

Mr. H. W. Lundrigan: If you take truck and rail both, virtually nothing. In fact the shame of it is this. They installed in Port aux Basques a system whereby a mainland rail car comes across on a specially built ferry, is transferred to our local gauge railway, comes to St. John's, unloads its load and goes back on the same ship empty. And if you put anything in that you are paying the freight rate. It should go back for nothing. I mean it is a waste of money to use facilities for air, when the same ship that brings it over can take it back for no money.

Mr. Horner: I did not quite understand that. If you put anything in that you pay a freight rate on it?

Mr. H. W. Lundrigan: Of course you pay a freight rate. Every facility on that route right back to the mainland has the capability of handling it whether it is loaded or empty. It is the same cost whether loaded or empty, yet the freight costs money going back whereas the benefits could come to us for nothing.

The Chairman: Mr. Carter.

Mr. Carter: What does North Star cement sell for per sack in St. John's?

Mr. Newhook: Approximately $1.50.

Mr. Carter: What does the same cement sell for in Montreal?

Mr. Newhook: From that same company?

Mr. Carter: From the same company.

Mr. Lundrigan: I would have to meet the competition or it would not sell.

Mr. Carter: It would be less than $1.50, I presume.

The Chairman: Gentlemen, would you please talk one at a time because it is very hard to understand you.

Mr. Carter: My question, Mr. Chairman, concerned the price of a sack of dry cement. In St. John's manufactured by North Star Cement it is $1.50 and in Montreal I understand it is 50 cents a bag less. Am I correct?

[*Interpretation*]

Maritimes n'a pas su s'adapter aux condition nouvelles. Pour approfondir cette question u peu, quel pourcentage va vers l'extérieur d la même façon?

M. H. W. Lundrigan: A l'extérieur de l province?

M. Horner: A l'extérieur de la province, travers ce...

M. H. W. Lundrigan: Presque rien, si vou prenez à la fois le camion et le chemin de fe De fait, voilà le grand problème. On a install à Port aux Basques un système par lequel u wagon du continent vient à bord d'un trans bordeur spécial, est transféré à notre chemi de fer à notre écartement, vient à Saint-Jean décharge et retourne à vide sur le mêm navire. Et si vous y mettez quoi que ce soi vous payez un tarif-marchandises. Il devrai retourner sans rien payer. C'est un gaspillag d'argent de prendre l'avion, alors que l même navire qui l'amène pourrait le ramener.

M. Horner: Je n'ai pas tout à fait compris Si vous y mettez quoi que ce soit, vous paye un tarif-marchandises?

M. Lundrigan: Évidemment. Tout servic sur ce parcours vers le continent peut s'e charger, qu'il soit chargé ou vide. C'est l même coût qu'il soit vide ou rempli, et pour tant le retour des marchandises coûte de l'ar gent, alors que les bénéfices pourraient nou venir pour rien.

Le président: Monsieur Carter.

M. Carter: Combien *North Star Cemen* vend-il le paquet à Saint-Jean?

M. Newhook: $1.50 environ.

M. Carter: Combien ce même ciment coûte t-il à Montréal?

M. Newhook: De la même compagnie?

M. Carter: Oui.

M. Lundrigan: Je dois faire face à la concurrence ou il ne se vendrait pas.

M. Carter: Moins de $1.50, je suppose.

Le président: Messieurs, veuillez parler un à la fois car il est très difficile de vous comprendre.

M. Carter: Monsieur le président, ma question portait sur le prix d'un sac de ciment sec A Saint-Jean, il est de $1.50, fabriqué par *North Star Cement,* et à Montréal, je pense que c'est 50 cents de moins le sac. Est-ce juste?

[Texte]

Mr. Newhook: We have not sold cement in Montreal for approximately 12 years. We cannot compete in that area.

Mr. Carter: I did not know whether there were any special subsidies on the transportation of freight which would affect the selling price in Montreal versus that of St. John's.

Mr. Newhook: No, our competitors in Quebec can ship their cement cheaper than we can over the same distance.

The Chairman: Does that answer your question?

Mr. Carter: Yes. Thank you.

The Chairman: Mr. Horner.

Mr. Horner: I want to pursue that idea. We have the freight car coming over to St. John's and going back empty, and you stated, Mr. Lundrigan, that if you put anything in it, the rate is then higher than what it was coming out to St. John's.

I have not been in the trucking business commercially, but one would assume that it would go back at half the rate. One would assume, once you had the car over in St. John's and it had to go back to Port aux Basques anyway, that even half the rate would be enough. If I were a commercial shipper, I would not expect to use that car for nothing.

Mr. H. W. Lundrigan: Maybe a 10 per cent rate?

Mr. Horner: Well, there would be a question of insurance and liability and the whole lot. I know they are very knowledgeable as to how to arrive at the rates, but they do use a lot of arguments such as this.

But I would assume it should be at half the rate—at least not more than half and certainly not more than the initial rate.

Mr. Cook: You see, there is not the competitive atmosphere for the initial rate as you have coming in. I use your general statement and it again reflects my personal views in this particular case. I think it is safe to say that although the railways had trouble raising rates, they had no trouble in changing classification. So, something that at one time was Class 85 or Class 100, to meet competition it was perhaps changed to Class 70, where another mode came into the picture. So, this

[*Interprétation*]

M. Newhook: Nous n'avons pas vendu de ciment à Montréal depuis environ douze ans. On ne peut faire de concurrence dans ce secteur.

M. Carter: Je ne savais pas s'il y avait de subventions spéciales sur le transport des marchandises, qui affecteraient le prix de vente à Montréal comparativement à celui de Saint-Jean.

M. Newhook: Non, nos concurrents au Québec peuvent expédier leur ciment meilleur marché que nous-mêmes pour le même parcours.

Le président: Cela répond-il à votre question?

M. Carter: Oui. Merci.

Le président: Monsieur Horner.

M. Horner: Je voulais poursuivre cette idée. Nous avons un wagon de marchandises allant à Saint-Jean qui retourne à vide, et vous avez dit, monsieur Lundrigan, que si vous y mettiez quelque chose, le taux est alors plus élevé que ce qu'il était quand il va à Saint-Jean.

Je n'ai pas été dans l'industrie du camionnage du point de vue commercial, mais l'on pourrait peut-être présumer qu'il devrait retourner à demi-tarif. On pourrait supposer qu'une fois que le wagon est rendu à Saint-Jean et qu'il doit retourner à Port aux Basques de toute façon, même la moitié du tarif suffirait. Je ne m'attendrais pas, si j'étais expéditeur commercial, à employer le wagon pour rien.

M. Lundrigan: Peut-être un tarif de 10 p. 100?

M. Horner: Il y aurait la question des assurances, de responsabilité, etc. Je sais qu'ils savent très bien comment arriver à leur tarif, mais ils utilisent beaucoup d'arguments comme celui-ci.

Je suppose que ce devrait être le demi-tarif, pas plus de la moitié et certainement pas plus que le tarif initial.

M. Cook: Vous croyez, il n'y a pas de concurrence pour le tarif initial quand il vient à Terre-Neuve. Je me sers de votre déclaration générale et, encore une fois, elle reflète mon opinion personnelle de ce cas particulier. Je crois qu'on peut dire que bien que les chemins de fer aient beaucoup de difficulté à augmenter les tarifs, ils n'ont pas de difficulté à modifier la classification. De sorte qu'un article qui était de la classe 85 ou 100 a pu être porté à la classe 70 afin de faire face à la

[*Text*]

is an area which was not controlled by government.

Mr. Horner: I just have one further question. After your meeting with the Minister on December 7, 1967, which is a year and four months ago, you were informed—and I am referring to page 836 of the Committee proceedings—that a study of the Atlantic Provinces transportation system would be undertaken by the Canadian Transport Commission. This Committee is making a study of that, but we are one year and four months behind that statement. Have you seen any evidence that the Canadian Transport Commission is making a study in Newfoundland of this very problem and have you seen any recommendations they might be turning out?

Mr. Cook: Not to date.

Mr. Thomas (Moncton): I have a short supplementary to Mr. Horner's question on rates. I would like to get this straight. It does not make sense to me. Did I understand you to say, sir, that the rate they would charge you to ship back from St. John's to Moncton is a higher rate than a shipper would pay on a car going from Moncton to St. John's? Is that what you said?

Mr. Cook: In most instances, yes. First of all, the quantity is not there. They move out there at a much lower rate.

Mr. Thomas (Moncton): Let us talk about a carload rate or a classification by...

Mr. Cook: I know of one instance where wallboard was coming in there from the mainland at an agreed charge and that company was not able to get an equal agreed charge back out. In other words, the copaco was coming into the province at a lower rate.

Mr. Thomas (Moncton): Did they give you any reason for this? There must be an explanation for it.

Mr. Cook: It was the Board of Transport Commissioners. It was out of our hands.

Mr. Thomas (Moncton): I understand perfectly.

Mr. Trudel: I would like to ask Mr. Lundrigan or Mr. Cook when they last made a representation to the CNR regarding the extension of a rate for the facilities they men-

[*Interpretation*]

concurrence lorsqu'un autre mode de transport est entré en jeu. Ce domaine n'a pas été contrôlé par le gouvernement.

M. Horner: Une autre question. Après votre réunion avec le ministre, le 7 décembre 1967, il y a un an et quatre mois, on vous a dit, et je me réfère à la page 836 du compte rendu du Comité, qu'une étude sur le système des Transports des provinces de l'Atlantique serait faite par la Commission canadienne des transports. Le Comité en fait une étude, mais voilà maintenant un an et quatre mois qui se sont écoulés. Avez-vous constaté que la CCT a fait une étude de ce problème à Terre-Neuve et avez-vous vu les recommandations qu'ils ont faites?

M. Cook: Pas jusqu'à maintenant.

M. Thomas (Moncton): Une brève question supplémentaire relative à la question de M. Horner sur les tarifs. Je voudrais tirer quelque chose au clair, car je n'y comprends rien. Est-ce que je vous ai bien compris, monsieur, que le taux qu'on vous chargerait pour expédier de Saint-Jean à Moncton serait plus élevé que celui que l'expéditeur paierait pour expédier de Moncton à Saint-Jean? Est-ce ce que vous avez dit, monsieur Cook?

M. Cook: Dans la plupart des cas, oui. Tout d'abord vous n'avez pas la quantité voulue. Les taux de transport y sont beaucoup moins élevés.

M. Thomas (Moncton): Oui, mais parlons d'un tarif par chargement ou d'une classification par...

M. Cook: Je connais le cas de panneaux de Walco de revêtement muraux qu'on transportait à Terre-Neuve à un taux moins élevé que celui qu'on lui accordait pour le projet inverse. Autrement dit, la société Copaco transportait vers la province à un taux moins élevé.

M. Thomas (Moncton): Est-ce qu'on vous a donné la raison pour cela? Il doit y en avoir une.

M. Cook: Il s'agissait de la Commission canadienne des transports et cela ne relevait pas de nous.

M. Thomas (Moncton): Je comprends parfaitement.

M. Trudel: J'aimerais demander à M. Lundrigan ou à M. Cook quand ils ont fait des représentations au CN la dernière fois, pour obtenir une extension du taux pour les servi-

[*Texte*]

oned. Yesterday we were led to believe that ne people who use this type of service we efer to were saying that the CNR has been ost co-operative in this type of service and as actually been trying to give them exactly hat they were looking for, and I am thinkng of Bowaters. When was the last time you ade a representation...

Mr. Cook: On a back haul.

Mr. Trudel: On a back haul on a comparale quantity or level of merchandise to the NR?

Mr. Cook: There was no big sale to Bowaer. I mean, there were hundreds of thouands of tons of newsprint a year.

Mr. Trudel: No, no, I am thinking on a arload basis. I am not trying to compare the wo companies. When was the last time you ade a direct representation to the CNR egarding the use of this facility? I am talkng about the larger guage railroad cars that ou referred to as going back empty.

Mr. Cook: We are in competition with the NR, so I have not asked them for a rate to ove my cars back.

Mr. Trudel: Thank you.

Mr. H. W. Lundrigan: But other sections of ur organization have in recent weeks.

Mr. Trudel: On a specific item?

Mr. H. W. Lundrigan: On specific items.

Mr. Trudel: Could you give us the item?

Mr. H. W. Lundrigan: I can suggest steel.

Mr. Trudel: Thank you. And you were efused the rate?

Mr. H. W. Lundrigan: The rate to ship steel rom St John's to Montreal for reinforcing alves is about $17 per ton.

Mr. Trudel: It is $17 per ton. What system re you using at the present time?

Mr. H. W. Lundrigan: Water transportation.

Mr. Trudel: Water transportation. Thank ou.

[*Interprétation*]

ces qu'ils ont mentionnés. Hier on nous a dit que ceux qui utilisent le genre de service que vous venez de mentionner prétendaient que le CN a collaboré à ce genre de service et qu'il a effectivement essayé de leur donner tout ce qu'ils recherchaient. Je songe par exemple aux gens de la Bowaters. Quand avez-vous fait des représentations la dernière fois?

M. Cook: Pour un voyage de retour?

M. Trudel: Pour le trajet de retour avec un volume ou un niveau comparable de marchandises au CN.

M. Cook: Il n'y a pas eu de grande vente à Bowaters. Il y avait des centaines de milliers de tonnes de papier journal par année.

M. Trudel: Non, mais je songeais surtout au tarif des chargements complets. Je ne tentais pas de faire une comparaison entre les deux compagnies. Quand avez-vous fait des représentations au CN la dernière fois quant à l'utilisation de ce service? Je parle des wagons à grand écartement qui retournent vides selon vous.

M. Cook: Nous faisons la concurrence au CN et, par conséquent, je ne leur ai pas demandé de me faire un tarif spécial pour les ramener.

M. Trudel: Merci.

M. H. W. Lundrigan: Mais d'autres sections de votre organisation l'ont fait depuis quelques semaines.

M. Trudel: Pour un produit en particulier?

M. H. W. Lundrigan: Pour quelques produits en particulier.

M. Trudel: Pourriez-vous nous dire lesquels?

M. H. W. Lundrigan: L'acier, par exemple.

M. Trudel: Merci. Et on a refusé de vous l'accorder?

M. H. W. Lundrigan: Le taux d'expédition de l'acier de St. John's à Montréal, pour les soupapes de renforcement est d'environ $17 la tonne.

M. Trudel: C'est $17 la tonne. Quel mode de transport utilisez-vous à l'heure actuelle?

M. H. W. Lundrigan: Le transport par navire.

M. Trudel: Par navire. Merci.

[*Text*]

The Chairman: This is the end of the question period and I would like to thank these gentlemen.

At this time I would like to call upon the Central Newfoundland Chamber of Commerce. Gentlemen, on my right I have Mr. Mark Arnold, Secretary, and Mr. K. Mercer. Mr. Arnold.

Mr. Mark Arnold (Secretary, Central Newfoundland Chamber of Commerce): Good morning, gentlemen. We have a very short brief and it is set out on page 859, the last page of the transportation reports. As I say, it is very short but we would like to briefly re-emphasize three or four points in the brief.

The Central Newfoundland Chamber of Commerce services approximately 30,000 people in an area of approximately 120 to 150 miles. We feel that this Act is of great importance to us simply because we are in the central part of the province and there is no competitive means of transportation in that area to the CNR.

If it is possible—and your good selves would be the only judges of this—we would like further assistance in that Act on freight coming into the province. We are a captive market and, as previously mentioned, we have no competitive means of transportation.

Mr. K. Mercer (Central Newfoundland Chamber of Commerce): We are also deeply concerned with the new L.C.L. rates introduced by the CNR last September. I think these rates are also contained in most other briefs that have been submitted and they were gone into in quite some detail in the brief of the Maritime Transportation Committee.

Mr. Arnold: Our third point—and this point has been brought up previously and I am sure it will be brought up again later today—is the annoying experience which all of Newfoundland, and ourselves in particular, are experiencing in the pilferages, shortages and delays in freight which are occurring with shipments from Central Canada, or any part of Canada, really. This gulf service up until recently, with the introduction of CN's containerization, has caused us many problems. We are happy with the containerization of freight and we hope that this will stop some of the shortages, pilferages, and so on, which we are experiencing.

Mr. Mercer: To round out our brief we would also support the Newfoundland Board

[*Interpretation*]

Le président: Voici la fin de la période des questions. Je voudrais remercier ces messieurs.

Je voudrais maintenant passer à la *Central Newfoundland Chamber of Commerce.*

Messieurs, j'ai ici à ma droite M. Mark Arnold, le secrétaire et M. K. Mercer. Monsieur Arnold.

M. Mark Arnold (secrétaire, Chambre de commerce du centre de Terre-Neuve): Bonjour, messieurs. Nous avons un très court mémoire qui se trouve à la page 859, soit à la fin de votre compte rendu. Comme je l'ai dit il est très court et nous aimerions souligner brièvement trois ou quatre points du mémoire.

La Chambre de commerce du centre de Terre-Neuve dessert environ 30,000 personnes dans une région d'environ 120 à 150 milles. Nous estimons que la Loi sur les taux de transport des marchandises des provinces Maritimes est très importante pour nous simplement parce que nous sommes dans la partie centrale de la province et, encore une fois, nous n'avons aucun moyen de faire concurrence au NC pour le transport dans cette région.

Si c'est possible, et vous seuls pourrez en juger, nous aimerions que la Loi nous aide davantage en ce qui concerne le transport vers la province. Nous sommes un marché en exclusivité et comme on l'a déjà dit, il n'y a aucun moyen concurrentiel de transport.

M. K. Mercer (Chambre de commerce du centre de Terre-Neuve): Nous sommes aussi très préoccupés par les nouveaux taux annoncés par le CN en septembre dernier. Je crois qu'on en parlait dans la plupart des autres mémoires qui vous ont été présentés et que la *Maritime Transportation Committee* vous en a parlé plus longuement dans son mémoire.

M. Arnold: Notre troisième point, qui a déjà été mentionné et qui le sera sans doute encore aujourd'hui, c'est l'ennuyeuse expérience que Terre-Neuve et nous-mêmes en particulier éprouvons, soit les vols, les pertes et les retards dans le transport des marchandises venant du centre du Canada et, en fait, de n'importe quelle partie du Canada. Et le service du golfe, jusqu'à la récente introduction du programme de service des cadres, nous a posé beaucoup de problèmes. Nous sommes très satisfaits du service des cadres pour les marchandises et nous espérons que cela éliminera une bonne partie des pertes, des vols, etc., que nous éprouvons.

M. Mercer: Pour terminer notre mémoire, nous appuyons aussi le *Newfoundland Board*

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Trade in their recommendation that an -free port such as Mulgrave be sought as alternate to Sydney.

That, gentlemen, is the extent of our brief.

The Chairman: Are there any questions, ntlemen?

Mr. Portelance: Mr. Arnold, you mentioned at these shortages were increasing the cost transport. Where do these shortages occur? they occur at the originating point or at s end of the transport?

Mr. Arnold: I do not think it is possible to ually pinpoint where it happens. However, would suggest that perhaps one possibility in the transfer of freight from one car to other, which happens in Sydney where y transport from rail to boat and then to l again. We hope that containerization— d I am sure this is CN's intention as well— ll stop a lot of this, but until that time nes we do not really know.

Mr. Skoberg: Mr. Arnold, do you now have ficient facilities to handle the containeriza- n traffic at the various points to which you er?

Mr. Arnold: Are you talking about the CNR e in Newfoundland?

Mr. Skoberg: Yes. Is there any containeri- tion traffic at any of the points you are presenting today?

Mr. Arnold: Yes, at Grand Falls, the cen- l part.

Mr. Skoberg: And are there sufficient trains d facilities there to handle the containers?

Mr. Arnold: My understanding of what is ppening is that unless the containerized ight for central Newfoundland is a full ntainer it comes across the island and stops for example, Corner Brook, Deer Lake, nder, Gand Falls and St. John's. However, the major bulk of the freight within that ntainer is for one specific area—and let us e St. John's as an example, which is this le of Grand Falls—it comes to St. John's fore it gets to Grand Falls, even though it s to by-pass Grand Falls' door.

Mr. Skoberg: I gather from your brief that ur highway communication is not too od. Is that correct?

Mr. Arnold: No, we are right in the central rt of the island and we are right on the ans-Canada Highway.

[*Interprétation*]

of Trade qui recommande l'aménagement d'un autre port libre de glace, Mulgrave par exemple, comme port alternatif pour Sydney.

Messieurs, ceci termine notre mémoire.

Le président: Y a-t-il des questions?

M. Portelance: Monsieur Arnold, vous avez mentionné que les pertes de marchandises augmentaient les frais de transports. Savez-vous où cela se produit? Est-ce au point de départ ou au point d'arrivée?

M. Arnold: Je ne crois pas qu'il soit vraiment possible de dire exactement où cela se produit. Toutefois, je pourrais dire qu'une des sources possibles serait dans le transport des marchandises d'un wagon à un autre, par exemple, à Sydney le transport se fait par chemin de fer, ensuite par navire et ensuite par chemin de fer. Nous espérons que les cadres vont mettre un frein à cela et je pense que le NC vise le même but. Nous ne pourrons toutefois en être certains avant un certain temps.

M. Skoberg: Monsieur Arnold, avez-vous suffisamment d'installations pour la manutention des cadres aux divers endroits que vous avez mentionnés?

M. Arnold: Vous voulez parler de la ligne du CN à Terre-Neuve?

M. Skoberg: Oui, y a-t-il des cadres à manutentionner aux points dont vous parlez aujourd'hui?

M. Arnold: Oui, à Grand-Falls dans la partie centrale.

M. Skoberg: Y a-t-il suffisamment de trains et de facilités pour manutentionner les cadres?

M. Arnold: Je crois savoir que, si les cadres de marchandises à destination du centre de Terre-Neuve ne sont pas pleins, ils traversent l'Île et arrêtent par exemple à Corner Brook, Deer Lake, Gander, Grand Falls et Saint-Jean. Toutefois, si la plus grande partie des marchandises dans le cadre sont destinées à un endroit en particulier, disons Saint-Jean, qui se trouve de ce côté-ci de Grand Falls, elles viennent à Saint-Jean avant d'aller à Grand Falls même si elles doivent passer juste devant la porte de Grand Falls.

M. Skoberg: D'après votre mémoire, j'ai cru comprendre que le lien par route n'est pas très bon. Est-ce exact?

M. Arnold: Non, nous sommes dans la partie centrale de la province, en plein sur la Route transcanadienne.

[*Text*]

Mr. Skoberg: You are right on the Trans-Canada Highway?

Mr. Arnold: We have no problems with highway freight.

Mr. Skoberg: It looked like all of your business was done with the CN.

Mr. Arnold: No, this is not true. As I say, the highway runs right in front of our door. The CN also runs in front of our door. We also have Clarke Traffic Services which operates from Montreal to Botwood, which is 22 miles from Grand Falls.

Mr. Skoberg: Do you have any estimate of the breakdown of the rail versus road?

Mr. Arnold: No, I do not have it, but I know that Clarke Traffic Services rates into Botwood are based on the CN rates into central Newfoundland, so even though we have a faster service we do not have a competitive means of service as far as rates are concerned.

Mr. Skoberg: Does the Central Newfoundland Chamber of Commerce support the principle of complete retention of the M.F.R. rates at this particular time?

Mr. Arnold: Yes.

Mr. Skoberg: Have you made any submissions to the Canadian Transport Commission in this regard?

Mr. Arnold: Not as such, no.

Mr. Skoberg: Do you expect to, or do you conclude that this will be your official representation?

Mr. Arnold: I will put it to you this way. If it is to our advantage, and I think I can speak for the Chamber on this, we will do anything. If submitting a brief or an additional brief means this, yes, I do not think there would be any hesitancy on our part whatsoever.

Mr. Rock: Can you give us reasons why the representatives from your Chamber, or your association, did not appear before the CTC when they held the hearings concerning replacing of the "Bullet" train by the CN bus service?

Mr. Arnold: Why we did not appear?

[*Interpretation*]

M. Skoberg: Vous êtes en plein sur la Rou transcanadienne?

M. Arnold: Nous n'avons aucun problèr avec le transport des marchandises sur l grandes routes.

M. Skoberg: J'avais l'impression que vo faisiez toutes vos affaires avec le CN.

M. Arnold: Non, ce n'est pas vrai, comr je l'ai dit, la grand-route passe devant n portes. Le NC passe également à notre port Nous avons aussi le *Clarke Traffic Servic* qui va de Montréal à Botwood qui se trouve 22 milles de Grand Falls.

M. Skoberg: Est-ce que vous sauriez qu'el est la relation route-chemin de fer pour l marchandises transportées.

M. Arnold: Non, je l'ignore mais je sais qu les taux de la *Clarke Traffic Services* so fondés sur les taux du NC pour le centre d Terre-Neuve de sorte que, même si nou avons un service plus rapide, nous n'avor pas de concurrence en ce qui concerne l taux.

M. Skoberg: Est-ce que la Chambre d commerce du centre de Terre-Neuve est e faveur de garder les taux de la Loi sur l taux de transport des marchandises dans l provinces Maritimes à l'heure actuelle?

M. Arnold: Oui.

M. Skoberg : Avez-vous fait des représenta tions à la Commission canadienne des tran ports à cet égard?

M. Arnold: Non.

M. Skoberg: Prévoyez-vous le faire o votre représentation d'aujourd'hui doit-el être considérée comme étant votre représer tation officielle?

M. Arnold: Disons que nous ferions n'im porte quoi, et je parle au nom de la Chambr de commerce, si nous estimions qu'il est notre avantage de le faire. S'il faut présente un ou plusieurs mémoires à cette fin, nou n'hésiterions pas à le faire, j'en suis sûr.

M. Rock: Pourriez-vous nous donner le raisons pour lesquelles les représentants d votre organisme n'ont pas comparu devant l Commission canadienne des transports lor des séances au sujet de la substitution d train «Bullet» au service d'autobus d National-Canadien?

M. Arnold: Pourquoi nous n'avons pa comparu?

Texte]

Mr. Rock: Yes. I notice that most of the eople who appeared before the CTC in egards to the hearings for the "Bullet" were eople based here in St. John's, Newfoundnd, and none of the municipalities or the ssociations of the municipalities along the racks seemed to be interested. They did not ppear to try for retention of the train or for ne bus service or anything like that. So I ant to know why a public body like yours id not appear?

Mr. Arnold: Well, I think possibly for me make a statement on behalf of the Chamer in that connection would be a little wrong ght now. However, I know personally of me of the reasons why we did not. Number ne was for public opinion. We felt that we ould not put ourselves in a position where- we should back one or the other. We felt is was not our place, and we just did not o it.

Mr. McGrath: A supplementary question. ould it not have been in your interest to ack both?

Mr. Arnold: I agree with you, yes.

Mr. Trudel: We have heard mentioned on vo or three occasions this morning the empness or the non-use of equipment as to outoing freight. Do you feel that containers ould change that?

Mr. Arnold: No, I do not think so.

The Chairman: Mr. Perrault.

Mr. Perrault: Page 859 of Issue No. 15 conining the brief submitted in March of 1968, ys in part,

> Our 5th emphasis, and last but by no means least, is one that is the cause of a serious complaint in that different rates are being charged on the same commodity at the same shipping point, sometimes the same day and for the same destination.

wonder if you could give us some examples f how this is applied, because it certainly eems to be a most disturbing allegation.

Mr. Arnold: As a matter of fact, it is one hich causes us a great deal of disturbance. lowever, you will notice in the next paraaph that we state,

> Members of the Springdale Chamber of Commerce will briefly present to you exhibits showing such disparity in rates.

Mr. Perrault: Do you have those exhibits?

[*Interprétation*]

M. Rock: Oui. J'ai remarqué que la plupart des gens qui ont comparu devant la Commission lors des audiences au sujet du «Bullet» étaient de Saint-Jean (Terre-Neuve); aucune des municipalités ou des associations en cause ne semblait intéressée. Personne ne semblait vouloir lutter pour garder le train ou parler en faveur du service d'autobus. Je me demandais alors pourquoi un organisme public comme le vôtre n'avait pas comparu?

M. Arnold: Je crois que si je devais faire une déclaration au nom de la Chambre à cet égard, j'aurais tort. Toutefois, je connais personnellement certaines des raisons pour lesquelles nous ne l'avons pas fait. Premièrement, en raison de l'opinion publique. Nous estimions que nous ne devrions pas nous déclarer en faveur de l'un ou de l'autres service. Comme il semblait que ce n'était pas à nous de le faire, nous ne l'avons pas fait.

M. McGrath: Une question supplémentaire. Est-ce que cela n'aurait pas été dans votre intérêt d'appuyer les deux?

M. Arnold: Je suis parfaitement d'accord.

M. Trudel: A deux ou trois occasions, ce matin, on a parlé de l'inutilisation du matériel expédié à l'extérieur. Croyez-vous que les containers changeraient la situation?

M. Arnold: Je ne le crois pas, non.

Le président: Monsieur Perrault.

M. Perrault: A la page 859 de la publication n° 15 renfermant le mémoire présenté en mars 1968, il est dit que:

> En cinquième et dernier lieu, cause de graves plaintes, on compte des tarifs différents pour les mêmes marchandises expédiées du même endroit vers la même destination, et ce parfois la même journée.

Est-ce que vous pourriez m'en donner des exemples, car cela me semble assez inquiétant.

M. Arnold: En fait, je m'en préoccupe beaucoup. Toutefois, vous remarquerez que dans le paragraphe suivant, nous disons que:

> Les membres de la Chambre de commerce de Springdale vous présentent brièvement des pièces justificatives indiquant les disparités dans les taux.

M. Perrault: Les avez-vous?

[*Text*]

Mr. Arnold: No, we do not have them, and we understand that the Springdale Chamber was represented here yesterday and they did not bring them before this Committee.

Mr. Perrault: May we expect to have that material sent to Ottawa in care of our Chairman?

Mr. Arnold: I can make these arrangements, definitely, yes.

Mr. Perrault: I think we should have that material, Mr. Chairman.

The Chairman: There are no more questions? I would like to thank you on behalf of the Committee.

Our next brief will be from Mr. Max Thornhill.

Mr. McGrath: Mr. Chairman, before we proceed with the next brief, on a point of order I wonder if I could ask for the unanimous consent of the Committee to have these tables appended to today's evidence regarding the operational capacity of airports in eastern Canada? They are contained in a Parliamentary Return. I would like to have it appended to the evidence.

The Chairman: Does the Committee agree?

Some hon. Members: Agreed.

The Chairman: Mr. Thornhill has asked me if he can read his brief. We do not have copies. It is only about a page and a half, so I think the Committee would agree to let him read it.

Some hon. Members: Agreed.

Mr. Max Thornhill: Mr. Chairman, members, ladies and gentlemen, I might preface my remarks by saying that I present this today as a private citizen and it is basically directed towards passenger transportation to the Burin Peninsula.

The Burin Peninsula, an area of Newfoundland lying south of a straight line drawn from Terrenceville in Fortune Bay to Brookside in Placentia Bay, does not have a form of public transportation in the true sense of the word. The area in question has a population close to 30,000 people. The vast majority of these people live on the foot of the Peninsula, which is some 200 miles from St. John's and more than 100 miles from the Trans-Canada highway. This makes it the largest single populated area in the province, farthest removed from a source of public transportation.

The situation is even more ridiculous when I draw to your attention the fact that six of the towns in this area have been designated

[*Interpretation*]

M. Arnold: Non, mais nous avons appris que la Chambre de commerce de Springdale a comparu hier et qu'elle ne vous les a pas présentées.

M. Perrault: Est-ce qu'on peut s'attendre à les recevoir à Ottawa à l'adresse de notre président?

M. Arnold: Je peux demander qu'on le fasse, bien sûr.

M. Perrault: Je trouve que nous devrions les avoir, monsieur le président.

Le président: Il n'y a pas d'autres questions? Je voudrais donc vous remercier au nom du comité.

Le prochain mémoire est celui de M. Max Thornhill.

M. McGrath: Monsieur le président, avant de continuer, j'invoque le règlement. Je me demande si le comité consentirait à l'unanimité à annexer au compte rendu d'aujourd'hui les tableaux concernant la capacité opérationnelle des aéroports dans l'est du Canada. Il s'agit justement d'un document parlementaire. J'aimerais qu'il soit versé en annexe.

Le président: Le comité est-il d'accord?

Des voix: D'accord.

Le président: Monsieur Thornhill m'a demandé la permission de lire son mémoire car nous n'en avons pas d'exemplaires et il n'y a qu'une page et demie à lire. Alors, je crois que le comité y consentira, n'est-ce pas?

Des voix: D'accord.

M. Max Thornhill: Monsieur le président, messieurs du comité, mesdames et messieurs, je préfacerai mes observations en disant que je vais vous présenter le présent mémoire à titre de simple citoyen. Je l'ai conçu essentiellement en fonction du transport des passagers dans la péninsule de Burin. La péninsule de Burin une région de Terre-Neuve directement au sud d'une ligne tirée de Terrenceville sur la Baie Fortune et Brookside sur la Baie Placentia n'a pas de mode de transport public véritable. La région en question a une population de près de 30,000 personnes dont la plupart habitent à l'extrémité de la péninsule, soit à quelque 200 milles de St-Jean et à plus de 100 milles de la route transcanadienne. Il s'agit donc de la région la plus peuplée de la province qui se trouve si éloignée d'un moyen de transport public.

La situation nous paraîtra d'autant plus ridicule lorsque je vous signalerai le fait que six villes de cette région ont été désignées

[*Texte*]

as growth areas. Surely, gentlemen, there is an urgent need for some form of public transportation in an area that needs communication with the capital and the rest of the province.

As the situation now stands, it is quite a burden on the people to get in and out of the Peninsula. The only form of transportation to and from is that supplied by taxi. The comparative cost of travelling on these taxis with other forms of transportation in other parts of the province is in excess of 100 per cent.

In view of the foregoing, I would like to recommend strongly and support others that the Canadian National Railway extend its road cruiser service to cover the Burin Peninsula. This in my view would be an appropriate form of public transportation to this growth area. Thank you.

Mr. Horner: In looking at the map, I see your road, No. 11, going down to the Burin Peninsula. Is this road not good enough, or does it not serve the area well enough? Could you give us some idea as to the ability of that road to serve the Peninsula?

Mr. Thornhill: It would probably be a bit unfair of me to try and answer this. I should first of all point out that I am a civil servant, and I have to withhold some of my remarks.

Mr. Horner: I understand that.

Mr. McGrath: May I supplement the answer from the witness and state that this is a dirt road in very poor condition. It is of great concern to the Government of Newfoundland, to the people of Newfoundland, and it is a great retarder of progress for the Burin Peninsula at the present time.

Mr. Horner: The reason I asked that question was in no way to attempt to put you on the spot. We had evidence before the Committee yesterday that there was quite a strong suggestion that money should be taken from the subsidies saved off the railroad to build roads, to build trunk roads, and we have had evidence today and yesterday to suggest the same with regards to the coastal shipping. The money saved there should be turned towards the construction of better trunk roads. My second question is, do you believe that the road could be built up to serve that Peninsula successfully?

Mr. Thornhill: Yes, I believe it could. And could I just go back to your former remark and say that I do not think there is probably

[*Interprétation*]

comme des centres de croissance. Sûrement, messieurs, il y a un besoin urgent d'avoir un mode de transport public dans une région qui a besoin de communications avec la capitale et le reste de la province.

Dans la situation actuelle, c'est un fardeau considérable pour la population de quitter et de revenir à la péninsule. La seule forme de transport disponible ce sont les taxis. Le coût de transport comparativement aux autres modes de transport dans les autres parties de la province est de plus de 100 p. 100 plus élevé.

Par conséquent, je recommanderai fortement et j'appuierai ceux qui voudraient que le National-Canadien assure ce service d'autobus à la péninsule. A mon avis, ce serait un mode de transport public adéquat pour cette zone de croissance. Merci.

M. Horner: En regardant la carte, je vois la route nº 11 qui va vers cette péninsule de Burin. Est-ce que cette route n'est pas assez bonne ou ne dessert pas assez bien la région? Pourriez-vous nous donner une idée jusqu'à quel point cette route dessert la péninsule?

M. Thornhill: Ce serait injuste de ma part d'essayer de vous répondre. Tout d'abord, je dois vous dire que je suis fonctionnaire et je devrais peut-être me retenir de faire certaines observations.

M. Horner: Je comprends.

M. McGrath: Est-ce que je pourrais suppléer aux renseignements fournis par le témoin, et dire que c'est une route de terre en très mauvais état. Le gouvernement de Terre-Neuve et la population de l'île s'en inquiètent car cela retarde le progrès de la péninsule à l'heure actuelle.

M. Horner: La raison pour laquelle je vous ai posé la question n'était pas de vous mettre dans l'embarras. Nous avons entendu des témoignages hier qui laissaient entendre que l'argent épargné sur les subventions accordées aux chemins de fer devrait servir à construire un réseau de routes principales. Aujourd'hui et hier, d'autres témoignages proposent la même chose pour la navigation côtière. On a dit que l'argent qu'on y épargne soit utilisé pour la construction de meilleures routes principales. La deuxième question que je voudrais poser, c'est, croyez-vous qu'on puisse vraiment améliorer cette route de façon à desservir adéquatement cette péninsule?

M. Thornhill: Oui je le crois et si vous me permettez de revenir à vos premières remarques, je dirai que je ne crois pas que ce serait

[*Text*]

very much of a saving by the withdrawal of the coastal boats to the south coast, because these boats are still in operation and operate from Port-aux-Basques to Argentia. So this part of the coast, indeed, still has access to coastal service.

Mr. Horner: You suggested in your brief to us that the CNR build a railroad to connect Burin Peninsula with their main line.

Mr. Thornhill: No, I did not, sir. I stated that the Canadian National Railway should extend its road cruiser service.

Mr. Horner: Oh, road cruiser service. Bus lines.

Mr. Thornhill: Right. At the moment we do not have a bus line to the Burin Peninsula.

Mr. Horner: But if the road was fixed up, do you believe the CNR would?

Mr. Thornhill: Well, I not only believe that the CNR would. Probably other commercial operators would do so as well.

Mr. Rock: Are you aware, sir, that the Minister of Transport in his brief had the intention in the government's far-reaching plan to build that section also, as well as the one over to Labrador?

Mr. Thornhill: Yes, I saw this in the paper a couple of days ago, but in the meantime, we the people of this area are suffering from having to pay such high costs. And in addition to this, schedules are not what they should be, the comfort of the passengers is not very good, the protection of the passengers is not very good, and the competence of the drivers is another thing that is not taken into consideration.

Mr. Pringle: Is it your understanding, or do you happen to know where on the priority list the improvement of your existing road lies at the present time, or do you know if there are definite plans in the future to improve this particular road to the Burin Peninsula?

Mr. Thornhill: I cannot answer you specifically. It has taken going into two years to upgrade 20 miles of this particular road. If this is in the long-range program it is certainly going to take many years before we can expect to get a good road to the Burin Peninsula.

[*Interpretation*]

une épargne considérable si on retirait les navires côtiers sur la côte sud parce que ces navires offrent encore un service de Port-aux-Basques à Argentia. Donc, cette partie de la côte est toujours desservie par un service côtier.

M. Horner: Vous dites dans votre mémoire que le National-Canadien a construit un chemin de fer pour rattacher la péninsule de Burin à leur ligne principale.

M. Thornhill: Non, je n'ai pas dit cela. J'ai dit que le National-Canadien devrait étendre son service d'autobus.

M. Horner: Ah bon! son service d'autobus.

M. Thornhill: Oui. En ce moment nous n'avons pas de service d'autobus pour la péninsule de Burin.

M. Horner: Mais si la route était améliorée, croyez-vous que le National-Canadien le ferait?

M. Thornhill: Je le crois, non pas seulement pour le National-Canadien, mais d'autres entrepreneurs commerciaux le feraient aussi sans doute.

M. Rock: Savez-vous que le ministre des Transports, dans son mémoire, avait l'intention, en vertu du programme à longue échéance du gouvernement, de construire une telle route ainsi que la route au Labrador?

M. Thornhill: Oui. Je l'ai lu dans les journaux il y a quelques jours, mais entre-temps ces gens de cette région, souffrent d'avoir à payer des frais aussi élevés. De plus, les horaires ne sont pas adéquats, le confort des passagers n'est pas extraordinaire, la protection des passagers est peu assurée, et la compétence des chauffeurs est une autre chose dont on ne tient pas compte.

M. Pringle: Est-ce que vous savez quelle priorité on accorde à l'amélioration de votre route ou savez-vous si on a des projets précis pour améliorer cette route de la péninsule de Burin?

M. Thornhill: Je ne saurais vous répondre de façon précise. Il a fallu près de deux ans pour améliorer cette route sur une distance de vingt milles. Si ce projet fait partie d'un programme à long terme, il faudra sûrement un certain nombre d'années avant d'avoir un bonne route vers la péninsule de Burin.

[*Texte*]

Mr. Pringle: You probably stated it and I missed it, but what length of road is required here? How much road are we talking about?

Mr. Thornhill: It is approximately 100 miles to Marystown. This is the first large town. There would probably be another 50 miles on to Grand Bank and Fortune. The over-all would be probably 130 miles right to the tip of the Burin Peninsula, a town called St. Lawrence.

Mr. Pringle: Well, it would appear that the necessity of an improved road is of great priority and, of course, the building of highways is a provincial matter. It comes under provincial jurisdiction, whereas transportation, such as a Canadian National Railway bus service, would come—if the road gets repaired, and your statement today is just to get our support, is that correct?

Mr. Thornhill: My statement today, sir, is that we should not have to wait for the road to be repaired. We should be able to get a form of subsidized transportation similar to the other parts of the province. As it now stands, we are paying double what they pay in any other part of the province.

Mr. Pringle: This is the point I was trying to get at. Do we have to have the roads before we have the transportation? And you state now that you feel that with the existing roads there could be public transportation to take advantage of the road and operate, but they would require a subsidy in order to operate successfully. Is this correct?

Mr. Thornhill: This is what the present operators who operate taxis to the Burin Peninsula now contend, that the reason for their high cost is because of roads. I did not delve into that. However, I did do a comparison when I prepared a brief last year for this Committee, dealing with the cost of transportation on taxis to the Burin Peninsula, and I went to some length to study other taxis operating within the province. And I find that many of these taxis indeed operate on as much dirt road as they do to the Burin Peninsula, not in one length of time, but in a total of one week.

Mr. Pringle: Can you tell us what the taxi fare is to the general area you are referring to?

Mr. Thornhill: To Grand Bank is $25 in the winter and $20 in summer, a distance of 231 miles. I can travel to Cornerbrook by private

[*Interprétation*]

M. Pringle: Vous l'avez sans doute déjà dit et je ne l'ai pas entendu, mais de combien de milles s'agit-il? Quelle est la longueur de la route en cause?

M. Thornhill: Il y a environ 100 milles pour arriver à Marystown. C'est la première grande ville. Il y aurait sans doute un autre 50 milles pour se rendre à Grand Bank et Fortune. Dans l'ensemble, ce serait sans doute 130 milles pour se rendre jusqu'à la pointe de la péninsule de Burin, soit la ville de St. Lawrence.

M. Pringle: Il semble que la nécessité d'améliorer la route devrait jouir d'une très grande priorité et, bien entendu, la construction de la route relève de la compétence provinciale. Tandis que le transport, comme le service d'autobus du National-Canadien relèverait—si la route est réparée, et votre déclaration aujourd'hui vise à obtenir notre appui, n'est-ce pas?

M. Thornhill: Ma déclaration c'est qu'on ne devrait pas avoir attendre que la route soit réparée. Nous devrions avoir un mode de transport subventionné tout comme le reste de la province. A l'heure actuelle, nous payons deux fois plus qu'on paie dans toutes les autres régions de la province.

M. Pringle: C'est ce à quoi je voulais en arriver. Est-ce qu'il faut avoir les routes avant d'obtenir le transport? Et vous dites maintenant que selon nous, un mode de transport public pourrait utiliser cette route dans son état actuel, mais qu'il lui faudrait une subvention pour être rentable, est-ce exact?

M. Tornhill: C'est ce que les exploitants de taxis prétendent à l'heure actuelle, que la raison pour laquelle leurs coûts sont élevés, c'est que le route est en mauvais état. Je ne m'y suis pas penché outre mesure, mais j'ai fait une comparaison, lorsque j'ai préparé un mémoire pour ce Comité l'année dernière, traitant du coût de transport des taxis à la péninsule de Burin, et j'ai également étudié les autres services de taxis dans la province. Je constate que bon nombre de ces taxis empruntent autant de routes de terre que dans la péninsule du Burin, non pas pour un voyage donné, mais sur une durée d'une semaine.

M. Pringle: Pourriez-vous nous dire quel est le tarif des taxis pour se rendre à la région dont vous parlez?

M. Thornhill: Pour aller à Grand Banks, c'est $25 l'hiver et $20 l'été, pour une distance de 231 milles. Pour aller à Corner Brook, par

[*Text*]

taxi for $17, a distance of 423 miles, and if I were travelling on the CNR road cruiser service I could go to Cornerbrook for anywhere between $9.90 and $13.50. This indeed is almost twice the distance that it is to Grand Bank.

Mr. McGrath: Mr. Chairman, I think I know what the intent of this brief is, and why the witness is here, even though roads are a provincial responsibility. Is it fair to suggest, Mr. Thornhill, that now that Canadian National has gone into the bus service, you feel that Canadian National should be obliged to provide the Burin Peninsula with bus service?

Mr. Thornhill: I do so, sir, yes.

Mr. Skoberg: Is there any time during the year when the roads are completely blocked—underwater or snowed in?

Mr. Thornhill: There are times of the year when the road is snowed in. However, I must say they have a fairly efficient operation in getting it open. However, the Highways Department are at a loss when conditions exist such as existed this week, when the road is closed completely and traffic, except trucks, is unable to get through. Therefore, people are unable to get in from the Burin Peninsula. This week a relative of mine had to see an orthopaedic surgeon but could not make it and will have to see him next week. These are serious problems.

Mr. Rock: Is it because of the thawing out?

Mr. Thornhill: It is because of the mild weather we have had and the frost in the road is now coming out.

Mr. Skoberg: Then the only other way for your produce to get in would be by the ferry service or the ports?

Mr. Thornhill: You could get in by boat service. The CN has recognized this emergency now by putting a boat on direct from Marystown to Argentia. EPA has also recognized it by putting an air fare on from St. John's to Frenchman's Cove.

Mr. Skoberg: Does the D.B.L. Transport serve your area at all—the one we just heard previously?

Mr. Thornhill: No; not in passengers at least.

Mr. Skoberg: No, I am referring to truck service.

Mr. Thornhill: We have private individual trucks operating there, but I am not aware of the total truck service that we do have.

[*Interpretation*]

taxi, il faut compter $17, un parcours d 423 milles, et si je voyegais sur le servic d'autobus du National-Canadien, je pourrai aller à Corner Brook pour entre $9.90 e $13.50. C'est à peu près deux fois la distanc à Grand Bank.

M. McGrath: Monsieur le président, j pense savoir quel est l'objectif de c mémoire, et pourquoi le témoin est ici, mêm si les routes sont du ressort provincial. Est-i juste de dire, monsieur Thornhill, que main tenant que le National-Canadien a un servic d'autobus, nous sentez que le National-Cana dien devrait fournir un tel service à la pénin sule de Burin?

M. Thornhill: Oui.

M. Skoberg: Monsieur le président, est-c qu'au cours de l'année, il y a des routes qu sont bloquées par la neige ou l'eau?

M. Thornhill: Il y a des périodes de l'anné ou la route est fermée à cause de la neige Toutefois, les opérations de nettoyage son assez efficaces. Cependant, le ministère de l Voirie est perdu lorsque vous avez des condi tions comme celles de cette semaine où l route est tout-à-fait fermée et le trafic, sau les camions, ne peut y passer. Donc les gen ne peuvent sortir de la péninsule de Burin J'ai un membre de ma famille qui a dû s rendre chez un orthopédiste et n'a pu s'y ren dre, il devra revenir la semaine prochaine C'est un problème assez grave.

M. Rock: Est-ce à cause du dégel?

M. Thornhill: C'est à cause de la douce tem pérature que nous avons eue et la rout dégèle.

M. Skoberg: La seule façon donc d'y envoyer votre produit serait par le service d transbordeur ou les ports?

M. Thornhill: Vous pourriez vous y rendr par le bateau. Le National-Canadien reconnaî cet état d'urgence en mettant un bateau en service direct de Marystown à Argentia. EPA l'a reconnu en mettant un vol de Saint-Jean à Frenchman's Cove.

M. Skoberg: Est-ce que la région est desser vie par le *D.B.L. Transport*, le service don on vient juste de parler.

M. Thornhill: Non; pas un service-voya geurs, du moins.

M. Skoberg: Non, je parle de camions.

M. Thornhill: Nous avons des camionneur indépendants, mais je ne sais pas ce qu'il en est quant à l'ensemble du service d camionnage.

[*Texte*]

Mr. Skoberg: There is no recognized truck line, as such, that is serving your area right now?

Mr. Thornhill: As I say, I am not aware of what trucking operation is going on to the Burin Peninsula. When Marystown was under construction there were many large flat trailer trucks going to that area; whether or not it is regular I do not know.

The Chairman: This completes the questioning. I would like to thank you.

Gentlemen, it is now twelve o'clock, Before we left Halifax three days ago I received a telegram from a gentleman from St. John's, Newfoundland, asking if he could be heard here. He did not have time to send his brief before our schedule was made out and I told him that if I could arrange the time I would be only too pleased to hear him. If the Committee would agree, maybe we could sit a few minutes longer to hear this gentleman.

I will call on Mr. Lush from the Railway Unions Labour Council. Mr. Lush?

Mr. F. A. F. Lush (Secretary, Railway Unions Labour Council, St. John's, Newfoundland): Mr. Chairman and gentlemen, this Railway Unions Labour Council represents 11 unions and is a formidable group protesting the taking away of the passenger trains. We have taken issue with the Transport Commission that by holding its hearings in St. John's it did not reach the people from outside points, and there is a dormant opposition, I believe, in towns and municipalities to the taking away of our passenger trains.

We submit here a resume of passengers carried from 1961 to 1968. You will notice the year 1966 was the year the CNR decided to put in an application to close the passenger service.

This is the third time we have been before committees of this kind and our main theme has been to urgrade our passenger service, to speed it up, to get better equipment. We think that if this was done, there would be no car or bus that could compete with our rail passenger service.

We have seen the advantages of Confederation, both socially and materially. St. John's Harbour got a face lifting and Port Aux Basques got a modern ferry terminal and millions of dollars have been provided for these facilities, but our narrow gauge railroad remains the same and in 18 years of operation

[*Interprétation*]

M. Skoberg: Il n'y a pas de ligne reconnue qui dessert votre région, maintenant?

M. Thornhill: Comme je l'ai dit. Je ne sais pas quelles sont les opérations de camionnage qui se font dans la péninsule de Burin. Lorsque Marystown était en construction il y avait bon nombre de camions-remorques qui allaient dans cette région; mais est-ce que c'est un service régulier ou non, je n'en sais rien.

Le président: Ceci met fin à la période de questions merci beaucoup.

Messieurs il est midi. Avant de quitter Halifax, il y a trois jours, j'ai reçu un télégramme de quelqu'un de Saint-Jean, Terre-Neuve, qui me demandait si on pouvait l'entendre ici. Il n'a pu envoyer son mémoire avant que notre horaire soit fait et je lui ai dit que si je pouvais le faire, je me ferais un plaisir de l'entendre. Donc, si le Comité en convient, peut-être pourrions nous siéger quelques minutes de plus pour l'entendre.

J'accorde la parole à monsieur Lush du Conseil ouvrier des syndicats ferroviaires. Monsieur Lush?

M. F. A. F. Lush (secrétaire du Conseil ouvrier des syndicats ferroviaires, Saint-Jean, Terre-Neuve): Monsieur le président, messieurs, le Conseil ouvrier des syndicats ferroviaires représente 11 syndicats et est un groupe formidable qui proteste contre l'élimination du service des voyageurs. Nous avons soulevé la question auprès de la Commission canadienne des transports qu'en tenant ses réunions à Saint-Jean elle n'a pas atteint les gens de l'extérieur, et il existe, je crois une opposition inactive dans les villes et municipalités à la cessation du service-voyageurs.

Nous vous soumettons un résumé des voyageurs transportés de 1961 à 1968. Vous remarquerez que l'année 1966 est l'année où le National-Canadien a décidé de demander l'abandon du service-voyageurs.

C'est la troisième fois que nous comparaissons devant des comités de ce genre et nous avons toujours demandé une amélioration du service des voyageurs, nous avons demandé du meilleur matériel et plus de rapidité. Nous croyons que si c'était fait, il n'y a pas de voiture ou d'autobus qui pourrait faire la concurrence au train.

Nous avons vu les avantages de la Confédération du point de vue social et du point de vue matériel. Le port de Saint-Jean a été modernisé et Port-aux-Basques a obtenu un terminus moderne de transbordeurs et des millions de dollars ont été prévus pour ces installations portuaires. Toutefois, notre ligne

[*Text*]

we think the CNR should have done something towards the elimination of curves to improve the speed of our trains.

A lady yesterday made reference to the red, white and blue fares and we do have these in Newfoundland, but red, white and blue fares depend for profit on the fast movement of passengers. If a person takes a sleeper the meals are included, and the faster the train is going the less meals have to be served. Travelling 22 hours means eating three meals on the train. That is why we say that faster train travel would be cheaper and would be profitable for the CNR, with red, white and blue fares, because less time would be spent serving meals.

We take issue with the $916,000 loss in 1966; we do not have the breakdown of the figure, so we will reserve comment. We would draw to your attention, however, that the St. John's Municipal Council, this last week, has budgeted $525,000 to cover losses on this transportation system in 1969. Now, the Municipal Council is only a mite in transportation compared to CNR and they are paying this out to keep transportation going for service to the public of St. John's. Yet, we find a large corporation like the CNR with $916,000—we do not know the breakdown of the figures. Such things do not tie in with our thinking. We have Mr. Penney here today, who is a trainman, and he will tell you that our trains can go faster. Mr. Penney, what do you think?

Mr. A. W. Penney (Conductor, Railway Unions Labour Council, St. John's, Newfoundland): There is no doubt in our minds that the passenger train service could be 17 hours from St. John's to Port Aux Basques where at present you will find it is around 22 hours. This train has done this: some time ago when Mr. Gordon visited here to train crossed the Island in 16½ hours.

An hon. Member: Would you repeat that, please?

Mr. Penney: Mr. Donald Gordon visited here.

An hon. Member: What year was that?

Mr. Penney: At the time of his retirement.

An hon. Member: Was it 1966?

Mr. Penney: The train crossed the Island at that time in 16 hours and 30 minutes. I do not

[*Interpretation*]

ferroviaire à écartement étroit demeure la même et nous estimons que le National-Canadien aurait dû faire quelque chose en 18 ans pour enlever les courbes et améliorer la vitesse des trains.

Hier, une dame a mentionné le tarif bleu, blanc, rouge et nous l'avons ici, mais ce tarif bleu, blanc, rouge dépend pour son succès sur le transport rapide des voyageurs. Si une personne prend un wagon-lit, les repas sont compris et plus vite va le train, moins de repas doivent être servis. Un voyage de 22 heures veut dire trois repas à bord du train. Par conséquent, nous prétendons que ce serait au profit du National-Canadien d'avoir des trains plus rapides à l'égard des tarifs bleus, blancs et rouges

Nous nous opposons au $916,000 de pertes en 1966; nous n'avons pas les détails de ces chiffres, alors nous n'osons pas formuler des commentaires. Mais nous voulons souligner, toutefois, que cette dernière semaine le conseil municipal de Saint-Jean a établi un budget de $525,000 pour combler le déficit de 1969 de ce service de transport. Le conseil municipal de Saint-Jean est peu important dans le domaine des transports en comparaison du National-Canadien, mais la municipalité de Saint-Jean va défrayer ce déficit afin que ce service soit maintenu pour le public de Saint-Jean. Mais le National-Canadien a un déficit de $916,000 et ne nous donne pas les détails de ces chiffres. Nous ne pensons pas de cette façon. Nous avons M. Penney, ici, un cheminot, il pourra vous dire aujourd'hui que c'est possible pour nos trains d'aller plus vite. Qu'en pensez-vous, monsieur Penney?

M. A. W. Penney (chef de train, Conseil ouvrier des syndicats ferroviaires, Saint-Jean, Terre-Neuve): Il n'y a aucun doute dans notre esprit que le service-voyageurs, que le trajet pourrait se faire en 17 heures de Saint-Jean à Port-aux-Basques, alors qu'à l'heure actuelle vous trouverez que le trajet se fait en 22 heures. Le train l'a fait, il y a quelque temps, lorsque M. Gordon est venu nous visiter. Le train a traversé l'île en 16½ heures.

Une voix: Pourriez-vous, s'il vous plaît, répéter ce que vous venez de dire?

M. Penney: Quand monsieur Donald Gordon est venu nous visiter.

Une voix: En quelle année?

M. Penney: Au moment de sa retraite.

Une voix: Est-ce que c'était en 1966?

M. Penney: Le train avait traversé l'île, à ce moment-là en 16 heures et trente minutes.

[*Texte*]

see for the life of me, and I have 27 years service working as a freight conductor and passenger conductor, why the passenger service cannot be stepped up to 17 hours instead of the present 21 or 22 hours. For example, we have almost the same schedule now that we had 10 or 12 years ago when we had steam locomotives which required, at various terminals—Clarenville, Bishop's Falls and Corner Brook—to be refueled, the fires cleaned and engines changed periodically at those terminals.

At various points along the road those engines had to be watered. Since dieselization there is none of this. The same engine that goes on the train here goes through to Port Aux Basques. Some years ago with the steam locomotives we handled a mail car, an express car which had to be express, and mail de-train and in-train at various locations, while at present there is no mail car and there is no express car, but we have almost the same time schedule as we had at the time of handling the mail and express.

Mr. Lush: There is one point I would like to make.

Mr. Penney: Yes.

Mr. Lush: With regard to the losses on our passenger service, assuming that the passenger service was replaced by buses, and assuming then that the losses mount on the buses and the same argument is put forward, will the buses meet the same fate as the passenger trains?

The Chairman: Mr. McGrath?

Mr. McGrath: Mr. Chairman, I just have one brief question. I think it should be noted that we have two experienced railroaders on our Committee: the hon. member for London East and the hon. member for Moose Jaw, and perhaps they would be more knowledgeable on this than I, but I am intrigued by this figure quoted in here wherein the CNR claims it would cost them $140 million to remove the curves. You take issue with that and I think quite rightly so.

As an experienced railroader, what in your view would be a realistic figure? I realize now that perhaps this is in the area of guess work, but it does seem to me that this is what the CNR is guilty of in this particular regard;

[*Interprétation*]

Je n'y comprends rien et j'ai 27 ans de service auprès des chemins de fer, j'ai travaillé comme chef de trains de marchandises et comme chef de trains de voyageurs. Je ne vois donc pas pourquoi le service-voyageurs ne pourrait pas donner lieu à un trajet de 17 heures plutôt que de 21 ou 22 heures. Par exemple, nous avons presque le même horaire à l'heure actuelle qu'il existait il y a dix ou douze ans, alors que nous avions des locomotives à vapeur qui exigeaient à divers terminus, Clarenceville, Bishop's Falls et Corner Brook, des arrêts pour faire le plein de carburant, nettoyer les feux et changer de locomotives de temps à autre.

A divers endroits le long de la ligne, il fallait aussi les approvisionner d'eau. Depuis l'arrivée des locomotives avec moteurs diesels, ce n'est plus nécessaire. C'est la même locomotive qui fait le trajet de Saint-Jean à Port-aux-Basques. Il y a quelques années, les locomotives à vapeur comportaient aussi un wagon de courrier, un wagon de messageries; il fallait les charger et les décharger aux divers endroits, alors qu'à l'heure actuelle, il n'y a plus de wagon pour le courrier, il n'y a plus de wagon pour les messageries. Nous avons tout de même le même horaire que nous avions au moment où il fallait manutentionner et le courrier et les messageries.

M. Lush: J'ai un autre point que je voudrais faire.

M. Penney: Oui.

M. Lush: Au sujet des pertes pour le service-voyageurs, présumant que les autobus vont remplacer les trains et présumant aussi que les déficits augmenteront avec les autobus, on pourrait peut-être alors se demander si le service des autobus sera éliminé?

Le président: Monsieur McGrath?

M. McGrath: Monsieur le président, j'ai juste une question très brève que je voudrais poser. Je crois qu'on devrait peut-être noter que nous avons ici deux cheminots d'expérience: l'honorable député de London-Est et l'honorable député de Moose Jaw qui, peut-être, s'y connaîtraient mieux que moi dans ce domaine, mais le chiffre m'intrigue alors que le National-Canadien prétend que cela coûterait 140 millions de dollars pour éliminer les courbes. Vous doutez du chiffre, et je crois que c'est à juste titre.

D'après votre expérience, à titre de cheminot, quel serait, d'après vous, un chiffre réaliste? Je comprends qu'il s'agit peut-être d'une estimation, mais j'ai l'impression que c'est exactement ce que le National-Canadien

[*Text*]

they made a guess to support their own argument.

Mr. Lush: This was asked when the royal commission on transport was here. Those figures were pulled out of the hat, shall we say. As we say, we do not know of any independent engineering firm. Our trainmen and sectionmen say that a lot of the curves can be taken out with bulldozers but I cannot give you any figures on that. I am not an engineer and therefore I do not know.

Mr. McGrath: One other question: even with the curves as they now exist, in your view can the service be speeded up?

Mr. Lush: Yes, as Mr. Penney said, it could be speeded up by about 3½ hours.

Mr. McGrath: The train was able to make the trip in 16 hours to impress Mr. Gordon. Is it realistic to suggest that this 16 hour average could be arrived at with a few minor efficiencies made to it?

Mr. Lush: Well, I think you would have to take out some curves because you would have quite a job eating in the dining car if you were travelling at that speed.

Mr. McGrath: Well, how did Mr. Gordon manage to eat? He is known to have a great appetite.

The Chairman: Mr. Breau?

Mr. Breau: Mr. Gordon's trip was non-stop, was it not? Did his train stop like the passenger trains do?

Mr. Lush: No, it was practically non-stop.

Mr. Perrault: Another supplementary. Can you tell us how many cars made up the train involved in Mr. Gordon's trip?

Mr. Lush: Do you remember?

Mr. Penney: No.

Mr. Perrault: Was it a shorter train than normal?

Mr. Lush: Oh, it would be, yes.

Mr. Perrault: It was shorter?

Mr. Lush: Yes.

The Chairman: Mr. Rose?

[*Interpretation*]

a fait dans ce cas particulier; ils ont estimé c que cela coûterait à l'appui de leur argument

M. Lush: On a demandé cela lorsque l Commission royale d'enquête sur les trans ports a siégé ici. Ces chiffres ont, disons, ét pris au hasard. Comme nous le disons, nou ne savons pas si un bureau d'ingénieurs indé pendant a été consulté. Nos ingénieurs et nc cheminots disent qu'il y a beaucoup de cour bes qui pourraient être éliminées grâce a bulldozer, mais je ne puis vous donner d chiffres. Je suis un ingénieur et je ne le sai pas.

M. McGrath: Une autre question: mêm avec les courbes qui existent à l'heur actuelle, à votre sens, est-ce qu'on pourrai accélérer le service?

M. Lush: Oui, comme M. Penney l'a di cela serait possible. Il serait possible d'épar gner 3½ heures.

M. McGrath: Le train a été capable de fair le trajet dans 16½ heures pour impressionne M. Gordon. Alors serait-il réaliste de dire qu cette moyenne de 16 heures pourrait êtr maintenue si on rendait plus efficace certain aspects du trajet?

M. Lush: Il faudrait peut-être éliminer cer taines courbes, car il serait très difficile d manger, par exemple, avec les courbes à cett vitesse.

M. McGrath: Comment M. Gordon a-t-i réussi à manger? Il a bon appétit d'après c que j'ai entendu dire?

Le président: Monsieur Breau?

M. Breau: Son trajet a été sans arrê n'est-ce pas? Est-ce que son train a arrêt comme les trains du service-voyageurs?

M. Lush: Non, le voyage s'est fait pratique ment sans arrêt.

M. Perrault: Une autre question supplé mentaire. Pourriez-vous nous dire combien d wagons comportait le train pour le trajet d M. Gordon?

M. Lush: Vous en rappelez-vous?

M. Penney: Non.

M. Perrault: Est-ce qu'il s'agissait d'u train plus court que d'habitude?

M. Lush: Oui, il le serait.

M. Perrault: Il était plus court?

M. Lush: Oui.

Le président: Monsieur Rose?

[*Texte*]

Mr. Rose: Mr. Chairman, I have several questions here. I will state them briefly and I hope the answers will be brief too. Has the service, in your opinion, been deliberately downgraded in order to justify the buses?

Mr. Lush: Yes, we think so.

Mr. Rose: Have you any evidence of this that you could give the Committee?

Mr. Lush: Yes, I can say offhand what the people who talk about the trains say. They talk about the dirty windows, the dirty window sills and so on.

Mr. Rose: You feel that it is deliberately run down?

Mr. Lush: Yes. For instance, members of your Committee travelled on the train last night to Holyrood, but this is not the train that Newfoundlanders travel on. They spent two days cleaning up the train that you travelled on; they had an official there for two days and every bit of debris in the yard, every brake shoe, was cleaned up for you fellows.

Mr. Rose: This downgrading was a management decision. I thought perhaps they would make it as dirty as they could to sort of show comparison between it the buses.

How many jobs have been lost, as far as the various organizations you represent are concerned, as a result of this change?

Mr. Lush: We feel that cutting off the passenger service is like cutting off our right arm. By cutting off half of the service, I think the loss of employment must be much greater than was stated in the Transport Commission's report.

Mr. Rose: I understand that other jobs have been found and there has been retraining and this sort of thing. In this part of the country where the unemployment rate is extremely high, how many jobs have disappeared, whether the men are looked after or not? There are no jobs for other people to fill.

Mr. Lush: There are no jobs lost yet, you know.

Mr. Rose: No, I am not speaking of this. But in your view, what will be the total loss of jobs?

Mr. Lush: We think it will probably be up to about 200.

Mr. Perrault: I am sorry, I just wanted to ask a supplementary.

[*Interprétation*]

M. Rose: Monsieur le président, j'ai plusieurs questions à vous poser. J'essaierai de les poser brièvement et j'espère que les réponses seront brèves aussi. Est-ce que le service, à votre avis, a été détérioré délibérément afin de justifier le service des autobus?

M. Lush: Je le crois, oui.

M. Rose: Avez-vous des preuves à cet égard que vous pourriez présenter au Comité?

M. Lush: Je pourrais dire ce que les gens ont dit, on parle des trains, on parle des wagons sales, de fenêtres sales, etc.

M. Rose: Vous croyez que le service a été détérioré d'une façon délibérée?

M. Lush: Oui. Par exemple, les membres de votre Comité ont voyagé hier soir jusqu'à Holyrood, mais ce n'est pas le train dans lequel les Terre-neuviens voyagent. Ce train-là pour vous, on l'a nettoyé pendant deux jours, il y avait un fonctionnaire là, pendant deux jours et tout a été nettoyé justement à votre intention.

M. Rose: Et cette détérioration a été faite à la suite d'une décision de la direction. J'aurais cru qu'on l'aurait laissé aussi sale que possible pour montrer une comparaison avec les autobus. Combien de postes ont été perdus par les organismes que vous représentez par suite de ce changement?

M. Lush: Évidemment, le service de voyageurs si vous éliminez cela, vous nous coupez la main droite. En coupant le service de moitié, je crois qu'il y aurait beaucoup plus de pertes d'emplois que ce qu'on dit dans le rapport de la Commission des transports.

M. Rose: Je comprends que d'autres postes ont été trouvés et que du recyclage a été fait, etc., mais combien de postes ont été perdus dans cette partie du pays où le taux du chômage est très élevé? Combien d'emplois sont disparus? Il n'y a pas d'autres emplois de rechange?

M. Lush: Il n'y a pas eu de pertes d'emplois, jusqu'ici.

M. Rose: Non, ce n'est pas ce que je dis. Mais, à votre sens, quel sera le total des employés éliminés à la suite de cela?

M. Lush: Nous estimons environ 200.

M. Perrault: Je m'excuse, je voulais poser une question supplémentaire.

[*Text*]

Mr. Rose: Certainly.

The Chairman: You will allow a supplementary, Mr. Rose?

Mr. Perrault: Does the Canadian National Railway dispute your estimate of 200 or do they claim that they have offered alternative employment?

Mr. Lush: No, we put that in our brief.

Mr. Perrault: Does the railway dispute the position you have taken on that?

Mr. Lush: No.

Mr. Perrault: In other words, they admit there is going to be a net loss of 200 men.

Mr. Lush: No, they have not admitted that; they go along with 125.

Mr. Perrault: Have they suggested alternative methods of providing employment for them?

Mr. Lush: Yes. As it says in the brief, they have on-the-job training and so on.

Mr. Rose: That was not the point I was trying to make. It was not whether or not the people were provided for who were presently employed, but in an area of high unemployment a total of some 200 jobs are going to disappear and they will not be filled. Whether you call it silent firing or something else, it does not make any difference.

I noticed it stated in your brief that although passenger service for various reasons has fallen considerably it still served last year some 67,000 people, the point being that it still indicates a need. What is the story about service in the past? Has it always been just tri-weekly, because the buses—and you made the point of unfair competition—have a schedule much in excess of this.

Mr. Lush: The train operates in the summertime six days a week.

Mr. Rose: Do you have any idea of the total figure that it cost the CNR to provide the buses in the first instance?

Mr. Lush: It is estimated at about $700,000.

Mr. Rose: In your opinion, how far would that have gone in updating the rail service.

Mr. Lush: I am afraid I cannot answer that at the present time.

[*Interpretation*]

M. Rose: Certainement.

Le président: Vous permettez une question supplémentaire, monsieur Rose?

M. Perrault: Est-ce que le National-Canadien met en doute le chiffre de 200 ou est-ce qu'ils prétendent avoir offert des emplois alternatifs?

M. Lush: Non, nous avons mis ce chiffre dans notre mémoire.

M. Perrault: Est-ce que le chemin de fer dispute la position que vous avez prise?

M. Lush: Non.

M. Perrault: En d'autres termes, ils admettent qu'il y aura une perte nette de 200 hommes.

M. Lush: Ils prétendent qu'il n'y en a que 125.

M. Perrault: Est-ce qu'ils ont suggéré d'autres emplois?

M. Lush: Oui, on le dit dans le mémoire. Ils ont organisé un programme de formation en cours d'emploi.

M. Rose: Ce n'est pas ce que je voulais dire. Je ne voulais pas savoir si l'on s'occuperait des travailleurs actuellement en emploi. Rien n'empêche que, dans une région à chômage élevé, 200 emplois vont disparaître et ne seront pas remplacès. Que vous appeliez cela congédiement en douce ou autre chose, peu importe, il n'y a aucune différence.

Je crois que dans votre mémoire vous insistez beaucoup sur le fait que, bien qu'il ait diminué sensiblement, le service voyageurs a quand même desservi quelque 67,000 personnes. Cela indique qu'on a encore besoin de ce service. Quel est l'historique du service? Est-ce qu'il fonctionnait seulement trois fois par semaine parce que les autobus, et vous avez parlé de concurrence déloyale, ont un horaire beaucoup plus fréquent.

M. Lush: Oui, En été le train fonctionne six jours par semaine.

M. Rose: Est-ce que vous avez une idée de ce qu'il en a coûté au National Canadien pour acheter des autobus d'abord?

M. Lush: Environ 700 mille dollars.

M. Rose: A votre avis, dans quelle mesure cela a pu améliorer le service voyageurs des chemins de fer?

M. Lush: Je ne saurais vous répondre à l'heure actuelle.

[*Texte*]

Mr. Rose: If the passenger service is to be discontinued and the railbed has to be improved in any event to handle more freight, then the buses do not necessarily take away from that particular need to improve the railbed, do they?

Mr. Lush: No. You have the main line down through Nova Scotia and we have the modern train to Port-aux-Basques, but we still have the narrow gauge winding roads for hauling freight or passengers. We think this road has to be straightened out. In this modern day and age, if we cannot get something in seven or eight days from Toronto in to Newfoundland, then we are not progressing very much.

Mr. Rose: Do you know of any other province that does not have a rail passenger service?

Mr. Lush: Only what was said here yesterday about New Brunswick and Prince Edward Island. But I would say that if we had a mainline gauge here and people were not patronizing it we would not be down here today.

Mr. Horner: A number of questions in which I was interested have been answered, but I have a question with regard to the attitude of management on downgrading the service of the train. What is the practice with regard to right-of-way on the track? Does the passenger train pull over for the freight train and wait on the siding, or what happens?

Mr. Lush: Could I have your question again, please.

Mr. Horner: What has always been the attitude with regard to passenger service and priorities on the track? Does the passenger train pull over and wait for the freight?

Mr. Lush: Schedule-wise, the passenger train is the superior train, but it very often happens that they meet and they get delayed on the various sidings.

Mr. Horner: The passenger train gets delayed?

Mr. Lush: It varies, you know; it happens both ways.

Mr. Horner: I am now looking at what has been suggested by you and others. It has been suggested that management's attitude has been to downgrade the service. Do you think that in the past couple of years—since the completion of the Trans-Canada Highway, in

[*Interprétation*]

M. Rose: A votre avis, si le service voyageurs doit être discontinué, il faut améliorer de toute façon les rails pour le service messageries, et les autobus ne feront pas disparaître cette nécessité d'améliorer les assises de la voie?

M. Lush: Vous avez la ligne principale qui va jusqu'en Nouvelle-Écosse et le train moderne vers Port aux Basques; nous avons toujours une voie secondaire à faible écartement pour le transport des marchandises et des voyageurs. Cette voie devrait être redressée. A notre époque, si nous ne pouvons recevoir quelque chose en sept ou huit jours de Toronto, il n'y a pas grand progrès.

M. Rose: Croyez-vous qu'il y ait d'autres provinces qui n'aient pas de service ferroviaire pour voyageurs?

M. Lush: Le Nouveau-Brunswick et l'Île du Prince-Édouard. Mais si nous avions une voie à écartement régulier ici et que les gens ne l'empruntaient pas, on ne serait pas ici aujourd'hui.

M. Horner: On a déjà répondu à certaines questions qui m'intéressaient, mais j'en ai une au sujet de la direction qui détériore le service ferroviaire. Quelle pratique a-t-on adopté au sujet du droit de passage? Est-ce que le service voyageurs doit se retirer sur la voie d'évitement pour laisser passer les marchandises ou quoi?

M. Lush: Pourriez-vous poser la question de nouveau s'il vout plaît, monsieur Horner?

M. Horner: Quelle est l'attitude à l'égard du service voyageurs et de la priorité sur la voie? Est-ce que le service voyageurs doit prendre la voie d'évitement pour laisser passer les marchandiese?

M. Lush: Pour ce qui est de l'horaire, le service voyageurs passe en premier. Mais, bien souvent, il arrive qu'ils se rencontrent et sont retardés sur les différentes voies d'évitement.

M. Horner: C'est le service voyageurs qui est retardé?

M. Lush: Cela dépend; cela peut se produire pour les deux.

M. Horner: On a dit que l'attitude de l'administration avait été de laisser détériorer le service. Croyez-vous qu'au cours des quelques dernières années, depuis qu'on a terminé la route transcanadienne en 1966, il y a eu une augmentation du nombre de fois où le service

[*Text*]

any case, in 1966—that there has been an increase in the number of times in which a passenger train has had to pull over and stand by for the freight to go by?

Mr. Lush: I would not say that this has been deliberate.

Mr. Rose: No, I do not say it is deliberate, but have you been asked to do this because of circumstances?

Mr. Lush: It is not too often. It is very rare that the passenger train takes the siding. However, where you take our freight trains nowadays have probably 40 to 60 cars while a passenger train has 9 cars, so it is only reasonable—at least that is the way I feel—that we take the siding. But that happens only periodically.

Mr. Horner: You suggested, sir, that the trackage eventually will have to be straightened. I was speaking to a CPR official on the mainland the other day and he suggested that in moving their freight across the mainland they average, with stopping and so on, 27 miles an hour on their movement of freight. I realize that you have a length of rail something in excess of 548 miles here in Newfoundland—much shorter than the mainland—but could you give the Committee some ideas as to what your average speed would be on the movement of freight.

Mr. Lush: The freight moves at an average of 30 miles an hour and the passenger 45.

Mr. Allmand: After the decision by the Canadian Transport Commission to permit the discontinuance of passenger service did the unions here in Newfoundland make any appeal? The Act provides for two types of appeal, as a matter of fact. Did you make either type of appeal?

Mr. Lush: Through the Railway Act we are going to make an appeal.

Mr. Allmand: Excuse me, sir, I cannot hear you.

Mr. Lush: Through the Railway Act.

Mr. Allmand: Did you make an appeal under the Railway Act?

Mr. Lush: We are making it now.

Mr. Allmand: You are making it now?

Mr. Lush: Yes.

[*Interpretation*]

voyageurs a dû attendre pour laisser passer le service marchandises?

M. Lush: Non. Je ne dirais pas que cela a été fait de propos délibéré.

M. Rose: Non, ce n'est pas ce que je dis. Mais, est-ce qu'on vous a demandé de le faire vu les circonstances?

M Lush: Non, cela n'arrive pas tellement souvent. C'est plutôt rare que le service voyageurs doit prendre la voie d'évitement. Cependant, si vous regardez les trains de marchandises d'aujourd'hui, qui sont de 40 à 60 wagons, alors qu'un train de voyageurs n'en a que 9 wagons, alors il est raisonnable, du moins c'est là mon avis, que nous prenions la voie d'évitement. Cela se présente de temps à autre.

M. Horner: Vous avez dit qu'on devrait éventuellement redresser la voie. Je m'entretenais l'autre jour avec un représentant du CPR sur le continent, il a dit que lorsqu'ils font le transport des marchandises à travers le Canada, le train marchandises fait en moyenne 27 milles à l'heure, compte tenu des arrêts. Je sais que vous avez environ 548 milles de chemins de fer à Terre-Neuve—c'est beaucoup moins que sur le continent. Mais pourriez-vous nous dire quelle est la vitesse moyenne du train de marchandises?

M. Lush: En moyenne 30 milles à l'heure, et le service voyageurs, 45.

M. Allmand: Après que la Commission canadienne des transports a décidé de permettre l'interruption du service voyageurs, est-ce que les syndicats, ici à Terre-Neuve, ont appelé de la décision? La Loi prévoit deux genres d'appels. Quel genre d'appel, avez-vous fait?

M. Lush: Simplement en vertu de la Loi sur les chemins de fer, nous allons faire appel.

M. Allmand: Je ne vous entends pas bien.

M. Lush: En vertu de la Loi sur les chemins de fer.

M. Allmand: Est-ce que vous avez fait appel en vertu des dispositions de la Loi?

M. Lush: Oui, nous sommes en train de le faire.

M. Allmand: Vous le faites maintenant?

M. Lush: Oui.

[*Texte*]

Mr. Allmand: So you expect to file an appeal shortly?

Mr. Lush: Yes, we will have it ready within a week.

Mr. Allmand: Thank you.

Mr. Perrault: What is the usual make-up of the train from St. John's? For example, how many day coaches does the one we took last night usually have?

Mr. F. G. Chancey (Chairman, Railway Unions Labour Council): Mr. Chairman, if I may interject a point here, our trains vary in size. And this might be an opportune time to say that the train that left at Christmas carried 700 people and had about 10 sleepers. This was a big train.

Mr. Perrault: Do you have a normal size train that you make up? For example, does the train that left last night at 11.30 p.m. usually consist of five or six daycoaches and two sleepers? Could you give us an approximate idea.

Mr. Chancey: Would you not say that would be an average train?

Mr. Penney: No. On last night's train, for instance, if my memory serves me right, there were five coaches. Ordinarily at this time of the year there would be three coaches.

Mr. Perrault: Was there one sleeper on that?

Mr. Penney: Ordinarily at this time of the year there are two sleepers and a crew car.

Mr. Perrault: How many of a crew?

Mr. Penney: When I refer to the crew car, I am referring to the dining car staff.

Mr. Perrault: How many members of the union would be working aboard that train last night, for example?

Mr. Penney: You mean the dining car staff?

Mr. Perrault: The number of employees.

Mr. Penney: There were four trainmen, a conductor, two brakemen, a baggageman, and I am not exactly sure about the stewards.

[*Interprétation*]

M. Allmand: Vous vous attendez alors, à présenter l'appel d'ici peu, si je comprends bien?

M. Lush: Oui, ce sera prêt d'ici une semaine.

M. Allmand: Merci.

M. Perrault: Quelle est la composition habituelle du train qui vient de St-Jean? Combien de wagons ordinaires a habituellement le train que nous avons pris hier?

M. F. G. Chancey (président du Conseil des syndicats ferroviaires): Monsieur le président, je voudrais intervenir ici. La dimension de nos trains varie. Ce serait peut-être l'occasion de dire que le train qui est parti à Noël transportait 700 personnes et comprenait environ 10 voitures-lits. C'était un train assez important.

M. Perrault: Est-ce que vous avez un train moyen que vous constituez, disons, comme le train qui est parti hier soir à 11 h 30. Est-ce qu'il comprend toujours cinq ou six voitures ordinaires et deux voitures-lits?

M. Chancey: Ne diriez-vous pas que c'était un train moyen?

M. Penney: Le train d'hier soir, par exemple, si je me souviens bien, avait 5 wagons ordinaires. Habituellement à cette période-ci de l'année il y en aurait trois.

M. Perrault: Y avait-il un wagon-lits?

M. Penney: A cette période-ci de l'année, il y a ordinairement deux wagons-lits et un wagon pour le personnel.

M. Perrault: Combien y a-t-il de membres d'équipage?

M. Penney: Quand je parle du wagon pour le personnel, je veux parler du personnel du wagon-restaurant.

M. Perrault: Combien de membres du syndicat travaillaient à bord de ce train, hier soir?

M. Penney: Vous voulez parler du personnel du wagon-restaurant?

M. Perrault: Le nombre d'employés à bord.

M. Penney: Il y avait quatre agents de train, un chef de train, deux serre-freins, un bagagiste, et quelques garçons de tables dont je ne connais pas le nombre.

[*Text*]

Mr. Perrault: What did it all add up to approximately?

Mr. Penney: Let us say 10 or 12 men.

Mr. Perrault: What I was interested in Mr. Chairman, and I hope that we might be able to obtain it, is the percentage of occupancy of seats. I think that is relevant in applying it to bus travel and so on. Thank you very much.

Mr. Nesbitt: When was the last new passenger equipment acquired by the railway four years ago, five years ago or ten years ago?

Mr. Lush: About ten years ago.

Mr. Nesbitt: Would you have any idea of the value of the equipment and the amount of equipment at that time.

Mr. Lush: I will get the figures for you. I do not have them here.

Mr. Nesbitt: Could you get for us the exact time the last new equipment was bought, the amount and so on.

Mr. Lush: Yes, I know what you mean.

Mr. Breau: I think it would be also helpful to know if the figures being requested are consistent with the cost in the rest of the country, and if the cars last as long as they do in New Brunswick or elsewhere.

The Chairman: That was not the question Mr. Nesbitt asked.

Mr. Breau: He asked when the new equipment was bought. We are trying to find out whether or not the service was downgraded and if it was not well managed. In that regard we should find out if the life of a car in Newfoundland is comparable to the mainland.

Mr. Nesbitt: I quite see your point, Mr. Breau, but my point in asking the question was to find out whether they had spent some millions of dollars on equipment that is just going to be thrown away.

Le président: Monsieur Godin, vous pouvez poser vos questions.

M. Godin: Je vous remercie, monsieur le président. Dans la région de Québec, nous avons eu, depuis un an, plusieurs accidents: déraillements de wagons et autres. La province de Terre-Neuve a-t-elle été témoin d'accidents de ce genre depuis quelques années?

[*Interpretation*]

M. Perrault: Enfin, qu'est-ce que cela représente en tout?

M. Penney: Disons 10 ou 12 hommes.

M. Perrault: Ce qui m'intéressait, monsieur le président et j'espère que nous serons en mesure d'obtenir ce chiffre, c'est le pourcentage des sièges occupés. Je pense que ce sera là un renseignement pertinent si on veut l'appliquer au transport par autobus. Merci beaucoup.

M. Nesbitt: Quand le National Canadien a-t-il acheté du matériel neuf pour la dernière fois? Il y a environ 4, 5 ou 10 ans?

M. Lush: Il y a environ 10 ans.

M. Nesbitt: Quelle était la valeur ou l'importance du matériel à ce moment-là? Ou pourriez-vous nous dire ce que cela représentait en argent?

M. Lush: Je pense que je pourrai obtenir les chiffres pour vous, monsieur Nesbitt.

M. Nesbitt: Nous voudrions savoir exactement quand on a acheté du matériel neuf pour la dernière fois, et ce qu'il en a coûté.

M. Lush: Je vois ce que vous voulez dire.

M. Breau: Je pense qu'il serait utile aussi de savoir si les chiffres demandés, sont consistants avec ceux du reste du pays, et si les wagons durent aussi longtemps qu'au Nouveau-Brunswick ou ailleurs.

Le président: Ce n'est pas la question qu'a posée M. Nesbitt.

M. Breau: Il a demandé quand le matériel a été acheté. Maintenant, nous essayons de savoir si le service s'est détérioré et s'il est bien administré. A cette fin, nous devrions savoir si la durée des wagons à Terre-Neuve peut se comparer à celle d'un wagon sur le continent.

M. Nesbitt: Je vois très bien ce à quoi vous voulez en venir, monsieur Breau, mais j'ai posé la question afin de voir si on a dépensé des millions de dollars pour un équipement qui va être mis de côté.

The Chairman: Would you ask your questions please, Mr. Godin.

Mr. Godin: Thank you, Mr. Chairman. In the past year we have witnessed several accidents, derailments and so on, in the Quebec City area. Have you had accidents of this type over the past few years in the Province of Newfoundland? Could this be one of the

[Texte]

st-ce que cela pourrait être une des raisons our lesquelles le nombre de voyageurs a iminué?

Mr. Lush: No, we have had no accidents ke that to passenger trains. We have had eople killed by being struck by the train or eing struck by a truck, but not in the actual peration of the passenger trains.

M. Godin: Est-ce que plusieurs gares seront ermées à la suite de la décision d'abandon- er le train?

Mr. Lush: No, I could say not many ecause even at the present time the buses re using the stations and we will still have ie freight service using the stations. Mr. 'enney, would you care to add to that?

Mr. Penney: I do not think that there will e any stations closed completely but there is possibility of some operators' positions eing eliminated.

M. Godin: Dans le Journal de la Chambre, y a environ deux semaines, le CN nous onnait des chiffres qui indiquaient que des illiers de personnes ont perdu leur emploi epuis cinq ans, alors qu'en même temps, le hiffre total des salaires était passablement ugmenté. En ce qui concerne Terre-Neuve, evant le congédiement d'un grand nombre e travailleurs, avons-nous là une occasion de oir augmenter le salaire des officiers qui demeureront en fonctions?

Mr. Lush: Yes, that could be the situation. There is no doubt about that. But we have ot suffered any major layoffs here as yet.

Mr. Skoberg: Mr. Chairman and Brother Lush, I am just wondering whether or not here has been any application made before y the Canadian National to abandon this passenger train?

Mr. Lush: We do not know but we have our wn theories and a lot of people have. It has een said that this is a deal that was consum- nated some years ago and it is only coming ut now. We have accused publicly the Premier of this Island and Mr. Pickersgill of ollusion in regard to the Trans-Canada High- vay and the passenger trains, one for the ther. This has been denied but we are not onvinced that there was not some deal or omething before that time.

Mr. Skoberg: I presumed last night that as ar as the roadbed is concerned, it is an xcellent roadbed, and as far as the curves

[*Interprétation*]

reasons why the number of passengers has declined?

M. Lush: Non, nous n'avons pas eu d'accident de ce genre dans le service voyageurs. Il y a eu des gens qui ont été tués quand ils ont été frappés par un train ou par un camion, non pas durant l'opération même des trains de passagers.

Mr. Godin: Will many stations be closed down as a result of the decision to give up the train service?

M. Lush: Non, pas tellement, parce que, même en ce moment, les autobus utilisent ces gares. Il y a toujours les services des messageries qui utilisent les gares. Monsieur Penney, avez-vous quelque chose à ajouter?

M. Penney: Je ne crois pas qu'on fermera complètement des gares, mais il se peut que des postes d'opérateurs disparaissent.

Mr. Godin: About two weeks ago, the CN gave us figures in the House of Commons Debates indicating that thousands of people have lost their job over the past five years, while at the same time the total figure for wages had increased a fair amount.

With regard to Newfoundland, in view of the great number of lay-offs, will this situation give rise to an increase in salary for those officers who will not be laid off?

M. Lush: Oui, il pourrait en être ainsi, il n'y a aucun doute à ce sujet, mais nous n'avons pas vraiment eu de mise à pied importante jusqu'ici.

M. Skoberg: Monsieur le président, confrère Lush, je me demande si on a présenté une demande auparavant au National-Canadien pour abandonner ce service aux voyageurs.

M. Lush: Nous ne savons pas, mais nous avons nos propres théories comme bien d'autres. On dit que cette entente a été conclue il y a quelques années et qu'elle vient tout juste d'être connue. Nous avons publiquement accusé le premier ministre de cette île et M. Pickersgill d'avoir fait collusion pour ce qui est de la route transcanadienne ou du service aux voyageurs, l'un ou l'autre. Cela a été réfuté, mais nous ne sommes pas tout à fait convaincus qu'il n'y a pas eu d'entente de conclue avant ce temps.

M. Skoberg: J'ai trouvé hier soir, que l'encaissement était excellent; pour ce qui est des courbes, on peut facilement les faire disparaî-

[*Text*]

are concerned they can be ironed out in a 10-or 20-year period. There is nothing that has to be done immediately.

In your opinion do you consider that the standardization of the track itself would be necessary at this time in the history of the province?

Mr. Lush: I think it has to come. For instance in Port aux Basques I notice they are getting some new jacks for the transfer of cars and that is going to cost $1 million. But how do you know that within five years that thing might not be obsolete? As you say, in the movement of freight and passengers you still have a narrow gauge line and you cannot move it as fast through Newfoundland as you can move it through Nova Scotia. And we have to get all our goods. As we said here this morning, 90 per cent comes from the mainland.

Mr. Skoberg: The question I asked this morning, sir, of one of the other witnesses was whether or not he considered that the trial period should be extended because of the climatic conditions you have had this year. Does your organization that you are representing agree with that statement?

Mr. Lush: It comes from us. We cannot see how any three men could come down to Newfoundland and hold hearings and decide in three months that the bus service is the best service for Newfoundland forever and ever and ever. You have to be clairvoyant to make a decision like that. No three men could do that.

Mr. Skoberg: Are any of the members on the Canadian Transport Board residents of your province?

Mr. Lush: No.

Mr. Skoberg: At any time?

Mr. Lush: No.

Mr. Skoberg: Did they have any staff people with them who were residents of the province or did they accept representation from those people most directly concerned?

The Chairman: I do not think that your question is related to the subject, Mr. Skoberg.

Mr. Skoberg: I think it is very much so.

Mr. Lush: Yes, they had a DOT representative here.

Mr. Skoberg: I did hear that some instructions have been issued—and this once again may be in the rumour department—to those

[*Interpretation*]

tre au cours d'une période de 10 ou 20 ans. I n'y a rien qui doive être fait immédiatemen Et croyez-vous que la normalisation des voie serait essentielle à ce stade-ci dans l'histoir de la province?

M. Lush: Il faudra y arriver un jour. Ainsi à Port-aux-Basques, je vois qu'on obtient d nouveaux dispositifs pour le transfert de wagons et cela coûtera 1 million de dollars Mais dans 5 ans, ce sera peut-être désue Comme nous disons, pour le service des voya geurs et des marchandises, nous avons tou jours une voie étroite. Et l'on ne peut pas, Terre-Neuve, se déplacer aussi rapidemen qu'en Nouvelle-Écosse. Il nous faut transpor ter toute notre marchandise. Comme nous l'a vons dit ce matin, 90 p. 100 des marchandise viennent du continent.

M. Skoberg: Ce matin, je voulais savoi d'un autre témoin, s'il trouvait que la périod d'essai devait être prolongée vu les condition climatiques que vous avez eues cette année L'organisme que vous représentez est-il d'ac cord avec cette déclaration?

M. Lush: C'est nous qui l'avons faite. Nou ne pouvons voir comment seulement troi hommes peuvent venir à Terre-Neuve, avoi des audiences, et décider en trois mois que l service d'autobus est à jamais le meilleu pour Terre-Neuve. Il faut être devin pou prendre une telle décision. Ce ne sont pa trois hommes qui peuvent le faire.

M. Skoberg: Est-ce qu'il y a des membre de la Commission des Transports qui habiten votre province?

M. Lush: Non.

M. Skoberg: Y en a-t-il jamais eu?

M. Lush: Non.

M. Skoberg: Est-ce qu'ils avaient des mem bres de leur personnel qui venaient de Terre Neuve et ont-ils eu des instances de person nes concernées de plus près?

Le président: Je ne crois pas que ce soi une question qui se rattache au sujet, mon sieur Skoberg.

M. Skoberg: Je le pense.

M. Lush: Oui, ils avaient un représentan du ministère des Transports ici.

M. Skoberg: J'ai entendu que des directive ont été émises, une fois de plus, ce n'es peut-être qu'une rumeur, à l'intention de

Texte]

eople who come in to Port au Basques to de the bus and not the train. Do you know hether there is any substance in that atement?

The Chairman: Order.

Mr. Skoberg: I would suggest, Mr. Chairman, this is most important. This is one of ne most important aspects of the situation.

The Chairman: Are you through, Mr. koberg?

Mr. Skoberg: No, I have another one here, believe, Mr. Chairman.

The Chairman: Try to get a better one this me.

Mr. Skoberg: I realize it is rather difficult o answer questions such as that, particularly hen some Committee members are not preared to listen to the answers, but I am just ondering whether or not you have any hought as to why there was not official epresentation made by the Province of Newoundland itself? Has your organization pproached the government in this regard?

Mr. Lush: Yes, we have had two meetings ith the government and they did not commit hemselves either one way or another.

Mr. Mahoney: On a point of order, Mr. Chairman, the record of the hearing of the Canadian Transport Commission shows that he Attorney General of the province ppeared. Maybe Mr. Skoberg is speaking bout a different thing but I think he should larify it.

An hon. Member: Could the judgment of he Board be recorded in the minutes?

[*English*]

The Chairman: As an exhibit, not an ppendix. All in favour?

Some hon. Members: Agreed.

Mr. Thomas (Moncton): On a point of order with regard to what my honourable friend just said, it is true the Government of Newfoundland was represented at that hearing, but if you recall I asked the Minister representing the Government of Newfoundland yesterday if they intended to make any further representations on this and he said he did not know. That is on the record.

Mr. Breau: On the same point of order, Mr. Chairman, he answered on that that he could not state the policy of the government. He

[*Interprétation*]

personnes qui viennent à Port-aux-Basques pour qu'elles prennent l'autobus et non pas le train. Savez-vous si cela est vrai ou pas?

Le président: A l'ordre.

M. Skoberg: Je dirais, monsieur le président, que cela est très important, c'est un aspect de la situation des plus importants.

Le président: Avez-vous terminé, monsieur Skoberg?

M. Skoberg: Non, je crois que j'ai une autre question ici, monsieur le président.

Le président: Essayez d'avoir quelque chose d'un peu mieux cette fois-ci.

M. Skoberg: Je me rends compte qu'il n'est pas facile de répondre à de telles questions, surtout quand des membres du Comité ne sont pas prêts à entendre les réponses. Mais seulement, je me demandais si vous savez pourquoi on n'a pas présenté des instances officielles au nom de la province de Terre-Neuve. Est-ce que votre organisation est entrée en communication avec le gouvernement à cet égard?

M. Lush: Oui, nous avons rencontré le gouvernement à deux reprises. Ils ne se sont pas engagés d'une façon ou d'une autre.

M. Mahoney: J'invoque le Règlement, monsieur le président. Le compte rendu de l'audience de la Commission canadienne des Transports nous montre que le procureur général de la province a comparu. Peut-être que M. Skoberg parle d'une autre chose, mais je pense qu'il faudrait préciser.

Une voix: Est-ce que le jugement de la Chambre de commerce peut être inscrit au compte rendu?

Le président: Comme pièce de témoignage, non en annexe. Tous en faveur?

Des voix: Convenu.

M. Thomas (Moncton): Monsieur le président, j'en appelle au Règlement sur ce qu'on vient de dire. C'est vrai que le gouvernement de Terre-Neuve fut représenté au cours de cette audience, mais si vous vous souvenez, j'ai demandé au ministre représentant le gouvernement de Terre-Neuve hier, si ce dernier avait l'intention de faire d'autres instances à cet égard. Il a dit qu'il n'en savait rien. Et cela est consigné au compte rendu.

M. Breau: Pour le même appel au Règlement, il a dit qu'il ne pouvait faire part de la politique du gouvernement. Il était ici pour

[*Text*]

was here to represent the government as far as the brief was concerned. He does not state the policy of the government. That is the Premier's responsibility.

Mr. Skoberg: Mr. Chairman, I am wondering whether or not any of the witnesses could tell this Committee why that particular passenger train leaves this city at 11.30 at night?

The Chairman: That is another question for the CNR.

Mr. Skoberg: I believe we are trying to determine transportation policy, Mr. Chairman. If you leave at 11.30 at night out of a city such as this you are not going to have traffic on it. I understand two years ago it left around noon. There must be a reason for the changing of the schedule and I would like to know what it is.

Mr. Lush: Yes, mostly to coincide with the mainland schedules and the ferries.

Mr. Skoberg: At Port aux Basques. Is that true? Thank you.

Mr. Allmand: Gentlemen, has there ever been any suggestion that you might have rail liner service in Newfoundland, and if so, has your union taken any position on rail liner service for passengers?

Mr. Lush: No, the only reference to rail liner service was the Canadian Transport Commission. In their report they discard that as being impractical. We have never supported rail line. We have always gone for the improvement of the passenger service here.

Mr. Allmand: In many areas of Canada they service passengers with rail liners. What great objection do you have to rail liners?

Mr. Lush: We do not have any objections to rail liners. We have never gone after them. The only reference made, as I said, was to the Canadian Transport Commission when Mr. Richard Cashin made the suggestion in his brief to the Canadian Transport Commission. That is the only reference to rail liners that was ever made.

Mr. Allmand: Thank you.

Mr. Carter: Most of my questions, Mr. Chairman, have already been answered. Has Mr. Lush any knowledge of the situation in Port aux Basques where body transfers take place, where they transfer freight cars from the wide gauge to the narrow gauge, and is he aware of certain statements that have been

[*Interpretation*]

représenter le gouvernement dans la présentation du mémoire. Il n'établit pas les politiques du gouvernement, c'est le premier ministre qui fait cela.

M. Skoberg: Je me demande si un des témoins pourrait dire à ce Comité pourquoi ce train de voyageurs quitte la ville à 11 heures 30 le soir?

Le président: C'est une autre question pour le CN.

M. Skoberg: Nous essayons d'établir des lignes de conduite en matière de transport, monsieur le président. Si vous quittez une ville comme celle-ci à 11 heures 30 le soir, vous n'aurez pas un grand nombre de passagers. Il y a deux ans, il partait à midi. J'imagine qu'on a des motifs pour modifier l'horaire, et j'aimerais les connaître.

M. Lush: Oui. C'est pour coïncider les horaires du continent et les transbordeurs.

M. Skoberg: A Port-aux-Basques, c'est bien cela? Merci.

M. Allmand: Messieurs, est-ce qu'on a jamais suggéré que vous pourriez avoir le service autorail à Terre-Neuve, et si oui, est-ce que votre syndicat a établi une ligne de conduite pour le service autorail aux voyageurs?

M. Lush: Non, le seul moment où on a parlé de l'autorail, c'est devant la Commission canadienne de Transports. Selon le rapport qui en a résulté, ce n'est pas pratique. Nous n'avons jamais été en faveur de l'autorail, nous avons toujours demandé une amélioration du service aux voyageurs ici.

M. Allmand: Dans bon nombre de régions du Canada, le service aux voyageurs se fait au moyen de l'autorail. Pourquoi vous opposez-vous à l'autorail?

M. Lush: Nous ne nous opposons pas vraiment à l'autorail. Nous n'avons jamais essayé de l'obtenir. Le seul moment où il en fut question comme je l'ai dit c'est devant la Commission canadienne des Transports, lorsque M. Richard Cashin en a fait la proposition dans son mémoire. C'est le seul moment où on a parlé de l'autorail.

M. Allmand: Merci.

M. Carter: La plupart de mes questions monsieur le président on déjà fait l'objet de réponses. Je demanderais à M. Lush s'il est au courant de la situation à Port-aux Basques où l'on transfère des wagons de marchandise d'un rail à écartement large à une voie d'écartement étroit? Est-il au courant aussi de

[*Texte*]

made that this operation is a dangerous one in that the facilities were never built for this sort of thing and it is a dangerous operation as far as the workers are concerned?

Mr. Lush: I cannot answer that question. I am familiar with the operations but as to the safety or otherwise I have no comment to make.

Mr. Carter: You have no knowledge of this.

Mr. Trudel: Mr. Chairman, I would like to ask Mr. Lush how many union employees are attached to the rail service.

Mr. Lush: In the rail service?

Mr. Trudel: Yes, in its entirety.

Mr. Lush: We have about 2,000.

Mr. Trudel: What percentage of these employees are now attached to the passenger division or the transport of passengers?

Mr. Lush: I think nearly all of them.

Mr. Trudel: What differential would you have between the freight division and the passenger division? Or have you no breakdown?

Mr. Lush: No, no breakdown.

Mr. Trudel: Thank you.

Mr. Turner (London East): If the railroads cut off passenger trains, the men go back into freight service, right?

Mr. Lush: That is right, sir.

Mr. Turner (London East): According to your seniority you pick the best job. Somebody has to go out on the street. Can you take your seniority to another district?

Mr. Penney: No.

The Chairman: One at a time, please.

Mr. Chancey: Our organization does allow us to move to the mainland if we lose our employment in Newfoundland.

Mr. Turner (London East): On the running crews, can they take their seniority to the mainland?

Mr. Penney: No. In answer to your question, no, as far as the trainmen are concerned. Our seniority just figures from St. John's to Port aux Basques.

[*Interprétation*]

certaines déclarations qui ont été faites à l'effet que ces opérations sont plutôt dangereuses, dans ce sens que les services n'ont jamais été aménagés à cette fin et que c'est plutôt dangereux pour les travailleurs.

M. Lush: Je ne saurais répondre à cette question. Je connais les opérations en cause, mais pour ce qui est du facteur de sécurité, je n'ai pas de commentaire à faire.

M. Carter: Vous n'êtes pas au courant.

M. Trudel: Monsieur le président, je voudrais demander à M. Lush combien d'employés syndiqués sont attachés au service ferroviaire.

M. Lush: Au service ferroviaire?

M. Trudel: Oui, en tout.

M. Lush: Nous en avons environ 2,000.

M. Trudel: Alors quel pourcentage de ces employés sont actuellement rattachés au service aux voyageurs ou au transport des voyageurs?

M. Lush: A peu près tous, je crois.

M. Trudel: Quelle différence y a-t-il entre le service de messagerie et le service des voyageurs. Est-ce que vous avez une ventilation?

M. Lush: Non, aucune ventilation.

M. Trudel: Merci.

M. Turner (London-Est): Lorsque le service aux voyageurs prend fin, ces hommes sont transférés au service des messageries, n'est-ce pas?

M. Lush: Oui.

M. Turner (London-Est): Suivant l'ancienneté, on prend les meilleures places. Quelqu'un est donc jeté dans la rue. Pouvez-vous transférer votre ancienneté dans un autre district?

M. Penney: Non.

Le président: Un à la fois, s'il vous plaît.

M. Chancey: Notre association nous permet d'aller sur le continent si nous perdons notre emploi à Terre-Neuve.

M. Turner (London-Est): Est-ce que le personnel itinérant peut transférer son ancienneté sur le continent?

M. Penney: Non. En réponse à votre question, non, pour ce qui est des cheminots. Notre ancienneté ne compte que de Saint-Jean à Port-aux-Basques.

[*Text*]

Mr. Turner (London East): Can you give me the length of service of the employees who are going to be affected by this—of the oldest and the youngest?

Mr. Penney: I would say in the vicinity of 10 to 12 years' seniority.

Mr. Turner (London East): Is that the most senior? When did the CNR hire employees here in the last five years? Did they hire anybody?

Mr. Penney: Yes, they hired employees the year before last.

Mr. Turner (London East): Are these temporary employees or are they still working?

Mr. Penney: No, no, they were just temporary employees. Usually more or less for vacation purposes.

Mr. Turner (London East): Have you any employees that are close to pension age?

Mr. Penney: Within the next five years.

Mr. Turner (London East): Has the Company made any suggestions that they would make up the five years' difference, because as you know the CNR pension plan is 65?

Mr. Penney: No, except that they have agreed verbally that they will try to fit those affected into other employment.

Mr. Turner (London East): Has the Company offered the employees ony severance pay for the years that they are going to lose?

Mr. Penney: Not to my knowledge.

Mr. Turner (London East): You said in your figures approximately 200 employees. The Company says roughly 130. Have they been offered any positions with the CNR, and if they have, will they have to move their homes to the mainland?

Mr. Lush: That has been said to us, yes. A porter or a steward said to us some time ago that they could transfer to the mainland, probably to Toronto or Winnipeg.

Mr. Turner (London East): If they do transfer you, will there be any loss in pay? Will there be a difference if they put you in another job?

[*Interpretation*]

M. Turner (London-Est): Pourriez-vous me donner la durée du service des employés qui seront affectés par tout cela, des vieux et des jeunes?

M. Penney: Je dirais environ de 10 à 12 ans d'ancienneté.

M. Turner (London-Est): Est-ce là l'ancienneté la plus longue? Quand le National-Canadien a-t-il embauché des employés ici au cours des cinq dernières années? N'ont-ils embauché personne?

M. Penney: Oui, ils ont embauché des employés, il y a deux ans.

M. Turner (London-Est): Est-ce qu'ils travaillent toujours ou est-ce que c'était à temps partiel?

M. Penney: Simplement à temps partiel, le plus souvent à l'occasion des vacances.

M. Turner (London-Est): Est-ce qu'il y a des employés qui se trouvent près de l'âge de la retraite?

M. Penney: Dans les cinq prochaines années.

M. Turner (London-Est): La compagnie a-t-elle laissé entendre qu'elle comblerait les cinq années qui manquent, car, comme vous savez, le régime de pension du National-Canadien commence à 65 ans.

M. Penney: Non, sauf qu'on a convenu oralement qu'on essaierait de transférer ceux qui sont affectés dans un autre emploi.

M. Turner (London-Est): La compagnie a-t-elle offert aux employés une paye de compensation à l'égard des années qu'ils vont perdre?

M. Penney: Non, pas à ma connaissance.

M. Turner (London-Est): Vous dites, selon vos chiffres environ 200 employés. La compagnie dit 130 environ. Est-ce qu'on leur a offert un poste au National-Canadien? Si on l'a fait, devront-ils déménager sur le continent?

M. Lush: C'est ce qu'on nous a dit, oui. Un «porter» ou un «steward» nous a dit, il y a quelque temps, qu'il pourrait être transféré sur le continent, probablement à Toronto ou à Winnipeg.

M. Turner (London-Est): Est-ce qu'il y aura une perte de salaire en cas de transfert? Est-ce qu'il y aurait une différence si on vous donnait un autre travail?

exte]

Mr. Lush: That is the situation here even ith the other jobs. The CNR say there are 5 jobs, and they are going on their job training to find jobs for all of them. If I am rning $450 a month and I get another job ying $350 a month my wages have gone wn and my standard of living has gone wn. But to read it in the paper it seems at they have placed everybody.

Mr. Turner (London East): When you buy a me, you buy it figuring on a certain amount money coming in. Right?

Mr. Lush: That is true, yes.

Mr. Turner (London East): If this money is ken off you are in trouble. They have not scussed this with the Brotherhood?

Mr. Lush: No, not yet, although they have trained bus drivers from the staff of carmen or anyone who wanted.

Mr. Turner (London East): Could you give e a comparison of the pay between the running crews and the bus drivers in dollars and nts? In other words, how much per week es a bus driver make?

Mr. Chancey: The bus drivers now, sir, I ink are based on $475 a month. The bus rivers are non-organized. They are seeking embership in one of our local unions and hen they are organized they will be a par ith the trades pay that is paid in Newfoundnd. But they are only at the stage of being rganized at the present time.

Mr. Turner (London East): These bus drivrs are former employees of the Canadian ational Railways?

Mr. Chancey: I represent the carmen, sir. Ve have now seven former carmen who are riving buses.

Mr. Turner (London East): Has the compay made any offer to retrain the engineers, ne firemen, the trainmen, or the conductors?

Mr. Chancey: The company put out a genral bulletin and anybody interested in enterng the bus service could apply.

Mr. Turner (London East): As a former ngineer of Canadian National you know the ong hours we worked. I have been fortunate nough to have been in the passenger service or the last 10 years, and it has taken me 28

[*Interprétation*]

M. Lush: Voilà la situation, même avec un autre emploi. Le CN dit qu'il y a 125 emplois; il utilisera le recyclage des emplois pour trouver du travail pour tous ces employés. Si je gagne $450.00 par mois et que j'obtiens un autre emploi qui paye $350.00 par mois, mon salaire est moins élevé, mon niveau de vie est aussi moins élevé. Mais à lire les journaux, on dirait que tout le monde a eu un autre emploi.

M. Turner (London-Est): Si vous achetez une maison, vous le faites en anticipant un certain revenu, n'est-ce pas?

M. Lush: C'est vrai, oui.

M. Turner (London-Est): Si on vous enlève cet argent, vous avez des difficultés, n'est-ce pas? En a-t-on discuté avec le syndicat?

M. Lush: Non, pas encore. On a cependant recyclé en chauffeurs d'autobus les wagonniers et tous ceux qui le voulaient.

M. Turner (London-Est): Pourriez-vous nous donner une comparaison des salaires entre le service roulant et les chauffeurs d'autobus en dollars et en cents? En d'autres termes, combien gagne un chauffeur d'autobus à l'heure actuelle?

M. Chancey: A l'heure actuelle ils travaillent sur une base de $475 dollars par mois. Les chauffeurs d'autobus ne sont pas syndiqués. Ils désirent faire partie de l'un de nos syndicats, ce qui les mettraient sur un pied d'égalité au point de vue salaire, avec ceux qui sont payés à Terre-Neuve. Mais à l'heure actuelle, ils sont en voie de se syndiquer.

M. Turner (London Est): Est-ce que ces chauffeurs d'autobus sont d'anciens employés du CN?

M. Chancey: Je représente les wagonniers. Je dirais qu'à l'heure actuelle, il y a sept anciens wagonniers qui conduisent des autobus.

M. Turner (London-Est): Est-ce que la compagnie a offert de recycler les mécaniciens, les chauffeurs, les agents de train, et les conducteurs?

M. Chancey: La compagnie a publié un bulletin général et tous ceux qui étaient intéressés à faire partie du service d'autobus pouvaient en faire la demande.

M. Turner (London-Est): A titre d'ancien mécanicien du CN, vous connaissez les longues heures de travail. J'ai été plutôt chanceux d'être affecté au service passagers depuis dix ans, mais il m'a fallu vingt-huit

[*Text*]

years to get up there; so I have done my share of hard work.

If they take an engineer and a conductor who are in charge of the train, it is their responsibility to get this train over the road. If they make them bus drivers it would mean an awful slash in wages; is that right?

Mr. Penney: That is right.

Mr. Turner (London East): How much?

Mr. Penney: I cannot quote the figures...

Mr. Turner (London East): About one-half?

Mr. Penney: I beg your pardon?

Mr. Turner (London East): Or close to one-third?

Mr. Penney: Yes; it would be very near one-third.

Mr. Turner (London East): And this basically affects pension rights, too; is that right?

Mr. Penney: Yes; certainly this solely depends now on certification.

Mr. Turner (London East): Does the CNR pension scheme apply to the Newfoundland railroad?

Mr. Penney: That is right.

Mr. Turner (London East): Thank you. Thank you very much.

The Chairman: Mr. Allmand?

Mr. Allmand: I have a supplementary question. Were any of the men offered work on bus maintenance as automotive mechanics, and so forth, in addition to the position of driving the buses?

Mr. Penney: Yes.

Mr. Allmand: How many such positions have been offered?

Mr. Chancey: They have a garage maintenance staff now, sir, of 10 motor mechanics and 7 maintenance men.

Mr. Allmand: Is the maintenance shop in St. John's?

Mr. Chancey: The maintenance shop is in St. John's; and there is one man at Port-aux-Basques.

Mr. Allmand: Thank you.

[*Interpretation*]

ans pour y parvenir; j'ai donc fait ma part d travail difficile.

Si on prend un mécanicien ou un conduc teur, qui sont responsables du train, ils son responsables du train et du parcours. Si on e fait des chauffeurs d'autobus, il y aura un diminution de salaire considérable, n'est-c pas?

M. Penney: Oui.

M. Turner (London-Est): De combien?

M. Penney: Je ne saurais vous donner de chiffres exacts...

M. Turner (London-Est): Environ d moitié?

M. Penney: Pardon?

M. Turner (London-Est): Ou d'environ l tiers?

M. Penney: Tout près du tiers, oui.

M. Turner (London-Est): Et, au fond, vos prestations de pension se trouvent affectées, n'est-ce pas?

M. Penney: Certainement. Cela dépend uniquement de l'accréditation maintenant.

M. Turner (London-Est): Est-ce que le régime de pension du CN s'applique au chemin de fer de Terre-Neuve?

M. Penney: Oui.

M. Turner (London-Est): Merci.

Le président: Monsieur Allmand.

M. Allmand: Une question supplémentaire. Est-ce qu'on a offert aux employés de travailler à l'entretien des autobus, par exemple, à titre de mécaniciens, en plus des postes de chauffeurs?

M. Penney: Oui, monsieur.

M. Allmand: Combien d'emplois ont été offerts ainsi?

M. Chancey: Le personnel d'entretien à l'heure actuelle, monsieur, est composé de dix mécaniciens et de sept préposés à l'entretien.

M. Allmand: Est-ce que l'atelier d'entretien se trouve à Saint-Jean?

M. Chancey: Oui, et il y a un employé à Port-aux-Basques.

M. Allmand: Merci.

[*Texte*]

Mr. Lush: As machinists, we had hoped hat the machinists would go as repairmen on he buses; but in St. John's we have a Voca- ional Training School which issues certifi- ates to Grade A auto mechanics. After the ulletins went out for Grade A auto mechan- cs it eliminated many of our machinists; but he machinists would have gone on as nechanics on the buses.

The Chairman: Gentlemen, this is the end f our session for this morning. I wish to hank you.

We will meet again at 2.30 this afternoon.

AFTERNOON SITTING

The Chairman: Gentlemen, I see a quorum. hope you will permit me to make a short presentation this afternoon. We have an honour this afternoon to have with us another Minister from the House of Commons in Ottawa in the person of the Minister without Portfolio, Mr. James Richardson. If the Committee will agree, I will ask Mr. Richardson o sit beside me. He is here as an observer nly, not as a witness or as a member of the Committee.

Gentlemen, at this time I would like to call on the Corner Brook Chamber of Commerce o present the first brief this afternoon. On ny immediate right we have Mr. Belanger nd Mr. Noseworthy is next to him. Mr. Nose- worthy will make a short presentation of his brief. You will find the brief on page 647.

Mr. Alan Noseworthy (Chairman, Transportation Committee, Corner Brook Chamber of Commerce): Mr. Chairman and gentlemen, the brief which we are presenting today has been slightly revised and we have provided the members of the Committee with the revised brief. In summary it is as follows. The item which we consider the most important and the essential one at the moment in harbour development.

The federal department of Public Works has failed to consult with municipal and provincial authorities in planning the harbour development at Corner Brook. To the best of our knowledge no study has been carried out to integrate this facility into this city's transportation and distribution system.

The Canadian National Railways facilities. Millions have been spent on improvement of the rolling stock but in Corner Brook no money has been spent on the freight shed terminals. The terminals were constructed

[*Interprétation*]

M. Lush: A titre de machinistes, nous espérions que les machinistes se voient offrir des postes de mécaniciens pour le service d'autobus. Mais à Saint-Jean il y a un collège de formation professionnelle, qui émet un certificat de mécanicien automobiles de première classe. Après que le bulletin fut publié pour les mécaniciens automobiles de première classe, plusieurs de nos mécaniciens y sont allés; autrement les machinistes auraient pu devenir mécaniciens pour les autobus.

Le président: Voici la fin de notre séance de ce matin. Messieurs, je vous remercie.

SÉANCE DE L'APRÈS-MIDI

Le président: Messieurs, je vois que nous avons un quorum. J'espère que vous me permettrez de vous faire une brève présentation, cet après-midi. Nous avons l'honneur d'avoir avec nous un autre ministre de la Chambre des communes, en la personne du ministre sans portefeuille, l'honorable James Richardson. Si les membres du Comité sont d'accord, je vais inviter M. Richardson à s'asseoir à mes côtés. Il sera ici à titre d'observateur seulement et non à titre de témoin ou de membre du Comité.

Messieurs, à ce moment-ci, j'aimerais demander à la Chambre de commerce de Corner Brook de présenter le premier mémoire cet après-midi. Immédiatement à ma droite, j'ai M. Bélanger et M. Noseworthy. M. Noseworthy vous fera une courte présentation de son mémoire. Vous trouverez le mémoire en question à la page 647.

M. Alan Noseworthy (président, Comité des transports de la Chambre de commerce de Corner Brook): Monsieur le président, messieurs, le mémoire que nous présentons cet après-midi a été légèrement revisé; nous avons donc donné une copie corrigée du mémoire aux membres du Comité. En résumé, voici ce qui en est: la question que nous estimons la plus importante à l'heure actuelle est l'aménagement du port. Le ministère fédéral des Travaux publics n'a pas consulté les autorités municipales et provinciales pour les études d'aménagement du port. A notre connaissance, aucune étude n'a été faite en vue d'intégrer les installations portuaires dans le système de transport et de distribution de la ville.

En ce qui concerne les installations des Chemins de fer nationaux du Canada: on a dépensé des millions de dollars pour le matériel roulant, mais aucune amélioration n'a été apportée aux hangars de la gare terminus. La

[*Text*]

four or five generations ago and are not competitive with modern equipment.

Equitable freight rates maintain rate freeze until the Atlantic Provinces transportation study is completed. Canadian National Railway passenger service.

Passenger rail service should be continued until 1970 and during this period a comparative study be made of the two modes of transportation. Air Canada service scheduling could be improved. This Chamber is opposed to a regional air policy that means a replacement of Air Canada by a regional carrier.

This is a summary of the brief which we have already supplied to the Committee, Mr. Chairman.

The Chairman: Thank you very much. Are there any questions, gentlemen? Mr. Mahoney.

Mr. Mahoney: You state there is no functioning body in authority to govern and control the functioning of the port and integrate its operation with the economy and the development of the city. How is your port operated? Who is the port authority?

Mr. Noseworthy: We do not have an authority which is comparable to the National Harbours Board, not in this respect. The Bowaters, which are the largest employers and the biggest industry on the west coast, have their own wharf and their own wharf facilities and they have their own port superintendent. There is a commission called the Humber Harbours Board or the Bay of Islands Harbours Board, but I do not think they are affiliated with the National Harbours Board.

Mr. Mahoney: The port facilities, then, are not operated under either dominion or provincial government authority?

Mr. Noseworthy: No.

Mr. Mahoney: Does your municipality not have jurisdiction to act in this area if it chooses to do so?

Mr. Noseworthy: Not to my knowledge.

Mr. Mahoney: Are there no regional planning provisions?

Mr. Noseworthy: No. They have the authority but they never use it.

[*Interpretation*]

gare terminus a été construite il y a quatre ou cinq générations et ne répond plus du tout aux normes modernes.

Tarifs marchandises équitables: on demande le gel des tarifs marchandises jusqu'à ce qu'on ait terminé l'étude sur les transports dans les provinces de l'Atlantique.

Le service passager du National-Canadien devrait être maintenu jusqu'en 1970 et d'ici là, on pourrait faire des études comparatives sur les deux modes de transport. Quant au service aérien d'Air Canada, on pourrait améliorer les horaires. Notre Chambre de commerce s'oppose à une politique régionale des services aériens qui auraient pour conséquence le remplacement d'Air Canada par une société locale.

C'est là un résumé du mémoire que nous avons déjà présenté au Comité, monsieur le président.

Le président: Merci beaucoup. Y a-t-il des questions? M. Mahoney.

M. Mahoney: Vous avez déclaré qu'il n'y a aucun organisme responsable de l'administration du port et de son intégration dans la municipalité. Comment fonctionne ce port? Qui le régit?

M. Noseworthy: Nous n'avons pas d'organisme de régie portuaire comparable au Conseil de ports nationaux. La société Bowaters, qui est l'industrie la plus considérable sur la côte ouest de Terre-Neuve, a ses propres quais, ses propres installations portuaires et la société nomme son propre directeur du port. Il existe une commission que l'on appelle *Humber Harbours Board*, ou *Bay of Islands Harbours Board*, mais je ne crois pas qu'elle soit affiliée au Conseil des ports nationaux.

M. Mahoney: En d'autres termes, les installations portuaires ne sont régies ni par l'autorité fédérale ni par l'autorité provinciale?

M. Noseworthy: C'est exact.

M. Mahoney: Est-ce que la municipalité ne dispose pas de l'autorité voulue pour agir dans ce domaine, si elle le désire?

M. Noseworthy: Pas à ma connaissance.

M. Mahoney: Est-ce qu'il n'existe pas de dispositions légales permettant la planification régionale?

M. Noseworthy: Ils ont l'autorité, mais ils ne l'utilisent jamais.

[*Texte*]

Mr. Mahoney: Do you think you really should be complaining to us about this, as opposed to complaining to your city council?

Mr. Noseworthy: The situation is that the Corner Brook Chamber of Commerce and a group of interested people have been trying to get something going in the way of harbour development for the past number of years. Actually, I think the first brief was submitted to Mr. Pickersgill in about 1963 or 1964, and since that time it has been announced that the first phase of a program will be started this year, but there has been no move by either the federal or the provincial authorities to co-ordinate it with the city oouncil to see what progress has been made or how this thing should be co-ordinated.

Mr. Mahoney: Has there been any move by the city council to try to get the other authorities to co-ordinate?

Mr. Noseworthy: Yes, and I think they requested, without success, to have some definitive plans set up on what is going to happen. The Mayor is here and I think he will be reporting this afternoon and he can speak on this then.

Mr. Mahoney: Thank you.

Mr. Noseworthy: There is also the point of co-ordinating the development at the waterfront, with access roads through the city for industrial purposes, rather than have them plying the residential streets.

Mr. Mahoney: If your city is making a representation later this afternoon, I can hold my other question until then.

The Chairman: Mr. McGrath.

Mr. McGrath: My question has been dealt with in part by Mr. Mahoney's question. I just wanted some amplification on your submission that there has been no consultation with local authorities on the harbour development. As I understand it, the money for this harbour development has just been voted by Parliament. Are you aware of any plan that has been devised for the harbour?

Mr. Noseworthy: Three plans were devised for the harbour and we do not know which one has been selected. We know from our experience in working with this matter that there were three possible alternatives, but at the moment we do not know which one it is and how it will fit into our scheme.

Mr. McGrath: If I may just make a suggestion, sir, perhaps if you spoke to Mr. Rich-

[*Interprétation*]

M. Mahoney: Croyez-vous vraiment que vous devriez vous plaindre à nous, plutôt qu'au Conseil municipal de votre ville?

M. Noseworthy: Le fait est que la Chambre de commerce de Corner Brook et quelques gens intéressés essaient depuis des années de mettre en marche des projets d'aménagement portuaire. Je crois que le premier mémoire a été présenté à M. Pickersgill en 1963 ou en 1964. On a annoncé que la première étape du programme serait mise en vigueur cette année mais ni le gouvernement provincial ni le gouvernement fédéral n'ont pris d'initiative pour consulter le conseil municipal afin de se rendre compte si le programme avançait ou si il y avait possibilité de coordonner l'action des divers gouvernements.

M. Mahoney: Est-ce que le conseil municipal a essayé d'amener les autres échelons de gouvernement à coordonner leurs efforts?

M. Noseworthy: Oui, je crois que le Conseil a demandé, en vain d'ailleurs, qu'un programme définitif soit établi pour le futur. Le maire est ici et je crois qu'il témoignera cet après-midi; il pourra traiter de cette question.

M. Mahoney: Merci.

M. Noseworthy: Il y a aussi la question de l'aménagement du quartier portuaire et de la construction de routes d'accès au port pour le transport des marchandises; actuellement, les camions circulent dans des quartiers résidentiels.

M. Mahoney: Si le Conseil témoigne cet après-midi, je crois qu'il vaut mieux attendre pour poser ma question.

Le président: Monsieur McGrath.

M. McGrath: On a déjà répondu à ma question en partie; je voulais simplement que vous précisiez votre affirmation, à savoir qu'il n'y a pas eu de consultation avec les autorités locales au sujet du développement du port. Si j'ai bien compris, les crédits pour l'aménagement du port viennent tout juste d'être approuvés par le parlement. Êtes-vous au courant d'un projet quelconque qui aurait été élaboré pour le port?

M. Noseworthy: Trois plans ont été élaborés et nous ne savons pas lequel a été choisi. D'après ce que nous en savons, il y a trois choix possibles. Nous ignorons à l'heure actuelle quel plan a été choisi et comment il pourrait s'intégrer dans notre projet.

M. McGrath: S'il m'est permis de faire une suggestion; vous pourriez peut-être en parler,

[*Text*]

ardson, who is active in the Department of Transport, before you learn today he might be able to solve this problem.

The Chairman: Thank you. Mr. Pringle, do you have a supplementary question?

Mr. Pringle: Yes, just a short supplementary. If I heard you correctly you mentioned that you were opposed to regional air service. Is this just in your particular area? Do you mind telling us why you are opposed to this?

Mr. Noseworthy: We have a feeling that Air Canada might carry out the same type of program as the Canadian National Railways did in getting rid of their pasenger trains and that eventually the west coast may be bypassed as a drop-off point, and in order for us to get to the mainland or to Europe we may have to fly from Stephenville to Halifax or to Gander. The quality of the service and the scheduling is such that it discourages people from the west coast from travelling.

Mr. Pringle: As I understand it, there is not so much opposition to regional air services as...

Mr. Noseworthy: ...As a replacement.

Mr. Pringle: As a replacement. You do not want to lose the Air Canada facilities on the west coast of Newfoundland.

Mr. J. Merrill Belanger (Past President, Corner Brook Chamber of Commerce): I will carry on from there. It is a matter of continuity of scheduling. Last year we had a scheduling set up by Air Canada on the morning flight from here to St. John's which eventually ended up in Boston. We had to change aircraft at Halifax and we had a two or three hour delay before we could get on the aircraft for Montreal. If you are trying to make connections, it is 60 miles from where we live in Corner Brook to the airport in Stephenville, and you probably have to leave home about seven o'clock in the morning and you arrive in Montreal about five o'clock in the afternoon. That is a whole day's flying to cover a thousand miles. If you were flying out of St. John's on a DC-9 you would be there in two and half hours. It is the joining of the scheduling on the regional air service that we are opposed to.

Mr. Pringle: However, I presume you would take another look at it if the regional air service in this particular area was upgrad-

[*Interpretation*]

avant de partir, à M. Richardson, qui joue un rôle actif au sein du ministère des Transports; peut-être pourrait-il résoudre ce problème.

Le président: Merci. Monsieur Pringle, est-ce que vous auriez une autre question à poser?

M. Pringle: Oui. Si je vous ai bien compris, vous avez dit que vous étiez opposé au service aérien régional. Est-ce que vous visez votre région seulement? Pourriez-vous nous dire pourquoi vous vous opposez à cette mesure?

M. Noseworthy: Nous avons l'impression qu'Air Canada pourrait peut-être mettre en vigueur le même genre de programme que les Chemins de fer nationaux du Canada qui ont abandonné le service voyageur et nous craignons qu'éventuellement la côte de l'ouest soit éliminée comme point d'arrêt et qu'il nous faille prendre un avion de Stephenville pour nous rendre à Halifax ou Gander et, de là, sur le continent américain ou en Europe. La qualité du service ainsi que l'horaire sont tels qu'ils enlèvent aux gens de la côte de l'ouest le goût de voyager.

M. Pringle: Si je comprends bien, il n'y a pas beaucoup d'opposition aux services aériens régionaux...

M. Noseworthy: Comme remplacement.

M. Pringle: Comme remplacement. Vous ne voulez pas perdre le service d'Air Canada sur la côte ouest de Terre-Neuve.

M. J. Merrill Bélanger (ex-président, Chambre de commerce de Corner Brook): Si vous me permettez de continuer, il s'agit de la continuité des horaires. L'an dernier, nous avions un vol le matin qui partait de Saint-Jean et qui pouvait se terminer à Boston. Il fallait que nous changions d'avion à Halifax, et il nous fallait attendre deux ou trois heures avant d'avoir la correspondance pour Montréal. Si vous essayez de faire la correspondance, et si vous demeurez comme moi à Corner Brook, à soixante milles de Stephenville, vous devez probablement partir de chez vous à sept heures le matin et vous arrivez à Montréal à cinq heures l'après-midi. Cela vous prend donc toute une journée pour vous rendre à mille milles. Si vous partez de Saint-Jean, par le DC-9, cela prend deux heures et demie. C'est donc la raison pour laquelle nous nous opposons à la fusion des horaires des services aériens régionaux.

M. Pringle: J'imagine que vous envisageriez la question d'une autre façon si le service aérien régional était amélioré au point où on

Texte]

and improved to the point where it would ve you better service to Montreal than you ight get on a national air line.

Mr. Belanger: If you have a flight running ght through from St. John's to Montreal to ronto with no change of aircraft, you can- t very well improve on that unless you ve a direct flight. If you have a regional air rvice which only has a regional base of avel and you are going to Halifax, you have change aircraft and there is bound to be a lay.

Mr. Pringle: I just have one more question. hat are the average weather conditions for ying in your area with respect to ground g?

Mr. Noseworthy: I can say that the Ste- henville airport has a better record than ther St. John's or Halifax.

Mr. Pringle: Thank you.

The Chairman: Mr. Rose.

Mr. Rose: I would like to complement my olleague from Fraser Valley East on an xcellent line of questioning. I am trying to nderstand in what way they were supple- ientary. I really cannot understand that.

In any event, I would like to go on to mething else. It has been suggested that ransportation should not be considered in olation from a number of other forms of id, such as growth areas or equalization ayments. I realize we are sitting as a Trans- ort and Communications Committee, but I hink the justification for this is because ransportation is considered to be a primary id to economic development. I would like to ear your comments on this. Do you feel here should be more co-ordination between he various forms of aid rather than limiting to transportation?

The Chairman: Which gentleman do you ish to address your question to?

Mr. Rose: Mr. Belanger, or the other gentle- an that spoke. I have forgotten his name.

Mr. Belanger: Without getting into jargon, presume right now you are talking about egional disparity. However, we are also alking about total systems of transportation, nd I think one is part and parcel of the other. Certainly part of our problem down here is istance. The other part of our problem is hat do you do with your transportation. Do ou improve your transportation to the level f what you have in central Canada, or wher- ver the plus areas are. You have to improve he whole thing as a unit, not just in thought.

[*Interprétation*]

pourrait vous donner jusqu'à Montréal, un meilleur service que vous ne pourriez obtenir d'une compagnie nationale.

M. Bélanger: Si l'on avait un vol allant directement de St-Jean à Montréal et Toronto sans changement d'avion, il serait très difficile d'améliorer ce genre de service à moins d'avoir un vol direct. Mais si votre service n'est que régional et que vous allez plus loin qu'Halifax, il faut changer d'avion à Halifax, ce qui cause des retards.

M. Pringle: Une seule autre question. Quelles sont les conditions climatiques moyennes pour les avions dans votre région, au sujet du brouillard au sol par exemple?

M. Noseworthy: Je peux dire que Stephenville est en meilleure position que St-Jean ou Halifax à cet égard.

M. Pringle: Je vous remercie.

Le président: Monsieur Rose.

M. Rose: Je voudrais féliciter mon collègue de Fraser Valley est pour ses excellentes questions. J'essaie de comprendre comment il se fait qu'elles aient été des questions supplémentaires.

De toute façon, je voudrais aborder un autre sujet. On a déjà dit que les transports ne devraient pas être étudiés isolément ou séparément de toutes les autres formes d'aide, par exemple, les régions de croissance ou les paiements de péréquation. Je comprends que nous sommes au Comité des transports et des communications, mais je trouve que la justification, c'est que les transports sont censés être une aide principale pour le développement économique. Croyez-vous donc qu'il devrait y avoir plus de coordination entre les différentes formes d'aide plutôt que de limiter notre assitance aux transports?

Le président: A qui posez-vous la question?

M. Rose: A M. Bélanger ou à M. Noseworthy.

M. Bélanger: Sans être trop technique, je présume, que vous parlez des disparités régionales. Cependant, nous parlons aussi d'un réseau total de transport et je pense que l'un fait partie de l'autre. Une partie de nos problèmes ici est représentée par la distance, une autre, parce qu'il faut faire du transport. Faudra-t-il améliorer le système de transport jusqu'au niveau que connaissent le Canada central ou les régions un peu plus prospères? Il vous faut donc améliorer toute la situation au complet.

[*Text*]

Mr. Rose: I do not think you got the precise sense of my question. Certainly transportation is of primary concern but it has been suggested, and I will suggest it myself, that perhaps you must co-ordinate the transportation system with the growth area concept and other forms of aid, because if you immediately rationalize or equalize the transportation system this in itself is not necessarily going to solve all the problems that you might meet in Corner Brook, is it?

Mr. Belanger: No. That is only part of them.

Mr. Rose: That is right, and therefore all the aid plans should be co-ordinated through a co-ordinating agency, and it should not be just limited to transportation. Would you agree with that?

Mr. Belanger: Naturally. Perhaps I did not explain myself very well. We are talking about regional disparity and you are talking about lifting up an area, and transportation is just one portion of that. The whole thing should be done as a total.

Mr. Rose: This is the point I wish to bring out. Yours is one of the relatively few briefs that spell out the concern felt about the loss of passenger service on the CNR trains in Newfoundland. It has been mentioned in other briefs but in a different context. Is it of more importance to you in Corner Brook than it might be somewhere else?

Mr. Noseworthy: I think we feel that if the CNR had put the same effort into promoting train passenger travel and did the same public relations job as they are doing today on the buses, they would not have needed to replace the passenger trains with buses.

An hon. Member: That is a very good point.

The Chairman: Order, please. Mr. Mahoney.

Mr. Mahoney: I have a supplementary question. Would you now opt in favour of an abandonment of the bus service and a restoration of the train service to its former status, with the upgrading that...

Mr. Noseworthy: No, not particularly, but I think we find it rather odd that the CNR should pick Newfoundland and say that they are going to discontinue the passenger train service, when they have tried to upgrade the service in other parts of Canada, and let the trains here almost turn into cattle cars. Who

[*Interpretation*]

M. Rose: Je ne crois pas que vous ayez tout à fait compris ma question. Le transport est sûrement une des principales préoccupations, mais on a dit, et je le dirai moi-même, que peut-être il nous faut coordonner le réseau des transports avec le concept des régions de croissance et d'autres formes d'aide parce que si vous rationalisez ou faites immédiatement l'égalisation du système, cela ne se trouvera pas nécessairement à résoudre les problèmes de Corner Brook, n'est-ce pas?

M. Bélanger: Non, cela n'en est qu'une partie.

M. Rose: C'est juste. Par conséquent, tous les programmes d'aide devraient être coordonnés dans l'ensemble par une agence de coordination et ça ne devrait pas simplement se limiter au transport. Êtes-vous d'accord?

M. Bélanger: Naturellement. Peut-être que je ne me suis pas exprimé assez bien. Nous parlons des disparités régionales et vous parlez d'aider une région à se relever et le transport n'est qu'une partie de l'ensemble, qu'une partie du tout.

M. Rose: C'est à quoi je voulais en arriver. Votre mémoire est un des rares où l'on précise l'inquiétude qui existe au sujet de la perte du service voyageurs sur les trains du CN à Terre-Neuve. On en a parlé dans d'autres mémoires, mais dans un contexte différent. Est-ce plus important pour vous à Corner Brook que cela pourrait l'être ailleurs?

M. Noseworthy: Nous sommes d'avis que si le National Canadien avait déployé le même effort pour le service voyageur et fait le même travail de relations publiques qu'ils font maintenant pour les autobus, ils n'auraient pas eu à remplacer le train par les autobus.

Une voix: C'est assez vrai.

Le président: A l'ordre. Monsieur Mahoney.

M. Mahoney: Est-ce que vous seriez pour qu'on abandonne les autobus en faveur d'une restauration du service ferroviaire à son ancien niveau?

M. Noseworthy: Non, pas en particulier, mais je pense qu'il est plutôt curieux que le CN décide d'interrompre, précisément à Terre-Neuve, le service voyageurs alors que la société a essayé d'améliorer le service dans d'autres régions du Canada tout en laissant les wagons devenir presque des wagons à

[*Texte*]

wants to travel by train when it is not cleaned up? I might tell you—and this is not in our brief—that we are also aware of the fact that the ships plying the Gulf of St. Lawrence as ferries are certainly not suitable—about half way through the summer—are almost unsuitable for human habitation.

Mr. Mahoney: I think we are talking about trains and buses.

Mr. Noseworthy: Yes, but it ties in.

Mr. Mahoney: You did suggest though, as I understood your answer, that had the CNR run the passenger train service the way they should have the buses would never have been necessary.

Mr. Noseworthy: No, they would not have been thought of.

Mr. Mahoney: Therefore, I would take it that your Chamber's position is that you would prefer to have an upgraded passenger train service and forget the buses.

Mr. Noseworthy: We would, yes.

Mr. Mahoney: Thank you.

Mr. Rose: On the matter of the so-called "Newfie Bullet" the government in Newfoundland has been strangely silent in its support for its retention. Do you have any views on this?

Mr. Noseworthy: No. If so, they would be political and I would rather not get into politics at the moment.

Mr. Rose: Sir, we are all politicians here and I feel that ultimately all decisions are political decisions. When you are dealing with politicians this is one of the things you have to look out for. The question might have been political too. I am not suggesting that it was but it might have been.

Sir, do you have any concern for the local coastal service either for tourists or for freight?

Mr. Noseworthy: Let me put it this way: the road has been built to St. Anthony. Just to brief the Committee, automatically as soon as the road was opened up to a certain area people refused to take their freight off the coastal boat because she arrives at all hours of the night and blowing her whistle and they have to get out of bed and go to the wharf and take their freight. These days have end-

[*Interprétation*]

bestiaux. Personne n'aime voyager dans un train qui n'est pas propre. Je pourrais aussi vous dire—et ceci ne figure pas au mémoire—que nous sommes aussi au courant du fait que les navires qui traversent le golfe Saint-Laurent comme transbordeurs ne conviennent vraiment pas—déjà vers le milieu de l'été—à des voyageurs humains.

M. Mahoney: On parle de trains et d'autobus.

M. Noseworthy: On essaie de les rattacher l'un à l'autre.

M. Mahoney: Un instant, vous n'avez tout de même proposé, si j'ai bien compris votre réponse, que si le National Canadien avait assuré un service des voyageurs comme il était sensé le faire, vous n'auriez jamais eu besoin d'autobus.

M. Noseworthy: Non.

M. Mahoney: J'en conclurais donc que vous préfériez vous-méme avoir une amélioration du service des voyageurs et simplement oublier les autobus.

M Noseworthy: Oui.

M. Mahoney: Je vous remercie.

M. Rose: Pour ce qui est du «Newfie Bullet», le gouvernement de Terre-Neuve a gardé le silence complet en ce qui a trait au maintien de ces services. Est-ce que vous avez un point de vue là-dessus.

M. Noseworthy: Non, ce serait des raisons d'ordre politique et je ne veux pas faire de politique en ce moment.

M. Rose: Nous sommes tous des hommes politiques ici et j'imagine que toutes les décisions sont des décisions d'ordre politique. Lorsque vous traitez de politique, c'est une des choses dont vous devez tenir compte. Donc, la question peut traiter de nature politique. Je ne dis pas que ce l'était mais peut-être cela aurait pu l'être.

Est-ce que vous vous préoccupez du service côtier pour les voyageurs ou les marchandises?

M. Noseworthy: La route a été construite jusqu'à St-Antoine (St. Anthony). Sulement pour vous renseigner dès que la route est ouverte jusqu'à une certaine région, on refuse de débarquer les marchandises parce qu'il faut se lever en pleine nuit bien souvent, mais ces jours sont révolus. Dès que les chemins sont praticables, on prend le camion pour transporter les marchandises.

[*Text*]

ed. As soon as the road goes through they are looking for their freight by transport truck of some type or other.

Mr. Rose: I was concerned particularly with the development of the tourist trade. I have heard, and do not know with how much foundation, that there is a reluctance on the part of some of the ships that are in this particular area and north of this to book large groups for summer passage. Have you heard this?

Mr. Noseworthy: No. I think the coastal service to Labrador has to be maintained, but I think we have to be realistic and say that it is not important to the north coast anymore.

Mr. Rose: Not even from the tourist point of view?

Mr. Noseworthy: No.

Mr. Horner: You state on the first page of your brief that your highest priority is placed on harbour development. Could you give us some idea as to why, in your mind, the Federal Government with the co-operation of the provincial government has proposed the building up of a third or fourth major port—well, a second major one under the National Harbours Board. I was led to believe that on the Bay d'Espoir they were going to build huge grain elevators to store Canadian wheat so that it would be an all-weather port. Not that I opposed to that, but looking at it from a complete stranger's point of view, why not Port-aux-Basques, why not Corner Brook? Is there not deep water pretty well all around the island of Newfoundland?

Mr. Noseworthy: No. You must imagine Corner Brook as the distributing centre for the northwest coast of Newfoundland plus certain sections of the Notre Dame Bay area and possibly the White Bay area, which is near Bay de Verde, because the transport trucks come that way. So, we are a centre in ourselves. We have a few old wharves that were built by the paper company in 1923 or 1925 and we are trying to get by with them. You cannot operate efficiently, you cannot operate safely. Some of the shipping companies have refused to come to Corner Brook to discharge their cargo because the facilities are not there for them.

Mr. Horner: This is the point I wanted to pursue: if the government has money—federal and provincial—to spend on the development of another port, why, in your mind, do you think they are reluctant to include Corn-

[*Interpretation*]

M. Rose: Je me préoccupe essentiellement du développement du tourisme. Je ne sais pas si c'est fondé mais il semblerait que certains navires, surtout ceux qui se trouvent dans cette région et au nord, acceptent avec très peu d'empressement des groupes partant en voyages d'été. En savez-vous quelque chose?

M. Noseworthy: Non, je n'en ai pas entendu parler. Le service côtier au Labrador doit être maintenu et il faut être réaliste et dire que ce n'est pas vraiment important pour la Côte nord.

M. Rose: Même pas du point de vue touristique?

M. Noseworthy: Non.

M. Horner: Vous déclarez à la première page de notre mémoire que votre première priorité est fondée sur le développement portuaire. Pourriez-vous nous donner une idée pourquoi, à votre avis, le gouvernement fédéral, avec la collaboration du gouvernement provincial, a proposé la construction d'un troisième ou quatrième port—ou un deuxième en importance—en raison du Conseil des Ports nationaux? Je pense à la Baie d'Espoir où l'on voulait aménager d'immenses élévateurs à grain pour entreposer le blé canadien, pour en faire un port de toutes saisons. Ce n'est pas que je m'y oppose mais pour quelqu'un qui ne s'y connaît pas, pourquoi pas Corner Brook ou Port-aux-Basques? Est-ce qu'il n'y a pas d'eaux profondes tout autour de Terre-Neuve?

M. Noseworthy: Non. Corner Brook deviendrait le centre de distribution pour le nord-ouest de Terre-Neuve et certaines sections de la Baie Notre-Dame et peut-être de la baie Blanche, près de Baie Verte parce que les camions passent par là; donc nous constituons nous-mêmes un centre. Nous avons quelques anciens quais construits vers les années 1923-1925 par les anciennes sociétés de papier et nous essayons de nous débrouiller avec ces quais. Il est impossible d'y travailler efficacement, avec sécurité. Certaines sociétés refusent de venir décharger leurs cargaisons à cause du manque d'installations.

M. Horner: C'est justement sur quoi je veux insister. Si le gouvernement fédéral ou provincial dépense de l'argent pour aménager un autre port, pourquoi, à votre avis, croyez-vous qu'ils hésitent à inclure Corner Brook

[*Texte*]

er Brook as one of the ports operating under the National Harbours Board?

Mr. Noseworthy: They have included Corner Brook. According to the latest information we have, and this brief was prepared before this announcement, the first phase of Corner Brook's development is going through this year.

Mr. Horner: It is going through this year?

Mr. Noseworthy: It is going through this year. We are as important to western Newfoundland as St. John's is to the Avalon peninsula and as Halifax is to Nova Scotia. This is the point we are trying to make. There are people who think we on the west coast do not belong to the province, but we do. We are part of Newfoundland and we are the distributing centre for the whole of western Newfoundland.

Mr. Thomas (Moncton): What about ice conditions in the Corner Brook harbour?

Mr. Noseworthy: The ice-breakers have been there from the Federal Government for the last few years. I have been in Corner Brook for the last 20 years. When I first went to Corner Brook the paper company had to ship their paper to Port-aux-Basques or to St. John's to get it out to the eastern seabord of the United States. For the past 10 years the boats have been coming into Corner Brook all winter long. The ice-breakers and the conditions at Corner Brook have been such that this year for the first time we have Clarke steamships coming in from Montreal every 10 days.

Mr. Horner: Then you foresee, in the very near future, the National Harbours Board taking over the port facilities and the management of the port facilities at Corner Brook.

Mr. Noseworthy: We would hope so.

Mr. Horner: You also foresee, and it is your understanding that the Federal Government will, in taking them over, be prepared to improve them and upgrade them to what might, in a sense, be called "national standards"?

Mr. Noseworthy: And modern standards.

Mr. Horner: And modern standards.

Mr. Noseworthy: So that we can accommodate side loaders that Clarke steamships and those people want to put in.

[*Interprétation*]

comme un des ports relevant du Conseil des Ports nationaux?

M. Noseworthy: Ils ont inclus Corner Brook. D'après les derniers renseignements, la première étape du développement de Corner Brook, et ce mémoire a été présenté avant cette déclaration se fera cette année.

M. Horner: Cette année?

M. Noseworthy: Oui, cette année. C'est tout aussi important pour l'ouest de Terre-Neuve que St-Jean pour la péninsule de Avalon, et Halifax pour la Nouvelle-Écosse. Voici où nous voulons en venir. Certains croient que nous, les gens de l'ouest de Terre-Neuve, n'appartenons pas à cette province. Nous faisons partie de Terre-Neuve et nous sommes le centre de distribution pour le nord-ouest de cette province.

M. Thomas (Moncton): Quelles sont les conditions de la glace dans le port de Corner Brook?

M. Noseworthy: Les brise-glaces du gouvernement fédéral s'y trouvent depuis quelques années. Je suis à Corner Brook depuis vingt ans. Lorsque je suis arrivé pour la première fois à Corner Brook, la société de papier devait expédier ses marchandises à Port-aux-Basques ou encore à St-Jean pour les acheminer à la côte est des États-Unis. Depuis dix ans, les navires viennent à Corner Brook au cours de l'hiver. Les brise-glaces et les conditions sont telles, qu'ils viennent tout l'hiver et maintenant la Clarke Steamships vient de Montréal tous les dix jours—cette année pour la première fois.

M. Horner: Alors, vous prévoyez que dans un avenir rapproché, le Conseil des Ports nationaux assumera la responsabilité des services portuaires de Corner Brook?

M. Noseworthy: Nous l'espérons.

M. Horner: Vous prévoyez aussi et vous en avez conclu que le gouvernement fédéral en assumant sa responsabilité, sera prêt à les améliorer à un niveau suivant les normes nationales.

M. Noseworthy: Oui. Les normes nationales qui sont plus modernes.

M. Horner: Plus modernes.

M. Noseworthy: Oui. Afin que nous puissions utiliser les chargeurs latéraux que la Clarke Steamships veut installer.

[*Text*]

Mr. Horner: And then again in doing that at Corner Brook they will also build up the harbour at the Bay d'Espoir in order to...

Mr. Noseworthy: We do not know anything about Bay d'Espoir.

Mr. Horner: You do not know anything about that, and you do not believe that in any it will .

Mr. Noseworthy: It does not conflict or concern us in any way.

Mr. Belanger: Mr. Horner, they concern two entirely different areas.

Mr. Noseworthy: Two entirely different areas.

Mr. Horner: The reason I asked that question, Mr. Chairman, was that it used to be an old rule of thumb that one harbour in one province was all that would come under the National Harbours Board. I am led to believe that it might well be in the Province of Newfoundland that there may be three harbours in the very near future come under the National Harbours Board, and this will have a direct bearing on harbours in the rest of the maritimes. I know with Halifax and St. John's, for example, it was evident in the Committee proceedings there there is some conflict. I am just trying to clear up that point and apparently I have cleared it up.

Mr. Noseworthy: It is a very good point.

The Chairman: Any other questions, gentlemen?

Mr. Rose: I have a supplementary to what Mr. Horner just asked Mr. Chairman. Do I understand that these harbours are going to be run strictly under the National Harbours Board?

Mr. Belanger: We have no indication of that.

Mr. Horner: I am sorry, I was led to believe, or at least I thought you said that you had indications that Corner Brook was going to be taken over by the National Harbours Board.

Mr. Belanger: I think the word "hope" was used rather than "indication".

Mr. Horner: There has been no indication whatsoever then.

Mr. Belanger: Absolutely none.

Mr. Horner: I see the Minister shaking his head. I think that should be on record.

[*Interpretation*]

M. Horner: Et en y incluant Corner Brook, ils amélioreront aussi le port de la Baie d'Espoir.

M. Noseworthy: On n'en sait rien.

M. Horner: Et vous ne croyez pas que...

M. Noseworthy: Cela n'entre pas en conflit, cela ne nous concerne pas du tout.

M. Bélanger: Il s'agit de deux régions tout à fait différentes.

M. Noseworthy: Vraiment tout à fait différentes.

M. Horner: La raison pour laquelle je posais la question c'est qu'un port dans une province relevait toujours du Conseil des Ports nationaux. Maintenant, je suis porté à croire qu'il se peut que la province de Terre-Neuve ait trois ports qui, d'ici peu, relèveront du Conseil des Ports nationaux et cela aura un effet direct sur les ports du reste des maritimes. Je sais qu'il existe un certain conflit entre St-Jean et Halifax,—on a pu s'en rendre compte au cours de nos audiences—j'essaie simplement de faire la lumière sur cette affaire et il semblerait que j'ai réussi.

M. Noseworthy: C'est excellent.

Le président: Vous avez d'autres questions à poser, messieurs?

M. Rose: Pour ce qui est de ce que monsieur Horner a dit, si je comprends bien, ces ports seront exclusivement du ressort du Conseil des Ports nationaux?

M. Bélanger: Il n'y a pas eu d'indication à cet effet.

M. Horner: Je m'excuse mais j'étais porté à croire ou du moins je croyais que vous disiez que tout semble indiquer que le Conseil des Ports nationaux assumerait la responsabilité du port de Corner Brook.

M. Bélanger: Je crois que l'on a employé le mot «espérons» plutôt qu'«indication».

M. Horner: Il n'y a eu aucune indication à cet effet jusqu'ici.

M. Bélanger: Aucune.

M. Horner: Le Ministre fait un signe de tête, cela devrait être signalé dans le procès-verbal.

[*Texte*]

Mr. Belanger: Our problem is this: We have been asking since 1964 for a harbour development in Cornerbrook. We had an indication in 1968 that there was $200,000 spent for engineering studies that were completed, and this year in the appropriation for 1969-70 there is $1,165,000 appropriated for phase one.

Our question always has been: what is the total cost of the harbour development. It is not a question of phase one, but what is the whole thing—the ultimate goal? If you look at the whole cost of it, what is this going to encompass. Phase one is what?

Mr. Horner: There is no sense in spending a million dollars if it is not in some plan that will connect or join up with future development.

Mr. Belanger: You see, the whole thing has to be an integral part of Corner Brook—right?

Mr. Horner: Exactly.

Mr. Belanger: If we know the whole concept, then our municipality can start planning to meet whatever is going to be there.

Mr. Horner: Have you approached the government and asked them for their overall plan with regard to harbour development?

Mr. Belanger: On a number of occasions.

Mr. Horner: And have you had a satisfactory reply?

Mr. Belanger: Nothing.

Mr. Horner: I think you have done yourselves real proud by pointing this out to the Committee so that this could be one of the recommendations this Commitee could put to the government—to make known their plans with regard to the development of the Corner Brook harbour.

The Chairman: Mr. Rose, a supplementary?

Mr. Rose: Actually, sir, I was pleased to have Mr. Horner come in on a supplementary to my question. It sounded to me like a complete independent line of questioning, but nevertheless I excuse him on many grounds.

I was wondering, sir, if there had been any thought in the Province of Newfoundland that you could report to us, for the shared development of harbour control with the province and the Federal Government? I understand, sir, that through the National Harbours Board there is a system of decentralization being discussed. In the Province of British Columbia we have one brand new super port where the control is shared between the pro-

[*Interprétation*]

M. Bélanger: Voici le problème: depuis 1954 nous avons demandé des aménagements portuaires à Corner Brook. En 1968, on a dépensé $200,000 pour des études qui n'ont jamais été terminées; en 1969 et 1970 on a alloué $1,165,000 pour la première étape.

Voici la question qu'on se pose depuis toujours: il ne s'agit pas de première, deuxième, troisième, ou quatrième étape; quel est le but ultime? Si on considère l'ensemble, qu'est-ce que cela va comprendre? La première étape, c'est quoi?

M. Horner: Inutile de dépenser un million de dollars si ce n'est pas partie intégrante d'un programme à long terme.

M. Bélanger: Il faut que cela soit partie intégrante de Corner Brook—exact?

M. Horner: Exactement.

M. Bélanger: En connaissant tout le plan, on peut prévoir une certaine planification pour faire face à ce qui se produira.

M. Horner: Est-ce que vous avez demandé au gouvernement quel était son projet d'ensemble pour ce port?

M. Bélanger: Plus d'une fois.

M. Horner: Vous avez obtenu une réponse satisfaisante?

M. Bélanger: Absolument rien.

M. Horner: Je pense qu'il est bon que vous ayez signalé cela au Comité pour que ce soit une des recommandations que ce Comité puisse ainsi formuler au gouvernement—soit de faire connaître ces points au sujet du développement du port de Corner Brook.

Le président: Monsieur Rose, une question complémentaire?

M. Rose: J'étais heureux de voir M. Horner poser une question complémentaire à ma question. Cela semblait être une question tout à fait en dehors du sujet, mais néanmoins je ne lui en veux pas pour différentes raisons.

Je me demandais tout simplement si dans Terre-Neuve on pourrait nous parler de la part du développement portuaire du Fédéral et des provinces. Je crois que par l'entremise du Conseil des Ports nationaux, il existe un régime de décentralisation qui fait l'objet de discussions, et, en Colombie-britannique nous avons un nouveau super port dont le contrôle est partagé entre le gouvernement fédéral et le gouvernement provincial.

[*Text*]

vincial government and the Federal Government.

Mr. Belanger: To the best of our knowledge, sir, no.

Mr. Rose: Therefore, you feel that as far as you are concerned this whole thing would be up to the Federal Government?

Mr. Belanger: Let me put it this way: Transportation, or the creation of highways and modes of transportation are a provincial responsibility. A harbour is a federal responsibility. But one must tie into the other somehow or other. So, surely there should be the consultation between the two bodies to find out what is the development, the size, how best you develop and plan it to fit in with the other.

Mr. Rose: Our Mr. Bennett would not agree with you on that.

Mr. Belanger: I imagine he and I would disagree on a number of things.

Mr. Rose: Thank you.

Mr. Allmand: Mr. Noseworthy, the figures in your brief that has been filed with us are dated, at the latest, 1964. Have you any recent figures for shipping tonnage in your harbour for 1967 or 1968 and, also, the number of ships which visited the harbour in those years?

Mr. Noseworthy: We have them but we did not bring them with us. They would be slightly higher than these figures.

Mr. Allmand: Have they increased?

Mr. Noseworthy: They have increased, yes.

Mr. Allmand: Perhaps it would be helpful, if we are going to make the recommendations that Mr. Horner thinks we should, if we had those figures on the tonnage of shipping in the Corner Brook harbour.

Mr. Noseworthy: We could have that mailed to you next week.

Mr. Allmand: Could you also tell us the destinations of the shipping out of Corner Brook? Is it mainly up the St. Lawrence to Montreal and so forth, or is it to Halifax or down to the United States?

Mr. Noseworthy: Australia, New Zealand, the United Kingdom and all the ports of the eastern seaboard of the United States plus the gulf ports.

[*Interpretation*]

M. Bélanger: Non, pas à ma connaissance.

M. Rose: Alors vous croyez qu'en ce qui vous concerne, tout cela relèverait du gouvernement fédéral?

M. Bélanger: Disons ceci: le transport ou la création de routes et les modes de transport relèvent du gouvernement provincial. Les ports relèvent du gouvernement fédéral. Mais les deux doivent être coordonnés d'une façon ou d'une autre. Par conséquent, il doit y avoir consultation et un effort de coordination de la part de deux pour trouver le meilleur moyen possible de réussir.

M. Rose: M. Bennett ne serait pas d'accord.

M. Bélanger: Je crois qu'il ne serait pas d'accord avec moi sur plusieurs choses.

M. Rose: Je vous remercie.

M. Allmand: M. Nosewofthy, les chiffres les plus récents que vous avez mis dans le mémoire que vous avez déposé auprès de nous remontent à 1964. Je me demandais si vous aviez des chiffres plus récents pour la navigation en 1967 ou 1968 ainsi que le nombre de navires qui ont visité notre port au cours de ces années.

M. Noseworthy: Nous les avons. Nous ne les avons pas en mains, toutefois ils seraient légèrement supérieurs aux chiffres que vous avez ici.

M. Allmand: Ils ont augmenté?

M. Noseworthy: Oui.

M. Allmand: Il serait peut-être utile que nous ayons ces chiffres sur les expéditions du port de Corner Brook si nous désirons formuler les recommandations que M. Horner souhaite que nous fassions.

M. Noseworthy: Nous pourrions vous les envoyer la semaine prochaine.

M. Allmand: Je me demandais si vous pourriez aussi nous dire quels sont les ports d'arrivée de la navigation à partir de Corner Brook? Est-ce principalement le long de la Voie maritime du St-Laurent jusqu'à Montréal ou Halifax, ou aux États-Unis?

M. Noseworthy: L'Australie, le Royaume-Uni et tous les ports de l'est des États-Unis en plus des ports du golfe.

[*Texte*]

Mr. Allmand: So you have overseas shipping as well as shipping into Canada?

Mr. Noseworthy: The paper from Corner Brook goes to practically all parts of the world where newsprint is used.

Mr. Allmand: With respect to the discontinuation of passenger service, did your Chamber of Commerce lodge an appeal against the judgment of the Canadian Transport Commission on that matter?

Mr. Noseworthy: Not as such, I do not think. I have no recollection of doing it.

Mr. Allmand: Because there is a provision under the Railway Act by which you can appeal a judgment for the discontinuation of railway passenger service.

Mr. McGrath: May I supplement that, Mr. Chairman, just as a point of clarification. This point was made during the course of our examination of the estimates of the Canadian Transport Commission. The President of the Commission was vague on this business of how one went about an appeal under the new Transport Act. He made the point very strongly that certainly the Commission would not sit in on an appeal against the ruling of one of its own committees—in this case, the railway committee of the Canadian Transport Commission. So, obviously, there is still some ambiguity on just what the procedure for appealing a decision is?

Mr. Allmand: That is not true at all, Mr. Chairman. I am not talking about an appeal to the Commission. I am talking about the appeal to the Governor in Council which is set out very clearly in Section 53 of the Railway Act. This morning, in reply to a question I asked the unions, they said they were making an appeal next week. It is very clear. I think the appeal is pretty similar to the appeal that existed under the old railway act. However, your Chamber of Commerce made no appeal?

Mr. Noseworthy: We have not made an appeal.

Mr. Allmand: Thank you.

Mr. McGrath: Just again on a point of order, Mr. Chairman. The resolution which was passed by the Committee was designed to lodge such an appeal in the House.

Some hon. Members: Oh, nonsense.

The Chairman: Order, please. Are you through, Mr. Allmand?

[*Interprétation*]

M. Allmand: Alors vous avez des expéditions outre-mer en plus de celles du Canada?

M. Noseworthy: Le papier journal de Corner Brook se vend partout où l'on imprime des journaux dans le monde.

M. Allmand: Quant à la discontinuation du service des voyageurs, est-ce que votre Chambre de Commerce en a appelé contre la décision de la Commission canadienne des Transports à cet égard?

M. Noseworthy: Pas en tant que tel. Je ne crois pas, je ne me souviens pas qu'on l'ait fait.

M. Allmand: Parce qu'il y a une disposition qui prévoit un appel d'une décision prise par la Commission de discontinuer un service de passagers.

M. McGrath: Est-ce que je pourrais suppléer à cela et donner une explication. Au cours de l'examen des prévisions budgétaires de la Commission canadienne des Transports, le point a été soulevé et le Président de la Commission a été assez vague sur cette question de la procédure d'appel en vertu de la nouvelle loi. Il a insisté pour dire que la Commission n'inscrirait pas un appel contre l'un de ses propres comités, par exemple. Dans ce cas-ci, contre le comité ferroviaire. Il semble qu'il y ait une certaine ambiguïté quant à la procédure des appels?

M. Allmand: Ce n'est pas vrai, monsieur le président. Je ne parle pas d'un appel auprès de la Commission mais d'un appel auprès du Gouverneur en Conseil qui est défini très clairement à l'article 53 de la Loi sur les chemins de fer. Ce matin, en réponse à une question, j'ai demandé au Syndicat ferroviaire qui m'a dit justement qu'il en ferait appel la semaine prochaine. C'est très clair. La façon de procéder est à peu près la même que celle qui existait en vertu de l'ancienne Loi sur les chemins de fer. Mais votre Chambre de Commerce ne l'a pas fait.

M. Noseworthy: Nous n'avons pas fait d'appel.

M. Allmand: Je vous remercie.

M. McGrath: La résolution adoptée par le Comité était destinée à inscrire un tel appel à la Chambre.

Quelques voix: C'est absurde!

Le président: Avez-vous terminé, monsieur Allmand?

[*Text*]

Mr. Allmand: Yes.

Mr. Skoberg: Are you gentlemen aware of the fact that the Governor in Council may rescind the decision of the Canadian Transport Commission without an appeal.

I am sure if they were to receive your recommendation, whichever it may be, that it would have some effect on the board. Are you aware of that section of the Act which Mr. Allmand is referring to where you really do not have to initiate an appeal as such—because the Governor in Council himself may rescind this particular order of the Board. Are you aware of that section?

Mr. Noseworthy: No, we are not.

Mr. Skoberg: I have another supplementary.

The Chairman: You have the floor.

Mr. Skoberg: What facilities do you have at your port now for the handling of any containers? In your brief you refer to dock-aid and heavy lift equipment.

Mr. Noseworthy: Practically none. If there is any heavy equipment or cargo destined for Corner Brook at the moment it would have to go to another port and be railed or trucked to Corner Brook.

Mr. Skoberg: And, in your opinion, you believe there is sufficient demand there for that type of equipment.

Mr. Noseworthy: Cargo is by-passing the port already.

Mr. Skoberg: In your opinion do you believe that the federal government should install that type of equipment or do you think the shipping companies should?

Mr. Noseworthy: I think they are obligated to.

Mr. Belanger: You are talking about a complete port concept, are you not? Part of a port concept is the equipment to handle all kinds of cargo—the cargo that is coming into this port.

The Chairman: Mr. Trudel.

Mr. Trudel: Mr. Chairman, I would like to ask the witness if the bulk of their shipments are now water-borne out of that port?

Mr. Noseworthy: Yes, water-borne.

[*Interpretation*]

M. Allmand: Oui.

M. Skoberg: Je me demande si les messieurs savent que le Gouverneur en Conseil peut abroger les recommandations de la Commission sans appel.

Mais, si le Gouverneur général en Conseil devait recevoir vos recommandations cela pourrait avoir des répercussions. Il n'est vraiment pas nécessaire d'initier un appel comme tel, car le Gouverneur en Conseil lui-même peut abroger cette ordonnance de la Commission. Connaissiez-vous cet article de la loi?

M. Noseworthy: Non, nous n'en étions pas au courant.

M. Skoberg: J'ai une question supplémentaire.

Le président: Allez-y, vous avez la parole.

M. Skoberg: Quelles sont les installations portuaires que vous avez à l'heure actuelle pour la manutention des «containers». Je vois que dans votre mémoire, vous parlez justement d'équipement et de matériel portuaire lourds.

M. Noseworthy: Pratiquement rien. S'il y en a à l'heure actuelle qui doit être expédié à Corner Brook, cela doit se faire par un autre port, puis transporté par chemins de fer ou camions vers Corner Brook.

M. Skoberg: Et vous estimez qu'il y a suffisamment de demande pour ce genre de matériels.

M. Noseworthy: A l'heure actuelle, les marchandises ne passent pas par le port.

M. Skoberg: Croyez-vous que c'est au gouvernement fédéral d'installer ce genre d'équipement ou aux compagnies de navigation maritime?

M. Noseworthy: Je crois qu'ils sont obligés de le faire.

M. Bélanger: Vous parlez de l'équipement portuaire en général, n'est-ce-pas? Une partie d'un port comporte l'équipement qui doit servir à manutentionner toutes sortes de marchandises qui arrivent au port.

Le président: Monsieur Trudel.

M. Trudel: Monsieur le président, je voudrais demander au témoin si la plus grande partie de leurs expéditions à partir de ce port se fait par bateau.

M. Noseworthy: Oui, par bateau.

[*Texte*]

Mr. Trudel: Would it be 100 per cent, 75 per cent or 50 per cent? Would you have any idea?

Mr. Noseworthy: I would say 90 per cent.

Mr. Trudel: The other form would be what?

Mr. Noseworthy: There would be some rail shipments but very few.

Mr. Trudel: When was the last time that you have been on the Bullet yourself, sir?

Mr. Noseworthy: On the Bullet?

Mr. Trudel: Yes, on the rail.

Mr. Noseworthy: The rail passenger train.

Mr. Trudel: Yes.

Mr. Noseworthy: Oh, about two years.

Mr. Trudel: And the other gentleman.

Mr. J. Merrill Belanger: It is a rather embarrassing question to ask.

Mr. McGrath: Mr. Chairman, just to set the record straight, Mr. Allmand was quite correct because it has been pointed out to me that Section 53 of the Railway Act is still in effect, which allows for an appeal procedure. I would strongly suggest to these gentlemen from the Corner Brook Chamber of Commerce that they make such an appeal to the Governor in Council because time is running out.

The Chairman: Thank you, Mr. Belanger.

Our next brief is from The Brotherhood of Railway, Airlines and Steamship Clerks, Freight Handlers, Express and Station Employees.

I have on my right Mr. Thoms, Mr. Abbott and Mr. Butt. I would ask Mr. Thoms to give us a summary of their brief.

Mr. Esau Thoms (General Chairman, Brotherhood of Railway, Airline and Steamship Clerks, Freight Handlers, Express and Station Employees): Thank you, Mr. Chairman. We were supposed to appear at two o'clock this afternoon but I want to assure everybody present that it is not our Brotherhood's fault. We have given 40 copies of our brief in English to the Committee. We apologize for not being able to give the same number of copies in French but it was almost a physical impossibility. I will run through the brief,

[*Interprétation*]

M. Trudel: Dans quelle proportion. 100 p. 100, 75 p. 100 ou 50 p. 100? Auriez-vous une idée?

M. Noseworthy: Je dirais 90 p. 100.

M. Trudel: Quel est l'autre moyen de transport?

M. Noseworthy: Une partie se fait par chemins de fer mais il y en a très peu.

M. Trudel: Quelle est la dernière fois que vous avez voyagé par le «Bullet»?

M. Noseworthy: Le «Bullet» dites-vous?

M. Trudel: Oui, par chemin de fer.

M. Noseworthy: Vous voulez dire le train pour passagers?

M. Trudel: Oui.

M. Noseworthy: Voilà environ deux ans.

M. Trudel: Et l'autre monsieur.

M. Bélanger: C'est une question plutôt embarrassante.

M. McGrath: Monsieur le président, simplement pour mettre les choses au point, M. Allmand avait raison, je viens d'apprendre que l'article 53 de la Loi sur les chemins de fer est toujours en vigueur, ce qui prévoit une procédure d'appel. Je suggérerais donc fortement à ces messieurs de la Chambre de commerce de Corner Brook de faire un tel appel auprès du gouverneur en conseil car il n'y a pas de temps à perdre.

Le président: Merci beaucoup, monsieur Bélanger. Le prochain mémoire nous vient de la Fraternité des commis manutentionnaires de marchandises, des employés des messageries et de stations pour les lignes aériennes et maritimes.

J'ai à ma droite, Monsieur Thoms, ensuite Monsieur Abbott et Monsieur Butt. J'ai demandé aux messieurs de nous faire un résumé de leur mémoire. Je demanderais à Monsieur Thoms de le faire.

M. Esau Thoms (Directeur général Fraternité des commis de chemin de fer, de navires à vapeur et des lignes aériennes, de manutenteurs de marchandises et d'employés de messageries et de gares): Merci, monsieur le président. Nous nous proposions de comparaître à deux heures cet après-midi, mais je veux assurer tout le monde que ce n'est pas notre faute si nous ne l'avons pas fait. Nous avons remis notre mémoire au comité, quarante copies en anglais, nous nous excusons de ne pas être en mesure de vous donner 40

[*Text*]

because I am pretty sure everybody has a copy of it.

Our number one question is the abandonment of our train passenger service. One of the points in the brief raises the question: Was Canadian National legally able to make an application to the CTC to abandon something which, in our opinion, Canadian National do not own?

This is one question that I thought somebody from this Committee could probably answer from a legal point of view. A few weeks ago I did write the Committee a two-page letter and posed this question. Perhaps somebody can give us the Committee's official viewpoint on this.

Another point in respect of abandonment of our train passenger service is that Newfoundland will be the only province in Canada without a train passenger service. This, in our opinion, is a terrible indictment against Confederation, if this is allowed to go unchallenged or if Canada as a whole allows it to happen.

Another problem which our Brotherhood, and many other brotherhoods in the railroads are concerned about, is the fact that some 200 men will be unemployed when the train passenger service is taken away from us. This of course is a very serious thing because most of these Newfoundlanders are of my age and over and probably never have had the opportunity to acquire the necessary educational qualifications or skills to do something else. It is going to be pretty hard now for those chaps to obtain other employment.

The bus service is not as dependable as our train passenger service. While February of this year may not have been as severe as normally, I have known February in other years when buses would not operate efficiently and safely across this province, suggested to the CTC that instead of holding their hearings in December, 1967 in St. John's that they should have held them on Gallants Hill in a February snow storm, if they really wanted to get a good picture of the train passenger service.

We have had many royal commissions, many investigations into transportation in Newfoundland over the years. The provincial royal commission in 1966 said in no uncertain terms that Newfoundlanders were being made to play an inferior role in transportation. They made many recommendations that our Brotherhood certainly agrees with. One was to retain and upgrade the train passenger service. The royal commission on transportation in 1966 could not be said to be favouring railway employees because nobody from the

[*Interpretation*]

copies en français, mais c'était pratiquement impossible. Je vais résumer le mémoire car je suis sûr que vous avez tous les copies. Tout d'abord, l'abandon de notre service ferroviaire. Un des points que nous soulevons dans le mémoire, est la question suivante: Le National-Canadien pouvait-il légalement faire une demande à la Commission canadienne des transports en vue d'abandonner quelque chose qui, à notre avis, ne lui appartient pas?

C'est une question à laquelle j'aimerais que quelqu'un du Comité puisse répondre d'un point de vue légal. Il y a quelques semaines, j'avais envoyé au Comité une lettre de deux pages dans laquelle j'avais posé cette question. Je me demande si quelqu'un ici pourrait y répondre. L'autre point en ce qui concerne l'abandon de notre service voyageur est le fait que Terre-Neuve sera la seule province du Canada n'ayant pas un service voyageur. A notre avis, c'est là un blâme terrible contre la Confédération, si le Canada laissait passer cette situation sans prendre les mesures qui s'imposent. Un autre problème qui préoccupe notre fraternité et plusieurs autres dans les chemins de fer est le fait que 200 personnes seront mises à pied lorsque le service des voyageurs sera éliminé. Cette situation est très grave, car la plupart de ces terre-neuviens, sont à peu près de mon âge et n'auront probablement jamais l'occasion de s'instruire, et de se recycler pour exercer un autre métier. Il sera très difficile pour ces gens d'obtenir un autre emploi.

Le service d'autobus n'est pas aussi fiable que le service voyageurs. Bien que le mois de février cette année n'ait pas été aussi dur que d'habitude, j'ai connu des mois de février où les autobus ne fonctionnaient pas sûrement ni efficacement à travers la province. Et j'ai suggéré à la Commission canadienne des transports qu'au lieu de tenir leurs sessions à Saint-Jean en décembre 1967 ils devraient le faire en février à Gallants Hill pendant les tempêtes de neige s'ils voulaient vraiment avoir une idée du service voyageurs.

Tout au long des années, nous avons eu plusieurs enquêtes sur le transport à Terre-Neuve. La Commission Royale d'enquête provinciale en 1966 a dit de façon assez claire que les Terre-Neuviens étaient classés de façon inférieure en matière de transports. Ils ont fait plusieurs recommandations qui étaient agréées par notre fraternité. Une de ces recommendations était de maintenir et d'améliorer le service ferroviaire pour voyageurs. On ne peut pas dire que ce rapport de 1966 favorisait les cheminots car aucun membre de

[*Texte*]

railway brotherhoods were on that commission. Therefore their findings must be at least semi-impartial. The trains have been allowed to deteriorate down through the years and suggestions from railway brotherhoods have ended up in the wastepaper baskets of some manager's or railway clerk's office in Montreal.

We brought many things to their attention that we were sure patrons of the Newfoundland railway wanted corrected and they were not corrected. Now of course, they have been allowed to deteriorate to the point where people say that they are either too dirty or too slow and therefore they cannot travel on them.

I want to point out—and I can document this if anybody on the Committee wants it—that the fact we have a narrow gauge railroad is not the reason that we have a slow train across this province. I have heard from top management that with a narrow gauge you can run a train across Newfoundland just as fast as you can on a standard gauge. Whether this is true or not, I am not that much of a railroader to know, but I do know that the chap who said it should know.

We also have a problem in Newfoundland with the Argentia and Bonavista subdivisions—two branches which serve the Bonavista branch, the Argentia area and the entire south-west coast. They have made application to the CTC to have their two branches abandoned and if this is allowed to happen, of cause, the people on the Bonavista Peninsula will have to be serviced by probably a third or fourth-class dirt road, and on the Argentia south-west coast it will certainly mean the unemployment of at least 80 stevedores in that area and a much higher cost to the consumer.

Another point in our brief concerns our coastal boat service. We contend in our brief that coastal boat service should be placed under the operation of the CTC because at the present time Canadian National can—and they have done it—take away coastal runs withour regard to anybody or without asking anybody whether they should or should not do this. We think that if, in cases where they want to abandon small railway stations where perhaps there is only one or two employees, they have to go before the CTC then, where there is a coastal run which may affect thousands of people and hundreds of employees, this should also come before the Canadian Transport Commission. As a result they have abandoned their own boats and hired charter boats, paying of course substandard wages.

[*Interprétation*]

notre fraternité ne faisait partie de la Commission. Par conséquent, leurs décisions et leurs conclusions doivent être impartiales au moins de moitié. On a laissé le service ferroviaire se détériorer au cours des années et les suggestions formulées par les fraternités ont fini quelque part à Montréal dans la corbeille à papier d'un directeur ou d'un employé des chemins de fer.

Nous avons signalé bien des choses que, à notre avis, les dirigeants des chemins de fer de Terre-Neuve auraient aimé voir corrigées mais ne l'ont pas été. On a laissé le service se détériorer à tel point que les gens se disent maintenant, les trains sont tous bien trop sales ou trop lents et par conséquent, ils ne veulent plus s'en servir. Laissez-moi vous dire, et je peux vous le prouver que ce n'est pas parce que nous avons un service ferroviaire à voies d'écartement étroit que nous avons un service lent. J'ai entendu quelqu'un de la haute direction me dire qu'il est possible de faire le trajet à travers l'île de Terre-Neuve sur les voies d'écartement étroit, aussi rapidement que sur n'importe quelle autre voie. Je ne sais si cela est vrai ou non, je ne suis pas spécialiste, mais celui qui me l'a dit devrait le savoir.

Nous avons aussi un problème à Terre-Neuve avec les subdivisions d'ARGENTIA et de BONAVISTA, deux branches qui desservent *Bonavista et Argentia* ainsi que toute la côte du sud-ouest. Ils ont fait la demande à la commission canadienne des Transports en vue d'abandonner ces deux embranchements et si cette demande était acceptée, les habitants de la péninsule de Bonavista, devront se contenter d'une route de 3e ou 4e ordre et sur la côte sud-ouest à Argentia, cela voudra dire certainement la mise à pied d'au moins 80 débardeurs dans cette région et un coût beaucoup plus élevé pour le consommateur.

Un autre point de notre mémoire a trait au service de cabotage. Nous prétendons dans notre mémoire que les caboteurs devraient relever de la CCT car à l'heure actuelle le National Canadien peut, et il l'a déjà fait d'ailleurs, éliminer certains services de cabotage sans égard pour personne et sans demander à qui que ce soit. Nous croyons donc que quand ils veulent abandonner une petite gare où il n'y a qu'un seul employé ou deux, ils devraient se présenter à la CCT et de même lorsqu'il s'agit d'un service de cabotage qui touche des milliers de gens et des centaines d'employés. C'est pourquoi le CN a abandonné ses propres navires pour en noliser d'autres, et faire évidemment des salaires inférieurs.

[*Text*]

Before I continue on with the brief, I have to my right the Vice-President of the CBRT for the Maritime area, Brother Abbott, who would like to give some details on the coastal shipping, with your permission Mr. Chairman.

Mr. L. K. Abbott (Vice-President, Brotherhood of Railway, Airline and Steamship Clerks, Freight Handlers, Express and Station Employees): Mr. Chairman, our brotherhood, the Canadian Brotherhood of Railway Transport and General Workers, represents 33,000 members in Canada, 23 of whom are on the Canadian National Railways and 1,100 of whom are on the Canadian National (Newfoundland) Steamship Service.

We support the brief presented here today by the Brotherhood of Railway, Airline and Steamship Clerks, and are supplementing it with a few remarks because we believe that the CN ships in Newfoundland are a big industry.

We not only represent a thousand people but in addition to that there are two or three hundred more people who we do not represent on these ships—they are represented by other organizations. Then when this is supplemented with ancillary operations such as marine departments, dockyards and what have you, it runs into a good sized industry employing approximately 2,000 to 3,000 people. We certainly feel that any elimination of this service is a deterioration in the economic factor in Newfoundland. From what I read in the paper the past couple of days, it seems to be roads at any cost. It seems that the Government of Newfoundland is dwelling on the idea of roads and this to the elimination of trains and coastal services. We believe that this is a bad way to operate.

During the past year there have been three ships taken out of service by the Canadian National Railways—the Burgeo, the Baccalieu and the Northern Ranger. This has been done without any notification whatsoever to the employees or to the people who represent these employees. This has resulted in over 200 people being affected by the lay-up of these ships.

Our Brotherhood, as well as Mr. Thoms' Brotherhood, has made many representations to the Canadian National Railways, to the government, to the Minister of Transport and the Minister of Labour through the press and radio, and as yet it has been to no avail. There has been no result from it. The matter of tying up these ships seems very bad to us because the railways tie these ships up and then they go and charter other ships.

[*Interpretation*]

Avant d'aller plus loin, j'ai à ma droite, le vice-président régional de la Fraternité canadienne des cheminots et employés des transports et autres ouvriers pour la région de l'Atlantique. Le confrère Abbott nous donnera des détails sur le cabotage, avec votre permission, monsieur le président.

M. Abbott: Monsieur le président, notre syndicat, la Fraternité canadienne des cheminots et employés des transports et autres ouvriers, qui représentent 33,000 membres au Canada, dont 23 travaillent pour le CN et 1100 se trouvent sur la *CN (Newfoundland) Steamship Service.*

Nous appuyons le mémoire présenté par la Fraternité des commis de chemins de fer, de navires à vapeur et de lignes aériennes, auquel nous voudrions ajouter quelques remarques car nous estimons que les navires du CN à Terre-Neuve constituent une industrie importante.

Nous représentons non seulement 1100 personnes mais de plus, il y a 200 ou 300 autres personnes à bord des navires que nous ne représentons pas mais qui sont représentées par d'autres organismes syndicaux. Quand on y ajoute aussi les services auxiliaires comme les services de la marine, les chantiers navaux, et ainsi de suite, cela représente une industrie de 2000 ou 3000 personnes. Nous croyons donc que toute élimination de service est une détérioration pour l'économie de Terre-Neuve. D'après ce que j'ai vu dans les journaux, depuis quelques jours on semble ne parler que de routes à tout prix. Apparemment le gouvernement de Terre-Neuve insiste sur les routes, au détriment des services ferroviaires et des services de cabotage. A notre sens, ce n'est pas de la bonne administration.

Depuis un an, trois navires ont été enlevés du service du CN, le *Burgeo*, le *Baccalieux* et le *Northern Ranger*, on l'a fait sans préavis aux employés ni aux gens qui représentent les employés, de sorte que plus de 200 personnes ont été touchées par le retrait de ces navires.

Notre fraternité, ainsi que la fraternité de monsieur Thoms, a fait un bon nombre de représentations aux Chemins de fer nationaux, au gouvernement, au ministre des Transports et au ministre du Travail, au moyen de la presse et de la radio, sans succès, toutefois, jusqu'ici. La question de retirer ces navires du service nous semble très mauvaise parce que les chemins de fer retirent les navires et en nolisent d'autres ensuite.

[*Texte*]

My information is that they have now chartered a ship which is called the *Sarah* for a period of two years. This is unofficial information which I have. They are going to run this ship for two years on a regular service on the south coast. I might say, Mr. Chairman, that the wages and working conditions on these ships are approximately half or less than half of what they are on the Canadian National ships themselves.

In fact, the wage rate today, as I understand it, is $200 a month—$200 a month—and that is for a thirty-day month. Now, the Commission that heard the case on the Newfoundland shipping last year made recommendations to the government and they have recommended implementation of the forty-hour week and the Canadian Labour Standards Code by 1974, so there are several years to go yet. But we deplore the type of working conditions and the wages which these people have and we feel that Canadian National, as a Crown Corporation, should not be permitted to enter into these kind of working conditions in order to get a cheap charter or have a cheaper operation than what their own regular boats would do, which is paying at least a decent wage and providing decent working conditions to the people whom they employ and who are represented by union.

The railways will tell us, of course, that they have supplemented the services by newer ships, but I say to you gentlemen that these ships have been placed in the gulf service between North Sydney and Port-aux-Basques which was a term of Confederation and they have no relationship whatsœver to the coastal services. The coastal services are something separate and apart, so the supplementing of the ships in the gulf, as I say, has no relationship to it.

We really do not think that the railways should be allowed to do this because we think if they do, with the elimination of the trains, with the elimination of the coastal ships, that before too many years are out we may find the elimination of the dockyard. I think this is the only province in Canada where the railway owns the dockyard, and certainly if the ships are eliminated and they get into chartered ships, then what is going to be the need for the dockyards at St. John's? The long-range program might be to eliminate these.

I would be glad to answer any questions, Mr. Chairman, but I think that this Committee should look very seriously at the idea of the railways being allowed to eliminate the coastal services and chartering boats, and that the Commmittee should recommend that

[*Interprétation*]

D'après mes renseignements, ils viennent de noliser le navire *Sarah* pour une période de deux ans. Ce sont des nouvelles officieuses que j'ai reçues. Mais ils ont l'intention de s'en servir pour établir un service régulier pendant deux ans sur la côte sud. Je pourrais ajouter, monsieur le président, que les salaires et les conditions de travail sur ces navires sont la moitié ou moins ce qu'elles sont sur les navires du CN.

En fait, si j'ai bien compris aujourd'hui, le taux des salaires est de $200 par mois, pour un mois de trente jours. La Commission qui a entendu la cause des expéditions à Terre-Neuve l'an dernier a formulé des recommandations au gouvernement et a recommandé la mise en vigueur d'une semaine de quarante heures ainsi que la mise en vigueur du code ouvrier d'ici 1974, il reste encore quelques années à faire. Mais nous déplorons les salaires et les conditions de travail de ces gens et nous estimons qu'on ne devrait pas permettre au National-Canadien, en tant que corporation de la Couronne, de s'engager dans ce genre d'activité pour pouvoir affrèter plus économiquement ou offrir un service plus économiquement qu'avec leurs propres navires, c'est-à-dire qu'ils devraient payer des salaires adéquats et offrir des conditions de travail adéquates à leurs employés qui sont syndiqués.

Les chemins de fer nous diront qu'ils ont suppléé au service, grâce aux nouveaux navires, mais je peux vous dire, messieurs, que ces navires ont été mis en service dans le golfe entre North Sydney et Port-aux-Basques selon les conditions de la Confédération, ce qui n'a rien à avoir avec le service de cabotage. Un service de cabotage est autre chose complètement, et, par conséquent, le fait de compléter le nombre de navires dans le golfe n'a rien à voir à ce sujet. Nous estimons qu'il faudrait empêcher les chemins de fer d'agir ainsi, car sinon, avec l'élimination des trains et des caboteurs, avant trop longtemps, ils élimineront les chantiers navaux. C'est peut-être la seule province du Canada où le chemin de fer est propriétaire du chantier naval, et si on élimine les navires et qu'ils ont recours à des navires nolisés, à quoi servira le chantier naval de St-Jean? Le programme à long terme vise peut-être à l'éliminer.

Je serai heureux de répondre à toutes les questions, monsieur le président, mais je crois que votre Comité devrait étudier sérieusement l'idée de permettre aux chemins de fer d'éliminer leur service de cabotage et d'affréter des navires, et que le Comité recom-

[*Text*]

new ships be provided to the coastal services in Newfoundland. Thank you, sir.

The Chairman: Thank you.

Mr. Thoms: I just want briefly to highlight the remainder of our brief. It deals with Port-aux-Basques problems and ice-breaker service for Lewisporte, a ship for Labrador service which will use Lewisporte as a turn-around terminal, an extra boat on the Corner Brook—Lewisporte service for tourists and freight traffic, highway safety for interprovincial drivers, Corner Brook harbour development which we want also, and although not directly affecting our union, freight transportation for Bell Island. I just want to read in conclusion the top part of page 5 of my brief, the first paragraph of which I think does bear repeating:

> To show how Newfoundland is being used as a guinea-pig, allow your imagination to view the Province of Quebec if Canadian National was taking their train passenger service from them. In that province they would not dare. In this province apparently anything goes, all because we have created the image that we are conventional in our thoughts, loyal in our actions and steadfast in our respect for government authority.
>
> Now, let me forewarn all concerned and all others who think that Newfoundlanders can be led down the garden path forever. We are not to be taken for granted any longer. We have no desire to be free and unequal. We want freedom with equality. We want justice in the same way as Quebecers need it and we are not willing to be classed in an inferior role. We are not willing to have a second-rate transportation system because someone within Canadian National wishes to buy buses.

Now gentlemen, in the audience are eight more members of my brotherhood who are well qualified to answer any particular questions that I think you can put to us along with the other two here. I thank you.

The Chairman: Mr. Horner?

Mr. Horner: Just a quick question on the Bullet versus the bus. Would you in the railroad and locomotive trade have any comment for the Committee concerning the fog conditions here on the island. I understand sometimes they are pretty bad. I do not want to

[*Interpretation*]

mande qu'on fournisse de nouveaux navires au service de cabotage de Terre-Neuve. Merci.

Le président: Merci.

M. Thoms: Je veux simplement résumer le reste de notre mémoire. Il s'agit des problèmes de Port-aux-Basques, et un service de brise-glace à Lewis Port, un navire pour desservir le Labrador dont le terminus serait à Lewis Port, un autre navire pour le service entre Corner Brook et Lewis Port pour les touristes et les marchandises, la sécurité routière pour les conducteurs interprovinciaux, l'expansion du port de Corner Brook, que nous désirons également, et bien que cela n'affecte pas directement notre syndicat, le transport des marchandises à l'île Bell. Je veux simplement vous lire, en guise de conclusion, au haut de la page 5 de notre mémoire, le premier paragraphe qu'il est bon de répéter:

> Pour nous montrer comment Terre-Neuve sert de cobaye, imaginez-vous si le CN enlevait son service passagers dans la province de Québec. Ils n'oseraient même pas dans cette province. Ici, on se permet tout, parce que selon l'idée que les gens se font de nous, nos pensées sont conservatrices, nos actes loyaux, et notre respect pour l'autorité inébranlable.
>
> Permettez-moi d'avertir ceux qui croient que les gens de Terre-Neuve vont se laisser ainsi leurrer pendant longtemps. On ne nous prendra plus pour acquis bien longtemps. Nous ne désirons pas être libres et inférieurs. Nous voulons la liberté et l'égalité; nous voulons un peu de justice tout comme le Québec la réclame, et nous ne sommes pas prêts à accepter un rôle inférieur. Nous ne sommes pas prêts à accepter un réseau de transports de second ordre parce qu'un employé du Canadien National désire acheter des autobus.

Il y a huit autres members de la fraternité ici qui sont en mesure de répondre aux questions que vous voulez bien poser. Merci.

Le président: Monsieur Horner?

M. Horner: Une courte question sur les avantages du *Bullet* sur les autobus. Avez-vous des commentaires à faire au comité pour ce qui est des conditions du brouillard ici dans l'île. Je crois comprendre que la visibilité n'est pas tellement bonne parfois. Je ne

[*Texte*]

belittle the engineer's responsibilities in any way, but he has those tracks to follow. Would you suggest that in studying the safety factor the Committee might consider the danger might be greater on a bus than on a train? Would you give us some idea of your thoughts on that?

Mr. Thoms: With all due respect to you, Mr. Horner, I do not think everybody should go around saying that all of us think that it should be called the Newfie Bullet; it is not the Newfie Bullet—it is the train passenger service. In my opinion the trains are much safer than a bus on the Trans-Canada Highway, and I have travelled the Trans-Canada Highway and I have travelled the trains.

Mr. Horner: Sir, I would like to apologize if I hurt anyone's feelings. I thought it was an accepted name. Perhaps I was caught up in the...

The Chairman: Order, please!

Mr. Horner: Maybe I was caught up with the advertising theme of it, sir. I have heard a lot about the track and I do not think for one minute that a 30-mile trip over it last night was any way to judge it. Could you give the Committee some idea at how slow you would have to go around some of the curves with the passenger train, not hauling a load of freight? What is the slowest curve you have to take and what would be your straightest run at the highest speed the book says you can run, just an idea?

Mr. Thoms: Mr. Horner, I really do not know but we have a dispatcher here with the Canadian National, Mr. Butt.

Mr. W. H. Butt, (General Chairman, representing the Brotherhood of Railway, Airline and Steamship Clerks, Freight Handlers, Express and Station Employees): I could answer that if you wish. I would say the lowest speed on the curve is 5 miles per hour and the top speed for passenger trains is 45 miles per hour. This is for a very short section, by the way.

Mr. Trudel: The speed regulations, sir, would you agree, do not necessarily have anything to do with the tracks because you have straight tracks where you have a speed limitation of five miles per hour under certain conditions?

Mr. Butt: Straight track at five miles per hour?

[*Interprétation*]

veux pas diminuer les responsabilités des ingénieurs, mais il doit suivre les rails. Êtes-vous d'accord, que lorsque le Comité étudie le facteur de sécurité que les dangers sont plus grands pour un autobus que pour un train? Pourriez-vous nous faire part de votre opinion à ce sujet?

M. Thoms: Avec tout le respect que je vous dois, monsieur Horner, je ne crois pas qu'on doive dire que nous croyons tous qu'il faut l'appeler le «*Newfie Bullet*»; il s'agit plutôt du service voyageurs. A mon avis, le train offre une plus grande sécurité qu'un autobus sur la route transcanadienne, et je connais les deux.

M. Horner: Je m'excuse si je vous ai insulté. Je croyais que c'était le nom accepté. Je me suis peut-être laissé emporter...

Le président: A l'ordre, s'il vous plaît.

M. Horner: Peut-être est-ce que c'est la campagne publicitaire qu'on a fait qui m'a emballé. J'ai beaucoup entendu parlé de la voie et je ne crois pas qu'un voyage de 30 milles, hier soir, nous permette de porter un jugement. Pourriez-vous nous dire à quelle vitesse vous devriez ralentir pour négocier certaines des courbes avec le service voyageur, sans un chargement de marchandises? Quelle est la courbe où vous devez ralentir le plus et quelle est la vitesse maximale que vous pouvez atteindre dans un saut droit, d'après le règlement? Pouvez-vous nous donner une idée?

M. Thoms: Je ne sais vraiment pas, mais nous avons un régulateur du Canadien National avec nous, monsieur Butt.

M. W. H. Butt (Président général, représentant la Fraternité des commis des chemins de fer, de navires à vapeur et de lignes aériennes, de manutenteurs de marchandises et d'employés de messageries et de gares): Je peux répondre si vous le désirez. La vitesse minimale est de cinq milles à l'heure et la vitesse maximale, 45 milles à l'heure pour le service passagers, mais sur un petit parcours seulement.

M. Trudel: Est-ce que vous convenez que les règlements en matière de vitesse n'ont pas nécessairement quelque chose à voir avec les voies, car vous avez des voies droites où, dans certaines conditions, vous avez une limite de vitesse de 5 milles à l'heure?

M. Butt: Une voie droite où la limite est de 5 milles à l'heure?

[*Text*]

Mr. Trudel: Five and ten miles per hour.

Mr. Butt: No, we do not have any except in yards, of course. But not on a straight main track at five miles per hour unless there is an unsafe condition of some sort.

Mr. Horner: I notice on page 6 you suggest that this might eventually lead nearly to the rolling up of the tracks. Do you really believe that the discontinuance of the passenger service is the initial step towards what in 20 years from now might result in there being no longer a railway track operative in Newfoundland, certainly one not connected all the way across the province?

Mr. Thoms: In my opinion, if their plans which have not been disclosed remain unchecked and we do not get support from our mainland friends, in 20 years Canadian National because of improved road conditions may decide to eliminate the railway altogether in Newfoundland.

Mr. Horner: I had some such suspicions myself, and I just wondered whether that fear was evident. Now, one further question with regard to coastal service. You suggest on page 10 of the brief that there is no authoritative body you can appear before to object to the discontinuance of the coastal service run by the CNR. Am I right?

Mr. Thoms: That is right.

Mr. Horner: This is in essence what you are saying on the bottom of page 10. You cannot apply, you cannot appear before the CTC, or anything. As soon as the CNR feel that area is served by a road well enough they can discontinue the service.

Mr. Thoms: The Canadian National abandoned the coastal service between Corner Brook and Lewisporte. We wrote the CTC—in fact, we wrote everybody else in Ottawa also—and the CTC came back and told us that it was entirely out of their jurisdiction.

Mr. Horner: Did the Newfoundland government have anything to say about the abandonment of this service?

Mr. Thoms: The Acting Premier, the Honourable T. A. Hickman, appeared before the CTC and asked that the service be kept on for five years and run in conjunction with the bus.

Mr. Horner: His wishes were not listened to? Just one or two rather quick questions. Why Lewisport instead of Botwood? We had

[*Interpretation*]

M. Trudel: 5 ou 10 milles à l'heure.

M. Butt: Non, sauf dans les gares de triage. Mais pas sur une voie principale droite, à 5 milles à l'heure à moins que les conditions présentent un danger quelconque.

M. Horner: A la page 6, vous proposez que, éventuellement, cela pourrait entraîner une disparition des voies. Croyez-vous vraiment que la discontinuation d'un service passagers est une première étape, et que dans 20 ans il n'y aura peut-être plus de chemins de fer à Terre-Neuve, du moins pas un service qui traverse toute l'île.

M. Thoms: Je dirai que si leur projet, qui n'a pas été dévoilé, n'est pas contrôlé, et que nous n'obtenons pas l'appui de nos amis du continent, d'ici vingt ans le National Canadien, vue l'amélioration de l'état des routes, pourra décider de faire disparaître les chemins de fer à Terre-Neuve.

M. Horner: C'est bien ce que je pensais, et je me demandais si je laissais paraître cette crainte. Une autre question maintenant pour ce qui est du service de cabotage. A la page 10 du mémoire vous laissez entendre qu'il n'y a pas d'organisme compétent auprès duquel vous pouvez vous présenter pour vous opposer à l'abolition du service de cabotage du National Canadien. Est-ce exact?

M. Thoms: C'est exact.

M. Horner: C'est essentiellement ce que vous dites au bas de la page 10. Vous ne pouvez pas faire de demande, ni comparaître à la Commission canadienne des transports, ou quoi que ce soit. Dès que le National Canadien est d'avis que le service routier est assez bon, il peut discontinuer le service.

M. Thoms: Le CN a discontinué le service de cabotage entre Corner Brook et Lewisport. Nous avons communiqué avec la CCT qui nous a répondu que cela ne relevait pas de sa compétence.

M. Horner: Est-ce que le gouvernement de Terre-Neuve a eu un mot à dire pour ce qui est de l'abandon de ce service?

M. Thoms: Le premier ministre suppléant, l'honorable T. A. Hickman, a comparu à la CCT pour demander qu'on maintienne le service pendant 5 ans de concert avec les autobus.

M. Horner: On n'a pas daigné écouter ses demandes? Encore une ou deux courtes questions. Pourquoi Lewisport plutôt que Bot-

[*Texte*]

some evidence this morning that there was a steamship service into Botwood and I noticed from the map that Lewisport is not very far away. Now, which one of those ports is the best to your mind?

Mr. Thoms: Lewisporte is the Canadian National terminal; that was the reason for that. Botwood is Clarke Steamship Company Ltd. Montreal, and Anglo-Newfoundland Development Co. Ltd., the A.N.D. the paper company's terminal.

Mr. Horner: You suggest that there is no way the operational service in that area could be served by one of those ports being developed rather than both of them, or...

Mr. Thoms: It is not a matter of development at Lewisport. What we wanted for Lewisport was a boat that would leave there and go down to northern ports in Newfoundland and go to Labrador. At the present time according to our information—at least last year—wholesalers in Lewisport, and we have this in complaints from them because they want us to help, said that they would get orders from Labrador which is now, of course, in a great industrial growth area, and they could not guarantee delivery because the boats did not originate at Lewisport.

The boat would originate at St. john's, go to Lewisport and probably be filled up. For instance, if you ordered 500 sacks of flour, delivery of the 500 sacks could not be placed on that ship and therefore they lost the order. We have asked the railway to take this up. In fact, we have also now asked the member for the area, Mr. Lundrigan, to handle the matter.

Mr. Horner: That is a good example, I might say, to use with me—the flour.

Mr. Abbott: If I might add, Mr. Chairman, we also hear that this year, instead of a ship running from Lewisport right around to the terminal of Corner Brook, this ship is now going to terminate its services in St. Barbe which is on the lower part of the coast, the Strait of Belle Isle, so there will not be any service of C.N. into Corner Brook this year according to our information.

Mr. Horner: From Lewisporte?

Mr. Abbott: From Lewisport or from Corner Brook.

Mr. Horner: Then you believe that is a necessity? You do not believe that it could go up the coast by road?

[*Interprétation*]

wood? Ce matin nous avons entendu un témoignage selon lequel il y avait un service maritime vers Botwood, et je vois sur la carte que Lewisport n'est pas tellement éloigné. Lequel de ces deux ports, à votre avis, est le meilleur?

M. Thoms: Lewisport est le terminus du National-Canadien. Botwood est le terminus de la *Clarkes Steamship Company Ltd., Montréal* et de l'Anglo-Newfoundland Development Co. Ltd., l'A.N.D. et le terminus de la société de papier.

M. Horner: Vous dites qu'il est impossible que le service de cette région soit assuré par un seul des deux ports, plutôt que de développer les deux ou . . .

M. Thoms: Ce n'est pas une question de développement à Lewisport. Ce que nous voulions pour Lewisport c'était un navire qui partirait de là pour se rendre au Labrador et au littoral nord de Terre-Neuve. D'après nos renseignements, l'année dernière du moins, tous les grossistes de Lewisport, et nous le savons par leurs griefs car ils veulent qu'on leur vienne en aide, ont dit qu'ils reçoivent des commandes du Labrador qui connaît, à l'heure actuelle, une expansion industrielle très grande et qu'ils ne peuvent pas garantir les livraisons parce que les navires ne partent pas de Lewisport.

Le navire part de St-Jean, s'arrête à Lewisport où on le remplit. Si vous aviez commandé 500 sacs de farine, et qu'on ne pouvait pas les mettre à bord de ce navire, ils perdaient la commande. Nous avons demandé au chemin de fer d'étudier la question et nous avons demandé au député de la région M. Lundrigan, de prendre la question en main.

M. Horner: Je dois dire que vous avez bien choisi votre exemple celui de la farine.

M. Abbott: Permettez-moi d'ajouter, monsieur le président, qu'on entend aussi dire que, cette année, au lieu d'avoir un navire partant de Lewisport jusqu'au terminus de Corner Brook, que le terminus de ce navire sera St-Barbe qui est dans la partie inférieure du littoral du détroit de Belle-Isle, de sorte qu'il n'y a pas de service du CN à Corner Brook cette année, suivant les renseignements que nous avons obtenus.

M. Horner: A partir de Lewisport?

M. Abbott: Oui, à partir de Lewisport ou de Corner Brook.

M. Horner: Croyez-vous que c'est une nécessité? Ne croyez-vous pas qu'on pourrait le faire par route le long du littoral?

[*Text*]

Mr. Abbott: There is certainly a reason for some of it to go by road, but the connection in Corner Brook at the terminal I would think would be a necessity.

Mr. Horner: Just one further question, Mr. Thoms. You have witnessed the Committee proceedings, I believe, for a couple of days now and you noticed what little effect the Cabinet Minister had on the appeal with regard to coastal service. What do you really think of this Committee now? Do you think we are going to be able to have much influence on the government's decision with regard to freight rates and the passenger service too?

Mr. Thoms: Well, frankly—and here, of course, I am cutting my own throat—I am sure you have already heard what I have said on television and seen it in the press. I think this is an exercise in futility for obvious reasons. For instance, the main one is that we have had many, many, many, many Royal Commissions on transportation and I think that Ottawa knows now all that they can know about transportation problems in this province, and I would surmise that the federal government has already decided on their policy. What this Committee will do, of course, because of government majority membership, is to go along with government policy.

Mr. Horner: If we came out here with the idea that we were coming out on an object of futility I am sure I would rather be in Alberta, and I love your Newfoundland province. I think we Committee members have to come out here with the belief that we can still perform a service to the Island as members of Parliament; I think we have to come out here with that belief. We cannot come out here with the attitude that we are performing a service in futility; surely you will give us that much credit.

Mr. Thoms: Well, I am not trying to make enemies while I am here appealing for something, but just take as an example the Committee's actions. They are going to try out the Newfoundland passenger service so they leave St. John's at 11.30 tonight and they end up in Holyrood, which is only an hour or so ride, and come back by bus. I also said, by the way, that they would probably be asleep coming back, and I understand that some of them were.

If you want to really see Newfoundland trains you should leave and go to Port aux

[*Interpretation*]

M. Abbott: Il y a certainement une raison pour qu'une partie des marchandises soient transportées par route, mais je crois que l'arrêt au terminus de Corner Brook est une nécessité.

M. Horner: Une autre question, monsieur Thoms. Vous avez été témoin, depuis quelques jours, des délibérations du Comité et vous avez pu observer le peu d'effets que l'intervention du ministre du Cabinet, a eu sur l'appel ayant trait au service de cabotage. Qu'est-ce que vous pensez vraiment de ce Comité maintenant? Pensez-vous que nous serons en mesure d'exercer beaucoup d'influence sur les décisions du gouvernement à l'égard du tarif marchandises et le service passagers?

M. Thoms: Peut-être que je suis en train de me couler moi-même, mais je suis certain que vous avez déjà vu dans les journaux et entendu à la télévision ce que j'y ai dit. Je pense que, pour des raisons bien évidentes, c'est un exercice de futilité. La principale c'est que nous avons eu un grand nombre de commissions royales d'enquête sur les transports, et je pense que les fonctionnaires d'Ottawa savent tout ce qu'ils peuvent savoir au sujet des transports dans la province. Et j'en conclurais que le gouvernement fédéral a déjà établi sa ligne de conduite. Il est évident que, vu sa composition majoritaire, le Comité ne fera qu'accepter la ligne de conduite du gouvernement.

M. Horner: Si nous étions venus ici tout en étant convaincus que c'était un exercice futil, je suis sûr que je préférerais me trouver en Alberta, bien que j'aime bien la province de Terre-Neuve. Je pense que les membres du Comité sont venus ici dans l'espoir que nous pourrons encore rendre service à l'île, en tant que membres du Parlement. Je pense qu'il faut que nous soyons venus avec de tels espoirs. Il est impossible que nous soyons venus en sachant que c'est un exercice futile. Il faut nous accorder au moins cette bonne volonté.

M. Thoms: Enfin, je ne veux pas me faire des ennemis alors que je plaide une cause, mais prenons, par exemple, l'activité du Comité. Afin de connaître vous-mêmes ce qu'est le service passagers de Terre-Neuve, vous allez partir de St-Jean à 23 h. 30 ce soir pour vous rendre à Holyrood, un trajet d'environ une heure, et revenir par autobus. J'ai également mentionné que bon nombre d'entre vous sommeillerait déjà à bord de l'autobus, et je crois comprendre que ce fût le cas.

Mais si vous voulez vraiment voir les trains de Terre-Neuve, vous devriez vous rendre à

[*Texte*]

Basques and then come back by bus, and anybody who has ever sat in a plane, for instance, for five hours—the bus seat is no different. And I am telling you that nobody on this Committee would ever say that we should have a bus service.

Mr. Horner: I agree with you 100 per cent, but I would also agree that the short distance we did go is better than nothing.

The Chairman: Mr. Trudel?

Mr. Trudel: Mr. Chairman, is Mr. Thoms aware of how many new jobs have been created by this new system of bus transportation?

Mr. Thoms: I am.

Mr. Trudel: Would you mind telling the Committee, sir?

Mr. Thoms: It is supposed to be around 60 bus drivers when they start to operate and 8 or 10 mechanics. I have not seen the figures on how many ticket clerks, but probably 10 to 12.

Mr. Trudel: Do you feel that 100 people would be a fair, over-all assessment?

Mr. Thoms: It probably is; it may be a little under.

Mr. Trudel: It could be 10 either way. I am just trying to make an assessment. We are now talking of something that is possible, and you mentioned a figure of 200. That has not happened as yet. You mentioned that relative to possible losses.

Mr. Thoms: Our trains have not gone yet.

Mr. Trudel: No; and they are not going; they are still going to be running.

Mr. Thoms: The train passenger service?

Mr. Trudel: No; the train.

Mr. Thoms: I am thinking of the train passenger service when I say 200.

Mr. Trudel: Yes; but we had no way by which we could relate that this morning. I asked a specific question to that effect and I did not get a satisfactory answer.

Let us leave that subject, sir. In the earlier part of your statement you mentioned the snowfalls that you experience here in Febru-

[*Interprétation*]

Port-aux-Basques et ensuite revenir par autobus, et quiconque a déjà été assis dans un avion pendant cinq heures, par exemple, le siège d'un autobus n'est pas différent. Et je vous dis que personne dans ce comité ne dirait jamais que nous devions avoir un service d'autobus.

M. Horner: Je suis tout à fait d'accord avec vous, mais je conviendrais aussi que le petit parcours que nous avons parcouru est mieux que rien.

Le président: Monsieur Trudel?

M. Trudel: Monsieur le président, monsieur Thoms sait-il combien de nouveaux emplois ont été créés par ce nouveau système de transport par autobus?

M. Thoms: Oui.

M. Trudel: Pourriez-vous le dire au Comité, monsieur Thoms?

M. Thoms: Le chiffre est censé être d'environ 60 chauffeurs d'autobus, lorsque le service commencera à fonctionner et 8 ou 10 mécaniciens. Je n'ai pas vu les chiffres pour les préposés aux billets, mais ils seront de 10 à 12 sûrement.

M. Trudel: Croyez-vous qu'un chiffre de 100 personnes serait une évaluation générale juste?

M. Thoms: Sans doute; ça pourrait être un peu moins.

M. Trudel: Cela pourrait être 10, dans un sens ou l'autre. J'essaie seulement d'en arriver à une évaluation.

Nous parlons d'une éventualité et vous parliez de 200. Cela ne s'est pas encore matérialisé. Vous en avez parlé à propos des pertes possibles.

M. Thoms: Nos trains n'ont pas encore disparu.

M. Trudel: Non, et ils ne disparaîtront pas. Ils fonctionneront toujours.

M. Thoms: Le service voyageur?

M. Trudel: Non, le train.

M. Thoms: Je pense au service des voyageurs lorsque je dis 200.

M. Trudel: Oui, mais nous ne pouvions aucunement établir de lien ce matin. J'ai posé une question précise à cet effet et je n'ai pas obtenu de réponse satisfaisante.

Changeons donc de sujet, monsieur. Au début de votre déclaration, vous avez parlé des chutes de neige que vous avez ici au mois

[*Text*]

ary. Are you aware of what has been the average snowfall in inches in this part of the country for the last 10 years?

Mr. Thoms: No, sir.

Mr. Trudel: Thank you. I have another question I would like to pose to you, sir. Are you aware of the Royal Commission on Coasting Trade that was conducted in this province in 1961?

Mr. Thoms: I have never heard tell of it.

Mr. Trudel: The other gentleman, I believe, is Mr. Abbott?

Mr. Thoms: Yes.

Mr. Trudel: Are you familiar, sir, with the increased volume of coastal shipping that has taken place in the last five years?

Mr. L. K. Abbott (Vice-President, Brotherhood of Railway, Airline and Steamship Clerks, Freight Handlers, Express and Station Employees): There has not been any actual increase in the shipping itself.

Mr. Trudel: I am talking about the volume in tonnage.

Mr. Abbott: I do not know what the tonnage is. It has certainly increased, because there have been developments in places such as Baie d'Espoir that have increased the volume.

Mr. Trudel: Therefore the volume increase is not directly related to the number of ships that are in operation?

Mr. Abbott: No; the railways charter extra ships.

Mr. Trudel: To come back to Mr. Thoms, do your responsibilities either in your work or in your union activities, extend to Quebec, sir?

Mr. Thoms: In a broad sense, yes. We are concerned about our membership, at least the working people, in Quebec.

Mr. Trudel: That was not the intent of my question, sir.

Mr. Thoms: You mean our jurisdiction?

Mr. Trudel: No; yours.

Mr. Thoms: My jurisdiction?

Mr. Trudel: Yes.

[*Interpretation*]

de février. Est-ce que vous seriez au courant de la moyenne de chutes de neige, en pouces, dans cette partie du pays, au cours de dix dernières années.

M. Thoms: Non, monsieur.

M. Trudel: Merci. J'aimerais vous poser une autre question. Êtes-vous au courant de la *Royal Commission on Coasting Trade* qui a été faite dans cette province en 1961?

M. Thoms: Je n'en ai jamais entendu parler.

M. Trudel: L'autre représentant est monsieur Abbott, je crois?

M. Thoms: Oui.

M. Trudel: Est-ce que vous connaissez le volume accru des expéditions côtières au cours des cinq dernières années?

M. L. K. Abbott (Vice-président, Fraternité des commis de chemins de fer, de navires à vapeur et de lignes aériennes, de manutenteurs de marchandise et d'employés de messageries et de gares): Il n'y a pas eu d'augmentation véritable dans les expéditions mêmes.

M. Trudel: Je parle du volume en tonnage.

M. Abbott: Je l'ignore. Il y a certainement eu une augmentation, parce qu'il y a eu une évolution à des endroits tels que la Baie d'Espoir ce qui a augmenté le volume.

M. Trudel: Donc, l'augmentation du volume n'est pas rattachée directement au nombre de navires en opération?

M. Abbott: Non, le chemin de fer affrète des navires supplémentaires.

M. Trudel: Pour revenir à monsieur Thoms, vos responsabilités, dans votre travail ou votre activité syndicale, s'étendent-elles à la province de Québec?

M. Thoms: Oui, dans un sens large. Nous nous intéressons à nos membres, ou du moins aux travailleurs du Québec.

M. Trudel: Ce n'était pas là le but de ma question.

M. Thoms: Vous voulez dire votre compétence?

M. Trudel: Non, la vôtre.

M. Thoms: La mienne?

M. Trudel: Oui.

[*Texte*]

Mr. Thoms: The province of Newfoundland.

Mr. Trudel: I ask because you made a very pointed statement about the conditions of the railroad in Quebec that aroused my curiosity. I come from Montreal and could possibly go into a long discussion, but that is not the point of this discussion. We however, have had to suffer railroad cutbacks, to a far greater degree than the entire length of your railroad service here. I was wondering whether you were starting from a statement of fact when you made your last assertion regarding Quebec.

Mr. Thoms: I asked that you allow your imagination to view the Province of Quebec if Canadian National were to take their train passenger service from it. If Quebec tomorrow, for example, were to lose all of its train passenger service—this is the situation I was talking about.

The Chairman: Mr. Allmand, on a supplementary.

Mr. Allmand: Do you know how many discontinuations of rail passenger trains there have been in Quebec since 1960, and how many thousands of people have been affected by those discontinuations? Have you checked on those figures?

Mr. Thoms: All too many, I am sure; but I am thinking about this as our only passenger train service here. They have many train passenger services in Quebec.

Mr. Allmand: Yes; but there have been many discontinuations of passenger train service in Quebec.

Mr. Thoms: I have read the question about it in *Hansard*. I believe we have had only one in Newfoundland, but certainly an awful lot more in Quebec.

The Chairman: Mr. Perrault?

Mr. Perrault: Mr. Chairman, this is a supplementary comment.

I think it is unfortunate that there has been this unfavorable reference to one of our sister provinces. I am not from Quebec, but I may say, Mr. Chairman, that I have the highest respect for my colleagues from Quebec. I have faith that they have brought, and will continue to bring, objective judgment to bear on the question of passenger service, be it in the Province of Newfoundland or in the Province of Quebec. I question the advisability of including this kind of statement in a presentation to this Committee.

[*Interprétation*]

M. Thoms: La province de Terre-Neuve.

M. Trudel: Je pose la question parce que vous avez parlé avec insistance des conditions des chemins de fer au Québec, ce qui a éveillé ma curiosité. Je viens de Montréal et je pourrais peut-être vous faire un long exposé, mais ce n'est pas l'objet de ce débat. Nous avons dû subir aussi des réductions dans le service ferroviaire dans une mesure beaucoup plus grande que la totalité de votre réseau ici. Je me demandais si vous commenciez à partir d'une déclaration de fait lors de votre dernière affirmation sur la province de Québec.

M. Thoms: Je vous ai demandé de vous imaginer ce qui arriverait dans la province de Québec si le Canadien-National cessait le service-voyageurs dans le Québec. Si le Québec, demain par exemple, perdait tout le service-voyageurs, c'est de cette situation que je parlais.

Le président: Monsieur Allmand, avec une question complémentaire.

M. Allmand: Savez-vous combien de services-voyageurs ont cessé dans la province de Québec depuis 1960 et combien de milliers de personnes ont été affectées par ces dispositions? Avez-vous vérifié ces données?

M. Thoms: Bien trop, j'en suis sûr; mais j'y pense en tant que notre seul service de voyageurs ici. Il y en a eu beaucoup dans la province de Québec.

M. Allmand: Oui, mais il y en a beaucoup qui ont été discontinués au Québec.

M. Thoms: J'ai lu une question à ce sujet dans le *Hansard* et je pense qu'il n'y en a eu qu'une à Terre-Neuve, mais sans doute beaucoup plus dans le Québec.

Le président: Monsieur Perrault?

M. Perrault: Monsieur le président, je voudrais faire des commentaires supplémentaires. Je crois qu'il est malheureux qu'il y ait eu cette allusion défavorable à l'endroit de l'une de nos provinces. Je ne viens pas de la province de Québec, mais permettez-moi de dire monsieur le président que j'ai le plus grand respect pour mes collègues du Québec. Je suis persuadé qu'ils ont toujours porté et qu'ils continueront à porter des jugements objectifs lorsqu'il s'agit du service des voyageurs, qu'il s'agisse de la province de Terre-Neuve ou de Québec. Je mets en doute l'opportunité d'inclure ce genre de déclaration dans une soumission devant ce Comité.

[*Text*]

Mr. Thoms: Mr. Chairman, that is his opinion. It is not mine.

Mr. Perrault: It is not based on fact.

The Chairman: Mr. Trudel?

Mr. Trudel: I will be very brief, Mr. Chairman.

Mr. Perrault: We are not trying to play province against province. We are here to analyse your problems, sir—and, I think, with an open mind.

I would, however, like to leave with you this thought, that the problems that you are experiencing now we have had to live with for some time, and I think they are possibly of greater magnitude than you possibly are aware of. We are concerned with the people, as well, but we can also bear with your problem. I would like to have an open mind on this and not try to play one province against the other, because that will not get us anywhere.

Some hon. Members: Hear, hear.

The Chairman: Mr. Skoberg, on a supplementary.

Mr. Skoberg: Mr. Thoms, are you concerned here in Newfoundland with the complete elimination of rail service or with the curtailment of certain rail traffic, such as has happened in Quebec, or any other province in Canada?

Let us put the record straight here. A few remarks were made a while ago by the hon. member opposite, which I think were completely uncalled for. The point is whether you are concerned with complete elimination, or curtailment? Would you answer that please?

Mr. Thoms: I am concerned here with the complete elimination of our train passenger service. I think that will be disastrous for the province. We are a new part of Canada. I think it is a violation of the Terms of Union, but obviously that is something that somebody could decide about.

I think the Canadian National is taking from us something that they never really owned. For example, if I sent you, in some part of Saskatchewan, from point A to point B in a taxi, you would not dare sell that taxi on the way, would you? We gave the Newfoundland Railway to the Federal government of Canada and they passed it to CN to operate and maintain. And that is all—to operate and maintain, not to abandon. It is my opinion,

[*Interpretation*]

M. Thoms: Monsieur le président, c'est son opinion, pas la mienne.

M. Perrault: Cela n'est pas fondé sur les faits.

Le président: Monsieur Trudel?

M. Trudel: Je serai très bref, monsieur le président.

M. Perrault: Nous n'essayons pas de faire jouer une province contre l'autre. Nous sommes ici pour analyser vos problèmes et de le faire avec l'esprit ouvert. Mais je voudrais tout simplement vous dire que les problèmes auxquels vous faites face à l'heure actuelle nous les avons eus depuis quelque temps, et je crois qu'ils sont peut-être beaucoup plus grands que vous ne le pensez. Nous nous préoccupons aussi des gens, mais nous pouvons aussi nous occuper de votre problème. J'aimerais avoir l'esprit ouvert à ce sujet et non pas essayer de favoriser une province au détriment de l'autre, car cela ne nous amènera nulle part.

Des voix: Bravo.

Le président: Monsieur Skoberg, une question complémentaire.

M. Skoberg: Monsieur Thoms, vous préoccupez-vous ici à Terre-Neuve de l'abandon complet du service ferroviaire ou de la diminution d'un certain trafic ferroviaire, comme cela s'est produit au Québec, ou dans toute autre province. Mettons les choses au clair. Un honorable député d'en face a fait des remarques il y a quelques minutes et qui, à mon avis, étaient loin d'être nécessaires. La question est de savoir si vous vous préoccupez de la suppression complète ou de la diminution. Pourriez-vous me donner une réponse?

M. Thoms: Je me préoccupe de l'abandon complet de notre service des voyageurs. Je crois que ce serait désastreux pour la province. Nous sommes la plus récente province du Canada. Je crois que c'est une violation des conditions de l'union, mais là évidemment quelque chose dont quelqu'un devrait décider.

Je pense que le Canadien National nous enlève quelque chose qui n'a jamais vraiment été sa propriété. Par exemple, si je vous envoyais en Saskatchewan, du point A au point B, en taxi, vous n'oseriez jamais vendre le taxi en route, n'est-ce pas? Nous avons donné le *Newfoundland Railway* au gouvernement du Canada et ils l'ont confié au CN pour qu'il exploite. C'est tout: exploitation et entretien, pas abandon. Ils n'ont pas le droit

[*Texte*]

and the opinion of many others, that they have no business abandoning the train passenger service in this province.

The Chairman: Mr. Trudel?

Mr. Trudel: My last remarks related merely to the reference that you make in the last portion of your statement, sir. And you have repeated in your answer to this gentleman here the point that we should be considering.

The premise of your presentation, sir, I do not disagree with, and I have an open mind and I am willing to consider it. But the point I made specifically to you was that your comparison would place us in a very unfavorable position from which to judge your presentation if we have to consider that aspect of it foremost.

The Chairman: Mr. Carter?

Mr. Carter: Mr. Chairman, Mr. Thoms made reference a moment ago to the discontinuation of two coastal boats—I think they were the *Baccalieu* and the *Burgeo*—and Mr. Abbott pointed out that seamen on these boats were getting $200 a month.

What has happened to the crews from the ships that have been taken off the run? Have they been paid off?

Mr. Abbott: We have a seniority roster on these ships whereby the senior people may exercise their seniority over junior people on other ships. There are 14 or 15 ships. The senior people, of course, will move into the other ships, but down the line there are going to be people who will be out of work. They say that on these two ships it represents 150 people; and within the past year a third ship, the *Northern Ranger,* has been taken out of the service.

Mr. Carter: Yes; but some crew members from these two ships will be placed on...

Mr. Abbott: No; this has no connection whatsoever with the chartered boats, and this is what we object to. We believe that if the railways have to hire chartered boats they should do so on what we call a bare-bottom charter; that is, hire the ship itself and place the railway employees on it. This would take care of quite a number of the crew of the *Baccalieu* and the *Burgeo.* I have taken this up with the railways and they have given me the sort of curt reply that that is difficult.

Mr. Carter: How many crew members would be affected by this?

Mr. Abbott: There are roughly 150 on the two ships.

[*Interprétation*]

d'abandonner le service-passagers. C'est mon avis et celui de bien d'autres.

Le président: Monsieur Trudel?

M. Trudel: Mes dernières observations avaient trait simplement à l'allusion que vous faites dans la dernière partie de votre déclaration, monsieur. Et vous avez répété dans votre réponse au monsieur ici la question que nous devrions étudier. Je ne suis pas contre le principe qui est à la base de votre présentation, et j'ai l'esprit ouvert et je suis prêt à l'étudier. Mais je vous ai précisé que votre comparaison nous placerait dans une situation très défavorable pour pouvoir juger de votre présentation, si nous devons considérer cet aspect tout d'abord.

Le président: Monsieur Carter?

M. Carter: Monsieur le président, monsieur Thoms a parlé, il y a quelques minutes, de la discontinuation de deux caboteurs, le *Baccalieu* et le *Burgeo,* je crois, et monsieur Abbott a signalé que les marins de ces navires recevaient $200 par mois. Qu'est-il arrivé aux équipages des navires qui ont été retirés? Ont-ils été payés?

M. Abbott: Nous avons une liste d'ancienneté sur les navires selon laquelle les plus anciens peuvent exercer leur ancienneté sur les nouveaux, sur les autres navires. Il y a 14 ou 15 navires. Évidemment, les anciens iront sur les autres navires, mais au bas de l'échelle, il y aura des gens au chômage. On dit que cela représente environ 150 personnes sur ces deux navires et au cours de l'an dernier un troisième, le *Northern Ranger,* a été retiré du service.

M. Carter: Oui, mais certains membres de l'équipage de ces deux navires seront placés—

M. Abbott: Non, cela n'a aucun rapport avec les navires nolisés et c'est à cela que nous nous opposons. Nous estimons que si les chemins de fer doivent affréter des navires, ils devraient le faire sur un navire dans lequel ils placeraient les employés du chemin de fer. Cela règlerait le cas d'un grand nombre de marins du *Baccalieu* et du *Burgeo.* J'en ai saisi le chemin de fer et il m'a dit que c'est difficile.

M. Carter: Combien de marins seraient touchés par cela?

M. Abbott: Environ 150 sur les deux navires.

[*Text*]

Mr. Carter: And how many of these have been relocated in other jobs?

Mr. Abbott: This is what we are developing now. They have to find out, and we have to develop it. All the senior people will certainly be, but somewhere down the line the junior people will be out of work.

Mr. Carter: Mr. Chairman, Mr. Thoms and other witnesses mentioned that 200 people would be unemployed as a result of the abandonment of the passenger rail service. These are people who are directly employed by the CNR, but how many people are indirectly deriving their living, or part of their living, from the rail passenger service? Do you have any figures on the people who do the laundry and repair the linen, and this sort of thing, and do the food-catering end of it?

Mr. Thoms: I have no figures on them, no.

Mr. Carter: But there are 200 people directly affected by it and who will be directly unemployed?

Mr. Thoms: That is right. For instance, Canadian National said in a letter to their employees on July 12, 1968: "127 full time and 57 seasonal". Anybody can surmise that these are conservative figures, for sure.

Mr. Carter: With a small "c" or a large "C"?

Mr. Thoms: A small "c" of course. But roughly 200 will be out of jobs. We really cannot say what effect it will have, but it certainly will have an effect on an awful lot of other people whom we cannot locate.

The Chairman: A supplementary question, from Mr. Trudel.

Mr. Trudel: To follow up Mr. Carter's line of questioning, Mr. Abbott, are any of your members serving on these chartered boats?

Mr. Abbott: No. The railway may put one purser on just to look after the checking of the cargo; and usually this is what happens. But the other members of the crew are placed there by the person who owns the ship.

Mr. Trudel: Could the deckhands, sir, and the other members of the crew belong to your union?

Mr. Abbott: They could, but they are very difficult to organize. Usually they are owner-operated and involve just a small number of

[*Interpretation*]

M. Carter: Combien ont été réintégrés dans d'autres emplois?

M. Abbott: C'est ce que nous sommes en train de développer. Ils doivent trouver, et nous devons le développer. Tous les plus anciens le seront certainement, mais au bas de l'échelle, les moins anciens seront sans travail.

M. Carter: Monsieur Thoms et d'autres témoins ont mentionné qu'il y aurait 200 personnes en chômage à la suite de l'abandon du service voyageurs. Ce sont des gens qui sont directement à l'emploi du CNR mais combien gagnent indirectement leur vie ou une partie de leur vie à partir du service des voyageurs? Avez-vous des chiffres sur ceux qui sont dans le domaine de l'alimentation, des buanderies, les pourvoyeurs, etc.?

M. Thoms: Non.

M. Carter: Mais il y a 200 personnes directement touchées et qui seront directement en chômage?

M. Thoms: C'est exact. Par exemple, le Canadien-National a dit dans une lettre du 12 juillet 1968 adressée aux employés: «127 à plein temps et 57 employés saisonniers.» On peut donc supposer qu'il s'agit de chiffres «conservateurs».

M. Carter: Avec un «C» majuscule ou minuscule?

M. Thoms: Minuscule, évidemment. Mais environ 200 seront en chômage. Nous ne pouvons pas déterminer les répercussions, mais cela touchera certainement un grand nombre de gens que nous ne pouvons repérer.

Le président: Une question supplémentaire de M. Trudel.

M. Trudel: Monsieur Abbott, après les questions de M. Carter, est-ce que vous avez de vos membres qui travaillent dans ces navires?

M. Abbott: Non; le chemin de fer pourrait peut-être y mettre simplement un commissaire pour la cargaison, et c'est généralement ce qui se produit. Mais les autres membres de l'équipage sont placés là par le propriétaire du navire.

M. Trudel: Est-ce que les matelots de pont et les autres membres de l'équipage pourraient faire partie de votre syndicat?

M. Abbott: Oui, mais d'habitude il est très difficile de les syndiquer. En général, ces bateaux sont exploités par leur propriétaire

[*Texte*]

people. They usually get fired before we can organize them.

Mr. Trudel: Thank you.

The Chairman: Mr. Carter?

Mr. Carter: Mr. Chairman, I have just one or two brief questions. Somebody mentioned this morning that during the Christmas period there were 700 passengers moved on the passenger trains at one time, such as students coming and going, and so on.

Can Mr. Thoms tell the Committee how many buses the CNR have and if they would be able to handle that volume of traffic when the occasion rises again, as it undoubtedly will?

Mr. Thoms: I will pass this to Mr. Butt. He is in a better position to know than I am.

Mr. Butt: I am not aware of the exact number of buses. I understand it is around 20. Of course, they would not be all located for instance, at St. John's, for that number to leave St. John's.

It is my opiniion that they would not be able to handle 700 people with the number of buses currently in service.

Mr. Carter: Can Mr. Thoms tell the Committee, Mr. Chairman, how often this situation arises that there are this number of passengers? Does it happen, say, four or five times a year, or just at Christmas time?

Mr. Thoms: I would have to say, mainly, yes; at Christmas, and when the university closes, and so on; on special occasions, yes.

Mr. Carter: Mr. Chairman, I have one further question. I understand that a company, a subsidiary of Canadian National, has made an application to obtain a franchise to truck freight across Newfoundland. I wonder if, in Mr. Thoms' opinion, this is the first step to completely take up tracks and do away eventually with the freight service which you now have.

Mr. Thoms: As far as I know, it is a supplementary service. I may just a well inform you now, of course, that our Brotherhood now represents the drivers of the CNR trucks, so naturally we are in favour of at least this sort of service. It is a supplementary service rather than a service that will take over.

Mr. Carter: Do you think that with the abandonment of these two coastal boats and

[*Interprétation*]

et il n'y a qu'un petit nombre de personnes. On les congédie d'habitude avant que nous puissions les organiser.

M. Trudel: Merci.

Le président: Monsieur Carter?

M. Carter: Monsieur le président, j'ai une ou deux brèves questions. Quelqu'un a mentionné ce matin que pendant la saison de Noël, il y avait eu 700 voyageurs transportés sur les trains à un moment donné, par exemple des étudiants etc. Est-ce que M. Thoms pourrait dire combien d'autobus le CNR possède et est-ce qu'il aurait pu suffire à ce volume de trafic si la situation se présentait, et il est certain qu'elle se présentera?

M. Thoms: Monsieur Butt serait peut-être plus à même de répondre à cette question que moi.

M. Butt: Je ne connais pas le nombre exact d'autobus, mais j'ai l'impression qu'il s'agit de 20. Évidemment, ils ne seraient pas tous situés à Saint-Jean, par exemple, pour quitter la ville. A mon avis, ils ne pourraient pas répondre aux demandes de 700 personnes avec le nombre d'autobus actuellement en service.

M. Carter: Monsieur Thoms pourrait-il dire au comité combien de fois il y a ce nombre de passagers? Cela arrive-t-il 3, 4 ou 5 fois par année ou seulement à Noël?

M. Thoms: Principalement à Noël et à la fin des cours universitaires et autres occasions spéciales.

M. Carter: Monsieur le président, une dernière question. J'ai cru comprendre qu'une filiale du National-Canadien a fait une demande pour obtenir un permis d'exploitation pour le camionnage à Terre-Neuve. Je me demande si, de l'avis de monsieur Thoms, c'est le premier pas pour éliminer les voies ferrées et, éventuellement, le service des marchandises que vous avez actuellement.

M. Thoms: Autant que je le sache, il s'agit d'un service supplémentaire. Je ferais aussi bien d'ajouter que notre syndicat représente les chauffeurs de camions du National-Canadien et que, par conséquent nous sommes pour le moins en faveur d'un tel service. C'est un service supplémentaire plutôt qu'un service destiné à remplacer l'autre.

M. Carter: Croyez-vous que l'abandon des deux caboteurs et le nolisement des deux

[*Text*]

the charter of these other two, this is the beginning of the end for the coastal boat service?

Mr. Thoms: In my opinion, it is, yes.

The Chairman: Mr. Allmand.

Mr. Allmand: Mr. Thoms, you said that approximately 200 workers will lose their jobs. Are these workers under the jurisdiction of your unions represented here this afternoon or are those 200 included under the unions that were here this morning? This morning we had running trades, and I think mechanics and so forth. How many men under your unions will lose their jobs?

Mr. Thoms: Directly, for instance, I believe there are 50 on the seniority roster of the sleeping and dining cars that I represent. The remainder would come under the TCU jurisdiction.

Mr. Allmand: What is the TCU?

Mr. Thoms: Transportation Communications Employees Union. Mr. Cook represents them. And the balance would be under the Labour Council that presented a brief here this morning.

Mr. Allmand: The union men who were here this morning said that the men who were in their unions had been offered some alternative employment, either driving the buses or maintaining the buses as mechanics. Have the men in your unions represented here this afternoon been offered any alternative employment?

Mr. Thoms: Well, some, yes, but the qualifications for a bus driver are so high that most of our people cannot really qualify because if they are 45 years of age or over, they cannot become bus drivers. They need a certain academic qualification also, which many of them do not have. We do not have very many. I do not know exactly what the figure is, but it is not noticeable.

Mr. Allmand: What about the other unions? Were any of their men offered alternative employment on these new jobs?

Mr. Butt: Yes, some of them were.

Mr. Allmand: With respect to seniority also, the question was asked this morning whether these men who will be laid off will have the right to claim jobs in other parts of the railway here in Newfoundland or even on

[*Interpretation*]

autres signifient le début de la fin du service des caboteurs.

M. Thoms: A mon sens, oui.

Le président: Monsieur Allmand.

M. Allmand: Monsieur Thoms, vous avez dit qu'environ 200 personnes allaient perdre leur emploi. S'agit-il de travailleurs qui relèvent de la compétence de votre syndicat représenté ici cet après-midi, ou est-ce que ces 200 comprend aussi les travailleurs qui relèvent des autres syndicats ici ce matin? Ce matin, nous avions le personnel itinérant de même que les mécaniciens, je crois. Combien de membres de vos syndicats perdront leur emploi?

M. Thoms: Directement, par exemple, je crois qu'il y en a 50 sur la liste d'ancienneté des services des wagons-lits et des wagons-restaurants que je représente. Les autres relèveraient du syndicat des télécommunications et des transports.

M. Allmand: Quel est ce syndicat?

M. Thoms: Le syndicat des employés des transports et des télécommunications. C'est M. Cook qui le représente. Tous les autres relèveraient du Conseil des syndicats ferroviaires qui a présenté un mémoire ce matin.

M. Allmand: Les représentants de syndicats qui étaient ici ce matin nous ont dit que leurs hommes avaient reçu une offre d'un autre emploi, soit en conduisant les autobus, soit pour l'entretien des autobus à titre de mécaniciens. Est-ce que les membres de notre syndicat, représenté ici cet après-midi, ont reçu des offres d'un autre emploi?

M. Thoms: Certains, oui, mais les qualifications exigées sont telles pour devenir chauffeur d'autobus que la plupart de nos hommes ne peuvent pas se qualifier. S'ils ont 45 ans ou plus, ils ne peuvent pas être chauffeurs d'autobus. Ils ont aussi un besoin d'un certain niveau d'éducation et beaucoup de nos membres ne l'ont pas. Nous n'en avons pas trop, je ne connais pas les chiffres exacts, mais il n'est pas très élevé.

M. Allmand: Qu'en est-il pour les autres syndicats. Est-ce qu'ils ont reçu des offres pour un autre emploi à ces postes?

M. Butt: Certains ont reçu une offre, oui.

M. Allmand: Quant à l'ancienneté, on a demandé ce matin aussi, si les hommes qui seront mis en disponibilité auront le droit de demander un emploi pour le chemin de fer ailleurs à Terre-Neuve ou sur le continent.

[*Texte*]

the mainland. Are your seniority districts limited to Newfoundland?

Mr. Thoms: The members I represent are restricted to an agreement under which, if they get laid off, they cannot go anywhere other than to the unemployment insurance office.

Mr. Allmand: What about the other unions?

Mr. Butt: The same would apply to ours.

Mr. Allmand: You said in your remarks that Newfoundland was being used as a guinea pig in that this was the first province to be deprived of a passenger rail service. Are you not aware that on Prince Edward Island they have no passenger train except only a mixed train which goes from Charlottetown to the ferry. It is a short distance, but they have no passenger train as such. Would you be satisfied with a mixed train here in Newfoundland?

Mr. Thoms: No, I would not. I think we should have a train passenger service that is as near mainland standards as possible. This can be achieved if Canadian National wants to put their backs to the wheel.

Mr. Allmand: You say in your brief here that you are the only province . . .

Mr. Thoms: Without a train passenger service.

Mr. Allmand: Yes.

Mr. Thoms: And I think that is essentially correct.

Mr. Allmand: You would count passenger service as a mixed train?

Mr. Thoms: Yes, I would say so.

Mr. Allmand: You already have, I see, some other mixed trains in Newfoundland. You have a mixed train to Argentia, and to Bonavista, I see, and to Carbonear. What kind of service do people on these passenger cars, on those mixed trains, get?

Mr. Thoms: As far as I know, the one to Argentia is only a part of a caboose. That is the only passenger service available there. There is no passenger train service as such. It is a mixed train.

Mr. Allmand: It is a mixed train like the one in P.E.I., I believe.

[*Interprétation*]

Est-ce que vos districts d'ancienneté se limitent à Terre-Neuve?

M. Thoms: Les membres que je représente sont limités à une entente en vertu de laquelle, s'ils sont mis en disponibilité, ils ne peuvent aller ailleurs qu'à l'assurance-chômage.

M. Allmand: Et qu'en est-il des autres syndicats?

M. Butt: La même chose s'applique pour nos membres.

M. Allmand: Vous avez dit dans vos remarques que Terre-Neuve servait de cobaye en ce sens qu'elle était la première province privée d'un service de voyageurs. Ne savez-vous pas que l'Île-du-Prince-Édouard n'a pas de service de voyageurs comme tel, si ce n'est un train mixte qui va de Charlottetown jusqu'au traversier. Il s'agit d'une très courte distance, il n'y a pas de service de voyageurs comme tel. Seriez-vous satisfait de ce genre de train ici à Terre-Neuve?

M. Thoms: Non, je crois que nous devrions avoir un service de trains de voyageurs qui soit aussi semblable que possible à celui du continent. C'est possible si le National-Canadien veut vraiment se mettre à la tâche.

M. Allmand: Dans votre mémoire, vous prétendez être la seule province . . .

M. Thoms: Sans un service de trains de voyageurs.

M. Allmand: Oui.

M. Thoms: Et je crois qu'essentiellement c'est vrai.

M. Allmand: Selon vous, les trains mixtes constituent-ils un service de voyageurs?

M. Thoms: Oui, je crois.

M. Allmand: Je vois que vous avez déjà d'autres trains mixtes à Terre-Neuve. Il y en a un pour Argentia, un pour Bonavista, et un autre pour Carbonear, jusqu'à Carbonear. Quel genre de service les gens ont-ils sur les wagons de passagers de ces trains mixtes.

M. Thoms: Autant que je sache, celui qui va à Argentia ne comprend qu'une section du dernier wagon, c'est tout. Le train ne comporte pas de wagons de passagers comme tels. C'est un train mixte.

M. Allmand: Oui, mais c'est un train mixte comme celui de l'Île-du-Prince-Édouard, je crois.

[*Text*]

Mr. Thoms: Yes. If you wanted to go to St. John's from Argentia, how would you go? You leave Argentia—at what time?

Mr. Butt: At seven o'clock in the morning, and it gets to Bonavista at 11.20. It is very slow. It is very bad service.

Mr. Thoms: It is not a train passenger service.

The Chairman: Mr. Rose has a supplementary question.

Mr. Rose: I want to refer to something you said earlier, Mr. Thoms, and that is that you said you represent the drivers of the supplementary service of the CNR, the trucks. Do you have any trouble getting qualified recruits to drive those trucks?

Mr. Thoms: The Brotherhood does not hire, as you probably know. The railway, I would say, has had problems, yes.

Mr. Rose: It has been suggested to me that some private truck operators have difficulty in getting adequately trained and satisfactory recruits from this part of the country for this sort of long-distance freight hauling. Would you agree with that?

Mr. Thoms: I do not think so. I think truck drivers in this province are on about the same proportion as they would be in any other part of Canada. The only reason that I would see that a privately owned trucking service may not be able to recruit drivers at will would be on account of the wages or working conditions.

Mr. Rose: You are not suggesting that someone could be imported from another Maritime or Atlantic province at a lower wage than perhaps would be acceptable here for the same work.

Mr. Thoms: I do not think so, no.

Mr. Rose: Thank you.

Mr. Nesbitt: I do not know which one of the three witnesses this question should be directed to, but they can best decide among themselves. There have been allegations made by others at our hearings that there has been some attempt by the Canadian National Railway, deliberately or accidentally as the case may be, to downgrade the railway service and the passenger trains, or whatever they are called, that go across Newfoundland. I was wondering if this is your view, or the view of any of the witnesses, and if so, for what reason?

[*Interpretation*]

M. Thoms: Et si vous voulez vous rendre à St. John's d'Argentia, comment ferez-vous? Vous partirez d'Argentia à quelle heure?

M. Butt: Vous quittez à 7 heures du matin. Le trains rentre à Bonavista à 11 heures vingt. Il est très lent. Le service est médiocre.

M. Thoms: Ce n'est pas un service de voyageurs.

Le président: Monsieur Rose a une question supplémentaire.

M. Rose: Il s'agit de quelque chose que vous avez dit tout à l'heure, Monsieur Thoms. Vous avez dit que vous représentez les chauffeurs du service supplémentaire des camions du CN. Éprouvez-vous des difficultés à trouver des recrues qualifiées pour chauffer les camions?

M. Thoms: Comme vous le savez probablement, notre fraternité n'engage pas les chauffeurs. Le chemin de fer a eu certaines difficultés, oui.

M. Rose: On m'a dit que certains exploitants de camions privés avaient de la difficulté à trouver des hommes compétents dans ce coin du pays pour ce genre de camionnage à longue distance. Êtes-vous du même avis?

M. Thoms: Non, je ne le crois pas. Nous avons à peu près autant de chauffeurs de camions ici que n'importe où au Canada toute proportion gardée. La seule raison qui, selon moi, pourrait empêcher une exploitation privée de trouver facilement des chauffeurs serait les salaires ou les conditions de travail.

M. Rose: Vous ne prétendez pas qu'on pourrait faire venir quelqu'un d'une autre province à un salaire inférieur à celui qui serait acceptable ici pour le même travail?

M. Thoms: Non, je ne crois pas.

M. Rose: Merci.

M. Nesbitt: Je ne sais pas à qui adresser ma question, parmi, les trois témoins, mais ils pourront choisir eux-mêmes. Certains ont laissé entendre au cours des audiences que le National-Canadien avait tenté, délibérément ou accidentellement, quel que soit le cas, de réduire le service ferroviaire et les trains de voyageurs, quelle que soit leur appellation, qui traversent Terre-Neuve. Je me demandais si c'était votre avis ou l'avis d'un témoin et, si oui, pourquoi?

[*Texte*]

Mr. Thoms: I believe I have given you one example. If I have not, I will give you one—the train that used to leave St. John's and get into Corner Brook at 4 o'clock in the morning. The railway used to have a Corner Brook car which they would set out on the siding. And if you went into Corner Brook you would sleep in the car until 8 o'clock in the morning. Automatically, somebody in CN decided that this was not good, so rather than take the car on for Corner Brook, they would have you get up at 3 o'clock so that you could get off at 4 o'clock in Corner Brook.

Nobody in their right mind anyway would leave St. John's at a certain hour expecting to get off in Corner Brook at 3 or 4 o'clock in the morning. We brought this to the attention of the Canadian National management, and we did not get any consideration whatsoever. Automatically, this throws everybody wanting to go to Corner Brook by train to a plane or a car or some other way.

The condition of the cars left much to be desired, as far as deterioration goes. I believe I mentioned in my brief that car washing seemed to be a lost art. For instance, on many occasions that I travelled on trains you could get your clothes dirty from dirty windows, dirty seats, and things like this. It certainly was not the employees' fault, because if they hired the employees to clean the cars they would have to clean them or they would be fired. The dining car service, for instance—I am not sure if this was by accident or design—was brought down to a level that probably mainlanders may enjoy, but certainly we in Newfoundland do not, and that is this refrigerated-type meal. Most Newfoundlanders—at least I am one of them anyway—want three square meals a day, and fish on Fridays and fish on Wednesdays and probably fish and brewis for breakfast, and things like that. This left our trains. The linen left our trains. And, of course, for the average Newfoundlander travelling public who was apparently going to do all his travelling on the train, he was being deprived of something which he should have had in this way. Probably a tin of soup is all right for somebody who is used to it, "up along" as we say. But it is not food that we are used to, and therefore we do not like this kind of service.

Mr. Nesbitt: Thank you. Have any of the other gentlemen something additional to add?

Mr. Butt: I have one thing that I would like to add, and that is the speed of the trains. I know from personal experience that very often we have had a train leave Port aux Basques three to four hours late and arrive at

[*Interprétation*]

M. Thoms: Je pense vous avoir donné un exemple. Sinon, je vais vous en donner un. Le train qui autrefois quittait Saint-Jean et arrivait à Corner Brook à 4 heures du matin. On avait autrefois un wagon pour Corner Brook qu'on mettait sur une voie d'évitement, et vous pouviez dormir jusqu'à 8 heures du matin, là dans le wagon, une fois à Corner Brook. Quelqu'un, à un moment donné, au CN a décidé que cela n'allait pas et alors, plutôt que d'avoir un wagon à destination de Corner Brook, on vous faisait lever à 3 heures du matin pour que vous puissiez quitter le train à Corner Brook à 4 heures.

Personne ne quitterait Saint-Jean en s'attendant justement d'arriver à Corner Brook à 3 heures ou 4 heures du matin, à moins d'être fou. Nous avons attiré l'attention du CN à ce sujet, mais nous n'avons eu aucune considération ou attention particulière. Tous ceux qui vont à Corner Brook optent évidemment pour l'avion ou l'automobile.

La condition des wagons laisse à désirer, quant à la détérioration. J'ai mentionné, dans mon mémoire, qu'on semblait ne plus laver les wagons. Dans plusieurs trains à bord desquels j'ai voyagé, les gens salissaient leurs vêtements en raison des sièges sales, des fenêtre sales et le reste. Mais ce n'était certainement pas la faute des employés car s'ils étaient engagés pour laver les wagons, ils devaient le faire ou bien se voir mettre à la porte. En ce qui concerne la voiture-restaurant, je ne sais si c'était à dessein ou non, il n'y avait que des repas réfrigérés. Les continentaux les aiment peut-être, mais la plupart des Terre-Neuviens, et je suis du nombre veulent trois bons repas par jour, du poisson le vendredi, du poisson le mercredi et probablement du poisson ainsi que du potage pour déjeuner. Il n'y a plus de linge non plus. On ne trouve plus cela dans nos trains. Et bien sûr, le public moyen de Terre-Neuve, qui voyage toujours en train, estime ainsi être lésé de quelque chose qui lui est dû. Une soupe en boîte est sans doute assez bonne pour quelqu'un qui y est habitué «sur le pouce», comme on dit. Mais ce n'est pas le genre de repas auquel nous sommes habitués et nous n'aimons donc pas ce genre de service.

M. Nesbitt: Merci. Quelqu'un d'autre a-t-il quelque chose à ajouter?

M. Butt: J'aimerais ajouter quelque chose, il s'agit de la vitesse des trains. Je sais, d'après mon expérience personnelle, que très souvent, il est arrivé qu'un train parte de Port-aux-Basques avec un retard de 3 ou 4

[*Text*]

St. John's on time. Or vice versa, leave St. John's late and arrive at Port aux Basques on time. That is an example of the speed that can be maintained.

Mr. McGrath: Mr. Chairman, most of my questions have already been asked, but I would like to make an observation. I do not know where Mr. Thoms got the impression that everybody was asleep on that bus last night. On the bus that I travelled on there was no way for a person to sleep.

Mr. Thoms: I did not say everybody was asleep.

Mr. McGrath: Well, you created the impression that we were sleeping on the bus last night. I make the point that you could not sleep on the bus I was on, and I am not going to go into the reasons.

Mr. Thoms, you seem to be sensitive in certain areas. I have no objection to our train being called the "Bullet", if that will help our cause, or will help capture the imagination across Canada. I do not think many Newfoundlanders object to it being called the "Bullet", but that is not my point.

The question I want to ask is this. As the labour union very directly involved in abandonment, did you initiate appeal proceedings against this decision, bearing in mind that you would be able to call upon the facilities of the CLC in this regard, their research facilities in Ottawa?

Mr. Thoms: I commenced appeal procedures internally, within my own Brotherhood, and from our legal counsel in Ottawa it was pointed out to us, of course, that the 30-day time-limit had expired, and therefore there was nothing they could do about it. I have appealed to every member of Parliament who I thought could help, and I have written letters to the leaders of every political party in Parliament that could help, asking that the Canadian Transport Commission decision be rescinded. I received letters back from all political parties saying that they were sympathetic towards us and would do everything possible.

And the Prime Minister of Canada, through his secretary, Mr. William G. Morris, on November 8, 1968, sent this to me:

> Further to our letter of October 22nd, we have received further information in this connection.

[*Interpretation*]

heures, et arrive à Saint-Jean à l'heure. Ou, inversement, qu'il parte de Saint-Jean en retard et arrive à Port-aux-Basques à l'heure. C'est un exemple de la vitesse que l'on peut maintenir.

M. McGrath: Monsieur le président, la plupart de mes questions ont déjà été posées, mais je voudrais faire une observation. Je ne sais pas où M. Thoms a pris que tout le monde dormait, hier soir, dans l'autobus. Dans l'autobus que j'ai pris, il n'y avait pas moyen de dormir.

M. Thoms: Je n'ai pas dit que tout le monde dormait.

M. McGrath: Non, mais vous avez tout de même laissé entendre que nous dormions hier soir dans l'autobus. Je vous fais remarquer qu'il n'y avait pas moyen de dormir dans l'autobus où j'étais, et je ne vais pas commencer à en donner les raisons.

Monsieur Thoms, vous semblez être sensible sur certaines questions. Je n'ai aucune objection à ce que l'on appelle notre train le «*Bullet*», si cela peut servir notre cause ou aider à accrocher l'imagination des Canadiens. Je ne pense pas que beaucoup de Terre-neuviens s'opposent à cette appellation, mais là n'est pas la question.

Voici la question que je veux vous poser. A titre de syndicat très directement mêlé à cette question de l'abandon du service ferroviaire, est-ce que vous avez entamé une procédure d'appel contre cette décision, en vous rappelant que vous pourriez profiter des services de recherche du Congrès du travail du Canada, à Ottawa, à cet égard?

M. Thoms: J'ai entamé une procédure d'appel au sein de ma propre fraternité, et notre conseiller juridique à Ottawa nous a fait remarquer, bien sûr, que le délai de 30 jours avait été dépassé, et qu'on ne pouvait donc rien y faire. J'ai fait appel à tous les députés que j'estimais pouvoir nous aider, et j'ai écrit au chef de chaque parti politique au Parlement qui pouvait nous aider, leur demandant de faire annuler la décision de la Commission canadienne des transports. J'ai reçu en réponse des lettres de tous les partis politiques dans lesquelles ils nous disaient qu'ils sympathisaient avec notre cause et feraient tout leur possible.

Et le premier ministre du Canada m'a envoyé, par l'intermédiaire de son secrétaire M. William G. Morris, la lettre suivante en date du 8 novembre 1968:

> Faisant suite à votre lettre du 22 octobre, nous vous informons que nous avons reçu des renseignements complémentaires à cet égard.

[*Texte*]

As you probably know by now, there is in fact no application before the Canadian Transport Commission in this connection since the Commission made a decision several months ago.

Now, just listen to these few words.

Unfortunately, this decision is not one that government could have the Commission change.

Mr. McGrath: Who wrote that letter?

Mr. Thoms: William G. Morris, Secretary. You can have a copy if you want to.

The Prime Minister does not feel that he should comment on your suggestion that taking the train passenger service away is a violation of the Terms of Union."

And you may have a copy if you want it.

Mr. McGrath: For a point of clarification, Mr. Chairman. It has been pointed out to me that the appeal referred to by you is under Subsection (2), Section 53, of the Railway Act where the appeal is made on a point of law and there the 30-day factor comes into effect. But under Subsection (1) of Section 53 there is no time factor involved. An appeal can be made at any time to the Governor in Council.

Mr. Thoms: Which I did, and look at the answer.

Mr. McGrath: No, but as I understand it, this is not what I would consider a formal appeal or formal appeal proceeding. Correct me if I am wrong.

Mr. Morris, in his letter to you, says that the decision cannot be changed, and he underlines that, and of course this is at variance with what has been pointed out to me in the Act. The point of my questioning was that it would seem to me that with the very extensive research facilities I am surprised that the learned people you have at CLC in Ottawa did not point this out to you. I do not say that facetiously because time is running out on us. It seems to me that this Committee is the only chance we have now, unless a formal appeal is initiated before April 15.

Mr. Thoms: As far as an appeal is concerned, if I write to the Prime Minister of

[*Interprétation*]

Comme vous le savez probablement maintenant, aucune demande à cet égard n'a été présentée à la Commission canadienne des transports depuis que le Commission a annoncé sa décision, il y a plusieurs mois de cela.

Et écoutez bien les quelques mots qui suivent:

Malheureusement, ce n'est pas là une décision que le gouvernement pourrait amener la Commission à modifier.

M. MacGrath: Qui a écrit cette lettre?

M. Thoms: Le secrétaire, M. William G. Morris. Vous pouvez en avoir un exemplaire, si vous voulez.

Le premier ministre n'estime pas devoir formuler de commentaire au sujet de vos observations, soit, que l'annulation du service de voyageurs des chemins de fer constitue une violation des conditions de l'Union.

Vous pouvez en avoir un exemplaire si vous le désirez?

M. McGrath: Un éclaircissement, monsieur le président. On m'a signalé que l'appel dont vous parlez est prévu au paragraphe (2) de l'article 53 de la Loi sur les chemins de fer, selon lequel on peut en appeler sur une question juridique, et là, le délai de 30 jours est applicable. Mais aux termes du paragraphe (1) de l'article 53, le facteur temps n'entre pas en ligne de compte. On peut en appeler n'importe quand auprès du gouverneur en conseil.

M. Thoms: C'est ce que j'ai fait, et voyez la réponse.

M. McGrath: Non, mais d'après ce que je crois comprendre ce n'est pas là ce que je considérerais comme une procédure en appel en bonne et due forme. Que l'on me corrige si je me trompe.

Dans la lettre qu'il vous a envoyée, M. Morris dit que la décision ne peut être modifiée, et il insiste bien sur ce fait; or, cela n'est évidemment pas conforme aux dispositions de la Loi que l'on m'a signalées. La raison pour laquelle j'ai posé cette question c'est qu'il me semble qu'avec les vastes services de recherche, il est surprenant que les spécialistes que vous avez à la CTC, à Ottawa, je suis étonné qu'ils ne vous l'aient pas signalé. Je ne dis pas cela facétieusement, car, le temps nous manque. Je pense que ce Comité est la seule chance que nous ayons maintenant, à moins qu'un appel en bonne et due forme soit présenté avant le 15 avril.

M. Thoms: Pour ce qui est de l'appel, vous écrivez au premier ministre du Canada, vous

[*Text*]

Canada and ask him to do something about it, is this not an appeal? The underlining, by the way, is mine.

The Chairman: Yes, that is important.

Mr. Thomas (Moncton): I have a supplementary question. I am dumbfounded now; I have asked this two or three times. I asked Mr. Pickersgill in the Transport Committee meeting and I have asked here two or three times and we have been told that this decision can be reversed by the Governor in Council. Now, here is a letter from the Prime Minister's office saying it cannot be reversed.

Mr. McGrath: With great respect, though, that is probably just the opinion of a secretary.

The Chairman: I believe to make it clear I should get the letter that Mr. Thoms said he sent to the Prime Minister to find out what was in the letter, resulting in their reply.

Mr. Thomas (Moncton): My supplementary question is this, and I have asked it six times in various places: How can this decision be reversed? To whom do you appeal to have this decision reversed? I have been told three different things.

Mr. Allmand: On a point of order, Mr. Chairman. While we were in Parliament a few years ago, if you remember, when the *Dominion* was discontinued by the Board of Transport Commissioners an appeal was made under this section, I believe, and it was put on by the Governor in Council for the summer. It was reintroduced, so the Governor in Council did reverse the decision of the old Board of Transport Commissioners. My understanding from all the hearings we had last year is that that type of appeal still exists but it has to be made in a formal way; you just do not write a letter to the Prime Minister.

Mr. Thomas (Moncton): You said it can be reversed.

Mr. Allmand: There is something wrong with the letter.

Mr. McGrath: Mr. Chairman, the letter is a very short one. Would the witness read it into the evidence for us?

Mr. Thoms: I just did it.

[*Interpretation*]

lui demandez de faire quelque chose à cet égard, n'est-ce pas là un appel? En passant, c'est moi qui ai souligné ce passage.

Le président: Çà c'est important, oui.

M. Thomas (Moncton): Je voudrais poser une question supplémentaire, je suis à présent confondu; j'ai demandé cela deux ou trois fois. J'ai demandé à M. Pickersgill, au Comité des transports, au cours d'une réunion, et j'ai posé la question ici deux ou trois fois et on nous a dit que cette décision peut être renversée par le gouverneur en conseil. Voilà une lettre du Cabinet du premier ministre disant qu'on ne peut renverser cette décision.

M. McGrath: En toute déférence, c'est sans doute l'avis d'un secrétaire.

Le président: Il nous faudra obtenir la lettre que monsieur Thoms a envoyée au premier ministre, afin de voir ce qu'il en était et de comparer les deux.

M. Thomas (Moncton): Voici ma question supplémentaire. Je l'ai déjà posée six fois à différents endroits: Comment cette décision peut-elles être renversée? A qui présentez-vous un appel pour renverser cette décision? On m'a dit trois choses différentes.

M. Allmand: J'en appelle au Règlement, monsieur le président. Pendant que nous étions au Parlement, il y a quelques années, lorsque le Dominion a été discontinué par la Commission des transports du Canada, un appel a été rejeté, en vertu de cet article, je crois, ce fut renvoyé par le gouverneur en conseil pour l'été. Il fut présenté de nouveau, et le gouverneur en conseil a renversé la décision de l'ancienne Commission des transports du Canada. Si je comprends bien, à la suite de toutes les audiences que nous avons eues l'année dernière, ce genre d'appel existe toujours, mais il faut interjeter appel en bonne et due forme, et non pas simplement en écrivant au premier ministre.

M. Thomas (Moncton): Vous avez dit qu'elle peut être renversée.

M. Allmand: Il y a une chose qui ne va pas avec la lettre.

M. McGrath: Monsieur le président, le témoin pourrait-il faire lecture de cette lettre laquelle est très brève? Consignez-là au compte rendu.

M. Thoms: Je viens de le faire.

[*Texte*]

Mr. McGrath: I am sorry, I was looking up that Act when you did. Would you read the pertinent part again?

Mr. Thoms:

Unfortunately this decision is not one that the Government could have the Commission change.

Mr. Allmand: I submit to you that he does not know what he is talking about.

An hon. Member: I do too. I have a supplementary...

The Chairman: Order! order! Are you through, Mr. McGrath? Mr. Rock, on a supplementary.

Mr. Rock: He has read into the record those phrases or that paragraph, but I do not believe the witness had read the letter that he sent to the Prime Minister. I do not think this is fair. We do not know what his request was to the Prime Minister.

Mr. Thoms: I do not have it here.

Mr. Rock: I do not think that is fair at all. We do not know...

Mr. Skoberg: I would like to ask you a direct question, Mr. Thoms. Was it your opinion when you directed your communication to the Prime Minister that this, in effect, was then directed to the Governor in Council, and did you consider this would initiate an appeal to the Governor in Council?

Mr. Thoms: In my...

The Chairman: Mr. Skoberg, I do not think you should put words in the mouth of this gentleman.

Mr. Skoberg: Could we please have an answer? I think it is perfectly all right. I have heard a lot of questions around here today that certainly have been putting words in people's mouths, and I believe the question is quite simple, Mr. Chairman.

Mr. Thoms: In my opinion, when I write the Prime Minister of Canada I am writing to the Government of Canada.

The Chairman: Mr. Allmand?

Mr. Allmand: You say you consulted with your headquarters in Ottawa—your trade union headquarters—the Canadian Labour Congress, I believe. Did you not say you consulted with your lawyers in Ottawa?

Mr. Thoms: I said I consulted internally with my Brotherhood and we had a legal opinion.

[*Interprétation*]

M. McGrath: Je m'excuse je regardais la loi pendant que vous le faisiez. Voudriez-vous relire la partie pertinente?

M. Thoms:

Malheureusement cette décision n'en est pas une que le gouvernement pourrait faire changer par la Commission.

M. Allmand: Je vous dirais qu'il ne sait pas du tout ce dont il parle.

Une voix: J'ai la même impression. J'ai une question supplémentaire...

Le président: A l'ordre. Avez-vous terminé Monsieur McGrath? Monsieur Rock, sur une question supplémentaire.

M. Rock: Le témoin a versé au compte rendu ces phrases, cet alinéa, je ne crois pas qu'il ait donné lecture de la lettre qu'il a fait parvenir au premier ministre. Ce n'est pas juste. On en sait pas ce qu'il a demandé au premier ministre.

M. Thoms: Je n'ai pas cette lettre ici.

M. Rock: Je ne crois pas que ce soit juste. On ne sait pas du tout quelle fut sa demande.

M. Skoberg: Je voudrais poser une question directe, monsieur Thoms. Lorsque vous avez écrit au premier ministre, étiez-vous d'avis que cela était une procédure d'appel auprès du gouverneur en conseil?

M. Thoms: A mon...

Le président: Monsieur Skoberg, vous ne devez pas lui prêter des paroles.

M. Skoberg: Pourrions-nous avoir une réponse? Je pense que c'est parfaitement dans l'ordre. Bien des questions de ce même genre aujourd'hui ont été posées. C'est une question très simple, monsieur le président.

M. Thoms: A mon avis, lorsque j'écris au premier ministre du Canada, j'écris au gouvernement du Canada.

Le président: Monsieur Allmand?

M. Allmand: Vous dites que vous avez consulté votre siège social, soit le Conseil du travail du Canada à Ottawa? N'avez-vous pas dit que vous aviez consulté vos avocats à Ottawa?

M. Thoms: J'ai dit que j'ai pris une consultation interne auprès de ma fraternité. Nous avons reçu une opinion juridique.

[*Text*]

Mr. Allmand: You had a legal opinion and. .

Mr. Thoms: The 30-day time limit had expired and therefore we could not actually appeal.

Mr. Allmand: I suggest you reconsult with other attorneys.

The Chairman: Are you finished, Mr. McGrath?

Mr. McGrath: I have no further questions.

The Chairman: Mr. Breau?

Mr. Breau: Mr. Chairman, I would like to ask a question of the witness. Forgetting the comparison between the train and a bus service, have you compared the transportation service between the Atlantic Provinces? For example, have you compared the service that Newfoundland will get it they have a bus service with New Brunswick, Nova Scotia and PEI?

Mr. Thoms: I am not familiar enough with PEI, New Brunswick and Nova Scotia but probably Mr. Abbott would be better able to answer you.

Mr. Abbott: I think there is a much more varied passenger service in New Brunswick, PEI and Nova Scotia than there is in Newfoundland. In Newfoundland, of course, you have one direct line of communication and certainly it does not compare at all with the other provinces.

Mr. Breau: Have you checked the schedules in New Brunswick?

Mr. Abbott: I live there; I live in New Brunswick.

Mr. Breau: I live there too. Do you know there is no bus service from Edmundston to Campbellton at all? There is no subsidized transportation. There is not even transportation at all in the northern part of the province.

Mr. Abbott: They have run one of their trains up through Edmundston a couple of years. .

Mr. Breau: Not from Edmundston to Campbellton.

Mr. Abbott: No, to Pacific Junction.

The Chairman: I have just asked the gentleman here for a copy of his letter that he

[*Interpretation*]

M. Allmand: Vous avez reçu un avis juridique, et. . .

M. Thoms: Le délai de trente jours était écoulé, par conséquent nous ne pouvions donc interjeter appel.

M. Allmand: Je vous proposerais de consulter d'autres avocats.

Le président: Avez-vous terminé? Monsieur McGrath?

M. McGrath: Je n'ai pas d'autres questions.

Le président: Monsieur Breau?

M. Breau: Monsieur le président, je voudrais poser une question au témoin. Oublions la comparaison entre le train de l'autobus pour le moment. Avez-vous comparé les services de transport entre les provinces de l'Atlantique? Par exemple, avez-vous fait une comparaison entre le service que Terre-Neuve obtiendra, si elle a un service d'autobus, avec celui de l'Île-du-Prince-Édouard, de la Nouvelle-Écosse et du Nouveau-Brunswick?

M. Thoms: Je ne connais pas suffisamment l'Île-du-Prince-Édouard, le Nouveau-Brunswick et la Nouvelle-Écosse, mais j'imagine que M. Abbott serait plus en mesure de vous répondre.

M. Abbott: Je pense qu'il y a beaucoup plus de services voyageurs variés dans ces trois provinces qu'à Terre-Neuve. Vous n'avez qu'une ligne directe de communication et cela ne se compare pas du tout avec les autres provinces.

M. Breau: Vous avez vérifié les horaires au Nouveau-Brunswick?

M. Abbott: J'habite là.

M. Breau: J'y habite également. Vous savez qu'il n'y a pas du tout de service d'autobus d'Edmundston à Campbellton. Il n'y a absolument aucun mode de transport subventionné. Il n'y a même pas de transport du tout dans la partie Nord de la province.

M. Abbott: Il y a quelques années, il y avait un train qui passait par Edmundston.

M. Breau: Pas de Edmundston à Campbellton.

M. Abbott: Non. De Edmundston à Pacific Jonction.

Le président: Je viens de demander au témoin de nous faire parvenir copie de la

[*Texte*]

sent to the Prime Minister so we could have it as an exhibit. Is it agreed?

Some hon. Members: Agreed.

Mr. Rock: This is another line of questioning.

Which should have the priority; the spending of $140 million for re-alignment and grading while still maintaining the narrow gauge; the spending of $225 million to correct to standard gauge and re-align and grade, which would serve the railway users and a great sector of the province, or to spend $244 million to upgrade and pave all the trunk roads, and $150 million for the proposed Labrador route? Which do you think should have the priority? One actually serves the whole province and the other one affects...

Mr. Thoms: Mr. Chairman, it has not been established to our satisfaction that it would cost $140 million to put the Newfoundland railway track in the condition we need it to get a fast service. In our opinion this is just something that they pulled out of the air; they did not substantiate it at the hearing. It was just a figure; if I said $40 million I would be just right in my opinion.

Mr. Rock: When CN gives a figure I think it has been investigated. I do not think they just pull figures from the air.

Mr. Thoms: Well, sit down at a negotiating table with me some time.

Mr. Rock: When it comes to labour negotiations it is very hard to know what they are going to pull out because of the fact that they do not know how far you are going to go.

The Chairman: Mr. Mahoney?

Mr. Mahoney: I have just one question to Mr. Abbott. In the initial instance you associated yourself completely with Mr. Butt's brief. Since I do not have a copy of it I do not know whether the attitude he expressed was contained in the brief or was a pronunciation *ex cathedra*, but in any case do you share his view that this afternoon you are engaged in an exercise in futility before this Committee?

Mr. Abbott: I hope that we are not. I certainly think the Committee has had a purpose and I certainly hope that their recommendations are going to be favourable to us.

[*Interprétation*]

lettre qu'il a fait parvenir au premier ministre pour que nous puissions l'avoir comme pièce à l'appui. Êtes-vous d'accord?

Des voix: D'accord.

M. Rock: Monsieur le président, voici une autre série de questions.

Qu'est-ce qui devrait avoir la priorité? La dépense de 140 millions de dollars pour le réalignement et le remblayage, tout en maintenant l'écartement étroit, la dépense de $225 millions de dollars pour ramener les voies à l'écartement normal et pour réaligner et remblayer, ce qui desservirait les personnes qui utilisent le chemin de fer et tout un secteur de la province, ou la dépense de $244 millions de dollars pour relever et paver toutes les routes principales, et de $150 millions de dollars pour la future route du Labrador. Laquelle de ces dépenses devrait avoir la priorité? L'une dessert en réalité toute la province et l'autre touche...

M. Thoms: Monsieur le président, cela n'a pas été établi à notre satisfaction qu'il en coûterait 140 millions de dollars disons pour mettre la voie ferrée des chemins de fer de Terre-Neuve en état de nous permettre d'avoir un service rapide. A notre avis, ce n'est qu'un chiffre imaginé; ils ne l'ont pas établi au cours de l'audience. Ce n'était qu'un chiffre. Si je disais 40 millions de dollars, je serais aussi juste dans mon opinion.

M. Rock: Lorsque le National-Canadien vous donne un chiffre, il a été vérifié, ce ne sont pas des imaginations.

M. Thoms: Eh bien, venez vous asseoir à la table de négociations une bonne fois et vous verrez.

M. Rock: Mais lorsqu'on en arrive aux négociations de travail c'est très difficile de savoir ce qu'ils vont nous sortir, car eux-mêmes ne savent pas jusqu'où vous irez.

Le président: Monsieur Mahoney?

M. Mahoney: Une simple question que je voudrais poser à M. Abbott. Au début, vous étiez tout à fait d'accord avec le mémoire de M. Butt. Vu que je n'en ai pas copie, je ne sais pas si l'attitude qu'il a formulée se trouvait contenue dans le mémoire où était une déclaration *ex-cathedra*, mais de toute façon, est-ce que vous partagez son point de vue, voulant que, cet après-midi, ce soit un exercice de futilité, devant le présent Comité?

M. Abbott: J'espère que ce ne l'est pas. Je crois que le Comité avait un but et j'espère vraiment que ces recommandations nous seront très favorables.

[*Text*]

Mr. Mahoney: Thank you.

The Chairman: Mr. Carter?

Mr. Carter: Mr. Thoms, did I understand you to say you represent some truck drivers?

Mr. Thoms: Yes, sir; all employed by Canadian National Railways.

Mr. Carter: What is their approximate wage per month?

Mr. Thoms: It all depends on the overtime; it is around $2.80 an hour.

Mr. Carter: Is this for an 8-hour day? The CNR provides relief drivers, is that right?

Mr. Thoms: Relief drivers? You mean two drivers on a truck? No; just one.

Mr. Carter: It is possible for a man to work ten or twelve hours, then.

Mr. Thoms: Quite normal.

Mr. Carter: And they pay time and a half for this.

Mr. Thoms: After 40 hours.

Mr. Carter: After 40 hours? In your item 6 of that brief you say:

> drivers of huge box car type trucks, speeding across Newfoundland without adequate safeguards such as maximum hours of work or relief drivers.

Are these non-union truckers?

Mr. Thoms: A good many of the big box type are non-union, yes.

Mr. Carter: How much do they make per hour?

Mr. Thoms: I really cannot say, sir.

Mr. Carter: Can you give me an idea? Is it $50 a week, or $60 a week, or...

Mr. Thoms: I know some drivers who make $70 to $75 a week.

Mr. Carter: How many hours do they work?

Mr. Thoms: Generally, as required.

Mr. Carter: Is it 15 or 16 hours or what? You know what non-union outfits do. They work you until you die.

[*Interpretation*]

M. Mahoney: Merci.

Le président: Monsieur Carter?

M. Carter: Monsieur Thoms, si je comprends bien vous dites que vous représentez aussi les camionneurs?

M. Thoms: Oui, monsieur; tous à l'emploi du National-Canadien.

M. Carter: Quel est leur salaire mensuel approximatif?

M. Thoms: Tout dépend du surtemps; environ $2.80 l'heure.

M. Carter: Est-ce pour une journée de 8 heures? Et le National-Canadien assure un service de chauffeurs de relève. Est-ce exact?

M. Thoms: Chauffeurs de relève? Vous voulez dire deux chauffeurs dans un camion? Non, seulement un.

M. Carter: Alors, il est possible qu'un homme travaille dix ou douze heures.

M. Thoms: C'est régulier.

M. Carter: C'est temps et demi?

M. Thoms: Après 40 heures.

M. Carter: Après 40 heures? A l'article 6 de votre mémoire, vous dites que les chauffeurs de grand camion-remorque, roulant sur les routes de Terre-Neuve sans la protection d'heures maximums de travail ou de chauffeurs de relève. Est-ce que ce sont des chauffeurs non syndiqués?

M. Thoms: Un grand nombre de chauffeurs de camion-remorque ne sont pas syndiqués.

M. Carter: Combien font-ils l'heure?

M. Thoms: Je ne saurais vous le dire.

M. Carter: Pourriez-vous me donner une idée? Est-ce $50 ou $60 par semaine?

M. Thoms: Je sais que certains font de $70 à $75 par semaine.

M. Carter: Combien d'heures travaillent-ils?

M. Thoms: Règle générale, suivant les exigences.

M. Carter: Est-ce 15 ou 16 heures, ou quoi? Vous savez ce qui arrive parfois dans les entreprises non syndiquées. On les fait travailler jusqu'à épuisement.

[*Texte*]

Mr. Thoms: It could be, depending on the run, yes.

Mr. Carter: Do they supply relief drivers?

Mr. Thoms: No.

Mr. Carter: Thank you very much, sir.

The Chairman: Well gentlemen, this is the end of the questioning period.

Mr. Thoms: For some unknown reason I have had this letter in front of me all the time, the letter to the Hon. P. E. Trudeau. I also sent it to the Hon. Robert Stanfield, the Hon. David Lewis, and the Hon. Réal Caouette.

Honourable Sirs:—

I write requesting your opinion regarding the decision of the Canadian Transport Commission to permit CN to abandon our train-passenger service. Outside of all of the physical arguments, that I'm sure you are familiar with, there is one other argument that has not been settled, and that is as follows.

Article 31 of the Terms of Union, authorizes in part that we, (Newfoundland) passed the Newfoundland Railway to the Government of Canada. The Federal government on April 1, 1949, by Order in Council P.C. 1454, the Governor General in Council entrusted to Canadian National Railways the operation and management of the Newfoundland Railway.

It is my opinion that "operation and management" does not mean abandonment and therefore if such an application was to be presented to the Canadian Transport Commission, it should have been by the Federal Government and not Canadian National Railways. If I am right, the Transport Commission's decision is null and void.

As elected representatives, will each of you give me your expert opinion by return letter.

Meanwhile, may I solicit your help in stopping the disruption of train-passenger service that will end on or before April 1969.

Mr. Rock: Mr. Chairman, there was no actual request that there be an Order in Council for an appeal.

Mr. Thoms: I asked...

Mr. Rock: You did not ask for any appeal.

[*Interprétation*]

M. Thoms: Cela pourrait dépendre du trajet, oui.

M. Carter: Est-ce qu'il y a des chauffeurs de relève?

M. Thoms: Non.

M. Carter: Merci beaucoup, monsieur.

Le président: Messieurs, voici la fin de la période des questions.

M. Thoms: Pour une raison que je ne connais pas, j'avais la lettre devant moi tout le temps. La lettre que j'ai adressée au très honorable P. E. Trudeau. Je l'ai fait parvenir à M. Stanfield, à M. David Lewis et à M. Réal Caouette.

«Messieurs,

Je vous demande votre opinion au sujet de la décision de la Commission canadienne des Transports de permettre au CN d'abandonner notre service voyageurs. En dehors de toutes les discussions matérielles que vous connaissez, j'en suis sûr, il y a un autre argument qui n'a pas encore été réglé, et c'est le suivant: La condition 31, des conditions de l'Union, autorise en partie que nous, de Terre-Neuve, passions le Newfoundland Railway au gouvernement du Canada. Le premier avril 1949, par le décret ministériel C.P. 1454, le gouvernement fédéral et le gouverneur en conseil a confié aux Chemins de fer Nationaux du Canada l'exploitation et la gestion du Newfoundland Railway.

A mon avis, «exploitation et gestion» ne veulent pas dire abandon et, par conséquent, si une telle demande devait être présentée à la Commission canadienne des Transports, cela aurait dû être fait par le gouvernement du Canada et non par les Chemins de fer Nationaux du Canada. Si j'ai raison, la décision de la Commission canadienne des Transports est nulle et sans effet.

Pourriez-vous me donner votre opinion, par le retour du courrier, en votre qualité de représentants élus de la population.

En attendant, est-ce que je pourrais demander votre aide pour empêcher que le service voyageurs cesse en avril 1969.

M. Rock: Monsieur le président, on n'a pas demandé un décret ministériel pour un appel?

M. Thoms: J'ai demandé..

M. Rock: Vous n'avez pas demandé d'appel.

[*Text*]

Mr. Thoms: "...may I solicit your help in stopping..." If they stop the trains, that will satisfy me.

The Chairman: I would like to thank you three gentlemen.

At this time I would like to call upon Mr. Harvey Keats of the City of Corner Brook.

I have the pleasure to have here on my right His Worship the Mayor of Corner Brook, Mr. N. F. Murphy. Mr. Murphy will give a summary of his brief.

Mayor N. F. Murphy (City of Corner Brook): Mr. Chairman, Mr. Minister and members of the Committee, the brief that is presented to you today by the City of Corner Brook is divided into several sections: it deals with the port of the city of Corner Brook; it deals with the over-all growth of the area; it deals with Canadian National Railways and the passenger service; and I have indicated in the last paragraph that there are other aspects which we would like to present and these will concern air and roads.

Every member of the Committee has had a copy of this and if I may I would like to move straight into dealing with these four sections. I have set them out in four sections—sea, road, air and rail.

I would like to start by telling you that I came to this hearing by train and I came because I could not risk coming in any other way. Last week I was on the plane coming from the mainland and everyone was put off at Gander. St. John's was fogged in. I checked yesterday and I found that you could not be sure that the plane would get in last night. In fact it did not; it got in this morning. I did not particularly want to drive myself in in my own car because I did not want to waste the day driving and then having to drive back again. I have been in the bus—I have not travelled on it. I have been in it and I did not fancy a trip on the bus and so I came by train and I must say I was very comfortable and arrived here on the dot of eight o'clock this morning.

If I may start off, there are a number of questions that came up this afternoon and were not answered to my satisfaction, and in the course of my remarks I will try to cover some of these.

First of all I must agree with everything that was presented to you by the Chamber of Commerce of the City of Corner Brook concerning the harbour development and the port facilities. As you will see in the brief that we have presented to you, we feel very strongly about the situation that has devel-

[*Interpretation*]

M. Thoms: ...«est-ce que je pourrais demander votre aide pour empêcher...». S'ils arrêtent les trains, cela me satisfera.

Le président: Je veux vous remercier tous les trois, messieurs. Nous allons demander maintenant à M. Harvey Keats de Corner Brook, de se présenter.

J'ai le plaisir d'avoir à ma droite ici, Son Honneur le maire de Corner Brook, monsieur N. F. Murphy. Monsieur Murphy va nous donner un résumé de son mémoire.

M. le maire N. F. Murphy (Ville de Corner Brook): Monsieur le président, monsieur le ministre, membres du Comité. Le mémoire que vous présente aujourd'hui la ville de Corner Brook est divisé en plusieurs sections et traite du port de la ville de Corner Brook. On y parle aussi de la croissance générale de la région, du National-Canadien et du service voyageurs. J'ai indiqué aussi dans le dernier paragraphe qu'il y avait d'autres aspects que nous voudrions présenter et que ceux-ci auraient trait au service aérien et au service routier.

Chaque membre du comité a reçu une copie de ce mémoire et si vous me le permettez, j'aimerais donc vous parler directement de ces quatre sections, transport maritime, routier, aérien et ferroviaire.

J'aimerais commencer par vous dire que je suis venu en train parce que je ne pouvais risquer le voyage par aucun autre moyen de transport. La semaine dernière, j'étais dans l'avion venant du continent et tout le monde a été retenu à Gander, parce que le brouillard recouvrait St-Jean. J'ai vérifié hier et on ne pouvait pas m'assurer que l'avion atterrirait hier soir. En fait, l'avion est arrivée ce matin. Je ne voulais pas venir moi-même en automobile car je ne voulais pas passer toute une journée pour venir et une autre pour retourner. Je n'ai pas fait le voyage en autobus car j'ai déjà essayé ce moyen de transport et cela ne me tentait pas du tout et alors, je suis venu en train. Et nous sommes arrivés à huit heures juste ce matin, après un voyage très confortable.

Si vous me le permettez, il y a un certain nombre de questions qui ont été soulevées cet après-midi et qui n'ont pas reçu de réponses satisfaisantes à mon sens. Alors, je vais essayer de traiter certaines d'entre elles.

Tout d'abord, je suis tout à fait d'accord avec tout ce qu'a dit la Chambre de commerce de la ville de Corner Brook au sujet du développement du port et des installations portuaires. Comme vous verrez dans le mémoire qui vous a été présenté, nous avons des sentiments très forts au sujet de la situa-

[*Texte*]

oped over the years—the lack of action and the importance now of the fact that before you in the House of Commons in the estimates is $1.1 million for work to commence this year. If the estimates go through, work will commence this year on the harbour development.

I will confirm what the Chamber of Commerce presentation said, that we have had no consultation. We have not been consulted at all. We do not have a plan. We have asked for a plan and we have not received it. I am hoping to get a plan. I must submit we have had the artist's conception of what the ships will look like docking, but this is not a plan or working plan. It is just an artist's conception of a ship docking with a large shed alongside and it does not really mean anything. It does not tell us a thing. I must confirm this.

The question of Bay D'Espoir was brought up. To give you a complete picture of this I must tell you—and I am sure you will be surprised when you hear this; I was when I was told it—that the port of Corner Brook deals with a greater tonnage in 12 months of the year than does the port of St. John's—a greater tonnage goes through the port of Corner Brook than through the port of St. John's.

The concept of Bay D'Espoir is that it is to be a trans-shipment port. This is the way I understood it, and to the port of Bay D'Espoir, if it ever comes into being, will come goods from all parts of the world which will be redistributed. This would be of tremendous value to Canada and it would be of tremendous importance to the province of Newfoundland. Of course we are interested in seeing our province grow and seeing more development take place here. We would support Bay D'Espoir, which would come under the National Harbours Board if it came into being at all.

I equally have not heard of any approach being made to the National Harbours Board to look after the city of Corner Brook.

If I may pass now to the road situation. The road situation throughout the province affects the city of Corner Brook equally as it does every other part. The Trans-Canada Highway is now complete from Port aux Basques to St. John's. It is already obsolete. It is not big enough, wide enough, to take the traffic that is on it at certain times. Certain large transport trucks, buses and so on are hugging the middle of the road, and I can assure you, if you have not travelled on parts of our Trans-Canada Highway, that it is a frightening thing, particularly at night-time, to see the headlights and the identification

[*Interprétation*]

tion qui s'est développée au cours des ans, du manque d'action et de l'importance du fait que les prévisions budgétaires comprennent un montant de 1.1 million pour des travaux qui doivent commencer cette année.

Je vais confirmer ce qui a été dit dans le mémoire de la Chambre de commerce: nous n'avons pas été consultés du tout. Nous n'avons pas de programme, nous l'avons demandé mais ne l'avons pas reçu. Et j'espère que nous l'aurons. Évidemment, j'ai vu des esquisses à quoi ressembleraient les navires et les quais, mais cela ne constitue pas un plan de travail. Ce n'est qu'une esquisse d'un bateau en train d'accoster le long d'un hangar et cela ne veut rien dire. Cela ne nous dit absolument rien. Je dois donc confirmer ce qu'on a dit à cet égard.

La question de Baie d'Espoir a été soulevée aussi. Pour vous donner une idée d'ensemble—et je suis sûr que vous serez surpris de l'entendre, moi-même je l'ai été quand je l'ai appris—le port de Corner Brook doit manutentionner plus de tonnage au cours des douze mois de l'année que celui de St-Jean. Il y a plus de volume de trafic au port de Corner Brook qu'à celui de St-Jean.

Baie d'Espoir constituera un port de transit. C'est ce que j'ai cru comprendre. Et si jamais il y a un port à la Baie d'Espoir, on y verra des marchandises provenant du monde entier qui seront réexpédiées. Cela constituera un très grand avantage pour le Canada et aura beaucoup d'importance pour la province de Terre-Neuve. Évidemment, nous sommes intéressés à voir croître notre province et voir plus d'expansion. Alors, nous serions en faveur du développement du port de Baie d'Espoir qui relèverait de la compétence du Conseil des ports nationaux, si jamais cela se produit.

Je n'ai pas entendu parler d'une demande faite au Conseil des ports nationaux pour s'occuper de la ville de Corner Brook.

Si je puis maintenant passer à la situation des routes à travers la province, qui intéresse aussi la ville de Corner Brook comme partout ailleurs. La route Trans-canadienne est maintenant terminée de Port-aux-Basques à St-Jean. Elle est déjà désuète; elle n'est pas suffisamment large pour répondre à la situation parfois. Certains grands camions, autobus etc. roulent si près du milieu de la route que je puis vous assurer que si vous n'avez pas emprunté certaines parties de notre route Trans-Canadienne, c'est une chose qui vous fait peur, surtout le soir, de voir les phares devant vous et les lumières d'identité de ces

[*Text*]

lights of these trucks coming down the highway at you, possibly at 60 miles an hour, when you do not know how big the thing really is. When it goes by there is a great bang of air and already the Newfoundland government has embarked now on a program of enlarging and bringing up the Trans-Canada Highway to maximum standards.

This will take, I believe, several years, and this in turn must affect us in the city of Corner Brook. At this present moment 12 miles road some 20 miles from Corner Brook—12 miles of road—is torn up and is just a muddy, almost bottomless mess. It is quite a hazard to people who must travel it from one end of the highway to the other.

We have arterial roads—not arterial roads; they are main roads branching off—and there are two that I want to mention in particular. One, if you will look at your maps, is the Great Northern Peninsula road. This is assuming more and more importance to the people living in those areas. The other is the Burin Peninsula. The Burin Peninsula has some 40,000 people there, and at the present moment the only road access has been cut off by the fact that weather conditions and an unpaved road make it almost impossible and impassible.

We are faced now with a situation in the province of Newfoundland where we are getting traffic congestion on our main highways, where it is becoming more important than ever to try and tie in these big highways going to the Great Northern Peninsula and the Burin Peninsula with another going down to the power development area of Bay D'Espoir, which is becoming another important road. We must look to the day in Newfoundland when we must embark on a program of paving these roads. I am sure that no Newfoundlander would disagree with me when I say that we must look to the federal government for assistance in this under one method or another. The Great Northern Peninsula road was built under the Roads to Resources Program.

You have already heard this afternoon evidence given on the fact that this road going up the Great Northern Peninsula is obviating the necessity of the Canadian National Steamships. You have heard this afternoon how the people who are supplied up there would prefer to get their goods by road at a normal time of business during the day. This will apply to other parts of our province as well. The Burin Peninsula is another one and there are others in our province. If all of these roads are to be good all-year-round roads,

[*Interpretation*]

camions qui vous arrivent peut-être à 60 milles à l'heure, alors que vous ne savez pas quelle grosseur ils ont, et lorsqu'ils vous croisent cela crée un gros déplacement d'air. Le gouvernement de Terre-Neuve a maintenant entrepris un programme de réaménagement de la route, afin qu'elle réponde aux normes de la route Trans-Canadienne.

Cela prendra plusieurs années. A notre tour, cela nous touche à Corner Brook. A l'heure actuelle, sur 12 milles de route, à 20 milles de Corner Brook, le pavage est arraché et il ne reste qu'un fouillis vaseaux et sans fond qui constitue un danger pour tous les usagers de la route.

Nous avons de grandes voies de communications et des embranchements. Il y en a deux que je veux mentionner en particulier. Si vous regardez votre carte, vous verrez que l'une est celle de la grande péninsule du Nord. Elle devient de plus en plus importante pour les gens qui y vivent. L'autre est celle de la péninsule de Burin, où se trouve 40,000 personnes et où, à l'heure actuelle, le seul accès par la route a été enlevé en raison du fait que les conditions climatiques et l'absence de pavage rendaient la route absolument impossible et impraticable à l'heure actuelle.

Nous faisons donc face à une situation à Terre-Neuve à l'heure actuelle où nous avons une congestion de la circulation sur nos grands-routes et où il devient de plus en plus important d'essayer de relier toutes ces grands-routes se rendant vers la grande péninsule du Nord et la péninsule de Burin et maintenant, avec celle qui va vers le développement hydro-électrique de Baie d'Espoir, et qui prent de plus en plus d'importance. Nous devons donc prévoir le jour ou il faudra paver ces routes. Je suis sûr qu'aucun terre-neuvien ne niera qu'il faut absolument se tourner vers le gouvernement fédéral pour obtenir de l'aide d'une façon ou d'une autre à cet égard. La route de la grande péninsule du nord a été construite en vertu du programme des routes d'accès aux ressources.

Vous avez déjà entendu cet après-midi les témoignages à l'effet que la route qui se rend dans la péninsule du grand nord élimine la nécessité d'avoir les navires du CN. Cet après-midi, vous avez entendu comment les gens qu'on approvisionne dans ce coin-là préféreraient avoir leurs marchandises par la route aux heures d'affaires normales de la journée. Ceci s'appliquerait également aux autres parties de la province. La péninsule de Burin est un autre exemple. Si l'on veut que toutes ces routes soient praticables en tout

[*Texte*]

particularly if the boats are going to be taken off, they will have to be brought up to a high standard, higher than at present, and they will have to be paved.

I will pass now to air, if I may. I will just say a few words about the situation. This may have been in the brief. I did not see the brief presented by the Chamber of Commerce, but the situation is that of the whole west coast now and Air Canada operating through Stephenville and going both ways—going to St. John's and going to the mainland.

We have two flights a day in each direction: two in the morning and two in the evening. You will be interested in some facts for the travelling businessman. If he wishes to come into St. John's on the morning flight by Air Canada, he must leave his home at about 6.30 in the morning to catch a flight that goes through Stephenville at about eight o'clock. If he is a traveller or businessman living in a hotel he will not get breakfast at 6.30 in the morning. No hotel serves breakfast at that hour of the morning. If he is lucky he can talk someone into making him a cup of tea and if he is smart he has put aside a couple of biscuits to go with it. When he gets on the plane, he takes his place, the plane gets in the air and he says, "Now I am ready for breakfast." The stewardess says, "I am sorry, you have missed breakfast; it was served between Sydney and Stephenville. You can have a cup of coffee or a glass of lemonade or a glass of milk." He does not get anything to eat and he gets into St. John's at about 10.30 or something like that.

If, on the other hand, he is leaving for the mainland, particularly Toronto, he strikes all these flights known as the milk run because they stop everywhere. He leaves home at about 10 o'clock in the morning and gets a flight at about 11.30 out of Stephenville. He gets to Toronto at 5.30 Toronto time which, in fact, is seven o'clock Newfoundland time. He has been travelling now since ten o'clock in the morning until seven at night by his Newfoundland time and he has had, in the course of that, one meal of sandwiches. Once upon a time he used to get a nice regular meal but now he gets a sandwich and he has done nine hours of travelling.

Last year and in previous years it was possible for this same traveller to change planes at Halifax and to catch the jet flight at 12.30, I think, which got him into Toronto in two hours and he was there then at about 1.30 Toronto time, which was three o'clock Newfoundland time. He had actually travelled only about five hours and he got a very nice lunch on the way.

[*Interprétation*]

temps, et surtout si on élimine les navires, il faudra les améliorer et les paver.

Je passerai maintenant au service aérien si vous me le permettez. Je vais dire seulement quelques mots au sujet de la situation. C'est peut-être dans le mémoire. Je n'ai pas vu le mémoire présenté par la Chambre de commerce, mais la situation est la même pour toute la côte de l'ouest et Air Canada va dans les deux, vers Saint-Jean et vers le continent.

Nous avons deux vols chaque jour dans chaque direction; deux le matin et deux le soir. Vous serez intéressés dans certains faits qui touchent l'homme d'affaires qui voyage. S'il veut arriver à Saint-Jean par le vol du matin d'Air Canada, il doit quitter son foyer vers 6h30 du matin afin de prendre l'avion qui passe par Stephenville disons vers 8 heures.

Si c'est un voyageur de commerce ou un homme d'affaires qui vit à l'hôtel, il n'aura pas son petit déjeuner à l'hôtel à 6h30 du matin. Aucun hôtel ne sert le petit déjeuner à cette heure. S'il est chanceux, il pourra peut-être obtenir une tasse de thé et s'il a eu du bon sens, il a mis de côté quelques biscuits le soir à cette fin. Et maintenant, il est en route en avion et il se dit: «Maintenant, je suis prêt à manger» mais l'hôtesse lui dit: «Je regrette mais le petit déjeuner a été servi entre Sydney et Stephenville. Vous pouvez avoir une tasse de café, un verre de limonade ou un verre de lait». Et alors, il n'a rien à manger. Il arrive donc à Saint-Jean vers 10h30.

Si, d'autre part, il se rend sur le continent, surtout à Toronto, il ne tient pas compte de toutes les envolées qu'on appelle «livraison du lait» car elles arrêtent partout. Il quitte son foyer vers 10 heures; il part de Stephenville vers 11h30, il arrive à Toronto à 5h30, heure de Toronto, ce qui, effectivement, est 7 heures du soir, heure de Terre-Neuve. Et alors, il voyage depuis 10 heures du matin jusqu'à 7 heures le soir toujours selon l'heure de Terre-Neuve. Et au cours de cette journée, il a eu un repas de sandwiches. Autrefois, il avait un bon repas régulier mais maintenant, il n'a que des sandwiches. Et il a voyagé pendant neuf heures.

L'an dernier et auparavant, il était possible pour le même voyageur de changer d'avion à Halifax et d'attraper le réacté à 12h30 je crois, ce qui l'amenait à Toronto dans l'espace de deux heures. Et alors, à ce moment-là, il était là vers 1h30, heure de Toronto, soit 3 heures, heure de Terre-Neuve et il n'avait voyagé que cinq heures en réalité et il avait un excellent déjeuner en route.

[*Text*]

Now if we go over to the evening time, the same man who leaves Corner Brook to go to St. John's arrives here in St. John's at 11.15 at night and it is too late to get a meal. He will not get a meal anywhere then and he has not had anything on the plane, but he has probably had a six o'clock meal before he left Corner Brook. On the other hand, when he goes to the mainland he leaves Corner Brook at seven o'clock in the evening, catches the 8.30 flight out of Stephenville and gets into Toronto at 3.30 a.m. Newfoundland time and the stewardess prays that on the way he has been asleep because she has not got a meal to give him at all.

This is a downgrading of the service we used to have. It is not as good as it used to be. There is no direct connection now between Stephenville, Halifax and Toronto. It is my personal opinion that what the west coast needs is a direct flight, and this need only be once a week, from St. John's to Stephenville to Montreal. I hazard a guess that if Air Canada—and this has been suggested to them—would put on one direct flight a week, say on a Monday, going St. John's, Stephenville, Montreal and Toronto, it would be filled and if they would have one direct flight back a week, say on a Friday or a Saturday, going Toronto, Montreal, Stephenville, St. John's, this would be of tremendous value not only to our local residents but to those businessmen visiting.

We are also disturbed at the possibility of regional carriers being introduced and we have heard rumours—and admittedly they are only rumours but I am not the only one who has heard them—of Air Canada now considering operating only from St. John's to Halifax to Montreal to Toronto, leaving regional carriers to take the people to join them either in St. John's or Halifax. Already we have discussed the possibility—and I toss it to you as a thought—of a special weekly flight perhaps that goes Stephenville, St. John's and then the direct flight to Montreal, at no additional cost because it is going to be an additional burden to any businessman who has to come the long way around, but in the long run it might be faster.

We are served also by two other airlines: Eastern Provincial Airways, which go Corner Brook, Gander and St. John's and operate once a day. It is possible for the St. John's businessman to leave St. John's in the morning, get to Corner Brook, have an afternoon's business and catch the evening flight back. And we have one other airline, Newfoundland Air Transit, which does not operate a

[*Interpretation*]

Et maintenant, le même homme qui quitte Corner Brook pour aller à Saint-Jean le soir arrive à Saint-Jean à 11h15 du soir. Il est donc trop tard pour obtenir un repas; il n'en aura nulle part à ce moment-là. Il n'a rien eu sur l'avion. Mais il a probablement eu un repas à 6 heures avant de quitter Corner Brook. D'autre part, lorsqu'il se rend sur le continent, il quitte Corner Brook à 7 heures le soir, attrape l'avion qui quitte Stephenville à 8.30 et arrive à Toronto à 3h30 du matin, heure de Terre-Neuve. L'hôtesse espère qu'il aura dormi en route parce qu'elle n'a rien à lui donner à manger.

Voilà une détérioration du service que nous avions autrefois. Ce n'est plus aussi bon que ce l'était autrefois. Il n'y a plus de correspondance directe maintenant entre Stephenville, Halifax et Toronto. Personnellement, je suis d'avis que ce dont la côte de l'ouest a besoin, c'est d'une envolée directe. Une fois par semaine suffirait, de Saint-Jean à Stephenville à Montréal. Et j'oserais dire que sir Air Canada, et cela leur a été suggéré d'ailleurs, voulait instaurer un vol direct, mettons une fois par semaine le lundi, sur le trajet St-Jean-Stephenville-Montreal-Toronto, l'avion serait complet. Et si on voulait nous donner un vol direct pour revenir, soit le vendredi ou le samedi, Toronto-Montréal-Stephenville-St-Jean, cela aiderait énormément non seulement nos résidants à nous mais les hommes d'affaires qui nous visitent.

Nous nous préoccupons aussi de la possibilité d'introduction de transporteurs régionaux. Nous avons entendu des rumeurs et évidemment, ce ne sont que des rumeurs mais je ne suis pas le seul à les avoir entendues, selon lesquelles Air Canada envisage maintenant la possibilité de faire parcours Saint-Jean-Halifax-Montréal-Toronto, laissant ainsi aux transporteurs régionaux le soin d'amener les passagers à St-Jean ou à Halifax. Nous avons déjà discuté de la possibilité d'avoir un vol spécial hebdomadaire de Stephenville-Saint-Jean et ensuite le vol direct à Montréal sans coût additionnel parce que ce serait un fardeau additionnel pour tout homme d'affaires qui doit faire ce grand détour. Mais à la longue, ce serait peut-être plus rapide.

Nous sommes aussi desservis par deux autres lignes aériennes, *Eastern Provincial Airways* qui va à Corner Brook, Gander et Saint-Jean, une fois par jour. Les hommes d'affaires de St-Jean peuvent quitter St-Jean le matin, se rendre à Corner Brook faire leurs affaires l'après-midi et reprendre l'avion du soir. Il y a aussi la *Newfoundland Air Transit* qui n'a pas de vol à horaire fixe, mais dont

[*Texte*]

schedule, but its headquarters are quite close to Corner Brook and it is a charter line basically.

I move on, if I may, to the railway service. I was a little surprised that this afternoon I heard somebody express annoyance, if I can use that word, that anyone would refer to our railroad as the Newfie Bullet.

Let me tell you that we are very proud and very fond of our railway. It has been with us for a very long time—some 80 years—and while we enjoy the jokes about our railway, we are not too fussy when other people tell these jokes. Perhaps the misunderstanding this afternoon was based only on the fact that somebody might look down on our railway.

At no time have any of us been opposed to the bus service—this is my presentation now—but we are bitterly opposed to the discontinuance of the passenger train service. I am disappointed that the Committee today has not had the opportunity to visit North Sydney and Port aux Basques, to travel on the ferry and to spend 22 hours on the train travelling from either St. John's to Port aux Basques or Port aux Basques to St. John's. For those of you who have not had the opportunity, you may now never get it. I sincerely hope this will not be the case and that you can come back at some other time and enjoy the trip.

I am sorry not only that you did not have the opportunity to enjoy this trip, but you did not have the opportunity to talk to the people who work on the railway. What I am going to tell you this afternoon comes from me and I neither work on the railway nor spend my time on the railway, but I have, in the past six months, taken it upon myself to talk to a large number of men who work on the railway in various capacities and I have been astonished at the information they have given me.

Admittedly you are getting it secondhand from me and the only way you can get this information is to go to these people yourselves, sit down with them and talk to them. Perhaps they would not talk to you, I do not know. Maybe they would be scared to say what they really think for fear of losing their jobs.

However, I think it is fair to tell that there has been a great upgrading in the Newfoundland railway at Port aux Basques. They are capable on the railway now of handling a lot more freight and a lot more passengers at Port aux Basques than they could 20 years ago.

[*Interprétation*]

le bureau d'administration est près de Corner Brook. C'est essentiellement une entreprise d'affrètement.

Maintenant, passons au service ferroviaire. J'ai été un peu étonné, cet après-midi, d'entendre quelqu'un se déclarer ennuyé, si l'on veut bien me permettre cette expression, que l'on appelle notre train de «Newfie Bullet.»

Nous sommes très fiers, très amoureux de notre chemin de fer, lequel existe depuis fort longtemps, soit 80 années; nous-mêmes, nous aimons bien rigoler au sujet de notre chemin de fer, alors cela nous importe peu que les autres en fassent autant. Le malentendu qui a pris naissance cet après-midi vient peut-être du fait que quelqu'un pourrait mépriser notre chemin de fer.

Jamais l'un d'entre nous ne s'est-il opposé au service d'autobus, je tiens à le souligner, mais nous sommes fermement contre l'abolition du service-voyageurs. Je suis déçu de voir que le comité n'ait pas eu l'occasion de visiter North Sydney et Port-aux-Basques, de prendre le transbordeur et de passer 22 heures à bord du train pour aller de Saint-Jean à Port-aux-Basques ou réciproquement. Pour ceux d'entre vous qui n'ont jamais fait ce trajet par train, l'occasion ne se présentera peut-être plus jamais. J'espère bien qu'il n'en sera pas ainsi que vous pourrez revenir à un autre moment et avoir la chance de le faire.

Je regrette non seulement qu'on ne vous a pas donné l'occasion de prendre le train, mais aussi que vous n'ayez pu parler à ceux qui travaillent à bord de celui-ci. Ce que je vais vous dire, cet après-midi, à titre personnel, n'étant pas employé des chemins de fer, ni un fréquent usager de ceux-ci, découle de mes nombreuses conversations, ces six derniers mois, avec un bon nombre des divers employés du chemin de fer. J'ai été étonné des renseignements qu'ils m'ont fournis.

Je reconnais que cela devient da bouche à bouche maintenant, mais la seule façon de vous en assurer, c'est de rencontrer ces gens vous-mêmes et de leur parler. Peut-être ne vous diront-ils rien, qui sait? Peut-être craindraient-ils de dire le fond de leur pensée et de s'exposer à perdre leur emploi.

Quoi qu'il en soit, il est bon de vous dire qu'à Port-aux-Basques, on a grandement amélioré le service ferroviaire, lequel peut désormais manutentionner beaucoup plus de marchandises et transporter beaucoup plus de voyageurs qu'il y a vingt ans.

[*Text*]

It is interesting to note that while they have upgraded it at Port aux Basques, while they have introduced facilities at Argentia to handle freight and to handle passenger cars and passengers, over the last 80 years there has been very little in the way of upgrading the speed of the railway. I have some old timetables that go back many many years and I was interested to see that 50 years ago it took 27 hours to go from St. John's to Port aux Basques, in 1933 they brought that down from 27 to 25½ and today it is down to 22 hours. Yet, and I tell you this with the full confidence that the information that has been given to me is correct, when the President of the CNR came here recently he was taken across in just over 17 hours.

An hon. Member: Non-stop?

Mr. Murphy: No, not non-stop. They stopped at the odd few places. They did not stop for much more than a "hellow, how are you," but they did not stop to load and unload freight. There would have been time to put off the mail—express mail—just like that, but I am informed by railroaders that if the railway wanted to it could put a train across every day in 18 hours without any trouble at all.

I can give you some figures which will interest you on this, I am sure. Let me tell you that at one section of our railway, which is nine miles long, it takes the train—the express—49 minutes. It does not take them 49 minutes because of the grade, it takes them 49 minutes because the schedule says not to do it faster than that. I am talking now, of course, about a deliberate attempt on the part of the CNR to downgrade itself so that it then can get out of business.

There are a number of things that could be brought up at this point. I would sooner that you went and talked to the railway men yourselves. I do not expect perfection, but I noticed last night that the sheets on my bed had holes in them—it is just one of those things. I noticed a lot of other things, too. I noticed, for instance, that the white slip on the back of the seat was not white and I was told—now, this is quite correct—"We have been told not to change them after each trip; they have got to last longer than that". Is this economy or is this downgrading?

I notice the menu has changed. We were very proud of our menu on our trains and people came from all parts of Newfoundland to get a good meal on the railway. This has changed now and the fare is very simple. In fact now, according to CNR standards, they do not serve breakfast because the train is

[*Interpretation*]

Chose intéressante, alors que l'on a amélioré le service à Port-aux-Basques et aménagé des installations à Argentia pour le transport des marchandises et des voyageurs, on a fait à peu près rien, deluis 80 ans, pour accroître la vitesse du trajet. J'ai chez moi de vieux horaires qui remontent bien loin dans le passé; ainsi, il y a 50 ans, il fallait 27 heures pour se rendre de Saint-Jean à Port-aux-Basques; en 1933; il en fallait 25½, et aujourd'hui, le trajet prend 22 heures. Pourtant—et je vous le dis avec l'entière certitude que ce renseignement qu'on m'a fourni est exact—lorsque le président du National-Canadien est venu ici récemment, on lui a fait faire le parcours en 17 heures.

Une voix: Sans escale?

M. Murphy: Non. Le train s'est arrêté ici et là, mais seulement pour quelques instants, le temps d'une poignée de main ou deux, mais pour prendre ou décharger des marchandises. On aurait eu le temps de décharger le courrier et les messageries. Les cheminots me disent que si l'on voulait, on pourrait s'assurer sans aucun mal que le trajet quotidien prenne au plus 18 heures.

Je vous donnerai des chiffres qui seront de nature à vous intéresser, j'en suis sûr. Sur un tronçon qui a neuf milles de longueur, le train prend 49 minutes, non pas à cause de la pente, mais simplement parce que l'horaire est fait ainsi. Il est interdit d'aller plus vite. Voilà ce qui me semble, de la part du National-Canadien, une tentative délibérée pour abaisser la qualité du service, afin d'être poussé à l'abolir.

Il y a un certain nombre de choses qu'on pourrait signaler dès maintenant, mais je préférerais que vous vous entreteniez vous-mêmes avec les cheminots. Je ne m'attends pas à la perfection, mais j'ai pu constater hier soir que les draps sur mon lit étaient troués. C'est peu, mais j'ai observé bien d'autres choses aussi, comme la propreté douteuse de la couverture blanche sur le dos du siège. On nous a dit—je vous le jure—qu'il était interdit de la changer après chaque voyage, parce qu'elle devait durer plus longtemps que cela. Est-ce par souci d'économie ou simplement une baisse dans la qualité du service?

J'ai aussi remarqué qu'on avait modifié le menu. Nous pouvions nous enorgueillir jadis des repas qu'on servait à bord de nos trains; d'ailleurs, les gens venaient de partout pour prendre un bon repas dans le train. Aujourd'hui, tout est changé; les repas sont très simples. En fait, suivant les directives du Natio-

[*Texte*]

due to arrive at St. John's at 8 o'clock. On any passenger train in Canada in the CNR system, they tell me, that arrives before 8 o'clock or at 8 o'clock there is only a continental breakfast—although I must say I was very grateful for that.

I do not want you to get the impression, though, that it has been downgraded to the point that our railway is now a Toonerville Prairie line, it is not. Some of the equipment is first class.

I looked at the sleeping cars last night and they are modern cars; I think they are post-war cars. Certainly we have some pre-war cars still in use, but of the ones I looked at last night some of them were post-war and very good and they had one private car on which was an old one, but as a private car, it was fine. I think there is no argument about this. I have talked to many men and there is no doubt in their minds from the instructions they have been given that it has been a two-pronged attack, one is economy and the other is "We do not care, let it go at that and we can talk our way out of it".

The CNR has done something which I feel badly about. They keep talking about the loss the CNR has sustained in Canada last year as being $36 million. They talked about the loss in Newfoundland as being $1 million. I suggest to you that this word is wrong.

It is not a loss. In fact, the cost of services in Newfoundland has only been $1 million and if you look at it in that light, I will astonish you by telling you that we have ferry service between North Sydney and Port aux Basques; we have passenger and freight services on the railway; we have a coastal steamship service and it only cost $1 million to give us all this. If you can tell me where you will get a bargain like that anywhere else in the world, then I will be astonished in turn.

I must tie this in with the CBC announcement by the President of the CBC who was here on Thursday—two days ago—and talked to the Rotary club in st. John's. He quoted a figure of $150 million as being the cost of services of the CBC throughout Canada.

He used the word "cost" not "loss" because this is a service that every Canadian is entitled to. So I maintain that the cost of the Newfoundland railway is only the service we are entitled to and if you work it out it comes to $2 a head per year for every Newfoundlander which is not bad.

[*Interprétation*]

nal-Canadien, le petit déjeuner n'est pas servi à bord, étant donné que le train arrive à Saint-Jean à 8 heures du matin. Ailleurs au Canada, sur le réseau du National-Canadien, jusqu'à huit heures, me dit-on, un petit déjeuner continental est offert aux voyageurs; pour ma part, j'en serais fort aise.

Je ne voudrais pas vous donner à entendre que le service s'est détérioré en tous points. Non, car l'équipement est de premier ordre, dans certains cas.

J'ai jeté un coup d'œil sur les wagons-lits hier soir, ils sont modernes, je pense qu'ils remontent à l'après-guerre. On se sert aussi de wagons plus anciens, bien sûr, mais de ceux que j'ai vus hier soir, certains ont été construits après la guerre et sont en excellent état. Il y avait, en particulier, un wagon privé, assez vieux, mais bien conservé. Je pense donc qu'aucun doute n'existe à ce sujet. Pour tous ces gens à qui j'ai parlé, il est bien évident, à la lumière des directives qu'ils ont reçues, qu'on a voulu, d'abord, faire des économies, mais aussi qu'on s'en moque, que les critiques vont bon leur train quand même.

Sous un aspect, le National-Canadien s'est mal comporté, à mon sens. Il ne cesse de répéter que ses pertes l'an dernier au Canada ont atteint 36 millions de dollars, et à Terre-Neuve même un million. Pour moi, perte n'est pas le terme juste.

Il ne s'agit pas d'une perte, en l'occurrence. Les frais réels d'exploitation à Terre-Neuve ont totalisé seulement un million de dollars. Si l'on n'envisage que ce seul aspect, je vous étonnerai en vous disant que nous comptons un service de transbordement entre North Sydney et Port-aux-Basques, des trains pour voyageurs et marchandises, un service côtier, et il nous en coûte qu'un million de dollars pour tout cela. Si vous pouvez me dire où l'on peut trouver mieux ailleurs, alors je serais vraiment étonné.

Je dois rappeler la déclaration faite par le président de la Société Radio-Canada qui, jeudi dernier, a pris la parole devant le *Rotary Club*, à Saint-Jean. Il a mentionné le chiffre de 150 millions de dollars comme étant le coût des services de la société Radio-Canada au pays.

Il a dit coût, non pas perte, parce que c'est un service auquel ont droit tous les Canadiens. C'est pourquoi je maintiens que le chemin de fer de Terre-Neuve n'est que le service auquel nous avons droit, service qui revient annuellement à $2 par tête d'habitant. Ce n'est pas si mal.

[*Text*]

I now would like to talk about the train-bus figures. I am sorry I was not here to hear the figures that were given you, but I heard them on radio and I have seen them in the newspapers. The CNR is trying to tell us now that the figures for bus passengers were up. Let me tell you that there are only three trains a week operating in each direction, but there are four or five buses daily in each direction.

Let me tell you that many people are taking the bus for short journeys, but not for long journeys. Let me tell you that when you put the figures in this light, you will find that at this time of year—now, in February—there are not too many people travelling and it has always been thus. In the wintertime in Newfoundland you could always travel without any difficulty by train and get a berth, but now the railway is using these figures to tell us what a tremendous improvement there will be in passenger travel once the buses have been offered to them. I disagree.

I think also that the facilities offered in the buses, as you know after having travelled in the buses, are very different. While one could travel on a bus for a short distance and put up with it, it is a bit cramped and I think it would be very difficult for a mother and three children travelling from St. John's to Port aux Basques if the only means of travel were the bus.

I think it is extremely difficult for people with disabilities, people who are sick or people perhaps in plaster casts as there is nothing at all laid out for these people. I think the bus service is fine, but I think it has to be backed up now with a passenger service which must never be allowed to disappear.

You wll be interested in a follow-up on my statement that I came in by train because of the fog. I should tell you now that the Supreme Court of Newfoundland is presently on circuit and had to go to its first port of call, Grand Falls, by train to meet its schedule because the airlines could not move and you could not drive because of the fog. I happened to meet the Justice who was in charge of the Supreme Court and he was telling me that he had to go by train. The Supreme Court would not have got to Grand Falls to start its circuit but for the fact that the railway was there.

Here is another interesting thing. On the tables at lunch today you saw this advertisement for the buses, put out by the CNR which they have not done for railways over the years. I could talk about the cost figures because the CNR has never gone into the cost

[*Interpretation*]

Je voudrais parler maintenant du train-autobus. Je regrette d'avoir été absent lorsqu'on vous a fourni les données pertinentes. Je les ai vues dans les journaux, je les ai entendues à la radio. Le National-Canadien nous donne à entendre que le nombre des passagers d'autobus a augmenté. Or, il n'y a que trois trains par semaine dans chaque direction contre quatre ou cinq autobus par jour.

En outre, une bon nombre de gens prennent l'autobus pour de courts trajets et le train pour de longs trajets. Lorsque l'on envisage les chiffres dans cette perspective, on s'aperçoit qu'à cette époque de l'année, en février, peu de gens voyagent, et il en fut toujours ainsi. A l'hiver, à Terre-Neuve, il est toujours possible de voyager sans difficulté par train et d'obtenir une place; maintenant, le chemin de fer nous sort des chiffres pour démontrer que l'autobus entraînera une augmentation sensible du nombre de voyageurs. Je ne suis pas d'accord.

Je pense de même que les installations à bord des autobus, comme vous le savez vous-mêmes après avoir utilisé ce mode de transport, sont loin d'être aussi convenables. Alors qu'un court trajet en autobus s'endure assez bien, malgré tout, il n'y a pas tellement d'espace. A ce compte-là, il serait très difficile pour une mère et ses trois enfants de se rendre de Saint-Jean à Port-aux-Bacques s'il n'y a qu'un seul moyen de transport, l'autobus.

Ce le serait aussi pour les gens invalides, infirmes, avec un membre dans le plâtre, etc., car il n'y a rien de prévu pour accommoder ces gens. Je pense bien que le service d'autobus est excellent, mais qu'il faut le compléter par un service-voyageurs qui ne devrait jamais disparaître.

Soit dit en passant, permettez-moi d'ajouter que je suis venu en train à cause du brouillard. Or, en ce moment, les juges de la Cour suprême de Terre-Neuve, dont la première escale dans leur tournée est à Grand Falls, ont dû prendre le train, vu le mauvais temps. Par pure coïncidence, j'ai rencontré le juge en chef qui m'a dit que force lui était de prendre le train. Voilà donc que la Cour suprême n'aurait pas pu se rendre à Grand Falls pour y tenir ses audiences, n'eut été la disponibilité du chemin de fer.

Autre chose fort intéressante. Sur les tables au déjeuner aujourd'hui, il y avait cette annonce du National-Canadien pour les autobus, alors qu'on n'a rien fait de semblable pour les chemins de fer au cours des années. Je pourrais vous parler du facteur coût; le

[*Texte*]

igure that it has given out. I am sure you gentlemen are quite capable of looking into his yourselves and making your own conclusions.

I would like to talk to you about the fact hat there must be an alternate method of ravel for the public. They all do not want to ly; a lot of people are scared of flying. They annot always fly and the bus is not the nswer.

Another question came up on the number f passengers being carried. I checked that ut and I found that at the peak season the rains will carry as many as 1,000 passengers n one train. The buses, I think, have a apacity of 39 passengers and at the present noment there are 16 of them.

If you multiply 30 by 16 and if they all go n one direction at the same time, they will ot match the 1,000 on the train. Admittedly his is only at holiday time. At Christmas vhen the university students are going back or holidays, at Easter and during the sum- ner when the tourists are around, the num- ers are up, but I should tell you that the erries can bring in a lot more people to Port ux Basques than the buses can take out of here. During the summer you have to expect hese people to come and they will not all ome in their own cars.

I could talk about the job losses, but all I vill say is that the figures for the actual umber of jobs that will disappear are proba- ly correct, but do not take into account nany other jobs such as, cleaners, electri- ians and other people who are hidden away nd will no longer have employment.

The Chairman has asked me to finish uickly and I will end up by saying, again, nd it is in brief, that I believe the terms of Confederation are being violated by the CNR eing allowed to discontinue passenger ser- ice. I refer you to the terms of Confedera- ion because it is clearly laid down there. This is the third presentation that I have nade; I presented a brief to the Canadian Transportation Commission; I presented a rief to the Newfoundland Public Utilities Board and now I am glad of the opportunity o present it to you.

I tell you that I believe you have a respon- ibility not only to the people of Canada, but articularly to the people of Newfoundland, o see that at no time do any of the terms of Confederation be violated in any way.

[*Interprétation*]

National-Canadien, lui, ne dit jamais rien des chiffres qu'il rend publics. Enfin, je suis sûr que vous, messieurs, pouvez étudier la question vous-mêmes et tirer vos propres conclusions.

J'ajouterai qu'à mon sens, il devrait y avoir d'autres modes de transfert public. Tout le monde n'aime pas prendre l'avion, il y en a qui ont peur de voyager ainsi, mais l'autobus n'est pas la réponse pour eux.

Il a été aussi question du nombre de voyageurs. Étant allé aux renseignements, j'ai appris qu'à la saison de pointe, le train pourra transporter jusqu'à 1,000 voyageurs par trajet. Les autobus, par contre, ne peuvent prendre que 39 passagers; or, en ce moment, on ne dispose que de 16 véhicules.

Multipliez 30 par 16, c'est-à-dire si tous vont dans la même direction en même temps, vous êtes encore loin des 1,000 voyageurs que peut transporter le train. Bien sûr, on ne voit cela qu'aux vacances, à Noël, quand les étudiants retournent dans leur foyer, à Pâques, à l'été, quand les touristes affluent. Je dois dire que les bacs peuvent amener beaucoup plus de voyageurs à Port-aux-Basques que les autobus peuvent prendre. L'été, on peut s'attendre à une affluence de touristes, qui ne sont pas tous en voiture.

Je pourrais vous parler du chômage éventuel, mais tout ce que je dirai, c'est que les chiffres quant au nombre d'emplois appelés à disparaître sont probablement exacts, mais qu'ils ne tiennent pas compte des autres métiers qui disparaîtront: nettoyeurs, teinturiers, électriciens et tous les autres, dont le cas est moins évident, qui ne pourront plus se trouver du travail.

Le président me demande de terminer rapidement. Aussi je termine en répétant, bref, que les conditions de la Confédération seront enfreintes si l'on permet au National-Canadien de mettre fin à son service-voyageurs. Je vous renvoie aux conditions de la Confédération, car la chose y est établie bien clairement. C'est le troisième mémoire que je présente, soit le premier à la Commission canadienne des transports, le deuxième à l'Office des services publics de Terre-Neuve, et celui-ci, que je suis honoré de vous communiquer.

A mon sens, vous avez des responsabilités à assumer, non seulement envers la population du Canada, mais tout particulièrement envers Terre-Neuve, pour que jamais aucune des conditions de la Confédération ne soit enfreinte.

[*Text*]

If, in fact, there is to be any change in the terms of Confederation, it can only be brought about by direct negotiations between the Government of Newfoundland and the Government of Canada. No one else can change the terms of Confederation and might well be, in fact, the subject of a general election, certainly in this province. I would like to feel that you gentlemen are quite capable of making up your minds after listening to all the presentations that have been made. I am sure you are aware that in only one month's time Canada and Newfoundland will have been partners in Confederation for 20 years. On March 31, we celebrate our twentieth anniversary, and 15 days later the CNR plans, by their own statement, to discontinue passenger service. You have a responsibility then to see that in fact they are not allowed to do this. I feel quite sure that I can safely leave this in your hands. Thank you very much.

Mr. Corbin: Mr. Chairman, on page 8 of the brief there is a paragraph that says:

> There is no doubt that had the Canadian National Railway not decided to introduce bus service, it would have been introduced shortly by some private business firm . . .

and so on. Can you state as a fact, sir, that private enterprise would have established this bus service very soon? Can you give any names?

Mr. Murphy: Already in Newfoundland, we have two or three bus services operating in their own sections. We had one bus service that was operating between Cornerbrook and St. John's; it was one of these big CN-type buses. It was surely then only a question of time before either they amalgamated or one of them became big enough to take over, not to take over the whole system but to operate over the whole highway. They are doing it now, or they were for a time, with taxis, small cars, and as the traffic grows this inevitably will grow into a bus service.

Mr. Corbin: I had many other questions but I will just ask one other, Mr. Chairman. Is it not a fact, which you may want to confirm or deny, that more Newfoundlanders today are purchasing cars; likewise, private companies prefer to run their own fleets of trucks? As a consequence, this is the very reason the provincial government is emphasizing, and will do so for 15 or 20 years as we were told yesterday, a far-reaching road building program? I wonder if you would have any comments in that respect?

[*Interpretation*]

S'il faut apporter, d'ailleurs, des modifications au libellé de la Confédération, ce ne sera qu'en vertu de négociations directes entre le gouvernement de Terre-Neuve et celui du Canada. Personne d'autre ne peut modifier les conditions de la Confédération; la chose, d'ailleurs, pourrait faire l'objet d'élections générales, du moins dans cette province. J'aimerais croire que vous, messieurs, êtes très capables de vous décider vous-mêmes après avoir entendu toutes les présentations qui ont été faites. Je suis sûr que vous savez que dans un mois seulement, il y aura vingt ans que Terre-Neuve est entré dans la Confédération. Nous célèbrerons le vingtième anniversaire le 31 mars, et quinze jours plus tard, le CN a l'intention de discontinuer le service voyageur. Vous avez donc la responsabilité de voir à ce qu'on ne leur permette pas de le faire. Je suis sûr que je puis vous laisser l'affaire entre les mains. Je vous remercie.

M. Corbin: Monsieur le président, à la page 8 du mémoire il y a un paragraphe qui dit: Qu'il n'y a aucun doute que si le Canadien National n'avait pas décidé d'introduire un service d'autobus, cela aurait été fait avant longtemps par certaines sociétés privées, et le reste. Pouvez-vous donc dire, de façon certaine, qu'il y aurait eu une entreprise privée qui aurait établi ce service d'autobus bientôt? Pouvez-vous nous nommer qui que ce soit?

M. Murphy: Mais, nous avons deux ou trois services d'autobus qui exploitent chacun leur propre secteur. Nous en avions un entre Corner Brook et Saint-Jean, c'était l'un de ces gros autobus du CN. Sûrement ce n'était qu'une question de temps avant qu'ils ne se fusionnent ou que l'un devienne assez grand, non pas pour prendre tout le réseau, mais pour parcourir toute la grande route. Ils le font, à l'heure actuelle, ou ils le faisaient, pendant un certain temps même en taxis, en petites voitures et au fur et à mesure que la circulation augmente, inévitablement, on en arrive à un service d'autobus.

M. Corbin: J'avais toute une série de questions à poser mais j'en poserai juste une autre, monsieur le président. N'est-ce pas un fait, que vous voudrez peut-être confirmer ou nier, que plus de Terre-Neuviens aujourd'hui achètent des automobiles; et que, de même, les sociétés privées préfèrent avoir leur propre flotte de camions? En conséquence, c'est la raison même pour laquelle le gouvernement provincial insiste et continuera à insister d'ici quinze ou vingt ans, comme on nous l'a dit hier, sur un programme de construction des routes à long terme? Avez-vous des commentaires à ce sujet?

[*Texte*]

Mr. Murphy: I will say that the economic development in Newfoundland depends on the building of roads to all parts of our province. We cannot afford now to wait for the boats. I lived on the coast for some years and I can tell you that I have sat watching the coastal boat tied up for 21 days. It is not uncommon to have a coastal boat tied up for 5 to 10 days. You cannot keep the economy of a province running this way, but you can when you build roads, when you get things moving.

Mr. Corbin: Thank you, sir.

Mr. Rock: You said something to the effect that Air Canada intends to opt out of regional flights. Where did you get this information?

Mr. Murphy: Sir, these things come to me from many sources.

Mr. Rock: Yes, well is it not a fact that it is actually some other regional carriers who want Air Canada to get rid of that service so that they could opt in, but that Air Canada does not want to opt out?

Mr. Murphy: I have never heard that somebody else wants them to opt out so they can opt in.

Mr. Rock: Well, we heard this in other hearings, that is why I ask.

Mr. Murphy: This is possible. We believe, just as the CN has a responsibility, so has Air Canada, to supply services to Newfoundland and not withdraw them.

Mr. Rock: Before today, when was the last time you took the "Bullet"?

Mr. Murphy: Oh, in the past five or six years I have ridden the "Bullet" a number of times.

Mr. Rock: What does that mean?

Mr. Murphy: I must say that more often I have to fly in and back in a day and I cannot afford the luxury, the privilege, the leisure, of riding the "Bullet". It is 16 hours from Cornerbrook to St. John's; it is very pleasant. You get on at 4 o'clock in the afternoon, you do a bit of work, write your brief for presentation to this Committee, you go and have your dinner, you come back and you do a bit more work, correcting it, you go and have a lunch and then it is time for bed. When you

[*Interprétation*]

M. Murphy: Je dirais que le développement économique de Terre-Neuve dépend de la construction des routes allant dans toutes les parties de notre province. Nous ne pouvons pas nous payer le luxe d'attendre les navires. J'ai demeuré le long du littoral pendant un certain nombre d'années et je puis vous dire que j'ai vu le service côtier arrêté pendant vingt et un jours. Ce n'est pas extraordinaire de voir un bateau côtier arrêté pendant cinq ou dix jours. Il est impossible de maintenir l'économie d'une province de cette façon, mais c'est possible lorsque vous construisez des routes, lorsque vous mettez les choses en marche.

M. Corbin: Merci, monsieur.

M. Rock: Mais vous avez dit quelque chose à l'effet qu'Air Canada a l'intention de se désister des vols régionaux. Où avez-vous pris ces renseignements?

M. Murphy: Ces choses me viennent, monsieur, de plusieurs sources.

M. Rock: N'est-ce pas un fait, qu'il s'agit en fait d'un autre transporteur régional qui voudrait qu'Air Canada se débarasse de ce service afin de pouvoir s'y intégrer, mais qu'Air Canada ne veut pas le faire?

M. Murphy: Je n'ai jamais entendu dire qu'on voulait qu'Air Canada le fasse.

M. Rock: Nous avons entendu cela à d'autres audiences, c'est pourquoi je le demande.

M. Murphy: C'est possible, évidemment, mais nous croyons que, tout comme le CN, Air Canada a aussi, une responsabilité d'assurer des services à Terre-Neuve et non pas les retirer.

M. Rock: Avant aujourd'hui, quelle est la dernière fois que vous avez pris le «Bullet»?

M. Murphy: Depuis cinq ou six ans, j'ai voyagé par le «Bullet» à plusieurs reprises.

M. Rock: Qu'est-ce que cela veut dire?

M. Murphy: Mais je dois dire que plus souvent je suis obligé de venir et de retourner en avion la même journée et que je ne puis me permettre le luxe, l'avantage, le loisir de voyager en «Bullet». Cela prend 16 heures de Corner-Brook à St-Jean; c'est très agréable. Vous embarquez à quatre heures l'après-midi, vous faites un peu de travail, vous rédigez votre mémoire pour le présenter au Comité, vous allez prendre votre dîner, vous faites un peu plus de travail, vous le corrigez, vous

[*Text*]

wake up in the morning there is just time for a cup of tea and a bit of toast and your are in St. John's at 8 o'clock.

Mr. Rock: Yes, I know, but it seems, sir, that you must admit you have not taken that train for a long time, except for today to write your brief.

Mr. Murphy: No, no, I have been on that train half a dozen times in the past five or six years.

Mr. Rock: Well, that is it, perhaps once a year for the past six years.

Mr. Murphy: Yes, but now this is the type of business I have to conduct.

Mr. Rock: Yes, I know, but you can understand that in the same period of time, though, the CNR has lost 50 per cent of its passengers.

Mr. Murphy: Now, ask me the question: how many times have I tried to get into St. John's and my flight has been cancelled and I have been left sitting at the airport.

Mr. Rock: Well, I am not arguing that point. We are talking now about the "Bullet".

Mr. Murphy: It works out about the same.

Mr. Rock: During your statements you sort of inferred that in some manner CNR increased their hours of scheduling. This is the way it ended up. Have you any proof that they actually increased . . .

Mr. Murphy: No, no, they have come down.

Mr. Rock: They have come down?

Mr. Murphy: It used to take 27 hours to go from Port aux Basques to St. John's; it is 22 now, but, in fact, they can do it in 18. They took the CNR president across in 17 hours.

Mr. Rock: Yes, right. This means that the CNR president actually had a schedule that would be like an express schedule?

Mr. Murphy: That is right.

Mr. Rock: Did the people in Newfoundland ever demand an express schedule or did they always expect the schedule as it is, to stop at every municipality wherever anyone wanted to stop?

Mr. Murphy: I would not say the people of Newfoundland had demanded this. I think it

[*Interpretation*]

prenez un petit goûter, ensuite vous vous couchez. Puis le matin quand vous vous levez juste le temps de prendre une tasse de thé et des *toasts* et vous êtes à Saint-Jean à huit heures.

M. Rock: Oui, je sais, mais il semble, monsieur, que vous devez admettre que vous n'avez pas pris ce train, depuis longtemps, sauf aujourd'hui pour rédiger votre mémoire.

M. Murphy: Non, non, je l'ai pris cinq ou six fois depuis cinq ou six ans.

M. Rock: Ah oui; une fois par année depuis cinq ou six ans.

M. Murphy: Oui, mais c'est le genre d'affaires que j'ai à diriger.

M. Rock: Oui, mais vous comprenez que pendant cette période de temps, le CN a perdu 50 pour cent de ses voyageurs.

M. Murphy: Et maintenant, demandez-moi combien de fois j'ai essayé de venir à St-Jean et que mon vol avait été annulé et que j'ai été laissé en plus à l'aéroport.

M. Rock: Ce n'est pas ce dont je parle. Nous parlions du «Bullet».

M. Murphy: Oui, çà revient à peu près à la même chose.

M. Rock: Dans vos déclarations, vous avez laissé entendre que d'une façon ou d'une autre, le CN avait augmenté les heures de son horaire. Vous avez terminé sur cela. Avez-vous une preuve du fait qu'ils l'ont fait?

M. Murphy: Non, non, ils les ont diminués.

M. Rock: Ils les ont diminués?

M. Murphy: Cela prenait 27 heures de Port-aux-Basques à Saint-Jean; cela n'en prend que 22 aujourd'hui, mais en fait ils peuvent le faire en 18. Ils ont transporté le président du CN en 17 heures.

M. Rock: Oui, c'est exact. Cela veut dire que l'horaire du président du CN était un horaire de rapide, n'est-ce pas?

M. Murphy: C'est exact.

M. Rock: Est-ce que les gens de Terre-Neuve ont demandé un horaire de rapide, ou est-ce qu'ils se sont toujours attendus qu'on aie l'horaire prévu à l'heure actuelle, qui est d'arrêter partout où les gens veulent arrêter?

M. Murphy: Je ne dirais pas que les gens de Terre-Neuve l'avaient demandé. On a sou-

[*Texte*]

has been brought up many times. That what we would like is an express that took just our passengers and mail. In fact, this is what we have, but the CNR is in no rush to push this train through; it takes 22 hours and that is the express. It is listed as the express; it does not carry any freight, just passengers and mail.

Mr. Rock: I guess express in Newfoundland does not mean the same thing as it does in other parts of Canada.

Mr. Murphy: Possibly not.

Mr. Perrault: I would like to ask Dr. Murphy a question regarding the terms of entry into Confederation on the part of Newfoundland. Do you mean to infer from your statement today that if 100 years from now it is demonstrated that rocket power is a far more feasible way to transport the people of Newfoundland around this province, and to communicate with the rest of Canada, that the people of Newfoundland will still insist that a passenger service, which by then may be completely outmoded and technologically in the stone age, should be retained?

Mr. Murphy: No, sir. I have already covered that point. I said that it was my firm belief that the terms of Confederation can be changed by direct negotiations between the government of Newfoundland—that is the people of Newfoundland—and the Government of Canada.

Mr. Perrault: Yes, this judgment also suggests—certainly the way I have read it and here again I have listened with interest to the arguments advanced today and I am trying to bring an objective mind to bear—that there has to be as good as or better service as a result of the institution of this new form of travel, regardless of whether or not the two services continue for a period of time.

There are arguments for and against, but I think merely to invoke the technical terms of union is really irrelevant because the question is: how can we best serve the people of Newfoundland and their transportation needs? If we attempted to invoke all of the terms of British Columbia's entry into Confederation we could engage in ceaseless argument which really would be quite useless in the context of modern conditions.

[*Interprétation*]

vent dit que ce qu'on aimerait, c'est un service rapide qui ne prendrait que les passagers et le courrier. De fait, c'est ce que nous avons, mais le CN n'est pas pressé de faire avancer ce train plus rapidement. Cela prend 22 heures et voilà notre rapide. Il est sensé être le rapide; il ne transporte pas de marchandises, seulement les voyageurs et le courrier.

M. Rock: L'expression «rapide» ne signifie pas la même chose ici, qu'ailleurs au Canada, j'imagine.

M. Murphy: Peut-être pas.

M. Perreault: J'aimerais demander au Dr Murphy une question au sujet des conditions de l'entrée de Terre-Neuve dans la Confédération, de la part de Terre-Neuve. Est-ce que nous devons comprendre, d'après ce que vous avez dit aujourd'hui, que si dans 100 ans, on peut prouver que les trains turbo-réactés sont plus efficaces pour transporter les Terre-Neuviens dans la province et pour communiquer avec le reste du Canada, que les gens de Terre-Neuve insisteront toujours pour qu'un service de voyageurs qui, à ce moment-là, pourrait fort bien être désuet et de l'âge de pierre, au point de vue technologique, soit conservé?

M. Murphy: Non, monsieur. Et j'ai déjà expliqué la chose. J'ai dit que je croyais qu'on peut changer les conditions de l'entrée dans la Confédération par des négotiations directes entre le gouvernement de Terre-Neuve, c'est-à-dire les gens de Terre-Neuve, et le gouvernement du Canada.

M. Perrault: Oui, cette décision suggère, sûrement en la lisant, et, encore une fois, j'ai écouté attentivement les arguments proposés aujourd'hui, j'essaie d'avoir l'esprit ouvert sur cette question, qu'il doit y avoir un service aussi bon, sinon meilleur, à la suite de l'établissement de ce nouveau mode de voyage, peu importe si les deux services continuent pour un certain temps.

Il y a du pour et du contre, mais le fait de simplement faire appel aux conditions techniques de l'entrée n'est vraiment pas pertinent car, ce qu'il faut savoir, c'est comment nous pouvons desservir le mieux les Terre-Neuviens en matière de transports. Si nous tentions d'invoquer un onzième des conditions de l'entrée de la Colombie-Britannique dans la Confédération, nous nous engagerions dans une discussion sans fin qui ne serait vraiment pas pertinente dans le contexte des conditions modernes.

[*Text*]

Mr. Murphy: You have an argument, but, in fact, at stake here are the terms of Confederation of Newfoundland with Canada. I do not believe that anybody, except the two major governments, has the right to break these terms. This is the point I am making. You and I may agree that we need rocket power tomorrow, but until the two governments agree this is the way it must be done and take that out of the terms of Confederation, it cannot be done.

Mr. Allmand: I have a supplementary, Mr. Chairman. Sir, has there in fact been a legal opinion prepared on this point? Was one submitted to the Canadian Transport Commission or was there an appeal in law considered from the decision of the Canadian Transport Commission based on the terms of reference of Confederation?

Mr. Murphy: Considered by us?

Mr. Allmand: Yes.

Mr. Murphy: We considered it and did not know how to go about it as you have already heard Mr. Thoms say. At that time we did not even know you could appeal the ruling of the Canadian Transport Commission. We found out, as I understood, too late.

Mr. Allmand: Are there any legal opinions on this point? It is a serious point about the terms of reference of Confederation?

Mr. Murphy: I just wonder what right we would have to take a legal argument and go, say, to the Governor in Council. Should it not be the Newfoundland government?

Mr. Allmand: Well, it could be anybody.

Mr. Murphy: This is my feeling, that it should be the Newfoundland government that does this. Frankly we do not understand, a lot of people do not understand, why the Newfoundland government has been silent on this question. Maybe it has not been silent, maybe they have signed some sort of agreement with the federal government, we do not know.

Mr. Allmand: Yesterday the representatives said they were going to look at how the people of Newfoundland reacted to both means of transportation and then they may make a decision.

Mr. Murphy: In fact, the Newfoundland government asked for a five-year period

[*Interpretation*]

M. Murphy: Vous avez un argument, mais de fait, ce qui est un jeu ici, ce sont les conditions de l'union de Terre-Neuve au Canada. Et je ne crois pas que personne, sauf les deux gouvernements principaux, ait le droit d'y changer quoi que se soit. Nous serons peut-être d'avis que cela nous prend des turbo-réactés demain, mais jusqu'à ce que les deux gouvernements décident que c'est la façon de procéder et qu'on enlève cela des conditions de l'union, on ne peut pas le faire.

M. Allmand: J'ai une question supplémentaire, monsieur le président En fait, est-ce qu'il y a eu une opinion juridique à cet égard? Est-ce qu'il y en a une qui a été présentée à la Commission canadienne des transports? Ou est-ce qu'on a songé à interjeter appel devant la loi de la décision de la Commission fondée sur les attributions de la Confédération?

M. Murphy: Envisagés par nous?

M. Allmand: Oui.

M. Murphy: Nous l'avons envisagé, mais nous ne savions pas comment nous y prendre, comme vous l'avez entendu de la part de M. Thoms. Nous ne savions même pas, alors qu'il était possible d'interjeter appel de la décision de la Commission canadienne des transports. Quand nous l'avons appris, c'était trop tard.

M. Allmand: Est-ce qu'il y a des opinions juridiques à cet égard? C'est un point très sérieux ce rapport aux conditions de l'union.

M. Murphy: Je me demande ce que nous pourrions faire si nous prenions une opinion juridique, et si nous nous présentions au gouverneur en conseil. Est-ce que ça ne devrait pas être le gouvernement de Terre-Neuve?.

M. Allmand: Ce pourrait-être n'importe qui.

M. Murphy: C'est l'impression que j'ai que ça devrait être le gouvernement de Terre-Neuve qui le fasse. Franchement nous ne comprenons pas. Beaucoup de gens ne comprennent pas pourquoi le gouvernement de Terre-Neuve a été silencieux à ce sujet. Peut-être ne l'a-t-il pas été. Il a peut-être signé un genre d'accord avec le gouvernement fédéral? On ne le sait pas.

M. Allmand: Hier les représentants ont dit qu'ils allaient étudier la réaction des gens aux deux modes de transport et qu'ils prendraient une décision par la suite.

M. Murphy: En fait, le gouvernement de Terre-Neuve avait demandé une période de

[*Texte*]

when both would operate. I must say I agree with this and if at the end of five years it is quite obvious that the railway is no longer needed, then I would be the first one to agree with the Newfoundland government going to the federal government and saying, "Let us drop this out of the terms of Confederation, we are quite happy now with just the bus service".

Mr. Allmand: The section of the law relating to the appeal says that it can be made by any person, group and so forth.

Mr. Murphy: It is a little difficult to get a single person though or a small group to take up a big thing like this; it should be at government level.

Mr. Allmand: It could be done by municipalities or trade unions or boards of commerce and so forth; thank you.

The Chairman: Are there any other questions gentlemen?

Mr. Peddle: Dr. Murphy, everyone of the witnesses today has been asked—I do not know what the relevance is—how often do you ride the train. Is it not a fact that in the year under review, on which the CNR based their application to abandon, 1966, that 90,000 Newfoundlanders used the train?

Mr. Murphy: Yes.

Mr. Peddle: I think this is the relevant point rather than whether you or I or some other individual rides the train.

Mr. Murphy: More than that Mr. Peddle, twice in 1968 the CNR proudly announced, proudly announced on radio and television and in the newspapers, that they had a record month carrying passengers, whatever month it was. At the same time, with the other breath they were saying, so we have got to discontinue our passenger service. It did not make sense.

Mr. Mahoney: I think first I should like to compliment the witness on his very eloquent presentation of what might be termed a precis of many of the points of view we have heard here in the last two days. To get back to the mundane things, when we were questioning the Port of Cornerbrook Chamber of Commerce there were a couple of questions left up in the air and I would just like to clear these up. As I gathered from them, the port development to date has been pretty much a matter of private enterprise. Is it not within the competence of the City of Corner-

[*Interprétation*]

cinq ans pour l'exploitation des deux. Je suis tout à fait d'accord et si à la fin de la période de cinq ans il est évident qu'on n'a pas besoin de chemin de fer, je serais le premier à convenir que le gouvernement de Terre-Neuve demande au gouvernement de Canada d'éliminer cela des conditions de l'union, continuons simplement avec les autobus.

M. Allmand: Dans la loi, au sujet des appels, on dit que l'appel peut être interjeté par n'importe quelle personne ou groupe de personnes.

M. Murphy: Oui, mais ce n'est pas facile pour une personne ou un petit groupe de faire ce genre de chose. Ça devrait se faire au niveau du gouvernement.

M. Allmand: Cela pourrait se faire par les municipalités, les syndicats, Chambres de commerce ou groupes du genre. Merci.

Le président: Y a-t-il d'autres questions, messieurs?

M. Peddle: Monsieur Murphy, on a posé la même question à tous les témoins aujourd'hui, je ne sais quelle en est la pertinente, prenez-vous souvent le train? N'est-il pas vrai que, durant l'année à l'étude, sur laquelle le CN fonde sa demande d'abandonner le service soit 1966, 90,000 Terre-Neuviens ont utilisé le train?

M. Murphy: Oui.

M. Peddle: Je crois que c'est là le point pertinent, et non le fait que vous ou moi ou quiconque ait pris le train.

M. Murphy: Mieux que cela, monsieur Peddle, à deux reprises, au cours de 1968, le CN a fièrement annoncé, à la radio, à la télévision et dans les journaux, que la clientèle avait été exceptionnellement nombreuse pendant ce mois, quel que soit le mois. En même temps, on annonçait qu'il fallait discontinuer le service. Et cela n'avait pas de sens.

M. Mahoney: Tout d'abord, j'aimerais féliciter le témoin de son excellente présentation de ce qu'on pourrait appelé un résumé de plusieurs des points de vue que nous avions entendus depuis deux jours. Mais pour revenir aux choses normales et ordinaires, lorsque nous interrogions la Chambre de commerce du port de Corner Brook, il y a deux ou trois choses qui ont été laissées en suspens que j'aimerais éclaircir. Si j'ai bien compris, le développement du port jusqu'à maintenant était une question d'entreprise privée jusqu'à maintenant. N'est-ce pas du ressort de la ville

[*Text*]

brook to regulate the port development in a planning way until some greater authority moves in at least?

Mr. Murphy: We believe it is. We also believe that it is a federal responsibility and we have tried to work quietly with the federal authorities to find out what they are doing and how they would like to do it. Naturally, if they are going to spend $4 million or $5 million or $10 million or whatever it is, we do not want to put a spoke in this wheel because we need this so desperately.

Let me tell you that in the past two or three months, sir, the first sideloader came into Cornerbrook and she could not unload. They had to use conventional cranes to take the cargo out. Now, this is a desperate situation because they do not want to come in, it takes too long, they lose time.

Mr. Mahoney: I gathered that one of the major problems was the haphazard way in which the port had developed, the lack of integration of port facilities with other transportation systems, including your own city streets and so on. Surely while you are waiting for the federal government you are hopefully doing something to minimize the mess that allegedly is developing?

Mr. Murphy: Sir, we are working day and night trying to minimize the mess that has developed. But you cannot do this quickly; it has to be done very carefully so that everybody is eventually working together. We want to work with the people who have the money.

Mr. Perrault: Mr. Chairman, I would like to make reference to a point raised a few moments ago when we were discussing another point. I refer to the Canadian Transport Commission File No. 27563.488,

> IN THE MATTER OF the application of the Canadian National Railways under Section 314 I of The Railway Act, for authority to discontinue passenger train service between St. John's and Port aux Basques. .

Now on page 18, it is stated:

> When Newfoundland entered Confederation in 1949, one of the Terms of Union agreed upon by Canada and Newfoundland was Term 31(a) contained in Appendix "A" to Statutes of Canada, 1949, chap. 1:
>
> "At the date of Union, or as soon thereafter as practicable, Canada will take

[*Interpretation*]

de Corner Brook de réglementer le développement du port jusqu'à ce qu'une autorité supérieure s'en charge?

M. Murphy: Nous le croyons, oui. Mais nous croyons aussi qu'il s'agit d'une responsabilité fédérale. Nous avons essayé de travailler tranquillement avec les autorités fédérales pour savoir ce qu'elles voulaient et comment elles allaient procéder. Si on est pour dépenser 4, 5 ou 10 millions de dollars, nous ne voulons pas les en empêcher, car nous en avons vraiment besoin.

Depuis deux ou trois mois nous avons vu notre premier navire à déchargement de côté arrivé chez-nous, mais ils ne pouvaient pas se décharger. On a dû utiliser des grues ordinaires pour le faire. C'est une situation désespérée, car ils ne peuvent venir, cela prend trop peu de temps, il y a du retard.

M. Mahoney: Un des principaux problèmes c'était la façon dont se faisait le développement du port, le manque d'intégration avec les autres modes de transports y compris vos propres rues, municipalités, etc. En attendant le gouvernement fédéral, j'espère que vous faites quelque chose pour minimiser les problèmes qui apparemment se développent.

M. Murphy: Nous travaillons jour et nuit pour essayer de minimiser les dégâts. Mais il est impossible de faire cela en vitesse; il faut procéder avec beaucoup de soin, afin que finalement, tout le monde travaille ensemble. Nous voulons travailler avec ceux qui ont de l'argent.

M. Perrault: Monsieur le président, j'aimerais revenir à un point mentionné tout à l'heure à un autre sujet. Il s'agit du dossier 27563.488 de la Commission canadienne des transports:

> Relativement à la demande des Chemins de fer Nationaux du Canada, invoquant l'article 314 I de la Loi sur les chemins de fer pour obtenir l'autorisation de discontinuer le service du train de voyageurs entre St-Jean et Port-aux-Basques,

A la page 18, on dit:

> Quand Terre-Neuve est entrée dans la Confédération en 1949, une des conditions de l'Union acceptées tant par le Canada que par la Province en cause était la clause 31(a) qui figure au chapitre I de l'annexe «A» des statuts du Canada de 1949 et que voici:
>
> «A la date de l'Union ou assistôt que possible après cette date, le Canada pren-

[*Texte*]

over the following services and will, as from the date of Union, relieve the Province of Newfoundland of the public costs incurred in respect of every service taken over, namely,..

(a) the Newfoundland and Railway..."

Then later, and I think this is the relevant section:

On April 1, 1949, by Order in Council P.C. 1454, the Governor General in Council entrusted to Canadian National Railways the operation and management of the Newfoundland Railway. The operative words of that Order in Council as it relates to this case are:

"...Therefore, His Excellency the Governor General in Council, on the recommendation of the Minister of Transport, is pleased to order that, effective April 1, 1949, the Newfoundland Railway, including rights-of-way, wharves, dry docks and other real property, rolling stock, equipment, ships and other personal property...the title to which is vested in His Majesty, be and they are hereby entrusted in respect of management and operation thereof to the Company on the terms in the Canadian National Railways' Act expressly specified, namely, that such management and operation shall continue during the pleasure of the Governor in Council..."

Mr. Chairman, the way I interpret that—first, let me say I would like to ask your interpretation of it—is that there should be negotiations with the Government of Newfoundland and the federal government. Surely this is something that governments should sit down and discuss, but at the same time it would appear that Newfoundland agreed that they were going to turn over the operation of their railway and it should continue during the pleasure of the Governor in Council. Surely you are entrusting to some other authority the judgment whether or not the service shall continue and on what basis.

Now, I would like your interpretation of this.

Mr. Murphy: My interpretation of that is the Government of Canada would tell the Governor in Council when the time has come, and they will only do that after negotiating with Newfoundland.

[*Interprétation*]

dra à son compte les services énumérés et, à compter de la date de l'Union, libérera la province de Terre-Neuve des frais publics subis à l'égard de chaque service absorbé, à savoir:

a) Le chemin de fer de Terre-Neuve,

Et plus loin, et voici la section pertinente, je crois:

Le 1er avril 1949, le Gouverneur général en conseil a confié aux Chemins de fer nationaux du Canada l'exploitation et la gestion des Chemins de fer de Terre-Neuve. Les termes relatifs à l'exploitation dudit décret du Conseil étaient, en substance, les suivants:

«...En conséquence, il plaît à Son Excellence le Gouverneur général d'ordonner, sur la recommandation du ministre des Transports, qu'à partir du 1er avril 1949, le Chemin de fer de Terre-Neuve, y compris les emprises, les quais, cales sèches et toute autre propriété immobilière, ou matériel roulant, équipement, bateaux et autres propriétés personnelles... dont les titres sont détenus par Sa Majesté, soit dorénavant et de par les présentes confiés à la Compagnie, en ce qui concerne la gestion et l'exploitation, aux termes et conditions spécifiquement exposés dans la loi sur les Chemins de fer Nationaux du Canada, c'est-à-dire que cette gestion et exploitation durera selon le bon plaisir du Gouverneur en conseil...»

Monsieur le président, j'interprète cela et j'aimerais avoir votre propre interprétation—comme signifiant qu'il devrait y avoir des négociations entre le gouvernement de Terre-Neuve et le gouvernement fédéral. A n'en point douter, c'est là une question que les deux gouvernements devraient discuter entre eux, mais, d'autre part, il semblerait que Terre-Neuve ait convenu qu'elle allait céder l'exploitation de son chemin de fer, et que celle-ci serait maintenue au bon plaisir du gouverneur en conseil. Vous laissez donc à une autre autorité le soin de juger si le service doit être maintenu ou non, et à quelles conditions.

J'aimerais maintenant avoir votre interprétation de la chose.

M. Murphy: Mon interprétation, c'est que le gouvernement du Canada informera le gouverneur en conseil lorsque le moment sera venu, et qu'il ne le fera qu'après avoir négocié avec le gouvernement de Terre-Neuve.

[*Text*]

Mr. Perrault: Yes, but let me point out that there is no suggestion that negotiations be mandatory. It may be desirable, but there is no legal directive contained in this document that this must be done. I added that just to clear up this point that we discussed earlier.

Mr. Murphy: Then you have to go back to the terms of Confederation which can only be altered by agreement between the two governments.

Mr. Perrault: Mr. Chairman, I only can say that I hope this possibly could be sent to the courts where it could be discussed.

The Chairman: We will let the courts decide.

Mr. Perrault: All right.

The Chairman: This will end the question period. I would like to thank you, Mr. Mayor and doctor.

May I call, once more, on Mr. Keats. Is Mr. Keats here?

Mr. Keats: First, let me explain that I am a representative of the travelling public, a private citizen and I represent a large number of people who have received correspondence in the past months which I have forwarded, I think, to Mr. McGrath, expressing the desire and need for CNR freight and protesting the removal of passenger train equipment.

In summary, a brief which I have presented to the Committee stated that by removing the passenger train service in Newfoundland to my mind is an injustice to the people of Newfoundland because it leaves us with only a bus service which is neither reliable nor safe when compared to a rail service.

Secondly, Canadian National have not taken into consideration that by removing this kind of service it will create a hardship for a number of people such as the sick and invalids. Also, there is a large number of people who do not like bus or air travel.

Thirdly, I know of no other part of Canada—I exclude Prince Edward Island from this because it is true that the only other mixed train is serving Prince Edward Island, but the longest haul that a train has in Prince

[*Interpretation*]

M. Perrault: Oui, mais permettez-moi de faire remarquer que nulle part on ne dit que les négociations sont obligatoires. Qu'elles soient souhaitables, d'accord, mais ce document ne porte aucune directive judiciaire en ce sens. Si j'ajoute cela, c'est simplement pour préciser la question dont nous avons parlé plus tôt.

M. Murphy: Il faut alors se reporter aux conditions de la Confédération, qui ne peuvent être modifiées que par une entente entre les deux gouvernements.

M. Perrault: Monsieur le président, tout ce que je peux dire, c'est que j'espère que la question pourrait être renvoyée aux tribunaux, où l'on pourrait en discuter.

Le président: Nous laisserons la décision aux tribunaux.

M. Perrault: Entendu.

Le président: C'est maintenant la fin de la période de questions. Je vous remercie, monsieur le maire.

J'aimerais faire de nouveau appel à M. Keats. Est-il ici?

M. Keats: Tout d'abord, permettez-moi de vous expliquer que je suis un simple citoyen, représentant le public voyageur, et que je représente aussi un grand nombre de personnes qui ont reçu, au cours des derniers mois, des lettres que j'ai fait suivre, je crois, à M. McGrath, et dans lesquelles on exprime le désir et le besoin que l'on a du service de transport ferroviaire des marchandises du National Canadien et on se plaint de la suppression du service de train de voyageurs.

En résumé, j'ai déclaré dans un mémoire présenté au Comité qu'à mon avis, la suppression du service de train de voyageurs à Terre-Neuve constituait une injustice à l'égard de la population de Terre-Neuve, car cela ne nous laissait plus qu'un service d'autobus qui n'est ni régulier ni sûr, comparativement à un service ferroviaire.

Deuxièmement, le National-Canadien n'a pas tenu compte du fait que la suppression du service de voyageur allait poser des problèmes pour un certain nombre de personnes, comme les malades ou les invalides. Il y a aussi beaucoup de gens qui n'aiment pas voyager en autobus ou en avion.

Troisièmement, je ne connais pas d'autre région du Canada—l'exclusion de l'île-du-Prince-Édouard, qui est desservie par le seul autre train mixte, mais le parcours le plus long qu'ils aient à couvrir, selon l'horaire du

[*Texte*]

Edward Island according to Canadian National timetables is a distance from St. John's to Bonavista, not 600 miles. So there is no other place in Canada where a bus service exists where a railway does exist.

This is a brief summary of my brief.

The Chairman: Any questions, gentlemen? Well, gentlemen, this finishes the inquiry in St. John's, Newfoundland, and I would like to thank everyone of you.

[*Interprétation*]

National-Canadien, est celui de Saint-Jean à Bonavista et non pas 600 milles—il n'y a donc pas d'autre région au Canada, dis-je, où l'on ne dispose que d'un service d'autobus alors qu'il existe un chemin de fer.

Voilà donc un bref résumé de mon mémoire.

Le président: Avez-vous des questions à poser, messieurs? Bon, messieurs, ceci met fin à notre enquête à Saint-Jean de Terre-Neuve, et je tiens à vous remercier tous.

APPENDIX "Q"

BRIEF

Topic:

Present transportation and communication needs of the Province of Newfoundland and Labrador.

Submitted to:

Standing Committee on Transport and Communications.

Submitted by:

The Government of Newfoundland and Labrador.

PREFACE

The Province of Newfoundland and Labrador, latest to enter Confederation, this March 31 celebrates the 20th anniversary of its union with the rest of Canada.

Those twenty years have seen it move forward at a more rapid rate than any other province in the measurable aspects of progress. Despite these giant steps it is still far behind most other provinces in such tangibles. The rapid rate of progress to date has been made possible only by the realization of the Federal Government and sister provinces that Canada, for its national integrity, must constantly move towards the equalization of opportunity for all; that a political democracy can only be really effective when it is complemented by economic democracy.

As Newfoundland enters its twenty-first year of Confederation, it can look with pride on the results of Federal-Provincial efforts.

It has achieved a climate ideal for the development of industrial productivity through a program that included the education and training of its people to standards never even dreamed of before 1949. It has a beginning on the construction of modern port facilities; has established the world's highest per capita development of low-cost hydro power; and has created, again through Federal-Provincial co-operation, a program that is daily attracting profit-minded businessmen to establish in the province.

To build on the foundation which has been laid through this "Operation Boot Strap" will require throughout the decade ahead further carefully planned Federal-Provincial partnership.

APPENDICE «Q»

MEMOIRE

Objet:

Présents besoins de la province de Terre-Neuve et du Labrador en matière de transport et de communications.

Destinataire:

Comité permanent des transports et des communications.

Auteur:

Le gouvernement de Terre-Neuve et du Labrador.

PRÉFACE

Le 31 mars courant, la province de Terre-Neuve et du Labrador, dernière à faire partie de la Confédération, célèbre le 20e anniversaire de son union au reste du Canada.

Au cours de ces vingt années, elle a progressé à un rythme plus rapide que toute autre province en ce qui concerne les aspects mesurables du progrès. Malgré les énormes progrès accomplis, elle vient bien loin en arrière de la plupart des autres provinces pour ce qui est de ces valeurs matérielles. Ces progrès rapides ont été jusqu'ici rendus possibles du fait que le gouvernement fédéral et les provinces-sœurs ont réalisé que pour maintenir son intégrité nationale, le Canada doit tendre constamment vers l'égalité des chances pour tous ses citoyens; qu'une démocratie politique n'est vraiment efficace que lorsqu'elle se double d'une démocratie économique.

Au moment où Terre-Neuve entreprend sa vingt et unième année au sein de la Confédération, elle peut se louer des résultats de la collaboration fédérale-provinciale.

Grâce à la mise en œuvre d'un programme visant l'instruction et la formation de sa population à des niveaux qu'avant 1949 on ne songeait même pas, elle a réalisé un climat tout indiqué pour le développement de la productivité industrielle. La construction d'installations portuaires modernes y est déjà en marche; elle a établi l'aménagement d'énergie hydro-électrique bon marché selon la proportion la plus élevée du monde par tête d'habitant; toujours à la faveur de la collaboration fédérale-provinciale, elle a mis en œuvre un programme qui réussit chaque jour à convaincre des hommes d'affaires avides de bénéfices à venir s'installer dans la province.

Afin de poursuivre l'œuvre de développement dont la base a été «l'opération départ», la prochaine décennie devra connaître d'autres réalisations attribuables à une collaboration fédérale-provinciale encore plus poussée.

This brief deals with a major present problem—the need to provide the transportation that is essential to the entire economic development of the province, and without which its industrial growth will be stunted, perhaps to the point of extinction.

To protect the tremendous Federal-Provincial investment of the past twenty years in the Province of Newfoundland and Labrador requires a complementary investment for the future with concentration in those areas that are the concern of this brief—transportation and communications.

THE SITUATION

I. ROADS

Despite progress on the resettlement program there are still hundreds of Newfoundland communities depending either solely on water transport or on third-rate roads for transportation of people and supplies.

Living in these communities is daily becoming less socially tolerable and less inviting for the establishment of even small industries because of the lack of acceptable roads linking with the Trans-Canada Highway.

On the Mainland portion of our province communities have grown up largely around prime industry resources quite isolated from one another. While raw materials have reasonable transportation to markets, passengers depend largely on air transport for communication with the island part of our province and with other communities on the Mainland. There is no land link for passengers and ordinary supplies between the various communities within this territory of 100,000 square miles, well over half the extent of Japan.

This lack of inter-community links creates an atmosphere of isolation, and results in a barrier for bringing into Labrador the population so necessary to its full development.

II. WATER

The Island of Newfoundland has along its south coast, provided by nature, deep water ports almost equidistant between Europe (2300 miles to London) and major Great Lakes ports (Chicago 2200 miles).

Here are ideal natural environments for transshipment from the ocean giants of the present and future to ships built to navigate the St. Lawrence Seaway—located on direct

Le présent mémoire traite d'un problème dont l'importance est toujours d'actualité, la nécessité d'assurer les moyens de transport essentiels à l'ensemble de l'expansion économique de la province et sans lesquels son développement industriel sera entravé, sinon arrêté complètement.

Afin que les sommes considérables investies au cours des vingt dernières années par les gouvernements fédéral et provincial dans la province de Terre-Neuve et du Labrador portent fruit, il faut prévoir pour l'avenir des investissements supplémentaires, notamment dans les domaines qui font l'objet du présent rapport—les transports et communications.

LA SITUATION

I. VOIRIE

Malgré les progrès que connaît le programme de rétablissement, il existe encore des centaines d'agglomérations terreneuviennes où le transport des habitants et approvisionnements ne s'effectue que par voie maritime ou par des chemins de troisième ordre.

Chaque jour, la vie dans ces agglomérations devient de plus en plus intolérable pour les habitants et moins intéressante pour l'établissement d'industries, même petites, par suite de la pénurie de routes de raccordement de norme acceptable à la route Transcanadienne.

Dans la partie continentale de notre province, les agglomérations se sont développées en grande partie autour de ressources de l'industrie primaire plutôt isolées les unes des autres. Tandis que le transport des matières premières vers les marchés s'effectue assez bien, les voyageurs doivent emprunter surtout la voie aérienne pour communiquer avec la partie insulaire de la province et avec les autres agglomérations situées sur le continent. Il n'existe aucune liaison terrestre pour les voyageurs et les approvisionnements ordinaires entre les diverses localités dispersées sur ce territoire d'une superficie de 100,000 milles carrés, plus de la moitié de celle du Japon.

De cette absence de liaisons entre les agglomérations résulte un climat d'isolement et un obstacle à la venue au Labrador de la main-d'œuvre si nécessaire à sa pleine expansion.

II. TRANSPORT MARITIME

Le long du littoral sud de l'île de Terre-Neuve sont situés des ports de mer naturels situés à presque égale distance de l'Europe (2,300 milles, Londres) et des principaux ports des Grands lacs (Chicago, 2,200 milles).

Il s'agit là de hâvres naturels sans pareils pour le transbordement de marchandises des océaniques géants du présent et de l'avenir aux navires conçus pour sillonner la voie

line from Europe to the mouth of the St. Lawrence River.

III. AIR

Gander, at present styling itself the "Crossroads of the World", is globally in an ideal location to be the hub of a wheel whose air transportation spokes reach to the far corners of the earth. Its present runways and warehousing facilities, however, were built to answer the needs of a world at least ten years out of date.

IV. RAIL

(a) Rail service at the present time is restricted to a 550-mile arc reaching from St. John's through Central Newfoundland and down the southern part of the west coast to Port-aux-Basques.

There is no railway servicing the entire south coast and the Great Northern Peninsula of the Island, or the huge land mass of Labrador, except for the spur line from Sept Isles to Labrador City.

(b) As the result of a poll of a sample of Newfoundland companies who are extensive users of freight facilities, it would appear that neither now nor in the foreseeable future are Newfoundland shippers benefiting by the Maritime Freight Rate Act as it applies on shipments originating within the Atlantic Provinces and moving inland as far as Levis, Quebec.

The only carrier receiving this subsidy at the present time is the Canadian National Railways.

V. TERMINAL AND WAREHOUSING FACILITIES

Terminal and warehousing facilities for all modes of transport in Newfoundland and Labrador were constructed on the basis of concepts that were adequate in the days prior to the development of containerization. Not one terminal for air, sea, rail or highway transport is today equipped to take advantage of containerization, a must in the economic handling of cargo today and in the years ahead.

VI. COMMUNICATIONS

In the matter of communication, all of Labrador and much of the Island of Newfoundland is at present uncovered by existing television distribution facilities.

maritime du Saint-Laurent qui prolonge en ligne directe la route maritime entre l'Europe et l'embouchure du Saint-Laurent.

III. TRANSPORT AÉRIEN

L'aéroport de Gander, qui se proclame présentement le «carrefour du monde», occupe dans l'ensemble un emplacement idéal lui permettant d'être le moyeu d'une roue dont les rayons du transport aérien se prolongent aux quatre coins du monde. Toutefois, les pistes et entrepôts dont il est présentement doté ont été construits pour répondre aux besoins d'un monde déjà vieux de dix ans.

IV. TRANSPORT FERROVIAIRE

a) Présentement, le service ferroviaire est assuré sur un arc de 550 milles qui, partant de Saint-Jean, traverse le centre de la province et longe la partie sud de la côte ouest jusqu'à Port-aux-Basques.

Aucun chemin de fer ne dessert l'ensemble de la côte sud et la péninsule Great Northern de l'île, ni la vaste étendu du Labrador, sauf l'embranchement entre Sept-Îles et Labrador City.

b) Il ressort d'un sondage parmi un échantillonnage de compagnies terreneuviennes qui utilisent considérablement les moyens de transport que ni présentement ni dans un avenir prévisible les expéditeurs de la province bénéficient-ils des dispositions de la Loi sur les taux de transport des marchandises dans les provinces maritimes s'appliquant aux expéditions en provenance des provinces maritimes et transportées vers l'intérieur jusqu'à Lévis (P.Q.).

A l'heure actuelle, le seul transporteur bénéficiant de cette subvention est le National-Canadien.

V. INSTALLATIONS DE TERMINUS ET D'ENTREPOSAGE

Les terminus et entrepôts utilisés par les divers moyens de transport de Terre-Neuve et du Labrador ont été aménagés d'après des concepts qui se justifiaient avant l'avènement de la conteneurisation. Aucun terminus aérien, maritime, ferroviaire ou routier ne possède présentement les installations lui permettant de prendre avantage de la conteneurisation, technique absolument essentielle de nos jours et à l'avenir pour le transport rentable des marchandises.

VI. COMMUNICATIONS

Dans le domaine des communications, tout le territoire du Labrador et une grande partie de celui de l'île de Terre-Neuve n'est pas présentement desservi par les émetteurs de télévision présentement exploités.

RECOMMENDATIONS

PREMISE

The present trend towards resettlement will continue with the movement of population to growth centres in response to the economic and social attractions of such. Concentration must be on the provision of firm links—road, rail, water and air—between these centres.

This will mean the most economical use of the tax dollar in meeting the principal needs of both the businessman and the individual citizen throughout the province.

It is, therefore, submitted that the interests of Canada and its Province of Newfoundland and Labrador can be best served by the setting of specific transportation and communications objectives as follows:

I. ROADS

The construction of an up-to-standard all-weather trunk road system in the Province of Newfoundland and Labrador along with continued upgrading of the Trans-Canada Highway and an alternative Trans-Canada Highway route through Labrador from east to west.

Phase One of this proposed program is outlined in Appendix A to this brief.

Phase Two should provide for the linking up of the two principal land masses—the Island of Newfoundland and mainland Labrador—by a tunnel under the Straits of Belle Isle with interim improvement in the ferry service between St. Barbe and Forteau.

II. WATER

(a) The logic of Newfoundland's south coast location of Mortier Bay and Come-by-Chance as centres for bulk transshipment ports and the transshipment of containerized cargo from ocean leviathans to Great Lakes ports should be researched thoroughly by studies in the areas of economic, geological, and general marketing feasibility. These studies can best be carried out by personnel already on Federal payrolls.

Such studies should also, because of the rapid progress being made in less well endowed natural ports on the east coast of the United States, be given top priority for immediate action.

RECOMMANDATIONS

AVANT-PROPOS

La présente tendance vers le rétablissement se poursuivra par suite du mouvement de la population vers les centres de croissance qui possèdent certains attraits économiques et sociaux. On doit concentrer les efforts sur l'aménagement de liaisons fermes—routières, ferroviaires, maritimes et aériennes—entre ces centres.

Il faudra que le produit des impôts soit employé le plus économiquement possible pour répondre aux principaux besoins tant de l'homme d'affaires que du citoyen ordinaire de la province.

En conséquence, nous croyons que les intérêts du Canada et de sa province de Terre-Neuve et du Labrador seront le mieux sauvegardés par l'établissement des objectifs suivants dans les domaines des transports et communications.

I. VOIRIE

Construction d'un réseau de routes principales conforme aux normes et pouvant résister à toutes les intempéries dans la province de Terre-Neuve et du Labrador, amélioration constante de la route transcanadienne et tracé de rechange de la route transcanadienne traversant le Labrador de l'est à l'ouest.

La phase première de ce programme envisagé est exposée dans l'appendice A au présent mémoire.

La deuxième phase devrait assurer la liaison des deux principales étendues de terre que constituent l'île de Terre-Neuve et la partie continentale du Labrador par un tunnel sous-marin traversant le détroit de Belle-Isle, tout en améliorant dans l'intervalle le service de transbordement entre St-Barbe et Forteau.

TRANSPORT MARITIME

a) Est-il logique de situer sur la rive sud de Terre-Neuve, à Mortier Bay et Comme-by-Chance, les centres des ports de transbordement du vrac et du transbordement, à destination des ports des Grands lacs, des marchandises transportées en conteneurs par les gros océaniques? Cela doit faire l'objet de recherches approfondies par la poursuite d'études portant sur les possibilités économiques, géologiques, et commerciales, de préférence par des fonctionnaires émargeant déjà au budget du gouvernement fédéral.

En raison des progrès rapides que connaissent des ports naturels moins bien situés sur la côte est des États-Unis, on doit accorder à ces études la plus haute priorité de manière à ce que des mesures immédiates puissent être prises.

(b) The extension of the arterial highway system as recommended in Appendix A will eliminate the need for much of the present coastal shipping service operated at a loss by Canadian National Railways, but it will not eliminate the need for ferry facilities in areas not reached by the trunk road system.

Therefore, provision must be made for such service on at least a temporary basis until such communities have been taken out of isolation by the provision of future road tributaries.

III. AIR

(a) At Gander there is another ideal location for transshipment, this time of air-borne cargoes. Relatively inexpensive additions to existing facilities would not only provide a tremendous service to users of air transport throughout the world, but would protect the present Canadian investment in Gander against obsolescence and deterioration into second-rate status.

Gander is strategically located for incoming cargo on jumbo jets from all points of the compass destined for transshipment to smaller aircraft. It does require extension of its runways and the construction of warehousing facilities where shipments can be stored pending transfer to smaller aircraft or other modes of transportation. Cargoes received at Come-by-Chance and destined for air transport to the interior of the continent could also be very easily trucked to Gander.

On the other hand, the establishment of a transshipment deep water port at Mortier Bay might very well be complemented by a runway so that cargo could be moved for the completion of its journey by air where water transport did not meet the needs of shippers.

(b) The coastline of Newfoundland contains sizeable communities that will not in the foreseeable future be resettled elsewhere. At present their sole means of transportation is by water. Emergency situations arise from time to time when such transportation is either just not available or too slow to cope with emergency needs.

It is submitted that it is only the Government of Canada that can provide such communities with paved landing strips so that emergency trips may be made by both publicly owned and private planes. The list of such communities is contained in Appendix B.

b) Le prolongement du réseau d'artères envisagé à l'appendice A éliminera le besoin d'une grande partie du service de cabotage presentement exploité à perte par le National-Canadien, mais non celui de services de transbordement dans les régions non desservies par le réseau de routes principales.

En conséquence, on doit prévoir l'exploitation de pareils services, au moins temporairement, jusqu'à ce que l'aménagement de routes secondaires permette de tirer ces agglomérations de leur isolement.

III. TRANSPORT AÉRIEN

a) Gander constitue un autre emplacement idéal pour les opérations de transbordement des marchandises transportées par voie aérienne. L'expansion relativement peu coûteuse des installations actuelles assurerait non seulement un éminent service aux usagers du transport aérien à travers le monde, mais empêcherait que les présentes installations du Canada à Gander ne deviennent désuètes et de second ordre.

L'aéroport de Gander est située à un endroit de premier plan où arrive des quatre points cardinaux à bord des gros avions à réaction des marchandises devant être transbordées à bord d'aéronefs plus petits. On devrait en prolonger les pistes et y construire des entrepôts pour y entreposer les marchandises jusqu'à leur transbordement à bord d'aéronefs plus petits ou d'autres moyens de transport. Les marchandises reçues à Come-by-Chance et destinées à être transportées vers l'intérieur du continent pourraient également être très facilement transportées par camion jusqu'à Gander.

D'autre part, l'aménagement d'un port de transbordement en eau profonde à Mortier Bay pourrait fort bien s'accompagner de celui d'une piste, ce qui permettrait le transport aérien des marchandises pour la dernière partie du trajet dans les cas où le transport maritime ne répond pas aux besoins des expéditeurs.

b) La côte de Terre-Neuve compte des agglomérations d'une certaine importance qui ne seront pas rétablies ailleurs dans un proche avenir. Leur seul moyen de transport pour l'instant est le transport maritime. De temps à autre se produisent des situations d'urgence lorsque ces moyens ne sont pas disponibles ou trop lents pour répondre aux cas d'urgence.

Nous croyons que seul le Gouvernement du Canada est en mesure d'aménager des bandes d'atterrissage revêtues en dur dans ces agglomérations de manière à ce que les avions des services publics et les avions privés puissent effectuer des vols d'urgence. La liste de ces agglomérations figure à l'appendice B.

IV. RAIL

(a) It would appear that the extension of highways throughout the province will eliminate any need for services or additions to existing Canadian National Railways lines. Concentration here should be on extension of the movement already begun to provide improved warehousing and containerization facilities in the effort to lower the cost of transportation of goods by this traditional and dependable means.

(b) Following a careful survey of prime users of rail transportation facilities and the bearing on their business survival of the present Maritime Freight Rate Subsidy, it is recommended that for the Province of Newfoundland no provision be made for the introduction of an extra-regional subsidy, but that the present intra-regional subsidy be retained, not only on railway shipments, but extended to shipments made by all other modes of transportation.

V. TERMINAL AND WAREHOUSING FACILITIES

A study of containerization, new technology, and central warehousing indicates that a revolution in the movement of freight is taking place, a revolution certain to accelerate in the years ahead as shippers and ship operators become increasingly aware of their manifold benefits. Anticipating the radically different terminal and warehousing needs resulting from containerization and strategically located warehouses, a detailed and comprehensive examination of the present and future needs of this province should be undertaken immediately by competent personnel at present on Federal staff.

VI. COMMUNICATIONS

The completion of the contemplated domestic satellite communications system for Canada will do much to fill the communications vacuum already noted in the Province of Newfoundland, both island and mainland sections.

Any acceleration in the implementation of this program will help materially in a province where isolation on a per capita basis is probably the most serious in Canada.

IV. TRANSPORT FERROVIAIRE

a) Il semblerait que l'aménagement de routes à la grandeur de la province ne nécessitera pas la mise en œuvre de services ni le prolongement des voies actuelles du National-Canadien. On devrait tendre à poursuivre les efforts déjà entrepris en vue d'améliorer les installations d'entreposage et de conteneurisation de manière à diminuer le coût du transport des marchandises par ce moyen traditionnel et fiable.

b) A la suite d'une étude approfondie des principaux usagers du transport ferroviaire et de l'importance que revêt pour la survie de leur exploitation commerciale la présente subvention à l'égard des taux de transport des marchandises dans les provinces maritimes, nous recommandons que dans le cas de la province de Terre-Neuve il ne soit pas prévu l'établissement d'une subvention extra-régionale, mais qu'on continue d'appliquer la présente subvention intra-régionale, non seulement à l'égard des expéditions par chemin de fer mais aussi par tous les autres moyens de transport.

V. INSTALLATIONS DE TERMINUS ET D'ENTREPOSAGE

Une étude du phénomène de la conteneurisation, des nouvelles techniques et des installations centrales d'entreposage révèle qu'il se produit dans le domaine du transport du fret une révolution qui s'accentuera certainement dans les années à venir à mesure que les expéditeurs et les exploitants de navires prendront de plus en plus conscience des nombreux avantages qu'elles comportent. De manière à prévoir les besoins absolument différents en matière de terminus et d'entrepôts qui résulteront du phénomène de la conteneurisation et de l'emplacement d'entrepôts à des endroits de premier plan, une étude détaillée et globale des besoins actuels et futurs de la province doit être immédiatement entreprise par les fonctionnaires compétents de l'administration fédérale.

VI. COMMUNICATIONS

La réalisation envisagée du réseau intérieur canadien de communications par satellite aidera beaucoup à combler les lacunes déjà signalées dans ce domaine pour ce qui est des parties insulaire et continentale de la province de Terre-Neuve.

Tout progrès sensible que connaîtra la réalisation de ce programme améliorera la situation d'une province où l'isolement par tête d'habitant atteint probablement la proportion la plus élevée au Canada.

FINANCE

ROADS

It is submitted that the financing a trunk road system outlined in Appendix A should be on a Federal-Provincial cost-sharing basis on a 75-25% ratio.

It is further submitted that the extension of the Trans-Canada Highway on an alternative route through Labrador and the tunnel under the Straits of Belle Isle should be on a Federal-Provincial cost-sharing basis on a 90-10% ratio.

WATER

The province would expropriate where necessary all land essential to the installation of docking and materials-handling facilities and the Federal Government assume responsibility for the construction and equipping of transshipment ports.

The community, in conjunction with the province, will undertake responsibility for providing warehousing facilities.

AIR

The province will provide all land necessary for the establishment of warehouses and, wherever possible, make available Crown lands that can be used for the establishment or extensions of runways in the upgrading to present and future standards of transshipment airports and landing strips.

The actual construction of warehouses will be a combined community and provincial responsibility.

FINANCES

VOIRIE

Nous croyons que le financement de l'aménagement du réseau de routes principales exposé à l'appendice A doit se faire selon un régime à frais partagés par les gouvernements fédéral et provincial selon une proportion de 75-25.

Pour ce qui est du prolongement de la route transcanadienne sur un tracé de rechange traversant le Labrador et de la construction d'un tunnel sous-marin traversant le détroit de Belle-Isle, nous croyons que le financement doit se faire selon un régime à frais partagés par les gouvernements fédéral et provincial selon une proportion de 90-10.

TRANSPORT MARITIME

La province exproprierait au besoin tous les terrains nécessaires à l'aménagement d'installations d'amarrage et de manutention des marchandises et le gouvernement fédéral assumerait la responsabilité de la construction et de l'équipement des ports de transbordement.

L'agglomération, de concert avec le gouvernement provincial, assumera la responsabilité de fournir les installations d'entreposage.

TRANSPORT AÉRIEN

La province fournira tous les terrains nécessaires à l'aménagement d'entrepôts et, dans la mesure du possible, mettra à la disposition des intéressés les terres de la Couronne pouvant servir à l'établissement ou au prolongement de pistes dans le cadre de l'amélioration des aéroports et bandes d'atterrissage de transbordement en conformité des normes actuelles et futures.

La construction des entrepôts relèvera conjointement des administrations municipale et provinciale.

APPENDIX A

PHASE 1

TOTAL NUMBER OF MILES AND COST OF RECONSTRUCTION, PAVING AND MAINTENANCE OF AN UP-TO-STANDARD ALL-WEATHER TRUNK ROAD SYSTEM

Map Ref.	Route	Distance	Cost	Maintenance Costs 1960–68
			$	$
1	Port-aux-Basques to Rose Blanche	28 mi.	1,500,000	600,000
2	Deer Lake to St. Anthony	272 mi.	33,000,000	3,800,000
3	T.C.H. to LaScie	70 mi.	8,000,000	1,700,000
4	Lewisporte to Twillingate via New World Island	51 mi.	13,000,000	2,000,000
5	Boyd's Cove to Gander Bay	22 mi.	3,300,000	12,000
6	T.C.H. near Gander via Gander Bay, Carmanville, Wesleyville, Gambo to T.C.H.	157 mi.	30,000,000	2,900,000
7	T.C.H. near Bishop's Falls to Harbour Breton	128 mi.	15,000,000	150,000
8	Clarenville to Bonavista	65 mi.	19,000,000	3,200,000
9	T.C.H. near Goobies to Marystown, Grand Bank, Lamaline to Marystown	201 mi.	46,000,000	4,200,000
10	T.C.H. near Whitbourne, Heart's Content, Old Perlican via Route 4 and back to T.C.H. via Route 3 Conception Bay North Highway	103 mi.	30,500,000	1,920,000
11	End of pavement Cape Broyle via Trepassey, St. Vincent's, St. Joseph's to Holyrood	130 mi.	32,500,000	1,200,000
	Total		231,800,000	21,682,000

NOTE: Existing pavement in routes outlined is very scattered, and is deducted from distance and cost figures own above.

APPENDICE A

PHASE 1

DISTANCE TOTALE EN MILLES ET COÛT DE LA CONSTRUCTION, DU REVÊTEMENT ET DE L'ENTRETIEN D'UN RÉSEAU DE ROUTES PRINCIPALES CONFORME AUX NORMES ET POUVANT RÉSISTER À TOUTES LES INTEMPÉRIES

Réf. carte	Tracé	Distance	Coût	Frais d'entretien 1960–1968
		en milles	$	$
1	De Port-aux-Basques à Rose Blanche	28	1,500,000	600 000
2	De Deer Lake à St. Anthony	272	33,000,000	3,800,000
3	De R.T.C. à LaScie	70	8,000,000	1,700,000
4	De Lewisporte à Twillingate via Ile New World	51	13,000,000	2,000,000
5	De Boyd's Cove à Gander Bay	22	3,300,000	12,000
6	De R.T.C. près de Gander via Gander Bay, Carmanville, Wesleyville, Gambo . R.T.C.	157	30,000,000	2,900,000
7	De R.T.C. près de Bishop's Falls à Harbour Breton	128	15,000,000	150,000
8	De Clarenville à Bonavista	65	19,000,000	3,200,000
9	De R.T.C. près de Goobies à Marystown, Grand Bank. Lamaline à Marystown	201	46,000,000	4,200,000
10	De R.T.C. près de Whitbourne, Heart's Content, Old Perlican via la route nº 4 et de retour à la R.T.C. via la route nº 3 Conception Bay North Highway	103	30,500,000	1,920,000
11	De la fin de la chaussée à Cape Broyle via Trepassey, St. Vincent's, St. Joseph's à Holyrood	130	32,500,000	1,200,000
	TOTAL		231,800,000	21,682,000

REMARQUE: La partie revêtue des routes indiquées est très éparse et elle est déduite de la distance et des frais smentionnés.


FLOWERS COVE
ST. ANTHONY
Scale in Miles
BAIE VERTE
LA SCIE
TWILLINGATE
DEER LAKE
T.C.H.
CORNER BROOK
BISHOPS FALLS
WESLEYVILLE
BONAVISTA
CLARENVILLE
GOOBIES
ST. ALBANS
PORT AUX BASQUES
ROSE BLANCHE
BURGEO
HR. BRETON
GRAND BANK
MARYSTOWN
ST. VINCENT
TREPASSEY
ST. JO
1
2
3
4
5
6
7
8
9
10
11
12

Phase 2—Tunnel and new highway construction

Burgeo to Robinsons 90 mi. ...$10,000,00

Labrador Highway, estimated cost 150,000,000

A detailed complete cost analysis of a tunnel is not available at present.

(*See chart on page 1230*)

Phase 2—Construction du tunnel et des nouvelles routes

De Burgeo à Robinsons, 90 milles $10,000,000

Route du Labrador, Coût estimatif ..... 150 millions

L'analyse complète et détaillée du coût d'aménagement du tunnel n'est pas disponible pour l'instant.

(*Voir la charte à la page 1230*)

APPENDIX B

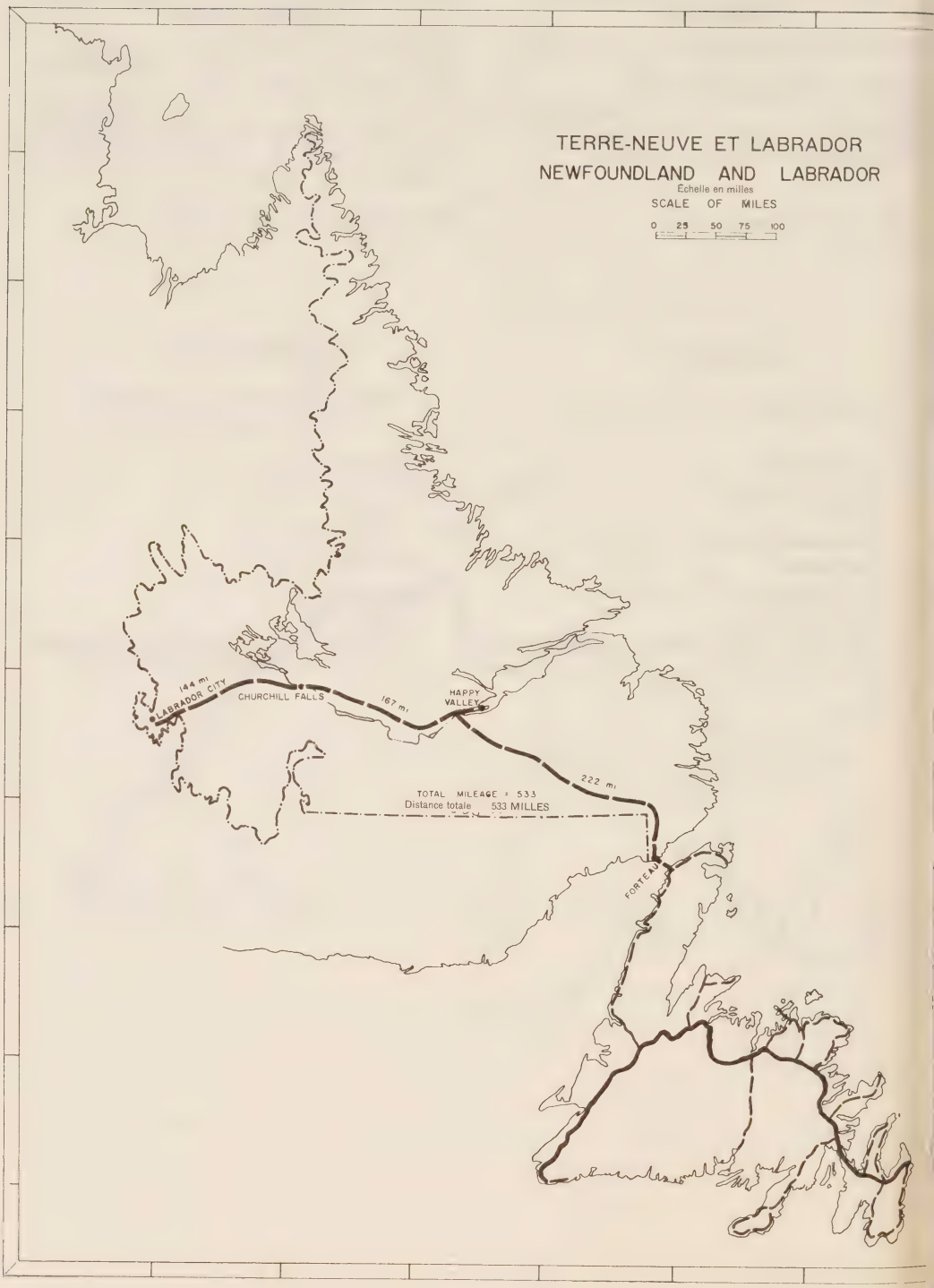
SITES FOR LANDING STRIPS

Winterland
Harbour Breton
Burgeo
Port-aux-Basques
Springdale
Baie Verte
Flowers Cove
Churchill Falls (existing landing strip requires paving)

APPENDICE B

EMPLACEMENTS DE BANDES D'ATTERRISSAGE

Winterland
Harbour Breton
Burgee
Port-aux-Basques
Springdale
Baie Verte
Flowers Cove
Churchill Falls (piste d'atterrissage existante, requérant asphaltage.)


TERRE-NEUVE ET LABRADOR
NEWFOUNDLAND AND LABRADOR
Echelle en milles
SCALE OF MILES
0 25 50 75 100
144 mi
LABRADOR CITY
CHURCHILL FALLS
167 mi
HAPPY VALLEY
222 mi
TOTAL MILEAGE = 533
Distance totale 533 MILLES
FORTEAU

APPENDIX "R"

Submitted to the Standing Committee, Transport and Communications, House of Commons, in behalf of the residents of Bell Island by their representative elected at an open public meeting held on Thursday, January 3, 1969.

It is respectfully submitted that:

WHEREAS Bell Island, a hard-working happy community of over 14,000 persons until 1959, became an economic disaster area as a result of the arbitrary decision of the management of its major industry commencing in that year; and that

WHEREAS, through the combined efforts of the Federal and Provincial Governments, some 8,000 of these inhabitants have been relocated in employment situations elsewhere in Canada, there still remain geographically and economically marooned a hard core of non-transplantable 6,000 persons; and that

WHEREAS Federal, Provincial, and Canada Manpower authorities agree that this present 6,000 population represents a permanent total of inhabitants without any prospects for present or future business or industrial employment on the Island; and that

WHEREAS the Federal and Provincial Governments and the Premier of Newfoundland and the Member of the House of Assembly for Bell Island have reached a blind alley in every effort to re-establish the Dosco mine or to bring a new industry to the Island; and that

WHEREAS it is the isolation of the Island from the subcontinent of Newfoundland and the heavy expense of ferry service that prevents potential wage-earners among the 6,000 Bell Island population from securing off-island employment or in-job training; and that

WHEREAS, even with the present aproximately $300,000.00 annual subsidization by the Federal Government of the Bell Island ferry service, the fare schedule is too high for Bell Island people to travel regularly from the Island—an additional handicap for people who are least able to afford any added handicap, the people with the lowest

APPENDICE «R»

Présenté au Comité permanent des Transports et Communications de la Chambre des communes au nom des résidents de Bell Island, par les représentants qu'ils se sont choisis lors d'une assemblée publique tenue le jeudi 30 janvier 1969.

Le présent mémoire fait respectueusement valoir que:

CONSIDÉRANT que Bell Island, qui comptait une population laborieuse et paisible de plus de 14,000 personnes jusqu'en 1959, s'est trouvé dans un marasme économique par suite d'une décision arbitraire de la Direction de sa principale industrie, applicable à partir de cette année-là; et

CONSIDÉRANT que, grâce aux efforts combinés des gouvernements fédéral et provinciaux, environ 8,000 de ces habitants ont été placés en emploi dans d'autres endroits du Canada, mais qu'il reste encore du point de vue géographique et économique, un groupe de 6,000 personnes non transplantables; et

CONSIDÉRANT que les autorités fédérales, provinciales et la Direction de la Main-d'œuvre du Canada admettent d'un commun accord que ce groupe actuel de 6,000 personnes constitue une population permanente n'ayant, actuellement ou pour l'avenir, aucunes perspectives d'emploi dans le commerce ou l'industrie dans l'île; et

CONSIDÉRANT que tous les efforts des gouvernements fédéral et provinciaux, du premier ministre de Terre-Neuve et du député de Bell Island à la Chambre des communes pour rouvrir la mine Dosco ou pour établir dans l'île une nouvelle industrie ont abouti à une impasse et

CONSIDÉRANT que c'est l'isolement de l'île du sous-continent de Terre-Neuve et les lourdes dépenses d'un service de transbordeurs qui empêchent les salariés éventuels que compte une population de 6,000 âmes à Bell Island, de trouver de l'emploi en dehors de l'île ou de suivre une formation en emploi et

CONSIDÉRANT que malgré la subvention fédérale annuelle d'environ $300,000 au service de transbordeurs de Bell Island, le prix des billets est trop élevé pour que les habitants de cette localité puissent se rendre régulièrement au travail à l'extérieur de l'île—ce qui est un autre désavantage pour des gens le moins en mesure de sur-

income among the people of the province with the lowest average income in Canada; and that

WHEREAS the cost of transportation of goods and materials necessary to life, plus the added percentage mark-up by Island retailers combine to place the cost of living at 25-30 per cent higher for residents of Bell Island who are captive customers of Island retailers because of inability to travel to the main Island of Newfoundland without a heavy incubus of expense; and that

WHEREAS until some permanent solution to the isolation of Bell Island is reached through the building of a causeway, a bridge, or a tunnel, the ferry service must continue at an increasing cost to the Federal Government because of the shrinking number of those able to use the ferry; and that

WHEREAS this isolation can result in nothing but capital depreciation of valuable private and government capital assets on the Island (schools, hospital, etc.); and that

WHEREAS isolation of the population can only increase from year to year the constant increase of welfare expenditures unless the population of Bell Island is given the chance to rehabilitate themselves economically by commuting to employment where employment exists; the only

SOLUTION to the existing problem with its manifold adverse economic and morale implications is for the Federal Government to follow to its natural conclusions the principle involved in its present participation of ferry service from Bell Island to the subcontinent of Newfoundland, and provide free ferry service for every Bell Island resident properly identified as such.

IT IS FURTHER SUBMITTED THAT:
such ferry service is a moral obligation of a government that did in the past benefit from the taxes of the company whose disastrous decision placed Bell Islanders in their present unfortunate plight as well as from the taxes paid by those employee Bell Islanders themselves; and that

monter tout obstacle additionnel, puisqu'il s'agit d'un groupe d'habitants dont le revenu moyen est le plus faible de tous les travailleurs du Canada; et

CONSIDÉRANT que le coût du transport des marchandises et des matières indispensables à la vie, lequel est majoré d'un tantième par les détaillants de l'île, est de 25 à 30 p. 100 plus élevé pour les résidents de Bell Island qui doivent s'approvisionner forcément dans l'île, vu leur incapacité de se rendre à la principale île de Terre-Neuve sans encourir de fortes dépenses; et

CONSIDÉRANT que jusqu'à ce qu'on trouve une solution permanente à l'isolement de Bell Island au moyen de la construction d'une chaussée, d'un pont ou d'un tunnel, le service des transbordeurs doit être maintenu et coûter des sommes de plus en plus fortes au gouvernement fédéral, étant donné le nombre croissant de ceux qui sont en mesure de se servir du transbordeur; et

CONSIDÉRANT que cet isolement ne saurait entraîner que la dépréciation de précieux avoirs de l'État et des particuliers dans l'île (écoles, hôpitaux, etc.); et

CONSIDÉRANT que l'isolement de la population ne peut qu'augmenter d'année en année le montant des dépenses croissantes pour le bien-être, à moins que la population de Bell Island n'ait la chance de se réadapter du point de vue économique en se rendant au lieu de l'emploi au moyen d'un abonnement au chemin de fer; la seule

SOLUTION au problème actuel et à ses multiples et néfastes conséquances d'ordre moral et économique que peut apporter le gouvernement fédéral, c'est de suivre jusqu'au bout le principe que comporte sa participation actuelle au service de transbordeurs entre Bell Island et le sous-continent de Terre-Neuve, et de mettre gratuitement ce service de transbordeurs à la disposition de toute personne pouvant établir qu'elle est un résident de Bell Island.

NOUS ESTIMONS EN OUTRE qu'un tel service de transbordeurs est une obligation morale de la part d'un gouvernement qui a bénéficié effectivement dans le passé des impôts versés par la compagnie dont la décision désastreuse a placé les habitants de Bell Island dans la malheureuse situation où ils se trouvent actuellement, ainsi que des impôts versés par les employés de Bell Island; et

such ferry service will open up opportunities of employment to able-bodied Bell Islanders making possible the curtailing of relief rolls simultaneously with the addition to the Federal Treasury of taxes on the incomes of these thus rehabilitated; and that

immediate action is urgent to avoid further spiralling of the costs of keeping large numbers of Bell Islanders in enforced non-productivity, and further erosion of the morale of the adult population with its possible contagion on the young.

qu'un tel service de transbordeurs offrira des chances d'emploi aux robustes habitants de Bell Island, ce qui permettra de réduire le nombre des assistés tout en ajoutant au trésor fédéral les impôts prélevés sur les revenus de ceux qui seront ainsi réintégrés dans l'emploi, et

que des mesures immédiates s'imposent pour empêcher que le maintien d'un grand nombre d'habitants de Bell Island dans l'improductivité forcée n'accentue la courbe ascendante des frais et pour éviter que le moral de la population adulte ne s'affaiblisse davantage et que ce malaise se répande parmi les jeunes.

igned:
CITIZENS OF BELL ISLAND

Signé:
DES CITOYENS DE BELL ISLAND

APPENDIX "S"

WEATHER STATISTICS RELATING TO ST. JOHN'S AIRPORT

1. What were the number of hours when the ceiling was less than 200 feet and/or visibility less than a ½ mile for the following airports for the year 1967: St. John's, Nfld., Gander, Nfld., Stephenville, Nfld., Moncton, N.B., Sydney, N.S., Halifax International, Montreal International and Toronto International?

2. What were the number of hours when the ceiling was less than 200 feet to 400 feet and/or visibility ½ to ¾ of a mile for the following airports for the year 1967: St. John's, Nfld., Gander, Nfld., Stephenville, Nfld., Moncton, N.B., Sydney, N.S., Halifax International, Montreal International and Toronto International?

3. What were the number of hours when the ceiling was less than 500 to 900 feet and/or visibility 1 to 2½ miles, for the following airports for the year 1967: St. John's, Nfld., Gander, Nfld., Stephenville, Nfld., Moncton, N.B., Sydney, N.S., Halifax International, Montreal International and Toronto International?

ANSWER

(Text)

Hon. Paul T. Hellyer (Minister of Transport): 1. St. John's, Nfld., 608; Gander, Nfld., 254; Stephenville, Nfld. 220; Moncton, N.B. 202; Sydney, N.S. 323; Halifax International 787; Montreal International 51; Toronto International 135.

2. If it is meant when the ceiling was 200 feet to 400 feet and/or visibility ½ to ¾ mile the answer is St. John's, Nfld. 1275; Gander, Nfld. 675; Stephenville, Nfld. 374; Moncton, N.B. 620; Sydney, N.S. 1059: Halifax International 1098; Montreal International 174; Toronto International 204.

3. If it is meant when the ceiling was 500 to 900 feet and/or visibility 1 to 2½ miles the answer is St. John's Nfld. 1712; Gander, Nfld. 1430; Stephenville, Nfld. 848; Moncton, N.B. 1114; Sydney, N.S. 1365; Halifax International 1570; Montreal International 807, Toronto International 809.

APPENDICE «S»

LES PLAFONDS ET LA VISIBILITÉ AUX AÉROPORTS

1. Pendant combien d'heures le plafond a-t-il été de moins de 200 pieds et (ou) la visibilité inférieure à un demi-mille aux aéroports suivants en 1967: Saint-Jean, Gander et Stephenville (T.-N.), Moncton (N.-B.), Sydney (N.-É), ainsi que les aéroports internationaux de Halifax, Montréal et Toronto?

2. Pendant combien d'heures le plafond a-t-il varié entre 200 et 400 pieds et (ou) la visibilité s'est échelonnée entre un demi et trois quarts de mille aux aéroports suivants en 1967: Saint-Jean, Gander et Stephenville (T.-N.), Moncton (N.-B.), Sydney (N.-É.), ainsi que les aéroports internationaux de Halifax, Montréal et Toronto?

3. Toujours en 1967, pendant combien d'heures le plafond a-t-il varié entre 500 et 900 pieds et (ou) la visibilité s'est échelonnée entre un mille et deux milles et demi aux aéroports suivants: Saint-Jean, Gander et Stephenville (T.-N.), Moncton (N.-B.), Sydney (N.-É.), ainsi que les aéroports internationaux de Halifax, Montréal et Toronto?

L'hon. Paul T. Hellyer (ministre des Transports): 1. A Saint-Jean (T.-N.), 608 heures; à Gander (T.-N.), 254; à Stephenville (T.-N.) 220; à Moncton (N.-B.), 202; à Sydney (N.-É.) 323; à l'aéroport international d'Halifax, 787; à l'aéroport international de Montréal, 51; et à l'aéroport international de Toronto, 135.

2. S'il s'agit des périodes de temps où le plafond a varié entre 200 et 400 pieds et (ou) la visibilité entre ½ et ¾ de mille, la réponse est la suivante: à Saint-Jean (T.-N.), 1,275 heures à Gander (T.-N.), 675; à Stephenville (T.-N.), 374; à Moncton (N.-B.), 620; à Sydney (N.-É.) 1,059; à l'aéroport international d'Halifax, 1,098; à l'aéroport international de Montréal, 174; et à l'aéroport internationaal de Toronto, 204.

3. S'il s'agit des périodes de temps où le plafond a varié entre 500 et 900 pieds et (ou) la visibilité entre 1 et 2½ milles, la réponse est la suivante: à Saint-Jean (T.-N.), 1,712 heures à Gander (T.-N.), 1,430; à Stephenville (T.-N.) 848; à Moncton (N.-B.) 1,114; à Sydney (N.-É.), 1,365; à l'aéroport international d'Halifax, 1,570; à l'aéroport international de Montréal, 807; et à l'aéroport international de Toronto, 809.

APPENDIX "T"

BRIEF

To The Parliamentary Standing Committee on Transportation:

The Railway Unions Labour Council composed of the following Unions:

International Association of Machinists & Aerospace Workers, Local No. 1237,
Brotherhood Railway Carmen of America, Local No. 551,
Brotherhood of Locomotive Firemen & Enginemen, Local No. 889,
Brotherhood of Maintenance of Way Employees, Local No. 251,
Brotherhood of Railway Trainmen, Local No. 923,
Brotherhood Railway Airline & Steamship Clerks, Freight Handlers, Express & Station Employees, Local No. 443,
Journeymen, Pipefitters, Apprentices and Helpers of North America and Canada, Local No. 425,
International Brotherhood Electrical Workers, Local No. 514,
Transport & Communication Employees Union, System Division No. 85,
Sheet Metal Workers International Union, Local No. 552,
International Brotherhood Boilermakers, Iron Shipbuilders, Blacksmiths & Helpers of North America, Local No. 717,

ubmits this Brief for your consideration and upport. For the purposes of brevity the words "the Council" will denote the Railway Unions Labour Council.

The Council has been accused of self nterest in its objections to the discontinuance f the passenger trains—with this we violently disagree. The Council Unions, being an organized body, have protested against the ction proposed as being wrong: not so with he hard core of rail travellers in the towns nd municipalities who have no means by which to express their opinions or register ny opposition. The Railway Transport Committee, by holding the hearings in St. John's, id not hear the dormant opposition to the emoval of passenger trains. The Council eels that the decision of the Railway Transort Committee is grossly unfair when they lesignated April 15, 1969, as the deadline for he decision as to which service is better for he travelling public—passenger trains or usses. Passenger trains operate tri-weekly in he fall and winter months and when the usses went into operation on December 2nd, 968, two busses left St. John's daily—East nd West a total of 28 busses per week and 6 assenger trains. Anybody with a grain of

APPENDICE «T»

MÉMOIRE

Au Comité permanent des Transports du Parlement:

L'union des syndicats de cheminots qui comprend les syndicats suivants:

International Association of Machinisis & Aerospace Workers, section locale 1237, *Brotherhood Railway Carmen of America*, section locale 551, *Brotherhood of Locomotive Firemen & Enginemen*, section locale 889, *Brotherhood of Maintenance of Way Employees*, section locale 251, *Brotherhood of Railway Trainmen*, section locale 923, *Brotherhood Railway Airline & Steamship Clerks, Freight Handlers, Express & Station Employees*, section locale 443, *Journeymen Pipefitters Apprentices and Helpers of North America and Canada*, section locale 425, *International Brotherhood Electrical Workers*, section locale 514, *Transport & Communication Employees Union, System Division 85, Sheet Metal Workers International Union*, section locale 552, *International Brotherhood Boiler Makers, Iron Shipbuilders, Blacksmiths & Helpers of North America*, section locale 17,

vous soumet le présent mémoire en vue d'obtenir votre appui. Aux fins d'être concis, les mots «le Conseil» signifieront l'Union des syndicats de cheminots.

On a accusé l'Union de manifester un intérêt personnel lorsqu'elle s'oppose à la discontinuation des trains à voyageurs—nous répudions violemment cette assertion. Les unions de syndicats qui constituent un corps organisé ont protesté contre la mesure proposée parce qu'elle leur semblait néfaste; il n'en a pas été ainsi du noyau d'usagers du rail dans les villes et les municipalités, qui n'ont aucun moyen d'exprimer leurs opinions ou de faire valoir une opposition quelconque. Le Comité des transports par chemin de fer qui a tenu des séances à St. John's n'a pas entendu cette opposition muette à l'enlèvement des trains à voyageurs. L'Union est d'avis que le Comité des transports par chemin de fer a pris une décision extrêmement injuste lorsqu'il a fixé le 15 avril 1969 comme date-limite pour la décision sur le choix du meilleur service pour le public voyageur—soit des trains ou des autobus. Les trains à voyageurs fonctionnent trois fois par semaine dans les mois d'automne et d'hiver. Lorsque les autobus ont été mis en service, le 2 décembre 1968, deux

common sense would see which is the better service, especially for short travel passengers—brand new busses leaving daily or an outmoded passenger train on narrow guage track which operates only three days a week and takes 22 hours to reach Port-aux-Basques. A fairer trial would be to run passenger trains and busses on the same schedule. We list hereunder the number of passengers carried for the years 1961 to 10 months of 1968:

Year	St. John's to Port-aux-Basques— Train 101	Port-aux-Basques to St. John's— Train 102	
1968 (10 mo.).....	35,210	32,137	67,347
1967.....	42,289	38,720	81,009
1966.....	44,857	42,939	87,796
1965.....	61,689	57,357	119,046
1964.....	62,249	56,058	118,307
1963.....	54,041	57,545	111,586
1962.....	60,899	65,668	126,567
1961.....	73,908	77,583	151,491

Allowing 2,000 more passengers by December 31, 1968, would make the total for 1968—69,347. In 1965 the highway was completed across the Island and in 1966 there was a decrease of 6786 passengers. This was the year the C.N.R. elected upon which to base their argument for the discontinuance of passenger trains. The figures indicate the monopoly the C.N.R. had on passenger train travel up to 1965. Competition from private automobiles or other transportation was not a factor. Even in 1968 for a ten-month period 67,347 passengers were carried. We repeat that the passenger trains could have been speeded up—in fact, experienced enginemen and trainmen tell us that the run could be shortened by 3½ hours. But speed is not enough—we need better equipment, e.g. air-conditioned cars, and a smoother ride such as mainland travellers enjoy. We assert that with faster and better equipment no bus or private car could seriously compete with the railway.

The costs advanced at the hearings before the Railway Transport Committee for the

autobus partaient de St. John's tous les jours—de l'est et de l'ouest—soit un total de 28 autobus par semaine et de six trains à voyageurs. Quiconque possède un grain de bon sens verra tout de tuite lequel est le meilleur service, spécialement pour de courtes randonnées—des autobus flambant neufs qui sont en service tous les jours ou un train à voyageurs démodé qui circule sur une voie étroite, ne fonctionne que trois jours par semaine et qui prend 22 heures pour atteindre Port-aux-Basques. A titre d'essai raisonnable, on pourrait mettre en service des autobus et des trains à voyageurs qui suivraient un horaire semblable. Le tableau ci-dessous indique le nombre de voyageurs transportés depuis 1961 jusqu'à la fin d'une période de 10 mois en 1968:

Année	St. John's à Port-aux-Basques — Train nº 101	Port-aux-Basques à St. John's — Train nº 102	
1968 (10 mois)...	35,210	32,137	67,347
1967.....	42,289	38,720	81,009
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1965.....	61,689	57,357	119,046
1964.....	62,249	56,058	118,307
1963.....	54,041	57,545	111,586
1962.....	60,899	65,668	126,567
1961.....	73,908	77,583	151,491

Si l'on ajoute 2,000 voyageurs à la date du 31 décembre 1968, le total serait de 69,347 cette année-là. En 1965, la route qui traverse l'île a été parachevée et en 1966, on a constaté une baisse de 6,786 dans le nombre de voyageurs. C'est l'année qu'a choisie le National-Canadien pour fonder sa décision sur la discontinuation des trains à voyageurs. Les chiffres démontrent que le National-Canadien détenait le monopole du trafic-voyageurs jusque'n 1965. La concurrence des voitures privées ou d'autres transports n'entrait pas même en ligne de compte. Même en 1968 sur une période de 10 mois, il a transporté 67,347 voyageurs. Nous répétons que la vitesse des trains à voyageurs aurait dû être accélérée—en fait, des ingénieurs de locomotives et des cheminots d'expérience nous disent que le parcours aurait pu être raccourci de 3 heures et demie. La vitesse ne suffit pas—il faut du meilleur outillage (c'est-à-dire des wagons climatisés et un roulement plus silencieux dont les voyageurs puissent jouir). Nous affirmons que si les trains étaient plus rapides et mieux équipés, ni autobus ni voitures privées ne pourraient rivaliser avec eux.

Lors des témoignages entendus au Comité des transports, on a fait valoir qu'il en coûte-

removal of curves was 140 millions, and for the construction of a standard guage 240 millions. To our knowledge there has not been any cost survey by an independent engineering firm on the elimination of curves or provision of mainland guage.

In Newfoundland we have seen the advantages of Confederation, both socially and materially, and St. John's has a new waterfront, and Port-aux-Basques has a modern ferry terminal, and millions of dollars have been spent to bring these and other improvements about, but the narrow guage railway remains the same as when it was built 70 years ago. Why shouldn't this narrow guage be straightened out, even at the cost mentioned? It is our opinion, and this is shared by others, that the C.N.R. in its 18 years of operation in this Province could have removed the vast majority of the curves so that faster trains could have been possible. It certainly is not an engineering impossibility in the light of the machinery available to-day. It is the lifeline of the Province and it is the only type of transportation which operates adequately and safely in all seasons. In fact the discontinuance of the passenger service will put us in the position of being the only Province of its size without a railway passenger service. Too much emphasis has been placed on the loss in 1966 of $916,000. An editorial in the St. John's "Evening Telegram" set out an opinion which is shared by many: "As far as we are concerned, and as we have said before, there is too much emphasis on the cost of this service. We don't think that there is any Province in Canada where the cost of maintaining Federal public services have been so minutely and constantly examined than in Newfoundland. And on June 7, 1967, the same paper, in favour of maintaining the railway passenger service, said in part "that the C.N.R. is fighting to close its branch lines and abolish its passenger service altogether. But this is perfectly normal C.N.R. policy in Newfoundland. Ever since Confederation the Railway was waged a campaign to duck as much of its responsibility as possible. We had to fight them in Court to make them accept the responsibilities which were plainly written out in the Terms of Union and they have never forgiven us for winning our case."

rait $140 millions pour enlever les courbes et $240 millions pour construire une voie ferrée à écartement normal. Nous ne sachons pas qu'une firme particulière d'ingénieurs ait fait une enquête sur ce que coûterait l'élimination des courbes ou la construction d'une voie à écartement normal sur la terre ferme.

Nous avons connu à Terre-Neuve les avantages de la Confédération, du point de vue social et matériel. La partie de la ville de Saint-Jean qui faisait face à la mer a été reconstruite; Port-aux-Basque possède une gare de transbordeurs moderne, et des millions de dollars ont été dépensés pour ces améliorations et d'autres encore, mais la voie ferrée à écartement étroit est la même que celle qui a été construite il y a 70 ans. Pourquoi cette voie étroite ne serait-elle pas redressée, même au coût mentionné? Nous sommes d'avis, et d'autres partagent notre opinion, qu'au cours de ces 18 années d'exploitation dans la province de Terre-Neuve le National-Canadien aurait pu éliminer la grande majorité des courbes de sorte qu'il eût été possible de mettre en service des trains plus rapides. Ce n'est certes pas une impossibilité technique, étant donné le genre de machines dont on dispose aujourd'hui. Le réseau de voies ferrées est la vie même de la province et c'est le seul moyen de transport qui fonctionne d'une manière sûre et satisfaisante en toute saison. La discontinuation du service de trains à voyageurs ferait de nous la seule province de son étendue qui serait privée de ce service. On a trop insisté sur la perte de $916,000 subie en 1966. Un éditorial de l'«*Evening Telegram*» de St. John's a exposé une opinion que partagent un grand nombre de personnes: «Pour ce qui nous concerne et comme nous l'avons déjà dit, on a trop insisté sur le coût de ce service. Nous ne connaissons pas de province au Canada où le coût du maintien des services publics par le gouvernement fédéral ait été examiné aussi minutieusement et constamment qu'à Terre-Neuve». Et de continuer le même journal, dans son numéro du 7 juin 1967, où il favorisait le maintien du service de trains à voyageurs: «le National-Canadien fait tous les efforts possibles pour fermer ses lignes d'embranchement et abolir à la fois son service de trains à voyageurs. Cela semble une politique parfaitement normale de la part du National-Canadien, à Terre-Neuve. Depuis le début de la Confédération, cette compagnie de chemin de fer a mené une campagne pour se dérober le plus possible à ses engagements. Il nous a fallu la traduire en justice pour lui faire respecter les engagements qui étaient clairement énoncés dans les conditions de l'Union et elle ne nous a jamais pardonné d'avoir gagné notre cause.»

The Railway Transport Committee has set an undetermined day prior to April 15, 1969, to render a decision as to the trans-island transportation service for Newfoundland—one, the passenger train, but needing upgrading and modernization, and the other an unproven bus service. It is incredible that the Transportation Committee could come to St. John's hold hearings and decide in the short period of approximately four months that bus transportation is the best method of transportation for this Province ad infinitum. If those men are not clairvoyant, how can they decide in this short period that a bus service is the best all round service for Newfoundland. We take issue on this alone and say that it will take 3 to 5 years to decide the merit of such service. In Newfoundland there is only one two-lane highway over which to travel by car or trailer truck. The highway parallels the rail line for most of the way and the trains and busses serve the same towns and settlements with the exception of that portion of the portion of the highway between Badger and Deer Lake. The busses provide a new service to the people in the Springdale and Baie Verte area. People in this area had to drive a considerable distance to Badger to join the train. Notwithstanding this the passenger train can give a better service if upgraded and modernized.

With reference to the loss on operation in 1965—$918,000—we do not have access to the breakdown of these figures—therefore we reserve comment. However, we do not accept this figure hook, line and sinker. We submit that the St. John's Municipal Council, which operates the St. John's Transportation System, has budgeted a $525,000 amount to cover losses on its operation in 1969. The St. John's Municipal Council is only a mite in transportation as compared to the C.N.R.

The Constitutional Conference has just ended and as at previous conferences the Premiers of the Atlantic Provinces have talked long and hard on regional disparity. Our narrow, winding, rail line is a glaring example of regional disparity—on the mainland standard guage and in Newfoundland narrow. We ask your support to correct this disparity by the retention of an upgraded passenger service comparable to that enjoyed by mainland train travellers.

Le Comité des transports par chemin de fer a fixé une date indéterminée et antérieure au 15 avril 1969 pour rendre une décision concernant le choix du service de transport dans l'île de Terre-Neuve—d'un côté, le train à voyageurs, mais un service qui a besoin d'être rénové et modernisé; de l'autre, un service d'autobus qui n'a pas fait ses preuves. Il est incroyable que le Comité des transports puisse venir à Saint-Jean et y tenir des séances afin de décider dans à peine 4 mois que le transport par autobus est le meilleur moyen de transport pour cette province à l'avenir. A moins d'être des voyants, comment peuvent-ils décider en si peu de temps qu'un service d'autobus est le meilleur service en général pour Terre-Neuve? Nous contestons ce point et disons qu'il faudra de 3 à 5 ans pour juger de la valeur d'un tel service. A Terre-Neuve, il n'y a qu'une route à deux voies que peuvent emprunter les voitures ou les camions-remorques. La route suit la voie ferrée sur la plus grande partie de son parcours et les trains et les autobus desservent les mêmes villes et villages à l'exception de ce tronçon de route qui relie Badger à Deer Lake. Les autobus assurent un nouveau service à la population de Springdale et de Baie Verte. Les habitants de cette région doivent parcourir une très grande distance pour se rendre à Badger et y prendre le train. Nonobstant ce qui précède, le train à voyageurs peut fournir un meilleur service s'il est rénové et modernisé.

Quant à la perte subi en 1965—$918,000—nous nous abstenons de tous commentaires puisque nous n'avons pas accès à la ventilation de ces chiffres. Cela ne veut pas dire, toutefois, que nous acceptons ce chiffre d'emblée. Nous faisons observer que le Conseil municipal de St. John's, qui exploite le *St. John's Transportation System*, a prévu le montant de $525,000 dans son budget pour couvrir ses pertes d'exploitation en 1969. En matière de transport, le Conseil municipal de St. John's n'est rien en comparaison du National-Canadien.

La Conférence constitutionnelle vient de se terminer et, comme aux assises précédentes, les premiers ministres des provinces de l'Atlantique ont conféré longtemps sur les disparités régionales. Notre voie ferrée, étroite et sinueuse, est un exemple frappant de disparité régionale—pour ce qui concerne les voies à écartement normal sur la terre ferme et les voies étroites à Terre-Neuve. Nous sollicitons votre appui pour remédier à cette disparité en maintenant un service de trains à voyageurs rénové et comparable à celui dont jouissent les voyageurs qui empruntent les trains de la terre ferme.

We are concerned over the loss of employment should the passenger trains be discontinued and, whilst the C.N.R. has plans and benefits for those affected, yet we feel that in cutting off one-half of the transportation system more employees then the 129 mentioned in the report of the Railway Transport Committee will be affected.

We are also apprehensive concerning the freight traffic. Strong competition exists from the side leaders which run to St. John's and Corner Brook. And now that Corner Brook is to get wharf improvements faster freight service can be expected from these ships. The narrow guage with upwards of 1200 curves is a bottleneck to competition to the fast freight service of the side loaders.

Assuming that the passenger trains are replaced by busses and in this operation costs begin to mount as did the cost of the passenger train service, is there any guarantee that the busses will not meet the same fate as the trains?

We welcome the Parliamentary Transportation Committee to Newfoundland and it is hoped that you will experience the hospitality of this Island. We had hoped that the Committee would travel by train to Port-aux-Basques, and return by bus, or vice versa. By this you would have had the experience of travel by both systems and therefrom realize the inadquacy of the passenger train service.

F. G. Chancey
Chairman

F. A. F. Lush
Secretary

Nous nous inquiétons de la perte d'emploi qui résulterait de la discontinuation des trains à voyageurs et, bien que le National-Canadien ait des programmes et des prestations à l'intention de ceux qui seraient touchés, nous estimons quand même que la suppression de la moitié du système de transport mettrait à pied plus d'employés que les 129 mentionnés dans le rapport du Comité des transports par chemin de fer.

Nous nous inquiétons aussi au sujet du trafic-marchandises. Les autres voituriers qui exploitent des services entre St. John's et Corner Brook offrent une forte concurrence. Et lorsque les quais de Corner Brook auront été améliorés on peut s'attendre à ce que les navires qui y passeront fournissent un service de transport plus rapide. La voie étroite et ses 1200 courbes ou plus est une entrave à la concurrence qu'offre le service rapide de transport des marchandises des autres voituriers.

S'il arrivait que les trains à voyageurs soient remplacés par des autobus et que les coûts de cette dernière exploitation commencent à monter comme l'a fait celle du service de trains à voyageurs, y a-t-il une garantie que les autobus ne subiront pas le même sort que les trains?

Nous sommes heureux d'accueillir les membres du Comité parlementaire des transports à Terre-Neuve, et nous espérons que vous jouirez de l'hospitalité qui vous est offerte dans l'île. Nous avions espéré que les membres du Comité se rendraient par train à Port-aux-Basques et en reviendraient par autobus, ou vice versa. Vous auriez ainsi eu l'expérience des deux systèmes de transport et pu vous rendre compte de l'inefficacité du service de trains à voyageurs.

Le président,
F. G. Chancey

Le secrétaire,
F. A. F. Lush

APPENDIX "U"

PAMPHLET NO. 14

JULY 1968

CANADIAN TRANSPORT COMMISSION

Railway Transport Committee

Judgments, Orders, Regulations and Rulings

CANADIAN TRANSPORT COMMISSION

In the matter of the application of the Canadian National Railways under Section 314 I of The Railway Act, for authority to discontinue passenger train service between St. John's and Port aux Basques, Province of Newfoundland, presently being provided by Train Nos. 101 and 102 and coach service on Mixed Train Nos. 203 and 204 and substituting therefor a bus operation between St. John's and Port aux Basques.

File No. 27563.488
July 3, 1968

BEFORE:

D. H. Jones, Chairman.
John M. Woodard, Commissioner.
W. R. Irwin, Commissioner.

APPEARANCES:

H. J. G. Pye and J. L. Brean for Canadian National Railways.

Hon. T. A. Hickman, Q.C., Attorney General for the Province of Newfoundland.

Richard Cashin, M.P., St. John's West, representing Newfoundland Federal Members of Parliament.

Don Jamieson, M.P., Burin-Burgeo.

A. J. Murphy, M.H.A., St. John's Centre, representing Official Opposition of Newfoundland.

H. A. Collins, M.H.A., Gander.

Gerald F. Lang, for St. John's Municipal Council.

E. E. Thoms, General Chairman, Brotherhood of Railway, Airline and Steamship Clerks, Freight Handlers, Express and Station Employees.

F. A. Lush, representing Railway Union Labour Council and Deer Lake Chamber of Commerce.

W. H. Butt, representing Newfoundland Legislative Committee, International Railway Brotherhood.

F. W. Dick, representing Brotherhood of Locomotive Firemen and Enginemen.

C. D. Cook, representing Brotherhood of Railway Trainmen.

A. W. Leblanc, representing Brotherhood of Railway Carmen of America.

James O'Dea, representing Sheet Metal Workers International Union, Local No. 552.

APPENDICE «U»

COMMISSION DES TRANSPORTS DU CANADA

Comité du transport ferroviaire

Jugements, Ordonnances, Règlements et Décisions

La Commission des transports du Canada

Relativement à la demande des Chemins de fer Nationaux du Canada, invoquant l'article 314 I de la Loi sur les chemins de fer pour obtenir l'autorisation de discontinuer le services du train de voyageurs entre St-Jean et Port-aux-Basques, province de Terre-Neuve que fournissent actuellement les trains numéros 101 et 102 et le service de voitures pour voyageurs sur les trains mixtes numéros 203 et 204, et d'y substituer un service d'autobus entre St-Jean et Port-aux-Basques.

Dossier N° 27563.488
3 juillet 1968.

DEVANT

D.H. Jones, Président.
John M. Woodard, Commissaire.
W. R. Irwin, Commissaire.

COMPARUTIONS:

MM. H. J. G. Pye et J. L. Brean, Pour le National Canadien.

L'hon. T. A. Hickman, C.R., Procureur général de la province de Terre-Neuve.

M. Richard Cashin, député, Saint-Jean ouest, représentant les députés fédéraux de Terre-Neuve.

M. Don Jamieson, député, Burin-Burgeo.

M. A. J. Murphy, M. A. L., St-Jean Centre, représentant l'Opposition officielle de Terre-Neuve.

M. H. A. Collins, M. A. L., Gander.

M. Gerald F. Lang, pour le Conseil municipal de St-Jean.

M. E. E. Thoms, Président général, Fraternité des commis, Manutentionnaires de marchandises, des employés des Messageries et de stations pour les lignes aériennes et maritimes.

M. F. A. Lush, représentant le Conseil du syndicat des cheminots ainsi que la Chambre de commerce de Deer Lake.

M. W. H. Butt, représentant le Comité législatif de Terre-Neuve à la Fraternité internationale des cheminots.

M. F. W. Dick, représentant la Fraternité des mécaniciens et chauffeurs de locomotives.

M. C. D. Cook, représentant la Fraternité des conducteurs de trains.

A. W. Leblanc, représentant la Fraternité des voituriers de chemins de fer d'Amérique.

M. James O'Dea, représentant le Syndicat international des tôliers, Local No. 552.

Heard at St. John's, Newfoundland,
December 11, 12 and 13, 1967.

BY THE RAILWAY TRANSPORT COMMITTEE

JUDGMENT

WOODARD, C.:

On September 29, 1967, The Canadian National Railway, hereinafter referred to as the "Railway" filed with the Railway Transport Committee of the Canadian Transport Commission, an application for leave to discontinue its passenger Trains Nos. 101 and 102 and the coach service being provided on mixed Trains Nos. 203 and 204, both services operating between St. John's and Port aux Basques, in the Province of Newfoundland, and the substitution therefor of a highway bus service between the same points over the Trans Canada Highway. This application was filed under the provisions of Section 314 I of The Railway Act.

At the time of filing of the application, regulations for applications of this type, as contemplated by Section 314 I, had not been promulgated. The Railway Transport Committee, which I will refer to hereafter as the "Committee", issued, under date of November 6th, 1967, Order R-507, which set forth regulations applicable only to this case, to be complied with by the Railway. On the basis of our analysis of revenue and cost data supplied by the Railway, the Committee found, and so declared in its Order R-507, that the loss sustained by the Railway in the operation of these trains in the year 1966, was $918,000, and set the matter down for a hearing in the Department of Labour Hearing Room, 5th Floor Confederation Building, St. John's, Newfoundland, to begin at 10.00 A.M. local time, December 11th, 1967.

At the outset of the hearing, Mr. Esau Thoms, General Chairman, Brotherhood of Railway, Airline and Steamship Clerks, Freight Handlers, Express and Station Employees, asked the Committee to consider a six-months' suspension of the hearing, on the grounds that he had not received a copy of the Railway's application in sufficient time to prepare a proper case. After giving due consideration to Mr. Thoms' request, as enlarged upon in his argument, we came to the decision that the hearing should continue.

Description of Railway Line and Present Passenger Services:

Under the Terms of Union of Newfoundland with Canada, as approved by Chapter 1

Séances tenues à St-Jean (Terre-Neuve)
les 11, 12 et 13 décembre 1967

par le COMITÉ DU TRANSPORT FERROVIAIRE

Le JUGEMENT

WOODARD, C.:

Le 29 septembre 1967, les Chemins de fer Nationaux du Canada, ci-après dénommés le «Chemin de fer», déposaient au bureau du Comité du transport ferroviaire de la Commission des transports du Canada, une demande d'autorisation de mettre fin à son service des trains numéros 101 et 102 et à son service de voitures de voyageurs fourni sur les trains mixtes numéros 203 et 204, ces deux services fonctionnant entre St-Jean et Port-aux-Basques dans la province de Terre-Neuve, et de les remplacer par un service d'autobus qui assurerait le service entre les mêmes points sur la Route transcanadienne. La demande a été déposée en vertu des dispositions de l'article 314 I de la Loi des chemins de fer.

A la date de dépôt de la demande, les règlements touchant les demandes de ce genre, tels qu'envisagés par l'article 314 I, n'avaient pas été promulgués. Le Comité du transport ferroviaire, que j'appellerai dorénavant le «Comité», publiait, le 6 novembre 1967, l'ordonnance R-507, qui exposait le règlement applicable seulement à cette cause, auquel le Chemin de fer devait se conformer. En se fondant sur notre analyse des revenus et des frais d'exploitation fournis par le Chemin de fer, le Comité exposa et il le déclara dans son Ordonnance R—507) que la perte subie par le Chemin de fer dans l'exploitation de ces trains pour l'année 1966 était de $918,-000, et ordonna la tenue d'une audience dans la Salle des audiences du ministère du Travail, 5e étage de l'édifice de la Confédération, St-Jean (Terre-Neuve), à compter de 10 heures du matin (heure locale), le 11 décembre 1967.

Au début de l'audience, M. Esau Thoms, président général de la Fraternité des Commis, Manutentionnaires de marchandises, employés des Messageries et de stations pour les lignes aériennes et maritimes, demanda au Comité d'étudier la possibilité de suspendre l'audience pendant six mois pour la raison qu'il n'avait pas reçu copie de la demande du Chemin de fer dans un délai suffisant pour préparer sa cause convenablement. Après examen suffisant de cette demande de M. Thoms, détaillée dans l'exposé de ses motifs, nous en sommes venus à la conclusion que l'audience devait continuer. *Description de la Ligne du Chemin de fer et des Services voyageurs actuels:*

Selon les conditions de l'Union de Terre-Neuve avec le Canada, approuvées dans le

of the Statutes of Canada, 1949, and by virtue of Order in Council P.C. 1454, dated April 1st, 1949, the Newfoundland Railway System was entrusted to Canadian National for management and operation. The said railway system was (and still is) a narrow gauge railway (three feet, six-inch gauge), with many steep grades and severe curves along the 547 miles which make up the main line between St. John's and Port aux Basques.

Evidence was adduced by the Railway that, since Confederation, it had spent 30 million dollars on main line capital improvements, including such items as large-scale rail and tie renewals, bridge strengthening, ballasting, etc. No attempt had been made to improve the right of way by elimination of curves or grades, or by conversion to standard gauge, as studies had proven that the cost of such projects would be prohibitive. These studies estimated a cost of 225 million dollars to convert to standard gauge and re-align the more severe curves and grades, and a cost of 140 million dollars for re-alignment and grading, while still maintaining the narrow gauge.

It was also stated that since 1949, the Railway had purchased 48 pieces of passenger equipment at a cost of 4 million dollars, and also upgraded some 16 units of steel equipment from the pre-Confederation fleet, and also completely dieselized both freight and passenger services. None of the coaches, sleepers or diners, are air-conditioned, and because of the narrow gauge track and curvature, are of necessity, built on a smaller scale than is the standard equipment used on the mainland.

The curvature and grades on the line also have a bearing on the time required for Trains 101 and 102 to make the journey between St. John's and Port aux Basques, and still make the stops necessary for the handling of local traffic. Train 101, from St. John's to Port aux Basques, requires 21 hours and 35 minutes to complete the 547-mile trip, while Train 102 in the reverse direction requires 22 hours. The mixed trains, Nos. 203 and 204, require approximately 30 hours in each direction.

The normal consist of Trains 101 and 102 is two diesel units, a steam generator car, baggage car, lounge car, three coaches, one dining car, two sleepers and a sleeping car for the diner crew. Should business warrant, additional coaches and sleepers are added. The current schedules provide for three trips

Chapitre 1 des Statuts du Canada, 1949, et en vertu de l'Arrêté en conseil C.P 1454 du 1er avril 1949, le Réseau ferroviaire de Terre-Neuve a été confié au Canadien National pour sa gestion et son exploitation. Ledit réseau ferroviaire était (et est encore) un chemin de fer de petit calibre (trois pieds, six pouces d'écartement), s'étendant sur des pentes raides et des virages difficiles le long des 547 milles qui composent la ligne principale entre St-Jean et Port-aux Basques.

Des éléments de preuve ont été apportés par le Chemin de fer à l'effet que, depuis la Confédération, il avait dépensé 30 millions de dollars en immobilisations pour améliorer la ligne principale, y compris des articles tels que rails et attaches renouvelés massivement, consolidation de ponts, empierrements et ainsi de suite. Aucune initiative n'avait été prise pour améliorer l'emprise en éliminant les courbes et les pentes, non plus que par la conversion au calibre d'écartement normal de la voie, des études ayant révélé que le coût de pareils projets aurait été trop élevé. Ces études ont révélé qu'il en coûterait 225 millions de dollars pour passer au calibre normal d'écartement et pour redresser les courbes et réduire les pentes trop prononcées, alors qu'il en aurait coûté 140 millions pour réaliser ces aménagements tout en maintenant la voie étroite.

Il fut en outre signalé que depuis 1949 le Chemin de fer avait acheté 48 voitures-passagers au coût de 4 millions de dollars, et avait en outre remis en état 16 voitures en acier qui dataient de la flotte antérieure à la Confédération, puis avait entièrement muni les services de passagers et de marchandises de locomotives Diesel. Aucune des voitures, aucun des wagons dortoirs ou restaurants n'a l'air climatisé et, à cause de la voie étroite et des courbes, ils sont construits à échelle plus réduite que les voitures normales utilisées sur le continent.

Les courbes et les pentes le long de la ligne influent sur le temps qu'il faut pour que les trains 101 et 102 se rendent de St-Jean à Port-aux-Basques, tout en faisant le nombre d'arrêts voulu pour servir le trafic local. Le train 101 de St-Jean à Port-aux-Basques prend 21 heures et 35 minutes pour parcourir les 547 milles du voyage, alors que le train 102 prend 30 heures environ dans chaque direction.

La composition normale des trains 101 et 102 est de deux locomotives Diesel, un wagon à vapeur, un wagon à bagages, un wagon salon, trois voitures à passagers, un wagon-restaurant, deux wagons-dortoirs et un wagon-dortoir pour le personnel de la cuisine. Si la clientèle augmente, on ajoute des voitu-

per week in each direction although during the summer months this service is augmented to a daily service to accommodate heavier traffic. Trains 203 and 204 handle only two coaches on the rear of a freight train and operate only one day a week in each direction September 24 to December 31, two days a week January 1 to June 4, and no service June 5 to September 23.

It was the evidence of the Railway that passenger carryings had fallen off gradually since 1960, and that there had been a very great drop since 1965. The year 1965 marked the completion of the Trans Canada Highway.

The completion of the highway link between Port aux Basques and St. John's resulted in a very noticeable shift from rail travel to travel by private automobile, and in an attempt to re-attract this passenger business, and to better serve passengers who continue to use commercial transport, the Railway had decided to apply to the Committee for permission to discontinue its slow conventional rail passenger service and substitute therefor a fast comfortable bus service operating over the highway.

Description of Proposed Bus Service:

It is the Railway's intention, should the application be granted, to purchase a total fleet of 16 buses, 11 of which would handle summer operations and 10 of which would handle the winter operations. The balance of the fleet would be used for standby or overflow service.

Each bus would seat 39 passengers, be air conditioned and equipped with a lavatory, and the operator would have at his station a mobile radio-telephone with which he could contact strategically-located dispatchers in the event of breakdown or delays. Each bus would have approximately 200 cubic feet of space for hand luggage.

The bus schedules would consist of daily express runs over the full distance between Port aux Basques and St. John's in both directions, local runs over the same area, and intermediate local runs between specific points. The proposed express schedule over the whole route would entail traveling time of about 13 hours and 15 minutes and the local schedule would take about 15 hours and 25 minutes. For ready reference I reproduce hereunder the proposed summer and winter schedules as contained in Exhibit 9, filed by the Railway.

res à passagers et des wagons-dortoirs. L'horaire actuel prévoit trois voyages par semaine dans chaque direction, bien que durant l'été ce service soit transformé en service quotidien pour servir un trafic plus lourd. Les trains 203 et 204 n'ont que deux voitures à passagers attachés à l'arrière des wagons-marchandises; ils ne fonctionnent qu'un jour par semaine en chaque direction, du 24 septembre au 31 décembre, deux jours par semaine du 1er janvier au 4 juin et il n'y a pas de service du 5 juin au 23 septembre.

Le Chemin de fer a témoigné que le trafic passagers avait baissé graduellement depuis 1960 et que la chute s'était fortement accentuée depuis 1965. C'est en 1965 que se terminait la Route transcanadienne.

L'achèvement du lien routier entre Port-aux-Basques et St-Jean a produit un changement très remarqué: les gens délaissent le chemin de fer pour voyager en voiture particulière, et afin de recapturer le public voyageur et de mieux servir les voyageurs qui continuent à utiliser le transport commercial, le Chemin de fer décidait de demander au Comité l'autorisation de discontinuer son service ferroviaire pour voyageurs, service conventionnel trop lent, pour le remplacer par un service rapide d'autobus empruntant la grand' route.

Description du projet de service d'autobus:

Si la demande est accordée, le Chemin de fer se propose d'acheter une flotte de 16 autobus, dont 11 fonctionneraient l'été et 10 l'hiver. Les autres autobus serviraient de remplacement ou de rajout aux périodes de pointe.

Chaque autobus contiendrait 39 voyageurs assis, l'air serait climatisé et il y aurait salle de toilette; le chauffeur aurait dans sa cabine un radio-téléphone mobile qui lui permettrait de communiquer avec des expéditeurs placés à des endroits stratégiques en cas de panne ou d'autre retard. Chaque autobus aurait une aire de 200 pieds cubes pour les bagages à main.

Les horaires d'autobus consisteraient en des voyages sans arrêts sur toute la distance entre Port-aux-Basques et St-Jean dans les deux directions, des voyages pour les localités sur tout le même parcours et des voyages locaux mais intermédiaires entre des points déterminés. Le voyage-express sur tout le parcours durerait 13 heures et 15 minutes alors que le voyage pour les localités durerait 15 heures et 25 minutes. Pour consultation rapide, je reproduis ci-dessous les horaires proposés pour l'été et l'hiver, tels que reproduits dans l'Annexe 9 déposée par le Chemin de fer.

PAMPHLET NO. 14 JULY 1968

CANADIAN NATIONAL RAILWAYS
ATLANTIC REGION
PROPOSED PASSENGER SERVICE DISCONTINUANCE
PASSENGER TRAINS NOS. 101 AND 102
COACH SERVICE ON MIXED TRAINS NOS. 203 AND 204
BETWEEN ST. JOHN'S AND PORT AUX BASQUES

EXHIBIT No. 9

STATEMENT NO.....

PROPOSED WINTER BUS SERVICE

SUBJECT TO PATRONAGE DEMAND

11 Daily	5 Daily	9 Daily	7 Daily	15 Daily	1 Daily	Miles		Miles	2 Daily	6 Daily	8 Daily	12 Daily	10 Daily
5′ 10″	13′ 25″	5′ 30″	11′ 00″	4′ 00″	15′25″				15′ 25″	13′ 25″	11′ 00″	9′ 55″	5′ 30″
	0920	1830	1330		0730	0	Lv St. Johns Ar	568	2325	2215	1900		1300
	EXPRESS	F			F		Holyrood Jct		F	EXPRESS			F
		F			F		Avondale Jct		F				F
		F			F		Junction 65		F				F
		S	S		S		Whitbourne		S		S		S
		F			F		Long Harbour Jct		F				F
		F			F		Tickle Harbour Jct		F				F
		F			F		Arnolds Cove Jct		F				F
		F			F		Come-by-Chance Jct		F				F
		S	S		S		Goobies Jct		S		S		S
		S	S		S	116	Clarenville	452	S		S		S
		S	S		S		Port Blandford Jct		S		S		S
		F	S		F		Terra Nova Jct		F				F
		S			S		Alex Bay-Glovertown Jct		S		S		S
		S	S		S		Gambo		S		S		S
	*1335	2400	*1845		1300	208	Ar Gander Lv	360	1755	1800	1345		0730
0830	1420		1930		1315		Lv Gander Ar		1740	*1715	*1300	0030	
F					F		Glenwood		F			F	
S	CS		S		S		Lewisporte Jct		S	CS	S	S	
F					F		Norris Arm		F			F	
S	CS		S		S		Bishop Falls		S	CS	S	S	
S	CS		S		S	264	Grand Falls	302	S	CS	S	S	
S	CS		S		S		Badger		S	CS	S	S	
F					F		South Brook		F			F	
S	CS		S		S		Springdale Jct		S	CS	S	S	
F					F		Baie Verte Jct		F			F	
F					F		Hampden Jct		F			F	
S	CS		S		S		Deer Lake		S	CS	S	S	
F					F		Pasadena		F			F	
1340	*1910		0030		1840	430	Ar Corner Brook Lv	138	1215	1225	0800	1920	
	1955			0730	1855		Lv Corner Brook Ar		1200	*1140		*1835	
	EXPRESS			F	F		Spruce Brook Jct		F	EXPRESS		F	
				S	S		Stephenville Crossing		S			S	
				S	S		St. George's Jct		S			S	
				F	F		Flat Bay Jct		F			F	
				S	S		Robinsons Jct		S			S	
				S	S		St. Fintan's Jct		S			S	
				F	F		South Branch		F			F	
				S	S		Doyle's		S			S	
				F	F		Tompkins		F			F	
				F	F		Cape Ray		F			F	
	2245			1130	2255	568	Ar Port-aux-Basques Lv	0	0800	0850		1435	
		FERRY SERVICE								FERRY SERVICE			
	2330						Lv Port-aux-Basques Ar		0655				
	0655						Ar North Sydney Lv		2355				

*—Meal Stop F—Flag Stop S—Regular Stop CS—Conditional Stop

CHEMINS DE FER NATIONAUX DU CANADA — ANNEXE N° 9
RÉGION DE L'ATLANTIQUE
PROJET DE DISCONTINUATION DU SERVICE DES VOYAGEURS—TRAINS Nos 101 ET 102
VOITURES-PASSAGERS SUR TRAINS MIXTES Nos 203 ET 204
ENTRE ST-JEAN ET PORT-AUX-BASQUES

ÉTAT N°.....

PROJET DE SERVICE D'AUTOBUS EN HIVER

CONDITIONNÉ PAR LE VOLUME DE LA CLIENTÈLE

11	5	9	7	15	1	Milles			Milles	2	6	8	12	10	
par jour	par jour	par jour	par jour	par jour	par jour	par jour			par jour	par jour	par jour	par jour	par jour	par jour	par jour
5′ 10″	13′ 25″	5′ 30″	11′ 00″	4′ 00″	15′25″					15′ 25″	13′ 25″	11′ 00″	9′ 55″	5′ 30″	
	0920	1830	1330		0730	0	Dp St. Johns	Ar	568	2325	2215	1900		1300	
	EXPRESS	F			F		Holyrood Jct			F	EXPRESS			F	
		F			F		Avondale Jct			F				F	
		F			F		Junction 65			F				F	
		S	S		S		Whitbourne			S		S		S	
		F			F		Long Harbour Jct			F				F	
		F			F		Tickle Harbour Jct			F				F	
		F			F		Arnolds Cove Jct			F				F	
		F			F		Come-by-Chance Jct			F				F	
		S	S		S		Goobies Jct			S		S		S	
		S	S		S	116	Clarenville		452	S		S		S	
		S	S		S		Port Blandford Jct			S		S		S	
		F	S		F		Terra Nova Jct			F				F	
		S			S		Alex Bay-Glovertown Jct			S		S		S	
		S	S		S		Gambo			S		S		S	
	*1335	2400	*1845		1300	208	Ar Gander	Dp	360	1755	1800	1345		0730	
0830	1420		1930		1315		Dp Gander	Ar		1740	*1715	*1300	0030		
F					F		Glenwood			F			F		
S	CS		S		S		Lewisporte Jct			S	CS	S	S		
F					F		Norris Arm			F			F		
S	CS		S		S		Bishop Falls			S	CS	S	S		
S	CS		S		S	264	Grand Falls		302	S	CS	S	S		
S	CS		S		S		Badger			S	CS	S	S		
F					F		South Brook			F			F		
S	CS		S		S		Springdale Jct			S	CS	S	S		
F					F		Baie Verte Jct			F			F		
F					F		Hampden Jct			F			F		
S	CS		S		S		Deer Lake			S	CS	S	S		
F					F		Pasadena			F			F		
1340	*1910		0030		1840	430	Ar Corner Brook	Dp	138	1215	1225	0800	1920		
	1955			0730	1855		Dp Corner Brook	Ar		1200	*1140		*1835		
	EXPRESS			F	F		Spruce Brook Jct			F	EXPRESS		F		
				S	S		Stephenville Crossing			S			S		
				S	S		St. George's Jct			S			S		
				F	F		Flat Bay Jct			F			F		
				S	S		Robinsons Jct			S			S		
				S	S		St. Fintan's Jct			S			S		
				F	F		South Branch			F			F		
				S	S		Doyle's			S			S		
				F	F		Tompkins			F			F		
				F	F		Cape Ray			F			F		
	2245			1130	2255	568	Ar Port-aux-Basques	Dp	0	0800	0850		1435		
		service de transbordeur									service de transborduer				
	2330						Dp Port-aux-Basques	Ar		0655					
	0655						Ar North Sydney	Dp		2355					

*—arrêt pour repas F—arrêt sur signal S—arrêt régulier CS—arrêt conditionnel

29692—19½

PAMPHLET NO. 14 **JULY 1968**

EXHIBIT No. 9

CANADIAN NATIONAL RAILWAYS
ATLANTIC REGION
PROPOSED PASSENGER SERVICE DISCONTINUANCE
PASSENGER TRAINS NOS. 101 AND 102
COACH SERVICE ON MIXED TRAINS NOS. 203 AND 204
BETWEEN ST. JOHN'S AND PORT AUX BASQUES

STATEMENT NO.

PROPOSED SUMMER BUS SERVICE

SUBJECT TO PATRONAGE DEMAND

15 Daily	11 Daily	9 Daily	7 Daily	5 Daily	3 Daily	1 Daily	Miles		Miles	2 Daily	4 Daily	6 Daily	8 Daily	10 Daily	12 Daily
4′ 00″	5′ 10″	5′ 30″	11′ 00″	13′ 25″	13′ 15″	15′ 25″				15′ 25″	14′ 05″	13′ 25″	11′ 00″	5′ 30″	9′ 55″
		1830	1330	0920	0830	0730	0	Lv St. John's Ar	568	2325	2150	2215	1900	1300	
		F				F		Holyrood Jct		F				F	
		F				F		Avondale Jct		F				F	
		F				F		Junction 65		F				F	
		S	S			S		Whitbourne		S	S		S	S	
		F				F		Long Harbour Jct		F				F	
		F				F		Tickle Harbour Jct		F				F	
		F		EXPRESS	EXPRESS	F		Arnold's Cove Jct		F		EXPRESS		F	
		F				F		Come-by Chance Jct		F				F	
		S	S			S		Goobies Jct		S	S		S	S	
		S	S			S	116	Clarenville Lv		S	1920		S	S	
		S	S			S		Clarenville Ar	452	S	*1835		S	S	
		S	S			S		Port Blandford Jct		S			S	S	
		F				F		Terra Nova Jct		F				F	
		S	S			S		Alex. Bay Glovertown Jct		S	S		S	S	
		S	S			S		Gambo		S			S	S	
		2400	*1845	*1335	*1245	1300	208	Ar Gander Lv	360	1755	1620	1800	1345	0730	
	0830		1930	1420	1330	1315		Lv Gander Ar		1740	1605	*1715	*1300		0030
	F					F		Glenwood		F					F
	S		S	CS		S		Lewisporte Jct		S		CS	S		S
	F					F		Norris Arm		F					F
	S		S	CS		S		Bishop Falls		S		CS	S		S
	S		S	CS		S	264	Grand Falls	302	S		CS	S		S
	S		S	CS	EXPRESS	S		Badger		S	EXPRESS	CS	S		S
	F					F		South Brook		F					F
	S		S	CS		S		Springdale Jct.		S		CS	S		S
	F					F		Baie Verte Jct.		F					F
	F					F		Hampden Jct.		F					F
	S		S	CS		S		Deer Lake		S	1200 *1115	CS	S		S
	F					F		Pasadena		F					F
	1340		0030	*1910	*1810	1840	430	Ar Corner Brook Lv	138	1215		1225	0800		1920
0730				1955	1855	1855		Lv Corner Brook Ar		1200		*1140			*1835
F						F		Spruce Bk Jct		F					F
S						S		Stephenville Xing		S					S
S						S		St. George's Jct		S					S
F				EXPRESS	EXPRESS	F		Flat Bay Jct		F	EXPRESS	EXPRESS			F
S						S		Robinsons Jct		S					S
S						S		St. Fintan's Jct		S					S
F						F		South Branch		F					F
S						S		Doyle's		S					S
F						F		Tomkins		F					F
F						F		Cape Ray		F					F
1130				2245	2145	2255	568	Ar. Port-aux-Bas. Lv	0	0800	0745	0850			1435
		FERRY SERVICE										FERRY SERVICE			
1155					2330			Lv Port-aux-Bas. Ar			0655			1600	
1755					0655			Ar North Sydney Lv			2355			1000	

*—Meal Stop F—Flag Stop S—Regular Stop CS—Conditional Stop

CHEMINS DE FER NATIONAUX DU CANADA — ANNEXE N° 9
RÉGION DE L'ATLANTIQUE
PROJET DE DISCONTINUATION DU SERVICE DES VOYAGEURS TRAINS Nos 101 ET 102
VOITURES-PASSAGERS SUR TRAINS MIXTES Nos 203 ET 204
ENTRE ST-JEAN ET PORT-AUX-BASQUES
ÉTAT N°.....

PROJET DE SERVICE D'AUTOBUS EN ÉTÉ

CONDITIONNÉ PAR LE VOLUME DE CLIENTÈLE

15	11	9	7	5	3	1	Milles		Milles	2	4	6	8	10	12
par jour	par jour	par jour	par jour	par jour	par jour	par jour			par jour	par jour	par jour	par jour	par jour	par jour	par jour
4′ 00″	5′ 10″	5′ 30″	11′ 00″	13′ 25″	13′ 15″	15′ 25″				15′ 25″	14′ 05″	13′ 25″	11′ 00″	5′ 30″	9′ 55″
		1330	1330	0920	0830	0730	0	Dp St. John's Ar	568	2325	2215	2215	1900	1300	
		F				F		Holyrood Jct		F				F	
		F				F		Avondale Jct		F				F	
		F				F		Junction 65		F				F	
		S	S			S		Whitbourne		S	S		S	S	
		F				F		Long Harbour Jct		F				F	
		F				F		Tickle Harbour Jct		F				F	
		F		EXPRESS	EXPRESS	F		Arnold's Cove Jct		F		EXPRESS		F	
		F				F		Come-by Chance Jct		F				F	
		S	S			S		Goobies Jct		S	S		S	S	
		S	S			S	116	Clarenville Lv		S	1920		S	S	
		S	S			S		Clarenville Ar	452	S	*1835		S	S	
		S	S			S		Port Blandford Jct		S			S	S	
		F				F		Terra Nova Jct		F				F	
		S	S			S		Alex. Bay Glovertown Jct		S	S		S	S	
		S	S			S		Gambo		S			S	S	
		2400	*1845	*1335	*1245	1300	208	Ar Gander Dp	360	1755	1620	1800	1345	0730	
	0830		1930	1420	1330	1315		Dp Gander Ar		1740	1605	*1715	*1300		0080
	F					F		Glenwood		F					F
	S		S	CS		S		Lewisporte Jct		S		CS	S		S
	F					F		Norris Arm		F					F
	S		S	CS		S		Bishop Falls		S		CS	S		S
	S		S	CS		S	264	Grand Falls	302	S		CS	S		S
	S		S	CS	EXPRESS	S		Badger		S	EXPRESS	CS	S		S
	F					F		South Brook		F					F
	S		S	CS		S		Springdale Jct		S		CS	S		S
	F					F		Baie Verte Jct		F					F
	F					F		Hampden Jct		F					F
	S		S	CS		S		Deer Lake		S	1200 *1115	CS	S		S
	F					F		Pasadena		F					F
	1340		0030	*1910	*1810	1840	430	Ar Corner Brook Dp	438	1215		1225	0800		1920
0730				1955	1855	1855		Dp Corner Brook Ar		1200		*1140			*1835
F						F		Spruce Bk Jct		F					F
S						S		Stephenville Xing		S					S
S						S		St. George's Jct		S					S
F				EXPRESS	EXPRESS	F		Flat Bay Jct		F	EXPRESS	EXPRESS			F
S						S		Robinsons Jct		S					S
S						S		St. Fintan's Jct		S					S
F						F		South Branch		F					F
S						S		Doyle's		S					S
F						F		Tomkins		F					F
F						F		Cape Ray		F					F
1130				2245	2145	2255	568	Ar. Port-aux-Bas. Dp	0	0800	0745	0850			1435
		service de transbordeur										service de transbordeur			
1155					2330			Dp Port-aux-Bas. Ar			0655			1600	
1755					0655			Ar North Sydney Dp.			2355			1000	

*—arrêt pour repas F—arrêt sur signal S—arrêt régulier CS—arrêt conditionnel

The Railway intends to apply the same Red White and Blue fare system on its buses as is now in effect on the railway service, and would in addition, inaugurate a no-charge reservation system which would allow a check on passenger requirements. Main bus terminals would be set up in the existing passenger terminals at St. John's and Port aux Basques, and where possible, existing railway stations would be used as intermediate terminals. Where this is not possible, due to their distance from the highway, arrangements would be made to use service stations, hotels or restaurants as bus stops along the route. It is the intention to make available to the travelling public at most boarding points, information as to the on-time performance of the buses, delays, etc.

Originally, and as outlined at the hearing the Railway felt that it would be necessary to set up shelters at 14 locations where other facilities are not available. After a later review in January 1968, the Railway advised the Committee that a number of required shelters could be eliminated by the use of other facilities such as existing railway stations, tours village accommodation, restaurants or service stations. This proposal would result in a maximum of five shelters being required, which would be heated and lighted, with a caretaker in charge to keep them clean and to provide snow clearing when necessary.

The Trans Canada Highway follows the railway line very closely throughout the whole route with the exception of a portion between the villages of Badger and Deer Lake. Because communities in this area would be virtually isolated from passenger service, should a bus operation be introduced, the Railway proposes to operate a daily coach service on its express train between Bishop's Falls and Corner Brook in both directions, which would give residents of the area a rail link with the bus operation. In addition, to dispel the fears of the people of Newfoundland arising out of the belief that a bus operation cannot be run successfully in the winter months the Railway proposes to operate a coach service on Trains 203 and 204, two trips a week in each direction over the whole line, between December 1968 and May 1, 1969, said service to be discontinued on May 1, 1969.

It would not be the intention of the Railway to set up any type of feeder services to the proposed bus operation. In its opinion such feeder services now exist in the form of

Le Chemin de fer se propose d'utiliser sur ses autobus le même système de prix Rouge, Blanc, Bleu qu'il utilise actuellement pour son service ferroviaire, et il inaugurerait en outre un service gratuit de réservations qui permettrait de vérifier les besoins des voyageurs. Les principaux terminus d'autobus seraient installés dans les actuels terminus de voyageurs à St-Jean et Port-aux-Basques et là où c'est possible, les stations ferroviaires existantes seraient utilisées comme terminus intermédiaires. Là où ce projet ne serait pas possible en raison de leur distance de la route, on prendrait des dispositions pour utiliser les stations-service, les hôtels ou les restaurants comme arrêts d'autobus le long de la route. On se propose de mettre à la disposition du public voyageur, à la plupart des arrêts, des renseignements sur la performance des autobus quant aux retards, aux arrivées à l'heure, etc.

A l'origine et comme il a été expliqué à l'audience, le Chemin de fer a cru qu'il serait nécessaire d'ériger des abris à 14 endroits où de telles commodités n'existent pas. Après une étude subséquente en janvier 1968, le Chemin de fer avisait le Comité qu'un certain nombre d'abris pourraient être éliminés par le recours à d'autres commodités, comme les gares de chemin de fer existantes, les logements de voyageurs, dans les villages les restaurants ou les stations-service. Il sortirait de cette proposition que cinq abris seulement seraient nécessaires; ils seraient chauffés et éclairés, et un gardien s'en chargerait pour la propreté et l'enlèvement de la neige lorsque nécessaire.

La Route transcanadienne suit de très près le chemin de fer sur tout le parcours, sauf pour un bout de chemin entre les villages de Badger et de Deer Lake. Comme l'instauration d'un service d'autobus priverait presque complètement ces localités d'un service de transport des voyageurs, le Chemin de fer se propose d'annexer à son train express un service quotidien de voyageurs fonctionnant dans les deux sens entre Bishop's Falls et Corner Brook, ce qui donnerait aux résidants de la région une liaison ferroviaire avec l'autobus. De plus, afin de dissiper les craintes des gens de Terre-Neuve qui croient que l'autobus n'est pas sûr en hiver, le Chemin de fer se propose d'ajouter un service-voyageurs à ses trains 203 et 204 pour deux voyages par semaine en chaque direction sur toute la ligne, de décembre 1968 au 1er mai 1969, ledit service devant être discontinué le 1er mai 1969.

Le Chemin de fer n'a pas l'intention d'organiser des services de desserte à son projet de service d'autobus. A son avis, de tels services existent déjà sous forme d'autobus et de taxis

ocal bus and taxi operations in most communities that are to be served, augmenting he use of the private automobile.

Opposition to the Application:

The position of the Province of Newfoundand, as stated by the Honourable T. A. Hickman, Q.C., Minister of Justice, Province of Newfoundland, was to the effect that any alternative service inaugurated by the Railway should be one that would properly discharge its responsibilities, or those of Canada, o the people of Newfoundland, as contemplated by the Terms of Confederation of 1949. Mr. Hickman stated that a trial period should e considered to prove that a bus service ould be, not only equal, but superior to the resent service. It was his suggestion that etween the time of inauguration of the bus ervice and the fall of 1970, the Railway hould maintain at the same time a scheduled rain-passenger service. This, in his opinion, ould afford the opportunity to gain the equired information and experience related o a regularly scheduled trans-Island bus serice, to determine its worth in comparison to rail operation, and the extent of its acceptaility by the travelling public. In short, the Province of Newfoundland feels that it should ot be required to accept a "Pig in a Poke", o use Mr. Hickman's expression, but would e prepared to accept an alternative to the resent rail passenger service once it had roven to be properly operable in all seasons f the year.

Mr. Richard Cashin, Member of Parliament or St. John's West, and representing the Members of Parliament from Newfoundland, vas of the same view as Mr. Hickman that he responsibility rests with the Railway to emonstrate by experience, rather than in pinion, that a bus service is workable and a efinite improvement over the existing pasenger train service. He thought this could nly be accomplished by operating the two ervices concurrently until sufficient time had lapsed to prove the merits of one over the ther and the public acceptance of the new ervice. Mr. Cashin was also of the opinion hat the Railway should conduct studies into he feasibility of a Dayliner or R.D.C. operaion rather than the proposed bus operation.

In response to a request from the Committee, the Railway has since furnished information as to the revenues and costs that would

locaux desservant les villages en cause et l'usage de la voiture familiale continue de croître.

Opposition à la demande

La prise de position de la Province de Terre-Neuve, telle qu'exprimée par l'honorable T. A. Hickman, C.R., ministre de la Justice de cette province, est la suivante: le service de rechange que fournirait le Chemin de fer devra en être un qui assume la responsabilité du Chemin de fer et aussi du Canada envers la population de Terre-Neuve, comme il a été prévu dans les conditions d'entrée dans la Confédération en 1949, M. Hickman soutient qu'il faut prévoir une période d'essai qui prouverait qu'un service d'autobus pourrait être non seulement égal mais supérieur à l'actuel service ferroviaire. Il proposait que le Chemin de fer, à compter de l'inauguration de son service d'autobus et jusqu'à l'automne de 1970, maintienne parallèlement un service de train-voyageurs fondé sur un horaire. A son avis, cette solution donnerait le temps nécessaire au recueil des renseignements et à l'acquisition de l'expérience voulus pour qu'on puisse juger d'un service d'autobus à horaire régulier et reliant les deux extrémités de l'île, que l'on en détermine la valeur par rapport au service ferroviaire et qu'on sache si le public l'accepte. Bref, la province de Terre-Neuve croit qu'on ne doit pas lui faire accepter un projet non éprouvé, mais elle accepterait une autre solution à l'actuel service ferroviaire pour voyageurs à condition que le nouveau service ait prouvé qu'il peut fonctionner toute l'année.

M. Richard Cashin, député de St-Jean ouest et représentant de la députation de Terre-Neuve au Parlement, partage les mêmes vues que M. Hickman, c'est-à-dire qu'il revient au Chemin de fer de prouver par l'expérience, plutôt que par une expression d'opinion, qu'un service d'autobus est praticable et sera nettement supérieur au présent service ferroviaire pour voyageurs. Il estime que cette démonstration n'est possible que si les deux services fonctionnent parallèlement jusqu'à ce que l'écoulement du temps vienne prouver la supériorité d'un service sur l'autre et que le public ait montré sa préférence pour le nouveau service. M. Cashin est aussi d'avis que le Chemin de fer devrait effectuer des études sur la possibilité d'instaurer un service d'automotrice (Dayliner) ou autorail Diesel plutôt qu'un service d'autobus.

Suite à une demande du Comité, le Chemin de fer a depuis fourni des renseignements sur les recettes et les coûts d'exploitation aux-

accrue should a Railiner operation be instituted.

Having assessed this information, it appears that the large capital outlay required for the purchase of rail diesel cars would, of itself, ensure substantial annual losses for this service, that the prospective patronage of the service would be considerably smaller than the prospective patronage of the proposed bus service and that fewer places and a smaller population would have immediate access to such rail passenger service than to the proposed bus service.

The Committee is therefore unable to accept the suggestion of Mr. Cashin that the substitution of R.D.C. operation might be preferable to the proposed bus service.

Evidence was adduced by the Railway that 129 full-time employees would be affected, should the application be granted. This effect on employees was strongly attacked by Mr. Thoms and by other Railway Labour leaders at the hearing. The breakdown of employees was 65 equipment department, 38 sleeping and dining car department, 24 running trades and 2 stores department employees. These employees only hold seniority on the Newfoundland Area of the Canadian National, and although some employees affected may be able to retain employment by the exercise of seniority, it still results in 129 Railway employees being forced out of work either directly or indirectly due to the passenger train discontinuance. The Railway answered the strong protests of the Unions by stating that the company policy of preference of employment, on-the-job training, and normal attribution due to deaths and retirements would help to a considerable degree in alleviating the effect of the passenger train discontinuance. In addition, it was pointed out that a recent Railway-Union job security benefit plan would benefit some employees in the *non-operating* groups. This agreement takes the form of supplemental unemployment insurance payments, severance pay, relocation allowances, retraining and such other measures as may be appropriate in particular circumstances. These benefits would be available in some degree to 105 of the 129 employees.

It is estimated that the bus service would create 57 positions and it is the Railway's hope that most of these positions could be properly filled from its existing labour pool, not necessarily from the employees affected by the change, but at least from the Railway, leaving these employees' former positions available to some of those displaced by the discontinuance of the rail service.

quels on pourrait s'attendre si un service d'automotrice était mis en service.

De l'appréciation de ces renseignements il se dégage que la forte dépense de capitaux qu'il faudrait consentir pour acheter les trains Diesel assurerait à elle seule de fortes pertes annuelles de la part de ce service, que la clientèle prévue pour ce service serait beaucoup plus mince que celle attendue pour le service d'autobus et enfin qu'un plus petit nombre de localités et de gens auraient facilement accès à ce service ferroviaire qu'au service d'autobus.

Le comité ne peut donc pas accepter la proposition de M. Cashin à l'effet que le recours à l'autorail Diesel serait préférable au service d'autobus.

Le Chemin de fer a fourni la preuve que 129 employés à plein temps seraient affectés si la demande était accordée. M. Thoms et d'autres chefs syndicaux se sont attaqués avec vigueur, à l'audience, à ce problème des employés. Dans le détail, 65 d'entre eux s'occupent du matériel, 38 sont affectés au service des wagons-restaurants et wagons-dortoirs, 24 font partie du personnel sédentaire et deux sont magasiniers. Ces hommes n'ont d'ancienneté que pour la région terreneuvienne du Canadian-National et bien que certains employés affectés puissent être réengagés grâce à leur ancienneté, il n'en demeure pas moins que 129 employés des Chemins de fer seront mis en chômage directement ou indirectement à cause de l'abandon du service du train-voyageurs. Répliquant aux vigoureuses protestations des syndicats, le Chemin de fer déclare que la politique de la Compagnie en matière de préférence d'emploi, de formation au travail et des remplacements dus aux décès et aux mises à la retraite aiderait grandement à atténuer l'effet de la suspension du service du train-voyageurs. De plus, on a fait remarquer qu'un régime de sécurité d'emploi adopté récemment sera profitable aux groupes sédentaires. Cet arrangement prend la forme de versements supplémentaires d'assurance-chômage, de paye de cessation d'emploi, d'allocations de réinstallation ailleurs, de recyclage et telles autres mesures appropriées en des circonstances particulières. Ces avantages seraient disponibles dans une certaine mesure à 105 des 129 employés.

On estime que le service d'autobus créerait 57 emplois et le Chemin de fer formule le vœu que la plupart de ces emplois puissent être comblés convenablement à même la réserve de main-d'œuvre existante, pas nécessairement pas les employés affectés par le changement, mais du moins par des gens du chemin de fer, ce qui mettrait les emplois de ces anciens employés à la disposition de certains des employés déplacés par la suppression du service ferroviaire.

While no evidence or vocal opposition was introduced by the municipalities and towns along the line, there are on file with the Committee, a large number of briefs which had been received prior to, and during hearing. As the general tenor of the briefs is similar to the opposition raised at the hearing, I will not deal with them separately, other than to say that they have been considered, and add considerable weight to the oral opposition presented at the hearing. To sum up in a few words the feeling expressed in these briefs, it would seem to be, "Do not treat us, the people of Newfoundland, as second-class citizens of Canada, by forcing upon us a second-class system of passenger service. We, as the youngest Province in the Confederation, are entitled to treatment equal to that given to the other provinces."

Summary:

Having heard the evidence given both in support of, and in opposition to the Railway's application, and having given consideration to it and to the contents of briefs filed with the Committee, we must now come to a decision which we feel is fair and just.

The Railway, on the one hand, is at present operating a passenger service which is showing a continuing decline in patronage. This decline is due partly to competition from other forms of travel, and partly to the inescapable fact that the railway plant does not lend itself, with the expenditure of huge sums of money, to better schedules and other amenities that might bring back the patronage that the service once enjoyed when it was a virtual monopoly.

In an attempt to regain the passenger business the Railway is prepared to enter a new field of passenger service, a highway bus operation, to replace the existing railway passenger service. For this bus operation, it intends to purchase and utilize a fleet of modern air conditioned buses, combining the ultimate in highway coach travel with greatly accelerated schedules and more frequent express and local services to serve the needs of the travelling public.

On the other hand, those in opposition to the Railway's proposal expressed very strong doubts that a highway bus operation could be maintained under the extreme weather conditions that are experienced in Newfoundland during some periods of the year. While admitting that interruptions in rail service occurred during times of fog or winter storms,

Bien qu'aucun témoignage ou aucune opposition orale n'ait été présenté par les municipalités et les villages le long de la ligne, le Comité a déposé dans son dossier un nombre considérable d'exposés qui lui sont parvenus avant ou durant l'audience. Comme la teneur en général de ces exposés s'apparente à l'opposition qui a été manifestée à l'audience, je ne vais pas parler de chacun d'entre eux; je dirai seulement que ces mémoires ont été étudiés: «Ne nous traitez pas, nous, la population l'opposition orale présentée à l'audience. Pour résumer en quelques mots les sentiments exprimés dans ces mémoires, ils semblent dire: «Ne nous traitez pas, nous la population de Terre-Neuve, comme des citoyens canadiens de seconde classe, en nous contraignant à accepter un système de transport-voyageurs de seconde classe. Nous, la plus jeune province de la Confédération, avons droit à égalité de traitement avec les gens des autres provinces.».

Sommaire

Après avoir entendu les éléments de preuve soutenant ou rejetant la demande du Chemin de fer, et après les avoir étudiés ainsi que le contenu des mémoires présentés au Comité, nous devons maintenant prendre une décision qui nous paraisse juste et équitable.

D'un côté, nous avons un chemin de fer qui fonctionne actuellement à perte avec son service aux voyageurs. Cette baisse est due en partie à la concurrence venant d'autres formes de voyage et en partie au fait inéluctable que l'installation ferroviaire ne se prête pas, sans la dépense d'immenses sommes d'argent, à de meilleurs horaires et à d'autres commodités susceptibles de ramener la clientèle que connaissait jadis le service lorsqu'il constituait presque un monopole.

Afin de recapturer la clientèle des voyageurs, le Chemin de fer est prêt à se lancer dans un nouveau domaine de transport des voyageurs, un service d'autobus sur les grandes routes, qui remplacerait l'actuel service ferroviaire aux voyageurs. Pour établir ce service d'autobus, le Chemin de fer se propose d'acheter et d'utiliser une flotte d'autobus modernes à air climatisé, qui allie ce qu'il y a de plus moderne dans le transport en commun sur les routes à des horaires grandement accélérés, et des services express et locaux plus fréquents pour répondre aux besoins du public voyageur.

D'autre part, les opposants aux projets du Chemin de fer ont exprimé des doutes sérieux quant à la possibilité d'exploiter un service d'autobus sur les routes dans les plus sévères conditions atmosphériques que l'on trouve à Terre-Neuve à certaines époques de l'année. Tout en admettant que le service ferroviaire subissait des interruptions durant les

they were of the opinion that such conditions would have an even more serious effect on highway bus schedules. It was for this reason that they advocated a trial period of bus operation prior to any discontinuance of the existing rail service.

The second major point raised in opposition was the effect that the change from rail to bus passenger service would have on the railway personnel employed in the operation of the present service. One hundred and twenty-nine employees will be affected, either directly or indirectly, and this, in the opinion of those opposed, is a matter of public interest which should be considered by the Committee. This opinion was reiterated and supported by Members of the House of Assembly in final argument and in a large number of briefs on file from municipalities, Boards of Trade, Chambers of Commerce, and other interested parties.

Conclusions:

I have reached the conclusion that the Railway should be given some form of relief from its present situation, that is, the operation of a passenger service which is the best rail service possible, considering the condition of the existing rail plant, but which, for various reasons is showing a continuing decline in patronage and has shown a loss of over $900,000 in the year 1966.

The institution of a highway bus service would, in our opinion, reduce this loss by a considerable amount, while at the same time providing more convenient, faster schedules for the travelling public, and perhaps providing the Railway with a means of regaining the patronage it has lost over the past years.

We are aware of the effect this move will have on railway employees. However, we feel confident that the recent Railway-Union Agreements covering technological and organizational changes will be of considerable benefit in softening the impact of a change such as the one here proposed. We feel that the new service proposed by the Railway would be an improvement over the existing service and therefore of benefit to all the people of Newfoundland, even though it would have unfortunate effects on the jobs of some railway personnel.

We also share the concern of the people of Newfoundland as to whether the service as here proposed will be as efficient as is expected in all the extremes of weather experienced in the Province. Until the service has proven itself to be efficient, we feel that the decision

jours de brume ou les tempêtes de l'hiver, ils étaient d'avis que de telles conditions auraient des effets encore plus graves sur les horaires des autobus. C'est pour cette raison qu'ils préconisaient une période d'essai du service des autobus avant que le service ferroviaire actuel soit supprimé.

Le deuxième point important soulevé par l'opposition a trait à l'effet qu'aurait le passage du train à l'autobus sur le personnel employé actuellement au service ferroviaire. Cent vingt-neuf employés seront affectés, directement ou indirectement, et ceci, de l'avis de l'opposition, est une question d'intérêt public dont le Comitée doit tenir compte. Cette opinion a été réitérée et soutenue par les membres de l'Assemblée législative dans l'argument final et dans un grand nombre des exposés reçus des municipalités, des chambres de commerce, boards of trade et autres groupes intéressés.

Conclusions:

Je suis arrivé à la conclusion qu'il faut donner au Chemin de fer une forme de secours dans la situation où il se trouve, c'est-à-dire l'exploitation d'un service pour voyageurs qui soit le meilleur service ferroviaire qui se puisse donner, considérant l'état de l'appareil ferrovaire actuel, mais qui pour diverses raisons accuse une baisse continue de clientèle et essuie une perte de revenus de plus de $900,000 en l'année 1966.

L'institution d'un service d'autobus, à notre avis, réduirait cette perte d'un montant considérable tout en assurant un service plus commode, plus rapide pour le public voyageur, et fournissant peut-être au Chemin de fer un moyen de recapturer la clientèle qu'il a perdue au cours des années passées.

Nous savons que ce changement affectera les cheminots en cause. Cependant, nous avons confiance que les récents accords passés entre le Chemin de fer et les syndicats relativement aux changements tant techniques que d'organisation aideront considérablement à adoucir le contrecoup d'un changement comme celui que l'on propose ici. Nous estimons que le nouveau service proposé par le Chemin de fer sera une amélioration par rapport au service actuel, donc un service bénéfique pour toute la population de Terre-Neuve, même si le changement produit des effets malencontreux sur l'emploi de certains membres du personnel.

Nous partageons également l'inquiétude de la population de Terre-Neuve à savoir si le nouveau service sera aussi efficace qu'on le croit dans les périodes d'intempéries fort rudes que connaît la province. Tant que le service n'aura pas fait ses preuves d'efficacité,

of this Committee should provide for safeguards to protect the travelling public from the possibility of any breakdown in passenger service.

I would accordingly grant the application of the Canadian National to discontinue the railway passenger services provided by Trains 101 and 102 and coach service provided on mixed Trains Nos. 203 and 204, and to substitute therefor a bus service over the Trans Canada Highway between St. John's and Port aux Basques, on schedules comparable to those suggested in their presentation to the Committee. In my opinion, the granting of the application must be subject to the conditions set forth in the reasons for judgment of the Chairman of the Committee, and may only take effect as and when he has directed.

July 3, 1968.

(Signed) J.M. WOODARD

CONCUR: (SGD) D.H. Jones
CONCUR: (SGD) W.R. Iwin

nous estimons que la décision du Comité doit prévoir des garanties assurant la protection du public voyageur contre la possibilité de tout arrêt du service aux voyageurs.

En conséquence, j'accorderais la demande du Canadien-National de discontinuer son service ferroviaire aux voyageurs avec les trains 101 et 102 et le service de voitures à voyageurs sur les trains mixtes 203 et 204, et je les remplacerais par un service d'autobus qui emprunterait la Route transcanadienne entre St-Jean et Port-aux-Basques, à des horaires comparables à ceux suggérés dans son mémoire au comité. A mon avis, la concession de la demande doit être assujétie aux conditions exposées dans le jugement du Président du Comité, et ne sauraient prendre effet qu'au moment qu'il aura indiqué.

3 juillet 1968

(Signé) J. M. WOODARD

Je suis d'accord: (Signé) D. H. Jones
Je suis d'accord: (Signé) W. R. Irwin

ONES, Chairman:

When these proceedings opened at St. ohn's, Newfoundland, on December 11, 1967, Honourable J. W. Pickersgill, P.C., President, Canadian Transport Commission, was present. After his opening statement which set his case in the context of the principles mbodied in the National Transportation Act, Statutes of Canada, 1967, chap. 69, particularly those in the new section 314 I of the Railway Act, R.S.C. 1952, chap. 234, he withdrew or the reasons expressed by him at the time nd I presided over the hearing.

The facts with which the Railway Transport Committee is concerned in this case are ully set forth in the Judgment of Woodard, . I agree with his statement of the facts and hey need not be repeated here.

However, there are two issues on which I wish to dwell that are central to the decision n this case.

When Newfoundland entered Confederation n 1949, one of the Terms of Union agreed pon by Canada and Newfoundland was erm 31(a) contained in Appendix "A" to tatutes of Canada, 1949, chap. 1:

> "At the date of Union, or as soon thereafter as practicable, Canada will take over the following services and will, as from the date of Union, relieve the Prov-

BROCHURE N° 14

JUILLET 1968

M. Jones, président:

L'ouverture des présentes négociations a eu lieu à Saint-Jean de Terre-Neuve, le 11 décembre 1967 en la présence de l'honorable J. W. Pickersgill, C.P., Président de la Commission canadienne des Transports. Après avoir fait un premier exposé qui a situé la cause dans le contexte des principes de la loi nationale sur les Transports, chapitre 69 des Statuts du Canada, 1967, et surtout de ceux que renferme le nouvel article 314 I de la Loi sur les Chemins de fer, Statuts révisés du Canada 1952, chapitre 234, il s'est retiré pour les raisons qu'il a exposées alors et la présidence m'a été dévolue.

Les faits qui intéressent le Comité des transports ferroviaires en l'occurrence sont exposés en détails dans le jugement de M° Woodard. Je suis d'accord avec cet exposé des faits qu'il n'y a pas lieu de répéter ici.

Toutefois, il y a deux points que je traiterai plus longuement, car il s'agit, en l'occurrence, de problèmes essentiels que doit régler la décision.

Quand Terre-Neuve est entrée dans la Confédération en 1949, une des conditions de l'Union acceptées tant par le Canada que par la Province en cause était la clause 31(a) qui figure au chapitre I de l'annexe «A» des statuts du Canada de 1949 et que voici:

> A la date de l'Union ou aussitôt que possible après cette date, le Canada prendra à son compte les services énumérés et, à compter de la date de l'Union, libé-

ince of Newfoundland of the public costs incurred in respect of every service taken over, namely,...

(a) the Newfoundland Railway..."

On April 1, 1949, by Order in Council P.C. 1454, the Governor General in Council entrusted to Canadian National Railways the operation and management of the Newfoundland Railway. The operative words of that Order in Council as it relates to this case are:

"...Therefore, His Excellency the Governor General in Council, on the recommendation of the Minister of Transport, is pleased to order that, effective April 1, 1949, the Newfoundland Railway, including rights-of-way, wharves, dry docks and other real property, rolling stock, equipment, ships and other personal property...the title to which is vested in His Majesty, be and they are hereby entrusted in respect of management and operation thereof to the Company on the terms in the Canadian National Railways' Act expressly specified, namely, that such management and operation shall continue during the pleasure of the Governor in Council..."

When Canada took over the Newfoundland Railway and when operation and management was entrusted to Canadian National Railways, there was in existence between Port aux Basques and St. John's a train service for the transportation of passengers which until the completion of the Trans Canada Highway was the only reliable overland method by which people could travel between those and intermediate points located on the railway.

What is proposed by Canadian National Railways involves the virtual elimination of transportation of passengers by rail on the main line in the Province and substitution by Canadian National of public passenger transport service by road, based on the presumption that public passenger transport should be provided so long as there is a substantial demand for such service.

As I have stated, the only reliable means of overland travel in 1949 was by the Newfoundland Railway and, in interpreting the effect of the entrustment of that Railway to Canadian National, pursuant to the Terms of Union, I feel we should give effect to one of the cardinal principles of interpretation of Canadian constitutional documents, giving to their provisions a large and liberal interpretation to impart to them the flexibility that

rera la province de Terre-Neuve des frais publics subis à l'égard de chaque service absorbé, savoir:

a) Le chemin de fer de Terre-Neuve, y compris le service de vapeurs et autres services maritimes;

Le 1er avril 1949, le Gouverneur général en conseil a confié aux Chemins de fer nationaux du Canada l'exploitation et la gestion des Chemins de fer de Terre-Neuve. Les termes relatifs à l'exploitation dudit décret du Conseil étaient, en substance, les suivants:

«...En conséquence, il plaît à Son Excellence le Gouverneur général d'ordonner, sur la recommandation du ministre des Transports, qu'à partir du 1er avril 1949, le chemin de fer de Terre-Neuve, y compris les emprises, les quais, cales sèches et toute autre propriété immobilière, ou matériel roulant, équipement, bateaux et autres propriétés personnelles .. dont les titres sont détenus par Sa Majesté, soit dorénavant et de par les présentes confié à la Compagnie, en ce qui concerne la gestion et l'exploitation, aux termes et conditions spécifiquement exposés dans la loi sur les Chemins de fer Nationaux du Canada, c'est-à-dire que cette gestion et exploitation durera selon le bon plaisir du Gouverneur en conseil...»

Quand le Canada a repris le Chemin de fer de Terre-Neuve et que l'exploitation et la gestion en ont été confiées aux Chemins de fer nationaux du Canada, il y avait, entre Port-aux-Basques et Saint-Jean un service de voyageurs qui, jusqu'à l'achèvement de la Route Trans-canadienne, était le seul moyen de communication par terre possible entre ces deux endroits et les points intermédiaires situés le long de la voie.

La proposition des Chemins de fer nationaux tend à supprimer le transport des voyageurs par la voie ferrée principale de la province pour y substituer un service routier public du National-Canadien, dans l'idée que le transport public des voyageurs serait offert tant que la demande d'un pareil service resterait importante.

Je répète que le seul moyen de voyager par voie de terre auquel on pouvait se fier en 1949 était le Chemin de fer de Terre-Neuve et en interprétant les conséquences du transfert de ce chemin de fer au National-Canadien en conformité des termes de l'Union, j'estime qu'il faut appliquer un des principes essentiels de toute interprétation de documents concernant la Constitution du Canada, soit qu'il y a lieu d'en considérer les dispositions

changing or unforeseen circumstances may require.

There was no Trans Canada Highway in Newfoundland in 1949 but that fact does not relieve this Committee, in its consideration of the present application, of its duty to relate the proposed discontinuance of the passenger train service to the presumption that public transportation service for passengers between St. John's, Port aux Basques and intermediate points should be assured so long as it is required by public convenience and necessity.

It is true that the application for discontinuance is accompanied by the proposal to substitute a bus service which would continue to provide such passenger service through the instrumentality of Canadian National. We were not told in precise terms the reasons for the bus service proposal accompanying the application for discontinuance but we are entitled to assume that this was probably done in recognition of the presumption just referred to.

In the result, the Committee is of opinion that it must deal with this application in accordance with the criteria established by section 314 I of the Railway Act.

Subsection (5) of section 314 I of the Railway Act requires the Canadian Transport Commission to have regard "...to all matters that to it appear relevant..." and to determine "...whether the passenger train service is uneconomic and is likely to continue to be uneconomic and whether the passenger train service should be discontinued."

As a condition precedent to the making of such determination, the Commission must first find that the Applicant has incurred "actual loss" in the operation of the passenger train service in question. By Order No. R-507, the Committee found there to have been actual loss in 1966 of $918,000.

When the Commission is deciding whether an uneconomic passenger train service is to be discontinued, it is required to have regard to the criteria contained in subsection (6) of section 314 I. This subsection is important and is set out fully below:

"(6) In determining whether an uneconomic passenger-train service or parts thereof should be discontinued, the Commission shall consider all matters that in its opinion are relevant to the public interest including, without limiting the generality of the foregoing

(a) the actual losses that are incurred in the operation of the passenger-train service;

avec tolérance et une certaine largeur d'esprit de façon à leur conférer toute la souplesse qu'exigeraient l'évolution des circonstances ou des conditions imprévues.

Il n'y avait pas de route Transcanadienne à Terre-Neuve. Ce fait ne dispensera, toutefois, pas le Comité, lorsqui'l examinera la présente demande, de la tâche qui lui incombe de n'envisager la cessation proposée du service ferroviaire de voyageurs qu'à la condition de la continuer entre Saint-Jean, Port-aux-Basques et les points intermédiaires, tant qu'il représentera une nécessité pour le public.

Il est vrai que la demande de suppression du service est accompagnée d'une proposition tendant à y substituer un service d'autobus qui continuerait à assurer le transport des voyageurs par l'intermédiaire du Canadien-National. On ne nous a pas précisé les raisons de cette proposition de service routier qui accompagnait la demande de cessation du service ferroviaire, mais il est permis de conclure à l'acceptation de la condition sus-mentionnée.

En conséquence, le Comité est d'avis qu'il lui faut traiter la demande en conformité des critères établis par l'article 314 I de la Loi sur les chemins de fer.

Le paragraphe (5) de l'article 314 I de la Loi pertinente porte que la Commission canadienne des Transports doit tenir compte... «de tous les facteurs qui lui semblent pertinents», et «déterminer si le service de trains de voyageurs est non rentable et si vraisemblablement il continuera à le demeurer et si le service de trains de voyageurs doit être supprimé.»

Comme condition préalable de cette détermination, la Commission devra d'abord constater que le demandeur a subi «des pertes réelles» du fait de l'exploitation du service de voyageurs en cause. Selon l'Ordre n° R-507, le Comité a constaté que les «pertes réelles» en 1966 étaient de $918,000.

Quand la Commission décidera s'il y a lieu de supprimer un service de voyageurs non rentable, elle devra tenir compte des critères figurant au paragraphe (6) de l'article 314 I. Ce paragraphe, qui est important, figure intégralement ci-dessous;

(6) Lorsqu'elle décide si un service non rentable de trains de voyageurs ou des parties de celui-ci doivent ou non être supprimés, la Commission doit examiner toutes les questions qui, à son avis, concernent l'intérêt public et notamment, sans limiter la portée générale de ce qui précède:

a) les pertes réelles subies du fait de l'exploitation du service de trains de voyageurs;

(b) the alternative transportation services, including any highway or highway system serving the principal points served by the passenger-train service, that are available or are likely to be available in the area served by the service;

(c) the probable effect on other passenger-train service or other passenger carriers of the discontinuance of the service, or of parts thereof; and

(d) the probable future passenger transportation needs of the area served by the service."

It should be said in passing that the statutory provisions mentioned refer to the Canadian Transport Commission, but its function in this case is being carried out by the Railway Transport Committee of the Commission, pursuant to subsection (3) of section 17 of the National Transportation Act, and the General Rules made by the Commission pursuant thereto.

The Committee in reaching its conclusions has considered all the matters referred to in subsection (6) of section 314 I of the Railway Act, including the actual loss of $918,000 for the year 1966, as well as all the other evidence placed before it in these proceedings.

The evidence is that while there is in existence today a modern "...highway or highway system serving the principal points served by the passenger train service..." there are no adequate public facilities for the transportation of passengers over that highway or highway system.

Because of this fact and the requirement of a public service for the transport of passengers to meet the public convenience and necessity, we hold that the passenger train service which is the subject of this application cannot be discontinued without the substitution therefor of a bus service at least as good as, if not better than the present passenger train service.

Because the Province of Newfoundland is unique in all of Canada in that apart from Canadian National there are no other passenger train services or passenger carriers of comparable scope, we have found it unnecessary to apply the provisions of paragraph (c) of subsection (6) of section 314 I of the Railway Act.

There is strong evidence before us that the people of Newfoundland need a modern, speedy and reliable public means of passenger transportation, and no evidence that this need will be in any way diminished in the future.

b) les autres moyens de transport, notamment toute route ou système routier desservant les principaux points desservis par le service de trains de voyageurs, dont dispose ou dont disposera vraisemblablement la région desservie par le service;

c) l'effet probable qu'aurait, pour d'autres services de trains de voyageurs ou d'autres transporteurs de voyageurs, la suppression totale ou partielle du service; et

d) les futurs besoins qui se manifesteront probablement en matière de transport des voyageurs dans la région desservie par le service.

Il y aurait lieu de dire en passant que la disposition statutaire ci-dessus mentionne la Commission Canadienne des transports, dont les attributions sont, cependant, dévolues à son Comité des transports ferroviaires, en vertu du paragraphe (3) de l'article 17 de la loi nationale sur les transports, et du Règlement général établi par la Commission aux termes de cet article.

En arrivant à ses conclusions, le Comité a tenu compte de tous les points mentionnés dans le paragraphe (6) de l'article 314 I de la loi sur les chemins de fer, y compris la perte réelle de $918,000 pour l'année 1966, ainsi que tout autre témoignage déposé devant lui au cours des séances.

Selon le témoignage, il existe bien aujourd'hui «...une route ou un réseau routier» modernes ...«pour desservir les principaux points d'arrêt du service ferroviaire de voyageurs», mais il n'y a pas de moyens de transport publics adéquats prenant des passagers sur ladite route ou ledit réseau routier.

Étant donné ce qui précède et la demande existante d'un service de transport pour les voyageurs qui répondrait aux besoins du public, nous estimons que le service ferroviaire de voyageurs qui fait l'objet de la présente demande ne peut être discontinué sans qu'on y substitue un service d'autobus au moins aussi bon, sinon meilleur, que le service actuel de transport par chemin de fer.

Comme la province de Terre-Neuve est unique au Canada en ce qu'outre le National-Canadien, il n'existe aucun autre service ferroviaire, ni autre moyen de transport pour voyageurs d'envergure analogue, nous avons jugé inutile d'appliquer les dispositions de l'alinéa (c) du paragraphe (6) de l'article 314 de la loi sur les Chemins de fer.

D'après tous les témoignages, il faut à la population de Terre-Neuve un moyen de transport pour voyageurs moderne, rapide et sûr, et rien n'indique que cette nécessité sera moins grande à l'avenir.

Accordingly, on the basis of all the evidence before us, we find and declare that the passenger train service which is the subject of this application is uneconomic and should be discontinued by Canadian National Railways and replaced by the proposed bus service but only on the date and upon performance of the conditions hereinafter set forth.

Much evidence was introduced at the hearing concerning the bus service to be inaugurated and operated by Canadian National Railways as a substitute for the present passenger train service. Witnesses appearing on behalf of Canadian National were strongly of the opinion that this service when in operation would find favour with the travelling public in Newfoundland because, to mention only a few of the reasons given, it would be more comfortable, it would be faster and it would be more modern. Canadian National is convinced, and its witnesses so stated, that the rugged terrain of the Province and the extremes of weather to which it is subject would not create any greater difficulties in operation than has the railway over the years since Canadian National undertook its operation and management.

The Committee had an opportunity to inspect a prototype bus at St. John's in December and, unquestionably, these vehicles will be clean, modern, comfortable and fast. However, the Committee is deeply concerned to ensure that Canadian National will be able to provide the highway service on a year-round basis in the face of weather conditions with which anyone who lives in Newfoundland is familiar. Canadian National has not operated a bus line in Canada at all comparable to what is proposed in Newfoundland and this would inevitably mean that there will be many problems to be solved in operating and maintaining schedules. Canadian National is very optimistic about its ability to operate the proposed bus service all the year round. But, not unnaturally, those who appeared in opposition wanted more than the opinions expressed by representatives of Canadian National at the hearing as assurance of its ability to perform the service. The Committee has given very serious consideration to the claims of Canadian National and the fears expressed by those opposed and has concluded that, as one condition of the discontinuance of the passenger train service, there must be what is in effect a trial period.

Another important aspect of this application involves the shelters which Canadian National proposes to provide for passengers getting on or getting off busses at the two

En conséquence, et sur la foi des témoignages dont nous sommes saisis, nous constatons et affirmons que le service de trains de voyageur qui fait l'objet de la présente demande est non économique, que le National-Canadien devrait le supprimer et le remplacer par le service d'autobus envisagé, mais seulement à la date et aux conditions mentionnées ci-après.

Beaucoup de témoignages ont été déposés, au cours des séances, sur le service d'autobus devant être inauguré et exploité par le National-Canadien pour remplacer le service ferroviaire de voyageurs actuel. Les témoins qui ont comparu pour la Compagnie des chemins de fer nationaux étaient fortement d'avis que ce service, une fois mis en marche, serait bien accueilli par le public qui se déplace à Terre-Neuve parce qu'entre autres raisons, il serait plus commode, plus rapide et plus moderne. Le National-Canadien est convaincu, comme l'on déclaré ses témoins, que la topographie accidentée de la province et les températures extrêmes qui se produisent ne créeraient pas de plus grandes difficultés de fonctionnement qu'elles n'ont causées depuis des années au Chemin de fer depuis que le National-Canadien en a assumé l'exploitation et la gestion.

Le Comité a eu l'occasion d'inspecter un prototype d'autobus à Saint-Jean en décembre dernier, et ces véhicules seront, sans contredit, propres, modernes, confortables et rapides. Toutefois, le Comité est très soucieux de garantir que le National-Canadien pourra fournir des services de transport routier toute l'année, étant donné les conditions climatiques dont peut se rendre compte quiconque a habité Terre-Neuve. La National-Canadien n'a jamais exploité, ailleurs au Canada, un service routier comme celui qu'on envisage pour la province, ce qui signifie inévitablement bien des problèmes d'horaire et d'entretien à résoudre. Le National-Canadien est très optimiste quant à sa capacité d'exploiter le service routier envisagé toute l'année durant. Mais, ce qui est d'ailleurs tout naturel, ceux qui s'y opposent ont réclamé d'autres garanties que les opinions sur la capacité de la Compagnie que ses représentants ont exprimées pendant la séance à ce sujet. Le Comité, ayant soigneusement étudié les affirmations du National-Canadien en regard des craintes exprimées par les opposants, en a conclut qu'une des conditions de la suppression du service ferroviaire de voyageurs serait, en fait, une période d'essai.

Un autre aspect important de la demande à l'étude a trait aux abris que le National-Canadien se propose d'ériger à l'intention des voyageurs qui prennent l'autobus, ou en des-

terminal points of St. John's and Port aux Basques as well as at intermediate stops between those points.

The evidence before us is that the present passenger railway stations at St. John's and Port aux Basques as well as at certain other points, will be converted for use by bus passengers and that, where required, heated, all-weather shelters will be constructed and will be equipped with satisfactory communication links, so that passengers may know the times of arrival and departure of busses and when busses have undergone breakdowns or delay.

For the reasons given above, and those of Woodard, C., an Order will issue directing the discontinuance of the passenger train service comprised in this Application, effective April 15, 1969, provided Canadian National Railways has met the following conditions:

1. The bus service proposed by Canadian National and described in detail in the Judgment of Woodard, C., shall be inaugurated and continued as long as a requirement for passenger service continues, and the passenger facilities, including terminals and the shelters mentioned above, with proper communication links, shall be provided and installed, all to the satisfaction of the Committee.

2. Until Canadian National is notified by the Committee that the bus service is inaugurated and the passenger facilities are provided and installed to the satisfaction of the Committee, the passenger train service shall continue to be operated in the same manner and as frequently as it was during the comparable period in 1967.

3. From the date Canadian National is notified that the Committee is satisfied that the bus service is inaugurated and the passenger facilities provided and installed, until April 15, 1969, the passenger train service shall continue to be operated in emergencies created by extremes of weather or by any other cause, until full bus service is restored. To meet the requirements of this condition, Canadian National shall keep and maintain ready for operation such passenger train equipment as the Committee shall direct.

4. Canadian National will be required to operate a daily coach service in both directions on its express trains, between Bishop's Falls and Corner Brook, to provide a rail link with the bus service for residents in the area between Badger and Deer Lake.

cendent, à Saint-Jean et à Port-aux-Basques, ainsi qu'aux arrêts intermédiaires.

D'après le témoignage déposé, les gares de voyageurs actuelles à Saint-Jean et à Port-aux-Basques, ainsi qu'à certains autres endroits, seront transformées à l'intention des usagers de l'autobus et, partout où on l'estimera nécessaire, des abris chauffés, utilisables par tous les temps, seront construits et équipés de moyens de communication appropriés afin de permettre aux voyageurs de se renseigner sur les heures d'arrivée et de départ ainsi que sur les pannes ou les retards éventuels des autobus.

Pour les raisons exposées ci-dessus et par Me Woodard, un Ordre sera émis et publié tendant à la suppression du service de trains de voyageurs qui fait l'objet de la présente demande à partir du 15 avril 1969, à condition que le National-Canadien s'en tienne aux termes suivants:

1. Le service d'autobus proposé par le National-Canadien et décrit en détail dans le Jugement de Me Woodard, sera inauguré et continué aussi longtemps que durera la demande d'un service de voyageurs, et la compagnie fournira les installations nécessaires aux voyageurs, y compris les terminus et les abris sus-mentionnés, pourvus des moyens de communications appropriés, de façon à satisfaire le Comité.

2. Jusqu'à ce que le Comité fasse savoir au National-Canadien que le service d'autobus a été inauguré et que les installations ont été mises en service à sa pleine satisfaction, le service de trains de voyageurs continuera à fonctionner de la même manière et aussi fréquemment que durant la période comparable de 1967.

3. A partir de la date où le National-Canadien aura été notifié de l'inauguration du service d'autobus et de la mise en service des installations destinées aux voyageurs à la pleine satisfaction du Comité, le service de trains de voyageurs continuera à fonctionner jusqu'au 15 avril 1969, dans toutes les situations d'urgence créées par les intempéries ou toute autre cause, jusqu'à ce que le service d'autobus soit rétabli intégralement. Afin de remplir cette condition, le National-Canadien maintiendra le matériel ferroviaire nécessaire prêt à fonctionner à tout moment selon les directives du Comité.

4. Le National-Canadien sera tenu de mettre tous les jours à la disposition du public des wagons de voyageurs dans les deux sens sur ses trains express entre Bishop's Falls et Corner Brook, afin de faire le raccord avec le service routier à l'intention des habitants de la région située entre Badger et Deer Lake.

5. If, prior to April 15, 1969, Canadian National Railways fails or is unable to perform any of the conditions enumerated above, or if at any time before that date the Committee is not satisfied that the bus service is at least as good as the present passenger train service, it may, upon notice to Canadian National and to all parties who appeared before it in December 1967, reconvene the hearing to consider whether in the exercise of its general powers under the Railway Act, it should impose further conditions to be met prior to the discontinuance of the passenger train service or direct the adoption of such measures as may be necessary to ensure the adequacy of the bus service.

July 3, 1968.

(Signed) DAVID H. JONES

I concur:
(Signed) J. M. WOODARD
(Signed) W. R. IRWIN

5. Si, avant le 15 avril 1969, les Chemins de fer nationaux n'exécutent pas, ou ne sont pas en mesure d'exécuter, l'une ou l'autre des conditions énumérées ci-dessus, ou si, à un moment donné avant cette date, le Comité n'est pas convaincu que le service d'autobus est au moins aussi bon que le service de trains de voyageurs actuel, il pourra se réunir à nouveau en audience après en avoir notifié le National-Canadien et toutes les parties qui ont comparues à ses séances en décembre 1967, afin d'examiner si, dans l'exercice de l'autorité générale que lui confère la loi sur les Chemins de fer, il devrait imposer de nouvelles conditions à remplir avant la suppression du service de trains de voyageurs, ou ordonner l'adoption des mesures éventuellement requises pour assurer le fonctionnement satisfaisant du service d'autobus.

Le 3 juillet 1968.

(signé) DAVID H. JONES

Approuvé par
(signé) J. M. WOODARD
(signé) W. R. IRWIN

PAMPHLET NO. 14

July 1968

CANADIAN TRANSPORT COMMISSION

ORDER NO. R—2763

BY ITS RAILWAY TRANSPORT COMMITTEE

IN THE MATTER OF the application of the Canadian National Railways, hereinafter called the "Applicants", under section 314 I of the Railway Act, for authority to discontinue passenger train service between St. John's and Port aux Basques, Province of Newfoundland presently being provided by Train Nos. 101 and 102 and coach service on Mixed Train Nos. 203 and 204 and substituting therefor a bus operation between St. John's and Port aux Basques.

File No. 27563.488

UPON hearing the matter at a sittings of the Committee at St. John's, Newfoundland, on December 11, 12 and 13, 1967, in the presence of Counsel for the Applicants and the Hon. T. A. Hickman, Q.C., Attorney General for the Province of Newfoundland; Richard Cashin, M.P., St. John's West, representing Newfoundland Federal Members of Parliament; Don Jamieson, M.P., Burin-Burgeo; A. J. Murphy, M.H.A., St. John's Centre, representing Official Opposition of Newfoundland;

Brochure n° 14

Juillet 1968

COMMISSION CANADIENNE DES TRANSPORTS

ORDRE N° R-2673

ÉMIS PAR LE COMITÉ DES TRANSPORTS FERROVIAIRES

AU SUJET DE la demande formulée par les Chemins de fer nationaux du Canada, figurant plus bas sous la désignation «les demandeurs», en vertu de l'article 314 I de la loi sur les Chemins de fer, et tendant à obtenir l'autorisation de supprimer le service de trains de voyageurs entre Saint-Jean et Port-aux-Basques, dans la province de Terre-Neuve, lequel est actuellement exécuté par les trains n°s 101 et 102 et les wagons pour voyageurs dans les trains mixtes n°s 203 et 204, pour le remplacer par des autobus entre Saint-Jean et Port-aux-Basques.

Dossier n° 27563.488

APRÈS AVOIR entendu la cause aux séances du Comité des 11, 12 et 13 décembre 1967 à Saint-Jean de Terre-Neuve en la présence de l'avocat des demandeurs et de l'hon. T. A. Hickman, C.R., Procureur général de la province de Terre-Neuve; ainsi que: M. Richard Cashin, député (Saint-Jean-Ouest), représentant des députés fédéraux de Terre-Neuve au Parlement; M. Don Jamieson, député de Burin-Burgeo; M. A. J. Murphy, député à l'Assemblée législative (Saint-Jean-Centre),

H. A. Collins, M.H.A., Gander; Gerald F. Lang, for St. John's Municipal Council; E. E. Thoms, General Chairman, Brotherhood of Railway, Airline and Steamship Clerks, Freight Handlers, Express and Station Employees; F. A. Lush, representing Railway Union Labour Council and Deer Lake Chamber of Commerce; W. H. Butt, representing Newfoundland Legislative Committee, International Railway Brotherhood; F. W. Dick, representing Brotherhood Locomotive Firemen and Enginemen; C. D. Cook, representing Brotherhood of Railway Trainmen; A. W. Leblanc, representing Brotherhood of Railway Carmen of America; James O'Dea, representing Sheet Metal Workers International Union, Local No. 552; and

UPON reading the submissions filed; and in accordance with the judgments rendered in this matter—

The Railway Transport Committee of the Canadian Transport Commission hereby orders:

1. Subject to the following conditions, the Applicants shall, on April 15, 1969, discontinue passenger train service between St. John's and Port aux Basques, in the Province of Newfoundland provided by Train Nos. 101 and 102 and coach service on Mixed Train Nos. 203 and 204.

(1) The bus service proposed by the Applicants and described in detail in the Judgment of Woodard, C., shall be inaugurated and continued as long as a requirement for passenger service continues, and the passenger facilities, including terminals and the shelters mentioned therein, with proper communication links, shall be provided and installed, all to the satisfaction of the Committee.

(2) Until the applicants are notified by the Committee that the bus service is inaugurated and the passenger facilities are provided and installed to the satisfaction of the Committee, the passenger train service shall continue to be operated in the same manner and as frequently as it was during the comparable period in 1967.

(3) From the date the Applicants are notified that the Committee is satisfied that the bus service is inaugurated and the passenger facilities provided and installed, and until April 15, 1969, it will not be necessary for the Applicants to run their passenger trains except in case of emergencies created by extremes of

représentant l'Opposition officielle de Terre-Neuve; M. H. A. Collins, député A. L. Gander; M. Gerald F. Lang, pour le Conseil municipal de Saint-Jean; M. E. E. Thoms, président général de la Fraternité des employés des chemins de fer, lignes aériennes et compagnies de navigation, dockers et employés des messageries et des gares. M. F. A. Lush représentant le Conseil ouvrier du syndicat des cheminots et la Chambre de commerce de Deer Lake; M. W. H. Butt, représentant le Comité législatif pour Terre-Neuve de la Fraternité internationale des cheminots; M. F. W. Dick, représentant la Fraternité des chauffeurs et mécaniciens de locomotives; M. C. D. Cook, représentant la Fraternité des conducteurs de trains (trainmen); M. A. W. Leblanc, représentant la Fraternité des employés de trains (carmen) d'Amérique; M. James O'Dea, représentant le Syndicat international des ouvriers de Caminoirs, local 512; et

APRÈS AVOIR pris connaissance des mémoires déposés; et en conformité des jugements rendus en la matière,

Le Comité des transports ferroviaires de la Commission canadienne des transports ordonne par les présentes:

1. Sous réserve des conditions suivantes, les demandeurs supprimeront, le 15 avril 1969, le service de transport de voyageurs entre Saint-Jean et Port-aux-Basques, dans la province de Terre-Neuve, effectué par les trains nos 101 et 102, ainsi que les wagons pour voyageurs des trains mixtes nos 203 et 204.

(1) Le service d'autobus proposé par les demandeurs et décrit en détail dans le jugement de Me Woodard, sera inauguré et continué aussi longtemps que durera la demande d'un service de voyageurs, et la compagnie fournira les installations nécessaires aux voyageurs, y compris les terminus et les abris sus-mentionnés, pourvus des moyens de communication qui s'imposent, de façon à satisfaire le Comité.

(2) Jusqu'à ce que le Comité fasse savoir au National-Canadian que le service d'autobus a été inauguré et que les installations ont été mises en service à sa pleine satisfaction, le service de trains de voyageurs continuera à fonctionner de la même manière et aussi fréquemment que durant la période comparable de 1967.

(3) A partir de la date où les demandeurs auront été notifiés de l'inauguration du service d'autobus et de la mise en service des installations destinées aux voyageurs à la pleine satisfaction du Comité, et jusqu'au 15 avril 1969, les demandeurs n'auront à faire fonctionner leurs trains de voyageurs que dans les

weather or by any other cause, until full bus service is restored. To meet the requirements of this condition, the Applicants shall keep and maintain ready for operation such passenger train equipment as the Committee shall direct.

(4) The Applicants will, in accordance with their undertaking, operate a daily coach service in both directions on their express trains, between Bishop's Falls and Corner Brook, to provide a rail link with the bus service for residents in the area between Badger and Deer Lake.

(5) If, prior to April 15, 1969, the Applicants fail or are unable to perform any of the conditions enumerated above, or if at any time before that date the Committee is not satisfied that the bus service is at least as good as the present passenger train service, it may upon notice to the Applicants and to all parties who appeared before it in December 1967, reconvene the hearing to consider whether in the exercise of its general powers under the Railway Act, it should impose further conditions to be met prior to the discontinuance of the passenger train service or direct the adoption of such measures as may be necessary to ensure the adequacy of the bus service.

2. The Applicants shall keep and maintain ready for operation sufficient passenger train equipment to meet the requirements of condition numbered (3) in section 1.

3. The Applicants shall publish in three consecutive issues of the two daily newspapers in St. John's, Newfoundland, and post at all the stations located on the line served by the said passenger train service a copy of this Order.

Dated at Ottawa, this 3rd day of July, 1968.

(Sgd) C.W. RUMP,
Secretary,

Railway Transport Committee.

cas d'urgence créés par les intempéries ou toute autre cause, jusqu'à ce que le service d'autobus soit rétabli intégralement. Afin de remplir cette condition, les demandeurs maintiendront le matériel ferroviaire nécessaire prêt à fonctionner à tout moment selon les directives du Comité.

(4) Les demandeurs offriront, en conformité de leurs engagements, un service quotidien dans les deux sens au moyen de leurs trains express entre Bishop's Falls et Corner Brook, afin de faire le raccord avec le service routier à l'intention des habitants de la région située entre Badger et Deer Lake.

(5) Si, avant le 15 avril 1969, les demandeurs n'exécutent pas, ou ne sont pas en mesure d'exécuter, l'une ou l'autre des conditions énumérées ci-dessus, ou si à un moment donné avant cette date, le Comité n'est pas convaincu que le service d'autobus est au moins aussi bon que le service de trains de voyageurs actuel, il pourra, après en avoir notifié les demandeurs et toutes les parties qui ont comparu à ses séances en décembre 1967, se réunir à nouveau en audience, afin d'examiner si, dans l'exercice de l'autorité générale que lui confère la loi sur les Chemins de fer, il devrait imposer de nouvelles conditions avant la suppression du service de trains de voyageurs, ou ordonner l'adoption des mesures éventuellement requises pour assurer le fonctionnement satisfaisant du service d'autobus.

2. Les demandeurs garderont et maintiendront suffisamment de matériel roulant pour voyageurs prêt à fonctionner pour répondre aux exigences de la condition n° 3 de l'article 1.

3. Les demandeurs feront publier dans trois numéros consécutifs des deux quotidiens de Saint-Jean (Terre-Neuve), et afficheront dans toutes les gares de la ligne de chemin de fer desservie par lesdits trains de voyageurs, un exemplaire du présent Ordre.

Ottawa, en date du 3e jour de juillet 1968.

(signé) C. W. RUMP,
Secrétaire,

Comité des transports ferroviaires

APPENDIX "V"

BRIEF TO THE COMMONS COMMITTEE ON TRANSPORT AND COMMUNICATIONS AT HEARINGS HELD ST. JOHN'S, NFLD. FEBRUARY 23, 1968.

MR. CHAIRMAN:

I represent 1,600 union members of the Brotherhood of Railway, Airline and Steamship Clerks, Freight Handlers, Express and Station Employees in the Province of Newfoundland who are engaged in the transportation industry. They are concerned about transportation, the lack of transportation and the future of transportation in the Province, not only because it affects their pocket book, but they believe, and I share this view that our Province will only be as great as the transportation facilities therein and for this reason, wisdom must guide the policy of the transportation industry and not the fortune seekers that we see surrounding us at times.

Your Terms of Reference as it appears in the January 30th issue of Hansard, says along with some other directives that you are empowered to consider and report upon all aspects of transportation as they relate to the Atlantic Provinces, etc. etc. etc.

This, in my opinion, gives you a pretty wide berth and should allow for very liberal presentations from interested persons. However, it would seem to me, and please correct me if I am wrong, the times limits you have selected and the regulations you have effected, will bar a lot of evidence and presentations from this hearing.

The first official advertisement of your intention to hold hearings was contained in the local issue of the daily newspapers of February 6th, giving the Terms of Reference with the provision that persons wishing to appear should forward 50 copies of their brief to the Clerk of the Committee by February 15th.

I do not think anyone will disagree with me when I say the notice was too short. Nine days to prepare an effective brief on the transportation problems of the Atlantic Provinces do not afford interested parties the necessary time to compile anything outside of some observations. You completely isolate the general public when you require that 50 copies must be submitted.

APPENDICE «V»

Mémoire présenté au comité de la Chambre des communes sur les Transports et les Communications lors de l'audience tenue à Saint-Jean de Terre-Neuve, le 23 février 1968.

Monsieur le président,

Je représente les 1,800 syndiqués de la Fraternité des employés de bureau des chemins de fer, de l'aviation, de la navigation, des manutentionnaires de marchandises, des messageries et des employés de gare de la province de Terre-Neuve qui travaillent dans l'industrie des transports. Ils sont préoccupés par le transport, par l'absence de moyens de transport et par l'avenir de cette industrie dans la Province, non seulement à cause de leur livret de banque, mais plutôt parce qu'ils sont persuadés, et je partage là leur point de vue, que l'avenir de leur Province est lié au développement des moyens de transport. A cause de cette raison, la sagesse devrait être le guide de la politique de l'industrie du transport, et non ces chercheurs de bonne fortune qui parfois nous entourent.

Votre mandat, tel que décrit dans le *Hansard* du 30 janvier, vise, à part d'autres directives, à vous confier le pouvoir d'étudier et de rapporter tous les aspects de l'industrie du transport tels qu'ils existent à l'heure actuelle dans les provinces Maritimes, etc. . .

Selon mon opinion, ce mandat vous permet d'avoir des assises très larges et devrait permettre aux personnes intéressées de faire des représentations très libres. Cependant, il me semble, et corrigez-moi si je me trompe, que les délais choisis et les règlements énoncés, empêchent la présentation de nombre de témoignages et de mémoires devant cette audience.

La première annonce pertinente à votre intention de tenir audience a paru dans les journaux locaux du 6 février, expliquant le mandat et invitant les personnes désirant témoigner à envoyer 50 exemplaires de leur mémoire au secrétaire du Comité avant le 15 février.

Je pense que personne ne me contredira si j'affirme que le délai était trop court. Neuf jours pour préparer un mémoire efficace sur les problèmes du transport dans les provinces Maritimes ne permettent pas aux personnes intéressées d'avoir le temps nécessaire pour rassembler des faits autres que des observations générales. Vous ne permettez pas au grand public de participer aux audiences quand vous exigez la soumission de 50 exemplaires d'un mémoire.

I assume that you expect to receive briefs from labour and business organizations and interested governments, and when you say "persons" this may mean any interested citizen in the province. However, with the 50 copies proviso, this may only be adhered to by a large Union, not all of the business community and naturally a provincial government. For the ordinary citizen who is also supposed to have his voice heard, will any of you on the Committee tell me how any ordinary citizen can be expected to supply 50 copies of a brief on transportation and still meet a nine day deadline.

Perhaps, you feel as I do, that this can be termed as only a cruise through the Atlantic Provinces for the Committee, to see first hand the physical side of our transportation problems. If this is so, and the circumstances such as I have related above should verify this, I'm wondering why the bother with Hearings at all, knowing that we cannot prepare properly for it.

I'm sure, that there are many M.P.'s who are now very well acquainted with the transportation needs of the Atlantic Provinces. I'm certain that Newfoundland M.P.'s are. If Royal Commissions and studies are yardsticks, and can be listened to, you have probably already seen our transportation needs for this province and the most that we have time to do, is to look over some of them and bring some of their recommendations to your attention, with a few added views from our Brotherhood.

Outside of the studies outlined in Handsard, this Province has been presented with several reports on Transportation and the most recent one was the findings of a Royal Commission on Transportation in September 1966. In that report there are some items that even our Brotherhood cannot agree with, although there are many recommendations that we do agree with and if effected would solve many of our transportation problems.

I should only deal with transportation as confined to railroading, because that mode is what I am most familiar with, however, I will probably have some comment on other modes of transportation.

Our Newfoundland Royal Commission on Transportation says on page 9 of their report that:

> One is forced to the conclusion, in view of the disparity in the facilities offered,

Je suppose que vous vous attendez à recevoir des mémoires en provenance des organisations syndicales, des associations professionnelles et commerciales et des gouvernements intéressés, pourtant, lorsque vous parlez de «personnes», il semble que ceci s'adresse à tous les citoyens de la province. Cependant, le chiffre de 50 exemplaires du mémoire à soumettre restreint la participation aux audiences aux grands syndicats, à certaines associations commerciales et, évidemment, au gouvernement provincial. Pour le simple citoyen qui devrait supposément faire entendre sa voix, pouvez-vous me dire, nous, les membres de ce Comité, comment un simple citoyen a les moyens de soumettre 50 exemplaires de son mémoire sur le transport dans un délai de neuf jours.

Peut-être pensez-vous, comme je le pense du reste moi-même, qu'il s'agit pour le Comité d'effectuer une croisière dans les provinces Maritimes, afin que ses membres voient de leurs propres yeux les problèmes les plus flagrants de nos transports. S'il en est ainsi, et les circonstances que j'ai mentionnées plus haut le prouveront, je me demande pourquoi il faut s'encombrer d'audiences, puisqu'il n'y a pas moyen de s'y préparer décemment.

Je suis sûr que de nombreux députés sont très au courant des problèmes du transport dans les provinces Maritimes. Tous les députés de Terre-Neuve y sont sensibilisés, j'en suis certain. Si l'on peut se baser sur les rapports des commissions royales d'enquête et les diverses études, vous êtes alors probablement déjà au courant de nos besoins pour cette province, et ce que nous avons alors à faire c'est de consacrer notre temps à revoir certaines de ces recommandations et à les porter à votre attention en y ajoutant quelques commentaires de notre Fraternité.

En dehors des études mentionnées dans le Hansard, cette province a présenté de nombreux rapports concernant le transport, le plus récent étant celui de la Commission royale d'enquête sur le transport du mois de septembre 1966. Dans ce rapport, certains aspects soulevés ne remportent pas l'adhésion de notre Fraternité, malgré qu'un grand nombre d'entre eux nous sont agréabbles, et, s'ils étaient mis en pratique, pourraient résoudre beaucoup de nos problèmes de transport.

Je dois m'en tenir uniquement au problème du transport ferroviaire, puisqu'il m'est le plus familier, cependant je ferai quelques commentaires sur d'autres moyens de transport.

La Commission royale d'enquête sur le transport de la Province de Terre-Neuve disait, à la page 9 de son rapport, et je cite:

> «On est forcé à conclure, à la vue de la disparité des moyens offerts, que les

that the travelling public in Newfoundland are classed in an inferior role to their Mainland neighbours when comparing transportation facilities."

This is a terrible indictment after 19 years of Confederation and your Committee should take special note of this. The Commission was talking about rail transportation. Almost immediately after this bold, but true statement was made, CN boldly applies to widen the gap and substitute a bus service for the Newfoundland travelling public instead of the trains.

Can you imagine the uproar in the Province of Quebec if a Royal Commission reported as such, but here in this Province, we are as the Premier says we are, God fearing, humble, law-abiding and loyal subjects. There is no doubt we are this, and because we are we do not deserve this sort of treatment.

C.N.'s reasoning, is that the public was not patronizing the trains. What sort of patronizing did they expect? After 19 years, and the pre-confederation Newfoundland Railway placed in the hands of the great Canadian National and having this for 19 years, a Royal Commission can say this, that we were second class transportation citizens.

The Royal Commission made some other particular references to rail-passenger services; for example, they said the tables (on the passenger trains) were stripped down to paper napkins and the services generally in the dining car was at a very low standard.

They also mentioned the need for more frequent trains. Their final recommendations as it appears on page 74 of their report makes the following recommendations:

1. An increased passenger service.
2. A better dining car service.
3. Better sleeping car service.
4. A heavier re-railing policy.

Our Brotherhood can add another recommendation that should be commenced immediately. CN should implement an immediate and large scale policy of removing the curves along the track from St. John's to Port aux Basques, so that trains can proceed at near mainland speeds. The curvature of the rail-line is one of the basis reasons for the 22 hour run over the 547 miles.

voyageurs à Terre-Neuve sont considérés comme citoyens de deuxième classe si on les compare à leurs voisins du continent quant à la différence des moyens de transport.»

C'est une terrible constatation après 19 ans de confédération, et votre Comité devrait prendre note de cette citation. La Commission parlait alors du transport ferroviaire. Juste après cette grave mais véridique constatation, le National Canadien s'appliquait bravement à accroître cette disparité en remplaçant le train par un service d'autobus destiné au public de Terre-Neuve.

Pouvez-vous imaginer quelle serait la levée de boucliers dans la Province de Québec si une Commission royale d'enquête faisait un tel rapport. Mais ici, nous sommes, tels que l'a décrit le premier ministre, des gens vivant dans la crainte de Dieu, humbles, obéissants et de loyaux sujets. C'est ce que nous sommes sans aucun doute, mais nous ne méritons pas alors d'être traités ainsi.

Le raisonnement du National Canadien se base sur le fait que le public boude les trains. Quelle sorte d'encouragement voudrait-il avoir? Dix-neuf années se sont écoulées depuis le passage de Newfoundland Railway aux mains du National Canadien, et après dix-neuf ans, une commission royale peut affirmer que nous sommes des citoyens de deuxième classe en ce qui concerne le transport.

La Commission royale a fait certaines constatations particulières en ce qui a trait au service passager. Par exemple: les tables, dans les wagons de voyageurs ont été supprimées et remplacées par des serviettes en papier, et le service dans les wagons-restaurants laissait grandement à désirer.

La Commission a aussi mentionné le besoin d'augmenter la fréquence des trains. Les recommandations finales, telles qu'elles apparaissent à la page 74 dudit rapport sont les suivantes:

1. Un service de passagers accrû.
2. Un service de wagons-restaurants amélioré.
3. Un service de wagons-lits amélioré.
4. Un service de réparation des voies à la politique plus dynamique.

Notre Fraternité peut ajouter à cela une autre recommandation qui devrait être concrétisée immédiatement. Le National Canadien devrait corriger les courbes de la voie sur le trajet de Saint-Jean à Port-aux-Basques, afin que les trains puissent circuler à une vitesse avoisinant la vitesse soutenue sur le continent. Les courbes de la voie sont une des principales raisons pourquoi le trajet de 547 milles est accompli en 22 heures.

I feel that under the present physical circumstances, CN can never be expected to be competitive. They can give better service, there is no doubt about that, but with the curvature of the Rail they cannot compete. So of prime importance is the need for the tracks to be straightened as quickly as possible. We do not suggest the big expense of a standard guage—with a straightened narrow guage, we can get the speed. There is nothing physical that I can see to delay this. If finance are used as an excuse, then there is a matter of government policy to contend with.

Newfoundland deserves a train-passenger service. The Terms of Union with Canada would never have been signed if it was known that we would lose our Train passenger service or if it was known that the service would be decreased or lose it's Newfoundland flavour.

Your Committee has been asked to recommend measures for the Atlantic Provinces. I suggest you should strongly recommend the retaining and upgrading of the rail-passenger service in Newfoundland as a first step for progress.

The other mode of transportation that our Brotherhood is interested in, is the CN Coastal Service. The former Newfoundland Railway Coastal fleet, now the CN Coastal Fleet has contributed towards the betterment of Newfoundland in such a way that it would be difficult to equate it with another public service. Long before Confederation, the Trans Canada Highway and the linking highways, the Railway Coastal fleet performed the chore as the transportation life-line, in line with the highest traditions of the sea that Newfoundlanders are so well known for.

There is no doubt that the time arrivals of the coastal boats at the many hundreds of the ports of calls have been the subject of speculation for many years by many people and while wind, weather and tides certainly were retarding factors in their schedules, one thing must be noted, and that is, they arrived, they performed and they were dependable.

Over the past few years or so, there has been a trend in some circles that the coastal fleet is fast losing its value and should fade out of the picture, because new roads are linking the communities. This may seem attractive for government spending, and some may advocate that we do away with the coastal fleet and allow all traffic to traverse by road. To those who can afford the high costs of transport by secondary roads, this may be all right but for those who still must watch

Il me semble qu'en vertu des présentes circonstances, le National-Canadien ne devrait pas s'attendre à être compétitif. La compagnie peut donner un meilleur service, sans aucun doute, mais à cause des courbes de la voie le train ne peut être compétitif. Il est ainsi d'une importance primordiale que la voie soit redressée aussitôt que possible. Nous ne voulons pas suggérer d'avoir recours à la voie normale, une voie étroite renforcée permet une vitesse suffisante. Il n'y a pas d'obstacle majeure, à ma connaissance, pour retarder ce projet. Si la situation financière en est l'excuse, il est du devoir du gouvernement d'y remédier.

Terre-Neuve mérite un service ferroviaire pour voyageurs. L'Acte d'union avec le Canada n'aurait jamais été signé s'il avait été connu que nous perdrions notre service passager ou qu'il aurait été diminué ou qu'il aurait perdu son cachet Terre-Neuvien.

Votre Comité a pour mandat de faire des recommandations concernant le transport dans les provinces Maritimes. Par conséquent, je suggère que vous recommandiez fortement la reconduction et l'amélioration du service voyageur ferroviaire à Terre-Neuve comme première étape vers les progrès.

L'autre moyen de transport dont notre Fraternité se préoccupe est le Service côtier du National Canadien. L'ancienne flotte côtière du Newfoundland Railway, qui appartient désormais au National Canadien, a contribué à l'essort de Terre-Neuve d'une façon inégalable par aucun autre moyen de transport public. Bien avant l'entrée de Terre-Neuve dans la Confédération, la création de la route transcanadienne et de ses embranchements, la flotte côtière assurait le lien vital des communications, dans une tradition maritime de haut aloi qui fait la réputation des gens de Terre-Neuve.

Il est hors de doute que les horaires des navires côtiers aux centaines de ports desservis étaient l'objet de spéculations de la part des nombreux usagers pendant de nombreuses années: le vent, les conditions météorologiques, la marée étant certainement des facteurs de retard, il n'en ressort pas moins que les bateaux arrivaient toujours à bon port.

Au cours des dernières années, il était de mise dans certains milieux d'avancer que la flotte côtière perdait de sa valeur et devait disparaître du paysage, faisant place ainsi aux nouvelles routes reliant les diverses localités. Cela semble attrayant pour les dépenses gouvernementales, et certains affirment que nous devrions abandonner la flotte côtière et prôner les transports routiers. Pour ceux qui peuvent supporter les frais élevés du transport par routes secondaires, cela semble par-

their dollars, the coastal boat is still the best means of travel.

Water traffic is still the cheapest and in Newfoundland with a very low per capita income, in fact, the lowest in Canada, water traffic is still the most attractive.

At least, each Newfoundland outport family should have the choice between the expensive carriage by road or the less expensive carriage by water. Tourist traffic alone, that can bring much needed business into the province can be enticed by maintaining our coastal fleet.

Our coastal fleet should be increased to the extent that freight can be handled on all of the pre-confederation runs and in the summer season extended to accommodate the thousands of passengers that would like to share the beauty of Newfoundland with all of us.

One other aspect of the coastal fleet that requires your attention is the apparent ease that CN can abandon such-and-such a coastal run. At present, if CN feels that it is necessary to close out a small railway station or a branch line, they apply to the Canadian Transport Committee and interested persons can have their views made known. This is not so for our coastal fleet. CN can abandon a coastal run at will. While I have no doubt that some person is consulted, the general public is not given an opportunity by right to protest and present argument.

We recommend that your Committee see to it, that such coastal runs that are to be abandoned, should be subject to public scrutiny in the same manner as is applied when rail lines are abandoned.

Since we commenced to write this brief we have been informed that there is no need to detail our arguments, because we will have the opportunity to make oral presentations to the committee, it is therefore our wish to conclude by listing some of our recommendations. They are as follows:

1. That CN should upgrade the rail-passenger service in the Province of Newfoundland and maintain it in such a manner that it will be as near mainland standards as possible.

2. That the 1700 curves be removed as quickly as possible.

fait, mais pour ceux qui doivent encore économiser sur leurs vêtements, les navires côtiers sont finalement le meilleur moyen de communication.

Le transport maritime est toujours celui qui revient le meilleur marché, et, à Terre-Neuve, avec un revenu par tête très bas, en fait le plus bas au Canada, le transport par eau est encore le plus attrayant.

Pour le moins, chaque famille terreneuvienne habitant dans un port devrait avoir le choix entre le transport par route très coûteux et le transport maritime bien meilleur marché. Le trafic touristique lui-même, qui peut apporter du travail dont on a fort besoin dans la province, pourrait être aiguillonner par le maintient de notre flotte côtière.

Notre flotte côtière devrait être accrue au point que le transport des marchandises puisse être rétabli sur tous les circuits existants avant la confédération, et la saison d'été devrait être allongée afin de permettre aux milliers de passagers qui veulent partager avec nous les beautés naturelles de Terre-Neuve de visiter notre île.

Un autre aspect de la flotte côtière qui requiert votre attention est la facilité avec laquelle, apparemment, le National Canadien peut se permettre d'abandonner tel ou tel circuit côtier. Aujourd'hui, lorsque le National Canadien pense devoir fermer une petite gare ou un embranchement, il doit en référer à la Commission canadienne des transports, et les personnes intéressées peuvent faire valoir leurs points de vue. Ceci est loin d'être le cas en ce qui concerne notre flotte côtière. Le National Canadien peut abandonner un circuit côtier selon son bon vouloir. Si j'admets que certaines personnes sont consultées, il n'en est pas moins vrai que le grand public n'a pas le droit de protester et de contester ces décisions.

Nous recommandons à votre Comité que l'abandon de certains services côtiers soit soumis au public de la même façon que les demandes d'abandon de certaines voies ferrées.

Après avoir commencé la rédaction de ce rapport, nous avons appris qu'il n'était pas nécessaire de préciser nos points de vue, étant donné qu'il nous sera donné l'occasion de faire des représentations de vive voix devant le Comité. Nous terminons donc ce mémoire en énonçant nos recommandations ainsi qu'il suit:

1. Que le National Canadien améliore le service voyageur de la province de Terre-Neuve et le maintienne dans un état équivalent aux normes fixées pour le continent.

2. Que les milles sept-cent courbes soient corrigées aussitôt que possible.

3. That the coastal boat service be increased and future planned abandonments be subject to approval or otherwise of the Canadian Transport Commission.

4. That the applications of CN in their proposal to abandon the Argentia and Bonavista Subdivisions be held in abeyance for a further five years.

5. That the coastal traffic will not be moved from the port of Argentia, until all interested persons have had an opportunity to present their views at public hearings.

6. That the Port of Corner Brook be improved for the handling of freight.

7. That ice-breakers be supplied for the port of Lewisporte so that it can be used as all-winter port for direct shipments from the mainland.

8. That free transportation will be supplied to the residents of Bell Island C.B.

9. That negotiations commence with the U.S. Government so that the Argentia Naval Base can take Air Traffic when Torbay Air Port is fogged in.

10. That negotiations commence with the U.S. Government to allow a portion of the present non usable water front at Argentia for overflow stevedoring operations.

11. That B-C186 will not pass in the Commons.

All of the above items can be debated by our Brotherhood and we will be quite willing to do so at the hearings.

Freshwater, Nfld. Feb. 13, 1968.

E. E. THOMS, General Chairman, Bro. of Railway Airline Clerks, Freight Handlers, Express and Station Employees.

3. Que les services côtiers soient améliorés et que les projets futurs d'abandon de services soient soumis aux décisions de la Commission canadienne des transports.

4. Que les demandes du National Canadien pour l'abandon des subdivisions d'Argentia et de Bonavista soient retenues pour une période supplémentaire de 5 ans.

5. Que le trafic côtier ne soit pas supprimé dans le port d'Argentia avant que toutes les personnes intéressées aient pu exposer leurs points de vue lors d'une audience publique.

6. Que le port de Corner Brook soit amélioré quant aux installations de manutention des marchandises.

7. Que des brise-glace soient dépêchés au port de Lewisport afin qu'il puisse être utilisé à longueur d'année pour la réception de marchandises en provenance directe du continent.

8. Qu'un moyen de transport gratuit soit fourni aux habitants de l'Île Bell.

9. Que des négociations soient entreprises avec le gouvernement des États-Unis afin que la base navale d'Argentia puisse recevoir le trafic aérien lorsque l'aéroport de Torbay est fermé pour cause de brouillard.

10. Que des négociations soient entreprises avec le gouvernement des États-Unis afin de permettre que la partie non-utilisée du port d'Argentia soit employée au surplus d'opérations de quai.

11. Que le projet de loi C-186 ne soit pas présenté aux Communes.

Tous ces points pourront faire l'objet de commentaires de la part de notre Fraternité, et nous serions heureux de le faire lors de l'audience.

Freshwater, Terre-Neuve,
le 31 février 1968.

E.E. Thoms
Directeur général de la
Fraternité des employés
de chemins de fer, de
l'aviation, des manutentionnaires
de marchandises, des messageries
et des employé de gare.

APPENDIX "W"

BRIEF TO THE STANDING COMMITTEE ON TRANSPORT AND COMMUNICATIONS

The Mayor and Councillors of the City of Corner Brook, on behalf of its citizens, welcome the opportunity to make a presentation to the Committee to present the City's views on the matters of transportation as it affects the City and surrounding area.

While they are interested generally in all aspects of transportation and communication, we feel that our submission should be somewhat confined. Undoubtedly, the Committee will receive many submissions during its visit—some of these submissions will deal in detail with the various matters to be studied. The degree of detail on any one item will depend on the extent to which a particular group is affected by specific problems. We are content, therefore, to leave such technical matters as freight rates, train and boat schedules, airline schedules, etc. to other groups such as the Chamber of Commerce and large industries who are better equipped to make presentations on this matter.

As a municipal government, one of our main concerns is the economic growth of our community and environs. In this connection, it is safe to say that the general feeling of interested groups is that Corner Brook's greatest immediate potential lies in the role it plays as a distribution and commercial centre for western and northern Newfoundland, and, to some degree, Labrador. It is an elementary fact that the success of a distribution centre depends almost entirely upon its *transportation facilities*. It is this topic that we wish to present to you today.

THE PORT OF CORNER BROOK

The port of Corner Brook, which for all practical purposes is a year round port, is the only deep water port in western Newfoundland, and as such, services all of western Newfoundland, the great northern peninsula, and Labrador.

The bulk of the general cargo for the City and surrounding areas is brought in by water. The port, therefore, is of paramount importance to the economy of the area and its significance is self evident. Unfortunately, the present waterfront facilities which are privately owned, and were built 40 years ago, are dilapidated and obsolete. The increased

APPENDICE «W»

MÉMOIRE AU COMITÉ PERMANENT DES TRANSPORTS ET COMMUNICATIONS

Le maire et les conseillers de Corne Brook, au nom des citoyens de leur ville, s réjouissent de l'occasion qui leur est offert de présenter un mémoire au Comité et d faire connaître ainsi leurs vues sur le pro blème des transports et de ses répercussion sur la ville et la région environnante.

En général, tous les aspects des transport et des communications nous intéressent, mai nous croyons que notre mémoire doit se bor ner à certaines questions. Le Comité recevr sans doute plusieurs mémoires au cours de s visite, et certains vont étudier en détail le différentes questions qui touchent de plu près tel ou tel groupe. Nous allons donc nou contenter de laisser des questions technique comme le fret, les horaires de chemins de fer de bateaux, d'avions, etc., à des organisme comme la Chambre de commerce et aux gran des industries qui sont plus en mesure qu nous de rédiger des mémoires sur ce questions.

A titre de municipalité, l'une des question qui nous préoccupent le plus, c'est la crois sance économique de notre collectivité et d ses environs. A ce sujet, on peut dire à coup sûr que, selon l'opinion la plus largement répandue parmi les groupes intéressés, la plu grande partie du potentiel actuel de Corne Brook réside dans le rôle qu'il joue comme centre de distribution et de commerce pou l'Ouest et le Nord de Terre-Neuve et, jusqu'à un certain point, pour le Labrador. Il est bien connu que la prospérité d'un centre de distribution dépend presque entièrement de se installations de transport. C'est de cette question que nous voulons vous entretenir aujourd'hui.

LE PORT DE CORNER BROOK

Le port de Corner Brook, pratiquement ouvert toute l'année, est le seul port en eau profonde de l'Ouest de Terre-Neuve et, comme tel, dessert tout l'Ouest de Terre-Neuve, la grande péninsule du Nord, et le Labrador.

Le gros des marchandises destinées à la ville et à la région environnante est transporté par eau. Le port a sans conteste une importance primordiale pour l'économie de la région; malheureusement, les installations portuaires actuelles, qui sont une propriété privée, et qu'on a construites il y a 40 ans, sont délabrées et désuètes. Et le tonnage des mar-

demands put upon the facilities through continually increasing tonnages have put such a strain on them that the deterioration in the last few years have made them dangerous to work with. I would like to quote an excerpt from a Brief submitted to the Minister of Transport in 1964—"The construction and conditions of the waterfront structures are such that they present a fire hazard and cause a grave anxiety regarding their safety. All of the old docks and sheds are of combustible timber construction, and dock piles coated with oil and tar. Furthermore, the congestion of the waterfront would not permit a rapid deployment of fire fighting equipment in extinguishing a localized fire.

Such a fire could develop into a major disaster which might wipe out a large part of the port due to the concentration of the docks in one area."

The entire subject of the harbour development and facilities has been under consideration for some time by the Department of Public Works of Canada and it is our understanding now, that shortly, action will be taken to commence work on the reconstruction and the building of new facilities in this area for which, we believe, the sum slightly in excess of one million dollars has been placed in the estimates and is presently before Parliament.

However, it is only fair to say that the importance of the harbour facilities are vital to the continued economic growth and even the maintenance of the present economic growth of this area.

The shipping company which uses this port, the Clarke Steamship Company, has advised Council that unless the facilities are available, they will be forced to discontinue their service as at the end of this year. This will result in a loss of a considerable number of jobs in the port area, plus the loss of a considerable payroll which runs, I believe, in the region of some four hundred thousand dollars a year. Quite apart from this comes the inconvenience brought about by the unavailability of direct shipping from Montreal and the picture which would arise from the discontinuation of this steamship service is not only grave, but is likely to cause a terrible blow to the economic picture of this area.

GROWTH OF THE AREA

It is a well known fact that since Confederation, Newfoundland generally has experienced considerable economic growth. Naturally, Corner Brook and the surrounding areas have to some extent shared in this growth. The building and opening of the Trans-Canada Highway and the all-weather road up the great Northern Peninsula have

chandises augmentant sans cesse, l'usage croissant qu'on en a fait a été tel que leur détérioration, ces dernières années, les a rendues dangereuses. Permettez-moi de citer un extrait d'un mémoire présenté au ministre des Transports en 1964: «La construction et les conditions des installations portuaires sont telles que celles-ci présentent un risque d'incendie et posent de graves problèmes de sécurité. Tous les vieux quais et hangars sont en bois inflammable, et les piliers des quais sont enduits de pétrole et de goudron. De plus, l'encombrement des quais empêcherait d'y déployer rapidement un matériel de lutte contre l'incendie pour éteindre les flammes.

Un tel incendie pourrait prendre les proportions d'un sinistre et détruire une grande partie du port dont les quais sont concentrés dans un secteur.»

Le ministère des Travaux publics du Canada étudie depuis un certain temps toute la question de l'expansion du port et de ses installations, et nous croyons savoir qu'on commencera sous peu la reconstruction et la construction de nouvelles installations dans ce secteur, pour qui, semble-t-il le budget prévoit une somme légèrement supérieure à un million de dollars, crédit actuellement soumis à l'étude du Parlement.

Il est juste de dire que l'importance des installations portuaires est vitale pour la croissance économique continue, et même pour le maintien de la croissance économique actuelle de cette région.

La compagnie de navigation qui utilise ce port, la *Clarke Steamship Company*, a averti le conseil qu'à moins d'avoir les installations voulues, elle se verra forcée d'interrompre son service à la fin de la présente année. Ce qui entraînera la suppression d'un nombre considérable d'emplois dans le port, sans compter les pertes en salaires qui, je crois, se chiffrent à environ $400,000 par an. A cela vient s'ajouter le fait qu'on ne pourra plus expédier directement de Montréal, ce qui veut dire que l'interruption de ce service de navigation n'est pas seulement grave en soi, mais va vraisemblablement porter un coup terrible à l'économie de cette région.

CROISSANCE DE LA RÉGION

Il est notoire que, depuis son entrée dans la Confédération, Terre-Neuve, en général, a connu une grande croissance économique. Bien entendu, Corner Brook et la région environnante ont, jusqu'à un certain point, participé à cette croissance. La construction de la route trans-canadienne et de la route «toutes saisons» qui longe la grande péninsule du

linked the entire west coast and have changed the supply pattern in this area. Many areas of the coast, particularly those which formerly depended upon St. John's for the supply of goods and service, now look to Corner Brook for the very obvious reason that with the roads available and the shorter distances, this is now obviously the supply centre for the entire west coast of Newfoundland. On top of this, the proximity of Corner Brook to the newly created industrial areas of Baie Verte, Little Bay, Whale Back and so on, has made a natural source of supply. Now available is faster and more economic movement of goods to these areas and at the same time, the increased activity increases employment in our City and thus the benefits are two-fold. On the other hand, increased activity is actually beyond our capacity because our facilities were provided to meet the needs of a small self-sufficient town of ten thousand and no major changes have taken place during the years in these facilities.

However, the City has now grown to house thirty thousand people, the surrounding area in the Bay of Islands has grown and roads have sprouted to every community in the area and we find ourselves the hub now of an area which holds a population of approximately one hundred and fifty thousand people.

With this tremendous growth, much of which has happened in recent years, it is quite obvious that while we have reaped the benefits of Confederation in so far as the social benefits which accrue to all Canadians everywhere in Canada (and this has contributed to our economic growth) in fact the Federal spending has been almost non-existent in our area to the present date.

CANADIAN NATIONAL RAILWAYS

We are quite sure that some members of the Committee are familiar with the tremendous developments that the Canadian National Railway's base in Port aux Basques. Much money has been spent in this area to speed up the transportation of supplies and goods with the least amount of handling, and so in Port aux Basques will be found some of the most modern freight handling facilities in all of Canada. The Canadian National Railway facilities in Corner Brook, however, are not adequate to handle all traffic coming into this area for, quite apart from the direct steamship service provided by cargo ships from Montreal to Corner Brook, which incidentally are faster and cheaper than Canadian Na-

Nord a permis de relier toute la côte ouest et de modifier le système d'approvisionnement de cette région. Plusieurs secteurs de la côte, particulièrement ceux qui, autrefois, étaient tributaires de Saint-Jean pour la fourniture des biens et des services, se tournent maintenant vers Corner Brook pour la raison bien évidente que les nouvelles routes et les distances plus courtes en ont fait le centre d'approvisionnement de toute la côte ouest de Terre-Neuve. En outre, la proximité de Corner Brook des nouveaux secteurs industriels de Baie-Verte, de Little Bay, de Whale Back, etc., en a fait une source naturelle d'approvisionnement. Il est maintenant possible d'expédier des biens vers ces régions plus rapidement et d'une façon plus économique; en même temps, cette activité accrue fait augmenter le nombre des emplois dans notre ville et, ainsi, entraîne des bénéfices sur deux plans. D'autre part, cette activité dépasse actuellement nos capacités, car nos installations, créées en fonction des besoins d'une petite ville de 10,000 habitants qui se suffit à elle-même, n'ont subi aucune grande transformation au cours des ans.

Mais la ville compte actuellement 30,000 habitants, la région voisine de Bay of Islands s'est développée, les routes relient toutes les localités de la région et nous nous retrouvons maintenant au centre d'une région qui compte une population d'environ 150,000 personnes.

Par suite de cette croissance accélérée, dont une grande partie s'est faite ces dernières années, il est évident que nous avons tiré profit de la Confédération pour ce qui est des prestations sociales accordées à tous les Canadiens, partout au Canada (et cela a contribué à notre croisssance économique), mais en réalité, les dépenses du gouvernement fédéral dans notre région ont été pratiquement inexistantes jusqu'à présent.

LES CHEMINS DE FER NATIONAUX DU CANADA

Nous sommes à peu près sûrs que certains membres du Comité connaissent bien les importantes installations que les Chemins de fer nationaux du Canada ont établies à Port-aux-Basques. On a dépensé beaucoup d'argent dans cette région pour accélérer le transport des biens et des marchandises, avec le moins de manutention possible, et c'est pourquoi on trouve à Port-aux-Basques quelques-unes des installations de manutention les plus modernes du Canada. Les installations des Chemins de fer nationaux du Canada à Corner Brook, cependant, ne suffisent pas à assurer le transport de toutes les marchandises qui arrivent dans cette région, car, sans compter le service de navigation entre Montréal et Corner

tional Railway, it must be borne in mind that the Canadian National Railway, in Newfoundland operates a coastal ship service which has a base in Corner Brook and which handles freight from Corner Brook up the north west coast to southern Labrador and down the north east coast of Newfoundland.

While there is always the possibility that with changing conditions, with the introduction of a better road system, with the necessity for providing faster service, the Canadian National Railway may soon find that the demand of its services will diminish. This will be true, perhaps, for those areas reached quickly by road from the central point of Corner Brook but for many years to come undoubtedly there will be a need to maintain the Canadian National Railway coastal services for the furthermost points and for Labrador, for there are still areas on the north coast of Newfoundland which are without roads and must be serviced by sea.

It will be extremely expensive to build roads to some of these areas and it would appear, therefore, that a coastal service will have to be maintained and to maintain a coastal service, it is imperative to maintain improved facilities in the port of Corner Brook. It is impossible to have adequate water transportation unless there are adequate port facilities and the entire matter of port facilities in Corner Brook is of the utmost and vital importance to the entire area under consideration.

In spite of the fact that money has been allocated in the estimates, it is important to draw the attention of the Committee to the serious situation which will develop if this matter is not developed further and rapidly.

CANADIAN NATIONAL RAILWAY PASSENGER SERVICE

The announcement that the Canadian National Railway in Newfoundland is to discontinue passenger service in April of 1969 has been greeted by the City Council of the City of Corner Brook with an unanimous degree of dismay and this has been shared by members of the public across Newfoundland to a great extent, and in fact, to the extent of considerable demonstration of feeling, particularly during the train ride which was taken by the members of Parliament of this province several months ago.

It is our firm belief that this is not in the interest of the travelling public, the employees, the province and the economy of the entire area. It is worth considering the history of the railway from its beginning, the work that has been done by the railway, the

Brook, dont les cargos, soit dit en passant, sont plus rapides et plus économiques que les trains du Canadien National, on ne doit pas oublier que le CN exploite à Terre-Neuve, un service de cabotage qui possède un port à Corner Brook et transporte les marchandises de Corner Brook, le long de la côte du nord-ouest, jusqu'au Sud du Labrador, puis le long de la côte nord-est de Terre-Neuve.

Il est toujours possible que de nouvelles conditions, la construction d'un meilleur réseau routier, et la nécessité d'assurer un service plus rapide, permettent bientôt au CN de découvrir que ses services sont moins en demande, notamment dans ces régions qu'on peut atteindre rapidement par la route à partir de Corner Brook; mais pour plusieurs années à venir, il sera sans aucun doute nécessaire de maintenir le service de cabotage du Canadien National pour les points les plus éloignés et pour le Labrador, car il y a encore des régions, le long de la côte nord-est de Terre-Neuve, qui n'ont pas encore de routes et qu'on doit desservir par mer.

La construction de routes dans certaines de ces régions coûtera très cher, et il semble donc qu'on devra maintenir un service de cabotage; à cette fin, il est impérieux qu'on améliore les installations du port de Corner Brook. Il est impossible d'avoir un bon service de transport maritime sans de bonnes installations portuaires, et toute la question des installations portuaires de Corner Brook est d'une importance vitale pour la région.

En dépit du fait que le budget prévoit des crédits, il est important d'attirer l'attention du Comité sur la situation délicate qui va naître si on ne règle pas toute cette question rapidement.

LE SERVICE DES VOYAGEURS DES CHEMINS DE FER NATIONAUX DU CANADA

L'annonce que les Chemins de fer nationaux du Canada allaient discontinuer leur service des voyageurs, à Terre-Neuve, en avril 1969, a été accueillie par le conseil municipal de la ville de Corner Brook avec un sentiment unanime de consternation, sentiment partagé par une grande partie de la population de Terre-Neuve et qui s'est manifesté d'une manière très vive, particulièrement au cours du voyage en chemin de fer effectué par les députés de cette province, il y a plusieurs mois.

Nous sommes convaincus que cela dessert les intérêts du public voyageur, des employés, de la province et de l'économie de toute la région. Il vaut la peine de se rappeler les débuts des chemins de fer, le travail qu'ils ont accompli, leur importance pour les diver-

importance of the railway to the various communities it serves and to the people employed on the railway.

However, while one can fall into the trap of feeling sentimental about discontinuation of such service, in fact there are two important aspects of this matter which must be brought to this committee.

First, the Terms of Confederation firmly laid down that the service would be continued commensurate with the amount of traffic offering. It was surely never intended, nor in fact visualized, that the day would come when at the wave of a wand the passenger service might be discontinued. It could, in fact, be stated that not only was it never the intention or visualized that this discontinuance might occur, but had this, in fact, ever arisen it would surely have been plainly stated that the service would be continued until it was discontinued throughout the rest of Canada. Under the Terms of Confederation, it is believed that the passenger service was to be continued in perpetuity or until Canada no longer had a rail passenger service operated by the Canadian National Railway. This will be dealt with in full detail at the hearing and there will be other items. However, the second important aspect is that in fact the Canadian National Railway made the announcement that they would discontinue their passenger service in Newfoundland before they were even granted a license to operate a bus service which was to replace the rail service.

There are many aspects of the newly introduced bus service which do not appear to fulfill the terms of Confederation and it is firmly held that the rail passenger service not only should be continued but must be continued to present to the travelling public an alternative method of travelling in the event of one or the other breaking down.

There is no doubt that had the Canadian National Railway not decided to introduce bus service, it would have been introduced shortly by some private business firm and it is doubtful, under those circumstances, if the Canadian National Railway would have entered into competition with a private company.

One of the most interesting points that must be pointed out is the fact that in the whole of Canada during the last fiscal year reported by the Canadian National Railway, the cost of operating the Canadian National Railway services was thirty-six million dollars. The cost of operating all services in Newfoundland, and this included rail passenger service, freight services and steamship services, was only one million dollars. However, it has been more than abundantly

ses localités qu'ils desservent et pour les personnes qui sont à leur service.

On pourrait peut-être faire du sentimen avec la discontinuation de ce service, mai cette question a deux aspects important qu'on doit porter à l'attention de votr Comité.

Tout d'abord, l'e pacte confédératif avai établi bien clairement que le service conti nuerait, proportionnellement à l'importanc du trafic marchandises. On n'avait sûremen jamais eu en vue ni, en fait, prévu le jour où d'un coup de baguette, le service des voyageurs pourrait être supprimé. On aurait pu bien sûr, déclarer qu'on n'avait jamais prévu ni envisagé cette interruption, mais si cela s'était produit, on aurait certainement déclaré que le service continuait jusqu'à sa suppression dans tout le Canada. Selon le pacte confédératif, on peut croire que le service des voyageurs devait être assuré à perpétuité, ou jusqu'à ce que le Canada n'ait plus le service des voyageurs du CN. On étudiera à fond cette question au cours de la séance, de même que d'autres questions. L'autre aspect important, c'est le fait que les Chemins de fer nationaux ont annoncé qu'ils interrompaient leur service des voyageurs à Terre-Neuve avant même d'avoir obtenu le permis d'exploitation du service d'autobus qui doit remplacer le service de chemins de fer.

Sous plusieurs aspects, le nouveau service d'autobus ne semble pas respecter les conditions du pacte confédératif, et nous soutenons fermement que le service des voyageurs doit non seulement continuer, mais aussi permettre au public voyageur de choisir un autre mode de transport, au cas où l'un des deux disparaîtrait.

Il ne fait aucun doute que si le CN n'avait pas décider de créer un service d'autobus, une entreprise privée l'aurait bientôt fait, et il est douteux, dans ces conditions, que le CN soit entré en concurrence avec une compagnie privée.

L'un des points les plus intéressants à souligner, c'est le fait que, au cours de la dernière année financière, le coût d'exploitation global des services du Canadian National a atteint 36 millions de dollars, alors que le coût d'exploitation de tous les services, à Terre-Neuve, y compris le service des voyageurs, le service des marchandises et le service maritime, n'a atteint qu'un million de dollars. Mais il est devenu plus qu'évident, ces dernières années, que le CN était impatient de discontinuer ses

evident over the past few years that the Canadian National Railway has been anxious to discontinue its service and the rail passenger service has been allowed to deteriorate to the point of being simply disgraceful. The freight services have reached the stage of being deplorable. The damage and loss, the delays and the multitude of other complaints that pour forth from every business firm that has dealings with the Canadian National Railway are too numerous to mention.

There are many ways in which the Canadian National Railway could have helped the Province of Newfoundland; one of the simplest of which would be a rail liner service linking with the bus service to provide fast and comfortable service across the Province.

There are still communities which are dependent upon the railway alone and they have to be considered before such action can be taken by the Canadian National Railway. Nor has any consideration been given the disabled or sick people who travel in fair comfort on the passenger train but are unable, due to their various conditions, to travel by bus.

Should, in fact, the Canadian National Railway be allowed to discontinue their service this will be the only province in Canada which no longer has a rail passenger service supplied by the Canadian National Railway. The simple hard fact remains, however, that at stake here is a principle, the principle of all citizens, all the people of Canada being equal, the principle of the Canadian National Railway, the national railway of Canada supplying all the people of Canada that it possibly can and making available to as many people in Canada a service that is designed for all of Canada. There must be no difference between the Province of Newfoundland or Nova Scotia or New Brunswick or Prince Edward Island or Alberta or Saskatchewan or British Columbia or anywhere else and it is formally contended that under these circumstances this is an ill-advised step to allow the Canadian National Railway to discontinue its passenger service, a step which would result in making the people of Newfoundland, frankly, second class citizens—no longer entitled to rail service—but only to bus service. Not only does the discontinuation of this service make Newfoundland a province of second class citizens but in allowing this to happen, the Government of Canada is breaking the terms of Confederation and every member of Parliament has a moral responsibility to see that the Province of Newfound-

services, et c'est pourquoi on a laissé le service des voyageurs se détériorer au point d'être tout simplement ridicule, tandis que le service des marchandises devenait déplorable. Il serait fastidieux d'énumérer les dommages, les pertes, les retards, et une multitude d'autres plaintes qu'ont fait pleuvoir toutes les maisons d'affaires qui ont traité avec les Chemins de fer nationaux du Canada.

Le CN aurait pu aider la province de Terre-Neuve de plusieurs façons; l'une des plus simples aurait été d'établir un système d'autorails, relié au service d'autobus, en vue d'assurer un service de transport rapide et confortable, à travers la province.

Il y a encore des localités qui dépendent uniquement des chemins de fer et on doit en tenir compte avant que le CN puisse agir. On n'a pas tenu compte non plus des invalides ou des malades qui voyagent par chemins de fer, dans un certain confort, mais qui ne peuvent pas voyager par autobus, à cause de leur état.

Si on devait permettre au Canadian National d'interrompre ses services, Terre-Neuve serait la seule province canadienne à ne plus avoir le service des voyageurs du CN. Il n'en reste pas moins qu'il s'agit ici d'un principe, du principe de l'égalité de tous les citoyens canadiens, du principe voulant que les Chemins de fer nationaux desservent tous les habitants du Canada, autant que possible, et leur fournissent un service qui convient à tout le Canada. Il ne doit pas y avoir de différence entre Terre-Neuve et la Nouvelle-Écosse, le Nouveau-Brunswick, l'Île du Prince-Édouard, l'Alberta, la Saskatchewan ou la Colombie-Britannique, ou n'importe quel autre endroit, et nous affirmons formellement que, dans ces conditions, il serait mal avisé de permettre au CN de discontinuer son service des voyageurs, mesure qui aboutirait à faire des habitants de Terre-Neuve des citoyens de seconde zone n'ayant plus droit à un service de chemins de fer, mais seulement à un service d'autobus. Non seulement l'interruption de ce service fait de Terre-Neuve une province de seconde zone, mais, en permettant cela, le gouvernement canadien enfreint les conditions du pacte confédératif, et chaque député a l'obligation de voir à ce que la province de Terre-Neuve reste fière d'être membre de la Confédération canadienne et à ce que le gouvernement fédéral, sous aucun prétexte, ne permettra que les conditions du

land shall remain proud to be a member of the Dominion of Canada and aware that the Federal Government will, under no circumstances, allow any of the terms of Confederation to be tampered with by any individual body, corporation or what have you.

There are other aspects of transportation and communication which will be discussed more fully at the actual hearing.

pacte confédératif soient violées par un individu, une société, etc.

Nous discuterons davantage, au cours de la présente séance, d'autres aspects des transports et communications.

APPENDIX "X"

99A Campbell Ave.,
St. John's, Nfld.,
January 26, 1969.

The Chairman,
Commons Transport Committee,
Ottawa.

Dear Sir,

I wish to submit to you the following brief for hearings to be held by your Committee in St. John's during February.

Ever since Canadian National made application to discontinue rail passenger service in Newfoundland, I have been totally against the move, as I feel it's not to the best interest of the people of Newfoundland, especially those depending upon a reliable method of transportation.

First and foremost, Canadian National in its present plans is offering the people of Newfoundland, what I call a second class method of transportation as the planned bus service is neither adequate nor sufficient to meet the traveling public's needs. No doubt this past month has shown this point very clearly. These buses have been off the road, according to various news reports, no less than four times, and either stopped or stuck in snow drifts the same number of times for long periods of time. During these times the train had to come to the rescue or those passengers en route would have been stranded.

Secondly, seventeen buses cannot serve the people of Newfoundland adequately all year round. In the name of common sense, what can eight 40-passenger buses do when a train of twenty cars cannot accommodate the travelling public at peak periods. To serve the people adequately all year round Canadian National would need fifty or more buses which wouldn't prove economical as thirty of them would lie up eleven months of the year.

Thirdly, buses cannot provide a reliable service in Newfoundland six months of the year. Climatic conditions won't permit it. This month's records won't permit me to say more as the records speak for themselves.

Fourthly, Canadian National wants to give the people inadequate and second class transportation while they improve and give the

APPENDICE «X»

Saint-Jean (Terre-Neuve)
Le 26 janvier 1969

Comité permanent des transports et communications
Ottawa

Monsieur le président,

Je me permets de soumettre le présent mémoire à votre Comité, qui doit tenir des séances à Saint-Jean au cours de février.

Le Canadien National a demandé d'interrompre son service des voyageurs, à Terre-Neuve; je suis tout à fait contre cette mesure, car je crois qu'elle dessert les intérêts des habitants de Terre-Neuve, particulièrement de ceux qui dépendent d'un moyen de transport sûr.

D'abord et avant tout, le Canadien National, à l'heure actuelle, offre aux habitants de Terre-Neuve ce que j'appelle un moyen de transport de seconde classe, car le service d'autobus qu'on prévoit établir ne répondra pas plus aux besoins du public voyageur. Pour s'en rendre compte, il suffit de voir ce qui est arrivé au cours du dernier mois. A quatre reprises au moins, les autobus n'ont pu rouler parce qu'ils étaient pris dans la neige, et ce, pendant un bon bout de temps. Les trains ont dû alors venir au secours des passagers qui, autrement, seraient restés dans la tempête.

Deuxièmement, seize autobus ne peuvent réussir à desservir la population de Terre-Neuve toute l'année. Scrogneugneu! Comment huit autobus à quarante places pourraient-ils répondre aux besoins du public, aux périodes de pointe, alors qu'un train de vingt wagons ne peut pas le faire? Pour assurer un bon service à longueur d'année, le Canadien National aurait besoin de cinquante autobus ou davantage, ce qui ne prouve pas que le système serait économique, car trente d'entre eux seraient mis à l'écart onze mois par an.

Troisièmement, les autobus ne peuvent pas fournir un service sûr, à Terre-Neuve, pendant six mois de l'année. Les conditions climatiques ne le permettent pas. Je n'ai pas besoin d'en dire plus, car les chiffres du présent mois parlent d'eux-mêmes.

Quatrièmement, le Canadien National veut nous donner un service de transport inadéquat et de seconde classe, alors qu'il améliore

other provinces the best that first class service can offer. Replacing the Cariboo Express will not help solve the high loss in money but will only increase it. It will drive tourists from Newfoundland and drive Newfoundlanders to the highway in their cars, where now they use the train to get clear of it. C.N. as far as I see now, will operate a fleet of empty buses such as I have seen this past week when the bus arrived here on one day with one passenger and again on another day two. Never has the train matched that figure.

What we want them to give us is year-round, dependable service in the rail service which buses can't replace, not a bus service that is neither adequate or reliable. May I suggest that C.N.'s permission to remove the passenger trains be cancelled and that instead of removing the trains, the service be upgraded so as to meet mainland standards. (a) To do this C.N. should cut the time distance from St. John's to Port aux Basques. This can be done by operating shorter trains and eliminating long stopovers and stops that are unnecessary. (b) Present sleeping cars and coaches be reconditioned and equipped with air conditioning. (c) Dining cars to serve meals that apply to Newfoundland, which tourists and Newfoundlanders alike want and can't get. (d) Finally, trains in slow traffic periods be supplemented by motorized coaches which would be more dependable and economical than buses.

Finally, sir, why should we, the people of Newfoundland, have to put up with poor service and highway fatigue in sitting up in a bus that is full of rolling brackets, screaming children and tobacco smoke, or a traffic congested, snow and ice clogged road for a period of sixteen to eighteen hours on a distance of over six-hundred miles, while the people of mainland Canada can rest in comfortable coaches and sleeping cars. This to me is neither fair nor just to the people of Newfoundland.

As a public transportation company, Canadian National should be and is obligated to provide Newfoundland with adequate and dependable service all year round. The Cariboo express Sirs, and not buses can provide this. In the name of everything that is just and right, I ask you to have this decision by C.T.C. reversed and our trusted and proven and reliable rail service remain. If not I feel Newfoundland faces nothing as far as transses services dans les autres provinces et leur offre ce qu'il y a de mieux. Remplacer l'express «Caribou» ne résoudra pas le problème des fortes pertes d'argent, mais l'aggravera. Cette mesure éloignera les touristes de Terre-Neuve et poussera les habitants de cette province à utiliser le réseau routier, alors qu'ils prennent actuellement le train justement pour ne pas s'aventurer sur ces routes. D'après ce que je vois, le Canadien National a l'intention d'exploiter un service d'autobus vides, comme celui que j'ai vu arriver, un jour de la semaine dernière, avec un seul passager à son bord, et le lendemain, avec deux passagers. Le train n'a jamais pu en arriver jusque là.

Ce que nous voulons, c'est que le CN nous fournisse, toute l'année, un service sûr, ce qu'un service d'autobus ne peut remplacer, surtout s'il n'est pas adéquat ou sûr. Je me permets de proposer qu'on retire au CN la permission d'interrompre son service des voyageurs, et, qu'au lieu de supprimer des trains, on améliore le service de façon à atteindre le niveau du service sur le continent. (a) Pour ce faire, le Canadien National devrait réduire la durée du trajet entre Saint-Jean et Port-aux-Basques. On pourrait y arriver en faisant rouler des trains moins longs et en supprimant les longs arrêts non nécessaires. (b) Il faudrait rénover les wagons-lits et les voitures actuels et y installer la climatisation. (c) Il faudrait aussi que les wagons-restaurants servent des repas qui conviennent à Terre-Neuve et que les touristes et les habitants de Terre-Neuve veulent, mais ne peuvent obtenir. (d) Finalement, lorsque la circulation est encombrée, qu'on supplée les trains par des autorails qui seraient plus sûrs et économiques que des autobus.

Enfin, pourquoi les habitants de Terre-Neuve devraient-ils subir, pendant seize à dix-huit heures, sur une distance de plus de six cents milles, un piètre service et la fatigue de la route en voyageant à bord d'autobus pleins de bouteilles qui roulent sur le plancher, d'enfants qui pleurent, et de fumée de tabac, alors que les routes sont encombrées, ou recouvertes de neige et de glace, tandis que les habitants du continent peuvent se reposer dans des voitures et des wagons-lits confortables? Il me semble que cela n'est pas juste pour les habitants de Terre-Neuve.

Le Canadien National étant une compagnie de transport public, il doit fournir à Terre-Neuve un service adéquat et sûr, toute l'année. L'express «Caribou» le peut, mais non les autobus. Ce n'est que justice de demander que la Commission canadienne des transports renverse cette décision et maintienne notre service de chemins de fer, sur lequel nous pouvons compter et qui a déjà fait ses preuves. Sinon, je crois que les habitants de

portation goes, but confusion and chaos. In a growing province this rail service is vital and must be allowed to remain and be improved.

I remain
Yours truly,

Harvey Kents.

Terre-Neuve, pour ce qui est des transports, ne connaîtront que confusion et chaos. Ce service est vital pour la croissance de notre province et on doit l'y laisser, tout en l'améliorant.

Veuillez agréer, Monsieur le président, l'assurance de ma haute considération.

Harvey Kents.

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First Session

Twenty-eighth Parliament, 1968-69

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CHAMBRE DES COMMUNES

Première session de la

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STANDING COMMITTEE

ON

TRANSPORT AND COMMUNICATIONS

COMITÉ PERMANENT

DES

TRANSPORTS ET DES COMMUNICATIONS

Chairman H.-Pit Lessard *Président*

MINUTES OF PROCEEDINGS AND EVIDENCE

PROCÈS-VERBAUX ET TÉMOIGNAGES

No. 16

FEBRUARY 24, 1969

CHARLOTTETOWN, P.E.I.

LE 24 FÉVRIER 1969

CHARLOTTETOWN, Î. P.-É.

Respecting

Transportation problems of the Atlantic Provinces.

Concernant

Problèmes de transport dans les provinces de l'Atlantique.

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The Queen's Printer, Ottawa, 1969
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29964—1

STANDING COMMITTEE ON
TRANSPORT AND COMMUNICATIONS

Chairman: Mr. H.-Pit Lessard

Vice-Chairman: Mr. Pat Mahoney

and Messrs.

Allmand
Breau
Carter
Corbin
Godin
Horner
McGrath
Nesbitt
Nowlan
Perrault
Portelance
Pringle

COMITÉ PERMANENT DES
TRANSPORTS ET DES
COMMUNICATIONS

Président: M. H.-Pit Lessard

Vice-président: M. Pat Mahoney

et MM.

Rock
Rose
Skoberg
Thomas (*Moncton*)
Trudel
Turner (*London East*)

Le secrétaire du Comité,
Robert Normand,
Clerk of the Committee.

[*Text*]

MINUTES OF PROCEEDINGS

MONDAY, February 24, 1969.
(28)

The Standing Committee on Transport nd Communications met this day at harlottetown at 9.30 a.m., the Chairman, Ir. Lessard, presiding.

Members present: Messrs. Allmand, reau, Carter, Corbin, Godin, Lessard *LaSalle*), McGrath, Mahoney, Nesbitt, errault, Portelance, Pringle, Rock, Rose, koberg, Thomas (*Moncton*), Trudel, Turer (*London East*)—(18).

Also present: Messrs. Macquarrie and MacLean, Members of Parliament.

Witnesses: The Premier of Prince Edward Island: The Honourable Alex Campbell; *From the Charlottetown Board of Trade:* Messrs. W. R. Brennan, Chairman of the Transportation and Communications Committee; R. W. Smith, President, and C. W. Moffatt, General Manager.

The Chairman introduced Premier Campbell and invited him to read the brief of the Government of Prince Edward Island and before being questioned thereon.

The Premier filed with the Clerk of the Committee a copy of the brief presented by the Province of Prince Edward Island to the Federal Government of Canada concerning the Northumberland Strait Crossing. (*Exhibit A*) The Premier accepted to provide additional information to the Members of the Committee. It was *agreed* that this information be filed with the Clerk of the Committee as *Exhibit B*.

The Chairman then introduced other witnesses who summarized their briefs and were questioned thereon.

The Charlottetown Board of Trade *agreed* to file as *Exhibit C* additional in-

[*Traduction*]

PROCÈS-VERBAL

Le LUNDI 24 février 1969
(28)

Le Comité permanent des transports et des communications se réunit aujourd'hui à Charlottetown à 9 heures et demie du matin, sous la présidence de M. Lessard, président.

Présents: MM. Allmand, Breau, Carter, Corbin, Godin, Lessard (*LaSalle*), McGrath, Mahoney, Nesbitt, Perrault, Portelance, Pringle, Rock, Rose, Skoberg, Thomas (*Moncton*), Trudel, Turner (*London-Est*)—(18).

Aussi présents: MM. Macquarrie et MacLean, députés.

Témoins: Le premier ministre de l'Île du Prince-Édouard, l'honorable Alex Campbell. Représentant le *Board of Trade de Charlottetown:* MM. W. R. Brennan, président du conseil du Comité des transports et communications, M. R. W. Smith, président, et M. C. W. Moffatt, directeur général.

Le président présente le premier ministre Campbell et l'invite à donner lecture du mémoire du gouvernement de l'Île du Prince-Édouard avant d'être interrogé à ce sujet.

Le premier ministre remet au secrétaire du Comité le texte du mémoire présenté par la province de l'Île du Prince-Édouard au gouvernement fédéral du Canada concernant la traversée du détroit de Northumberland (*Pièce «A»*). Le premier ministre consent à fournir des renseignements supplémentaires aux membres du Comité. Il est convenu que ces renseignements (*Pièce «B»*) seront remis au secrétaire du Comité.

Le président présente alors d'autres témoins, lesquels donnent lecture d'un résumé de leurs mémoires et sont interrogés à ce sujet.

Le *Board of Trade* de Charlottetown *consent* à remettre comme *pièce «C»* des

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formation with the Clerk of the Committee.

At 12.30 p.m. the Committee adjourned until 2.00 p.m. this day.

AFTERNOON SITTING
(29)

The Standing Committee on Transport and Communications met this day at Charlottetown at 2.00 p.m., the Chairman Mr. Lessard presiding.

Members present: Messrs. Allmand, Breau, Carter, Corbin, Godin, Lessard (*LaSalle*), McGrath, Mahoney, Nesbitt, Perrault, Portelance, Pringle, Rock, Rose, Skoberg, Thomas (*Moncton*), Trudel, Turner (*London East*)—(18).

Also present: Messrs. Macquarrie and MacLean, Members of Parliament.

Witnesses: From the Prince Edward Island Potato Marketing Board: Messrs. Donald MacKenzie, Member; Robert Farquharson, Member; and George MacMurdo; *From Jenkins Brothers Limited:* Mr. J. R. Phaneuf; *From Hawker-Siddley:* Mr. A. W. Owen, Traffic Manager. *Major D. A. MacDonald, Private Citizen. From the Maritime Motor Transport Association:* Messrs. J. Lowell Hogg, Vice-president; A. H. Howard, Director; and Keith MacKinnon, Director; *From Industrial Enterprises Incorporated:* Mr. Joseph A. Bergasse.

The Chairman introduced the witnesses and invited them to summarize their respective briefs before being questioned thereon.

(*See Appendix "Y" for brief of Jenkins Brothers Limited.*)

(*See Appendix "Z" for second brief of Major MacDonald.*)

(*See Appendix "A-1" for brief of Industrial Enterprises Incorporated.*)

On motion of Mr. Perrault, it was

renseignements supplémentaires au secrétaire du Comité.

A midi et demi, le Comité s'ajourne jusqu'à 2 heures de l'après-midi.

SÉANCE DE L'APRÈS-MIDI
(29)

Le Comité permanent des transports et des communications se réunit aujourd'hui à Charlottetown à 2 heures de l'après-midi, sous la présidence de M. Lessard.

Présents: MM. Allmand, Breau, Carter, Corbin, Godin, Lessard (*LaSalle*), McGrath, Mahoney, Nesbitt, Perrault, Portelance, Pringle, Rock, Rose, Skoberg, Thomas (*Moncton*), Trudel, Turner (*London-Est*)—(18).

Aussi présents: MM. Macquarrie et MacLean, députés.

Témoins: Représentant l'Office de mise sur le marché des pommes de terre de l'Île du Prince-Édouard: MM. Donald MacKenzie, membre; Robert Farquharson, membre, ainsi que George MacMurdo; représentant *Jenkins Brothers Limited:* M. J.-R. Phaneuf; représentant *Hawker-Siddley:* M. A. W. Owen, gérant du trafic. Le major D. A. MacDonald, particulier. Représentant l'Association du transport par véhicules à moteur des provinces Maritimes: MM. J. Lowell Hogg, vice-président; M. A. H. Howard, administrateur; et M. Keith MacKinnon, administrateur; représentant *Industrial Enterprises Incorporated:* M. Joseph A. Bergasse.

Le président présente les témoins et les invite à présenter un sommaire de leurs mémoires avant d'être interrogés à ce sujet.

(*Voir Appendice «Y»—mémoire de Jenkins Brothers Limited*)

(*Voir Appendice «Z»—second mémoire du major MacDonald*)

(*Voir Appendice «A-1»—mémoire de Industrial Incorporated*)

Sur la motion de M. Perrault, *il est décidé:*

Resolved,—That the Eastern Provincial Airways be requested to appear before this Committee at Ottawa on a date to be determined.

At 4.25 p.m. the Committee adjourned to the call of the Chair.

Que les *Eastern Provincial Airways* soient priés de comparaître devant le Comité à Ottawa à une date qui sera fixée plus tard.

A 4h.25 de l'après-midi, le Comité s'ajourne jusqu'à nouvelle convocation du président.

Le secrétaire du Comité,
Robert Normand,
Clerk of the Committee.

EVIDENCE

(Recorded by Electronic Apparatus)

Monday, February 24, 1969

[*Texte*]

The Chairman: I would like to welcome you all to this sitting this morning in Charlottetown. I would like to apologize to those who were here last year and did not have a chance to be heard; things look much better today from that point of view. Before continuing I would like to call upon the Premier of Prince Edward Island to say a word to the audience. I will now call on the Right Honourable Mr. Alex Campbell, please.

The Honourable Alex Campbell (Premier of Prince Edward Island): Thank you very much, Mr. Chairman.

The Chairman: We may go off our schedule this morning but I think it would be in order to listen to the brief of the Province first this morning. Would the Committee agree?

Some hon. Members: Agreed.

The Chairman: Premier Campbell.

Mr. Campbell: Mr. Chairman, I wonder if I might have Mr. Wells circulate copies of the province's brief so that the members of your Committee may have an opportunity to make notes as we go through it.

The Chairman: You will find the brief of the Province on page 843. The brief has been changed a little and I think the Premier will give us an outline of the new brief.

Mr. Campbell: Mr. Chairman, and members of the Committee, I understand this morning there will be approximately seven briefs presented to your Committee outlining the various problems of transportation as they affect Prince Edward Island, but at the outset let me say on behalf of the government and people of Prince Edward Island, I welcome you and the members of your Committee to this province and to this capital city.

I have been given to understand that your journey here was considerably less arduous than that of your predecessors approximately one year ago. We are pleased that you have come to observe our transportation facilities, to learn about our transportation problems,

TÉMOIGNAGES

(Enregistrement électronique)

Le lundi 24 février 1969

[*Interprétation*]

Le président: Je voudrais vous souhaiter la bienvenue à la réunion de ce matin à Charlottetown. J'aimerais, tout d'abord, exprimer nos regrets à ceux qui étaient ici l'an dernier et qui n'ont jamais eu l'occasion de se faire entendre. A ce propos, je crois que les choses iront beaucoup mieux aujourd'hui.

Avant de continuer, j'aimerais demander au premier ministre de l'Île-du-Prince-Édouard de venir nous adresser la parole. Monsieur Alex Campbell.

L'honorable Alex Campbell (premier ministre de l'Île-du-Prince-Édouard): Merci, monsieur le président.

Le président: Je crois que nous pourrions laisser de côté notre horaire ce matin pour entendre d'abord le mémoire présenté par la province. Est-ce entendu?

Des voix: D'accord.

Le président: Le premier ministre, M. Campbell.

M. Campbell: Monsieur le président, je me demande si vous permettriez à monsieur Wells de distribuer des copies du mémoire de la province pour que les membres de votre comité puissent avoir l'occasion de prendre des notes, au fur et à mesure que nous en ferons lecture.

Le président: On trouvera le mémoire de la province à la page 843. Comme le mémoire a été un peu modifié, je crois que le premier ministre nous exposera les grandes lignes du nouveau mémoire.

M. Campbell: Monsieur le président, messieurs du comité, sauf erreur, on présentera environ sept mémoires ce matin, dans lesquels seront exposés les divers problèmes du transport, tels qu'ils touchent l'Île-du-Prince-Édouard. Tout d'abord, au nom du gouvernement et de la population de l'Île-du-Prince-Édouard, je vous souhaite la bienvenue dans notre province et dans notre capitale.

On m'a laissé entendre que votre voyage a été beaucoup moins épuisant que celui de vos prédécesseurs, il y a environ un an. Nous sommes heureux que vous soyez venus prendre connaissance de nos aménagements de transport, de nos problèmes en matière de

[*Text*]

and to consider the suggestions for improvements which will be advanced here today.

We believe that it is very important for Members of the House of Commons, representing as you do all parts of Canada, to visit and become much better acquainted with each and every part of the country. We hope that this visit to Prince Edward Island and the other Atlantic provinces will be beneficial to you and productive of good results for the people of Atlantic Canada.

Transportation is vital to the economic and social life of any area, but it is particularly vital when that area is an Island dependent upon exporting its production and importing most of its requirements. Because we are an Island we are more conscious and more concerned with transportation than might often be the case if conditions were otherwise. Further, the fact that we are located on the eastern extremity of this country far removed from our major markets and suppliers greatly increases the importance of transportation and its impact on our economy.

It is in this light, viewed from our position with all attendant circumstances that our transportation must be considered, but I would hope that as members of this very important Committee you would place yourselves in an Islander's position for this day and subsequently when you are preparing your report to the House of Commons.

When I speak of transportation I have in mind all the major modes of transportation—railway, highway, air and water. To these I emphatically add one more—Causeway.

We also are considering the major elements of the transportation system: facilities, railway tracks, roads, airports, harbours, and so on. Equipment: rail cars and locomotives, trucks, airplanes, ships and so on. Rates: it is of little value to an economy to have facilities and equipment if the rates for moving goods are such that they impose prohibitive or unreasonable penalties on an area. Service: unless the transport provides reasonably adequate service to the region, it is again failing in its responsibility.

I hope that in our discussions today we will give proper consideration to all modes of transportation and to all aspects of this important industry.

In general, we urge that greater emphasis be placed upon the co-ordination of planning and action on the part of all federal agencies, federal departments of government, and the Province of Prince Edward Island. The prolif-

[*Interpretation*]

transport et des suggestions qui seront faites aujourd'hui en vue d'améliorer la situation.

Nous croyons qu'il importe au plus haut point pour les députés fédéraux qui, comme vous, représentent toutes les régions du Canada, de visiter et de mieux connaître chacun des secteurs qui le constituent. Nous espérons que votre visite de l'Île-du-Prince-Édouard et des autres provinces de l'Atlantique vous sera avantageuse et donnera lieu à d'heureuses conséquences pour leurs habitants.

Les transports sont essentiels pour la vie économique et sociale de toute région, bien sûr, mais surtout lorsqu'il s'agit d'une île qui doit exporter ses produits et importer la plupart des denrées dont elle a besoin. Étant insulaires, nous sommes peut-être plus conscients de la question des transports et y sommes peut-être plus intéressés que si les conditions étaient autres. De plus, notre emplacement à l'extrême est du pays nous éloigne des principaux débouchés et fournisseurs, ce qui augmente fortement l'importance des transports et leurs incidences sur notre économie.

C'est dans cette optique, vu la situation et toutes les circonstances qui l'entourent, qu'il faut envisager les transports chez nous. J'espère qu'à titre de membres de ce comité très important, vous penserez comme des insulaires pour un jour et lorsque vous rédigerez votre rapport pour la Chambre des communes.

Lorsque je parle de transport, j'ai en tête tous les principaux modes de transport, c'est-à-dire chemins de fer, routes, air et eau. Et j'insisterai sur un autre mode, celui de la chaussée.

Nous étudions aussi les principaux éléments des réseaux de transports, soit les aménagements, voies ferrées, aéroports, routes, ports, ainsi que les équipements: wagons, locomotives, camions, avions, navires. Quant aux tarifs, que sert à l'économie d'avoir les aménagements et les équipements voulus si les tarifs sont tels qu'ils imposent des sanctions prohibitives ou déraisonnables à une région donnée? Quant aux services, à moins que les transports ne puissent raisonnablement fournir un service convenable à la région, ils ne remplissent pas vraiment leur rôle.

J'espère que lors de nos délibérations aujourd'hui, nous pourrons étudier convenablement tous les modes de transports et tous les aspects de cette industrie importante.

De façon générale, nous demandons qu'on insiste davantage sur la coordination des projets et des programmes souhaitables qui émanent des organismes administratifs, des ministères fédéraux et de la province. Le fait

[*Texte*]

eration of government activity over the years has far too often resulted in a haphazard and disjointed approach to the over-all problems of transportation.

The days of independent approaches by the CNR, Air Canada, regional carriers, the trucking industry, the Department of Transport, and many others must be brought to an end. It will only be through a concerted and co-ordinated effort that a rational, realistic and long-range approach to our total transportation needs may be made.

In particular, we stress the need for the CNR to make long-range plans in connection with its service throughout the province. The seemingly haphazard phasing out of facilities and services to points across the Island must be brought to a halt. Severe, economic and social hardships can only be the result of such an approach. We would like to see the CNR examine and study its present and future role in Prince Edward Island and produce long-range plans to provide adequate and financially acceptable service to our people.

In October 1967, the Minister of Transport wrote the Premiers of the Atlantic Provinces requesting their views on the Atlantic Provinces transportation study so as to assist the government with the formulation of future transportation policy for the region.

In mid-December, 1967, when the four premiers met Mr. Hellyer to submit our objections to the new railway non-carload freight rates, the Minister told us that he would be receptive to a proposal from the Atlantic provinces suggesting future transportation policy for the Atlantic area. The Premiers accepted this invitation, and representatives of the four governments have met for further discussion.

The four governments have appointed a task force to study and prepare for the governments a future transportation policy for the Atlantic provinces. This group is at work and will shortly be presenting the results of its studies. This is a good example of greatly expanding united effort in the provinces to jointly and co-operatively work on our many areas of common interest and concern.

The assignment undertaken by the task force is a vitally important one. The results of its work will, we hope, form the basis of the

[*Interprétation*]

qu'il y ait eu prolifération d'activités gouvernementales au fil des ans a trop souvent donné une approche incalculée et discontinue à l'égard du problème dans l'ensemble.

Il faut mettre fin à cette attitude indépendante qui se rencontre chez le National-Canadien, Air Canada, les transporteurs régionaux, l'industrie du camionnage, le ministère des Transports et bien d'autres. Ce n'est que par un effort concerté qu'on pourra adopter une optique à longue échéance à la fois rationnelle et réaliste envers les problèmes de transport.

En particulier, nous insistons pour que le National-Canadien formule des projets à long terme en matière du service qu'il dispense par toute la province. Il faut que cesse l'abolition des services et la désaffectation des installations par toute la province, surtout que la mûre réflexion y semble absente. Les suites ne peuvent qu'en être néfastes sur les plans économique et social. Nous aimerions que le National-Canadien mette en question son rôle actuel et futur dans l'Île-du-Prince-Édouard, afin d'élaborer des plans à long terme qui assureraient à notre population un service financièrement acceptable et adéquat.

En octobre 1967, le ministre des Transports, dans une lettre adressée aux premiers ministres des provinces de l'Atlantique, leur demandait d'exprimer leurs opinions sur l'étude des transports dans la région atlantique et ainsi aider le gouvernement à formuler une politique nationale en matière des transports.

A la mi-décembre 1967, lorsque les quatre premiers ministres se sont réunis avec M. Hellyer pour lui présenter leurs objections aux nouveaux tarifs ferroviaires pour expéditions en chargements incomplets, le Ministre leur a dit qu'il accueillerait toute proposition des provinces de l'Atlantique au sujet d'une politique future en matière des transports pour cette région. Les premiers ministres ayant accepté son invitation, les représentants des quatre gouvernements se sont réunis pour débattre la question en détail.

Les quatre gouvernements ont constitué un groupe d'études qu'ils ont chargé d'élaborer, à l'intention du gouvernement, une politique future en matière des transports pour les provinces de l'Atlantique. Ce groupe, qui est actuellement à l'œuvre, présentera bientôt le résultat de ses travaux. Voilà un excellent exemple de l'intensification de l'effort dans les provinces afin d'œuvrer, de concert avec le gouvernement fédéral, dans les divers domaines d'intérêt et de préoccupation communs.

La tâche du groupe d'études revêt une importance énorme. Aussi espérons-nous que les données de ses travaux formeront la base

[*Text*]

Atlantic government's proposals to the Minister of Transport and to the Government of Canada.

The Government of Prince Edward Island is pleased to see the attention that the CNR is now giving to our immediate problems at Cape Tormentine and Borden. We feel that improvements to the ferry terminals which are now under way will improve the present ferry service to our province. We are also pleased to see the increased carrying capacity represented by the *John Hamilton Gray* and the recently purchased summer ferry.

However, I must emphasize that terminal improvements and capacity increases will still not allow for trouble free and convenient passage to and from the mainland. Until such time as a permanent crossing is constructed we urge the CNR and the Department of Transport to look carefully at present requirements, judge carefully the projections for future requirements, and take the necessary steps to provide the required vessels and the docking facilities.

The transportation facilities operated by the CNR between Borden, Prince Edward Island, and Cape Tormentine, New Brunswick, are at present the economic lifeline of this province, but a ferry service, despite the number of ships or how efficiently they are operated, will never provide proper transportation between the province and the mainland, nor does it meet the commitments made to this province when it joined Confederation nearly 100 years ago.

The obligation to provide continuous communication which the Government of Canada undertook in 1873 can only be honoured by the construction of a permanent crossing. Not only will this connection be the fulfillment of a 96 year old obligation, it is also, and more importantly, an absolute necessity for the complete economic development of this part of Canada. The construction of this crossing is also a sound economic project when one makes a cost analysis of all the benefits that will accrue from it.

We pointed these facts out very clearly in the recent brief presented to the federal government and, Mr. Chairman, I will leave with you a copy of that brief and more copies can be made available to the members of this Committee although it is my understanding that copies were distributed, at the time they were presented to the Prime Minister, to each

[*Interpretation*]

des propositions formulées par les gouvernements des provinces de l'Atlantique au ministère des Transports et au gouvernement du Canada.

L'Île-du-Prince-Édouard se réjouit de l'attention que le National-Canadien accorde présentement aux problèmes immédiats de Cap-Tormentine et de Borden. Nous estimons que les travaux exécutés présentement aux terminus de chemins de fer amélioreront les services actuels de transbordement dans notre province. Nous nous réjouissons des nouvelles facilités de transport que représente le «John Hamilton Gray» et le transbordeur d'été que l'on vient d'acheter.

Toutefois, je dois insister sur le fait que ces travaux et nouvelles facilités ne nous permettront pas d'éliminer tous les inconvénients que pose actuellement la traversée du détroit. Jusqu'au moment où l'on aménagera une chaussée permanente, nous voudrions que le National-Canadien et le ministère des Transports examinent attentivement les besoins actuels et estiment précisément les exigences futures, afin de prendre les mesures voulues pour que l'on dispose des navires et des aménagements portuaires requis.

A l'heure actuelle, les installations de transport du National-Canadien, entre Borden, à l'Île-du-Prince-Édouard, et Cap-Tormentine, au Nouveau-Brunswick, se révèlent indispensables à l'économie de l'Île, mais un service de transbordement, quelque soit le nombre de bâtiments employés, même si leur exploitation est on ne peut plus efficace, jamais ne constituera un mode de transport convenable entre la province et la terre ferme, ni ne répondra aux engagements faits à la province lorsqu'elle s'est jointe à la Confédération, il y a tout près d'un siècle.

L'engagement pris par le gouvernement du Canada en 1873, soit de prévoir des moyens permanents de communications, ne sera acquitté que par l'aménagement d'une chaussée permanente. Non seulement remplira-t-on ainsi une promesse vieille de 96 ans, mais ce qui est plus important, on en admettra la nécessité pour le plein développement économique de cette partie du Canada. L'aménagement de la chaussée se révèle économique, si l'on fait l'analyse des coûts et de tous les avantages qui en découleraient.

Nous avons nettement signalé ces faits dans un mémoire présenté récemment au gouvernement fédéral. Monsieur le président, je vais vous laisser un exemplaire de ce mémoire; j'en tiens d'autres à votre disposition quoique, sauf erreur, tous les députés en aient obtenu au moment où nous l'avons remis au premier ministre; néanmoins, je veux m'assurer que

[*Texte*]

one of the members of Parliament and I hope that each one of the members of your Committee has therefore his own copy of that brief.

One of the most significant points made in that brief is that it will cost the federal government approximately $1 billion over the next 60 years to provide adequate ferry service, docking facilities and so on, as compared to the present estimated cost of $160 million for a permanent crossing, I do not intend to dwell on this subject at any greater length but we have attached a copy, as I mentioned Mr. Chairman, and additional copies can be made available to the Committee if they are required.

We trust that you will read and analyse the arguments contained in that brief.

Prince Edward Island suffers from a lack of transportation facilities and adequate transportation services. The Atlantic Provinces Transportation Study, Volume III, page 1 states:

> Shippers of many agricultural and fisheries products in Prince Edward Island cannot exploit the markets fully, because of the shortcomings of the transportation facilities.

We are concerned about the deterioration of facilities and services provided by the railway. Again, I do not propose to go into this in detail; this can be done much more graphically by the Board of Trade, the shippers, businessmen and representatives of the many companies that use the services, who will be giving you their own views.

But in general we are concerned about the shortage of sufficiently suitable railway equipment to move our agricultural and fisheries production to markets outside the province.

There is a shortage of locomotive power, services are being curtailed and we fear that railway lines are not being adequately maintained. The frequency and quality of service does not meet the needs of our shippers and business enterprises. We urge that positive moves be made by the railway to improve facilities, equipment and service which would demonstrate to all of us that the CNR is determined to provide now and in the future the rail services which would contribute to an expanding economy.

[*Interprétation*]

tous les membres de votre comité l'ont en main.

Un des arguments les plus significatifs de ce mémoire, c'est qu'il en coûtera au gouvernement fédéral environ un milliard de dollars au cours des soixante années à venir pour assurer un service convenable de transbordement et entretenir les aménagements voulus, contre un coût estimatif, du moins à l'heure actuelle, de 160 millions de dollars pour une chaussée permanente. Je n'ai pas l'intention de trop insister sur ce sujet, mais je le répète, monsieur le président, nous disposons d'exemplaires de notre mémoire, que je pourrai transmettre, s'il le faut, aux membres du comité.

Nous osons espérer que vous lirez ce document et analyserez les arguments y contenus.

L'Île-du-Prince-Édouard souffre de l'absence d'aménagements et de services de transport qui lui seraient appropriés. A la page 1 du volume III de l'étude des transports dans les provinces de l'Atlantique, on dit:

> Les expéditeurs de nombreux produits agricoles et produits de la pêche de l'Île-du-Prince-Édouard ne peuvent exploiter complètement les marchés à cause des inconvénients que pose le transport.

Nous sommes préoccupés par la détérioration des services assurés par les chemins de fer. Une fois de plus, je n'ai pas l'intention de vous parler de cela en détail; cela peut être fait de façon beaucoup plus adéquate par la Chambre de commerce, par les expéditeurs, par les hommes d'affaires et par les représentants des nombreuses sociétés qui ont recours à ces services, dont vous entendrez les divers points de vue.

Mais de façon générale, nous sommes préoccupés par le manque de matériel ferroviaire adéquat pour acheminer les produits de notre agriculture et de notre pêche vers les marchés situés à l'extérieur de la province.

Il y a insuffisance de puissance locomotrice, les services sont diminués, et nous sommes d'avis que les lignes de chemin de fer ne sont pas assez bien entretenues. La fréquence et la qualité du service ne répondent pas aux besoins de nos expéditeurs et de nos entreprises commerciales. Nous voulons donc que de réelles dispositions soient prises par les chemins de fer pour améliorer les installations, le matériel et le service, ce qui vous prouverait à tous que le National-Canadien est bien décidé à fournir, maintenant et à l'avenir, un service ferroviaire qui contribue à une économie en expansion.

[*Text*]

Equally essential to an expanding economy is the matter of freight rates. Unless the shippers and importers in this area can move goods at reasonable rates our primary industries, and indeed all economic development, will be severely restricted and retarded.

For this reason we are very much opposed to the non-carload freight rates structure imposed by the railway in the fall of 1967. Subsequent events have not eased our concern and we contend that this new non-carload tariff will cause the closure of some already established industries, seriously impede the development of primary and secondary industries, and significantly increase the cost of a vast quantity of goods imported into this region.

Once again I will not go into details or particulars; this will be vividly and more effectively done by the users of the service. Under this new non-carload rate structure, rates, practices and conditions of charges were radically changed. The implementation of this new tariff in September, 1967 virtually cancelled all former rail express rates as well as competitive L.C.L. freight rates. The provision of free pick up and delivery on railway cartage services for shipments moving at commodity or non-competitive rates was also cancelled.

In addition, a density rule of 10 pounds per cubic foot for assessing charges was instituted. There were other charges which we will not detail here.

Under the new National Transportation Act rates and rules no longer require the prior approval of the Canadian Transport Commission. Hence drastic and damaging charges in non-carload freight shipments were forced on the people and economy without any prior review, discussion or approval.

These changes are particularly detrimental to the Atlantic Provinces. Because of our relatively small and scattered population, there is less opportunity to ship in full carload to the market or to bring in goods in carload quantities. The statistics confirm this.

In 1966 the railways handled 364 pounds of L.C.L. Freight per person in the Atlantic Provinces, compared with the national figure of 192 pounds per capita. This means that the

[*Interpretation*]

Un facteur tout aussi important pour une économie en expansion est celui du tarif de transport des marchandises. A moins que les expéditeurs et les importateurs de cette région ne puissent transporter leurs denrées à un prix raisonnable, nos industries primaires et, à vrai dire, toute expansion économique, seront sérieusement restreintes et freinées.

C'est pourquoi nous nous opposons fortement à la structure du tarif de chargement incomplet imposée par les chemins de fer à l'automne de 1967. Les événements qui ont suivi n'ont pas diminué notre préoccupation, et nous sommes d'avis que ce nouveau tarif de chargement incomplet entraînera la fermeture de certaines industries déjà établies, nuira gravement au développement des industries primaires et secondaires, et augmentera de façon marquée le coût de bon nombre de marchandises importées dans cette région.

Une fois de plus, je ne veux pas entrer dans les détails; les usagers du service sauront le faire de façon plus efficace et plus vivante. En vertu de la nouvelle structure du tarif de chargement incomplet, on a modifié de façon radicale les taux, les méthodes et les conditions de paiement. L'entrée en vigueur de ce nouveau tarif au mois de septembre 1967 a presque fait disparaître tous les tarifs de messageries qui existaient autrefois, ainsi que les tarifs concurrentiels de chargement incomplet. On a aussi aboli le service de ramassage et de livraison gratuits par le service des messageries pour les expéditions à tarif-marchandises où à tarif non concurrentiel.

En outre, on a institué une règle de densité de 10 livres par pied cube pour l'évaluation du coût. On a ajouté d'autres frais, dont nous ne donnerons pas le détail ici.

En vertu de la nouvelle Loi nationale sur les transports, le tarif et le règlement n'ont plus à recevoir l'approbation préalable de la Commission canadienne des transports. En conséquence, le tarif très élevé et nuisible des expéditions de marchandises par chargement incomplet a été imposé à la population et à l'économie sans examen, discussion ou approbation préalables.

Ces modifications sont particulièrement nuisibles aux provinces de l'Atlantique. A cause du chiffre peu élevé de notre population et de l'éparpillement de cette dernière, nous avons moins l'occasion d'expédier des marchandises vers les marchés ou d'en faire venir par chargement complet. Les données statistiques le confirment.

En 1966, les chemins de fer ont transporté 364 livres par personne de marchandises par chargement incomplet dans les provinces de l'Atlantique, comparativement à un chiffre

[*Texte*]

Atlantic Provinces in 1966 used 89.5 per cent more L.C.L. freight service than the rest of Canada.

On December 13, 1967 the Premiers of the Atlantic Provinces made a submission to the Minister of Transport on this matter. It has been provided to the Committee of the Maritimes Transportation Commission but I do want to impress on the Committee the seriousness of these changes and summarize the request we made to the Minister of Transport.

First, that the reduction in intra-Maritime rates referred to in the announcement of November 9, 1967 be implemented at once.

Second, that the so-called density rule be reduced from one cubic foot equalling ten pounds to one cubic foot equalling five pounds.

Third, that immediate steps be taken to extend the Maritime Freight Rates Act subsidies to other forms of transport.

We do not propose to deal at length with the matter of highway transport even though we are much concerned with it. The Maritime Motor Transport Association will be making a presentation to the Committee and we strongly endorse and support the recommendation of this Association. We are convinced of the necessity for improving the trucking services in this province and region. To this end we must assist in removing the obstacles presently faced by the trucking industry. We make five suggestions that we feel should be acted upon to improve this mode of transport. Two of these have been mentioned in another context.

1. The extension of the subsidy provisions of the Maritime Freight Rates Act to motor transport.

2. The early construction of the Northumberland Strait Crossing.

3. The establishment of uniform licensing, rules, regulations and tax for transport engaged in inter-provincial transport.

4. The provision of truck terminals in the larger centres of this region.

[*Interprétation*]

national de 192 livres par tête. Ce qui signifie que les provinces de l'Atlantique ont utilisé, en 1966, 89½ p. 100 de service de transport des marchandises par chargement incomplet de plus que le reste du Canada.

Le 13 décembre 1967, les premiers ministres des provinces de l'Atlantique ont présenté un mémoire au ministre des Transports à cet égard. Le comité de la Commission des transports des Maritimes en a reçu un exemplaire, mais je tiens à bien faire comprendre au Comité la gravité de ces modifications, et à lui donner un résumé de la demande que nous avons formulée auprès du ministre des Transports.

Tout d'abord que la diminution des tarifs du transport à l'intérieur des Maritimes annoncée le 9 novembre 1967 entre en vigueur immédiatement.

Deuxièmement, que la règle de la densité, comme on l'appelle, soit modifiée de sorte qu'un pied cube soit l'équivalent de cinq livres au lieu de dix.

Troisièmement, que l'on prenne immédiatement des dispositions en vue d'étendre les subventions octroyées en vertu de la Loi sur les taux de transport des marchandises dans les provinces Maritimes aux autres modes de transport.

Nous n'avons pas l'intention de traiter longuement de la question du transport routier, quoique cette question nous préoccupe beaucoup aussi. La *Maritime Motor Transport Association* va présenter un mémoire au Comité, et nous appuyons fortement les recommandations de cette association. Nous sommes convaincus de la nécessité qu'il y a d'améliorer les services de camionnage dans cette province et dans cette région. A cette fin, il nous faut aider à faire disparaître les obstacles qui se posent actuellement à l'industrie du camionnage. Nous formulons cinq propositions qui, à notre avis, devraient faire l'objet de dispositions en vue d'améliorer ce mode de transport. Deux de ces recommandations ont déjà été mentionnées dans un autre contexte.

1. Extension des subventions prévues dans la Loi sur les taux de transport des marchandises dans les provinces Maritimes aux transports routiers.

2. Construction dès que possible de l'ouvrage traversier du détroit de Northumberland.

3. Établissement de règles, licences, règlements et taxes uniformes pour les transporteurs interprovinciaux.

4. Aménagement de terminus routiers dans les grands centres de cette région.

[*Text*]

5. The extension of all-weather highways to provide a linkage with all rural arterial and main trunk highways in this province.

We wish especially to point out the need for advanced planning to ensure that adequate ferry facilities are available for the trucking industry in the future years. The recently proposed system of reserving space for five trucks per crossing during the summer season, while welcome, will not long be adequate. We can see the need within the next few years for a ferry primarily for trucks with roll on, roll off capacities.

It should be borne in mind that inadequate ferry service has had an adverse effect on the development of the trucking industry. Truckers operating costs are at a higher than normal level with a result that a competitive transportation environment does not exist to the same extent that it does in other parts of the Maritimes and the rest of Canada. Thus, island transportation users are not only denied the maximum efficiency and service of which trucks are capable, but are further penalized to higher railway rates due to the inability of trucks to be competitive in the movement of certain commodities.

The Maritime Freight Rates Act arose from certain obligations and commitments made to the Maritime Provinces at Confederation which were intended to afford Maritime shippers access to larger markets in other parts of the country. This commitment was honoured through various forms of assistance until the enactment of the Maritime Freight Rates Act in 1927.

Among other things this Act was intended:

> to afford to Maritime merchants, traders and manufacturers the larger markets of the whole Canadian people, instead of the restricted markets of the Maritimes themselves.

The objective of the Act was twofold, to maintain a statutory rate advantage in the Maritimes and to fulfil an obligation of Confederation by assisting Maritime interests to participate in wider markets than would otherwise be available. I do not propose to go into the historical or legal background or discuss in detail the changes in transportation or the economic forces that have prevailed since

[*Interpretation*]

5. Raccordement du réseau de routes tout temps à toutes les routes rurales de jonction et à toutes les routes principales de la province.

Nous désirons tout particulièrement signaler le besoin de planification pour assurer qu'un bon service de bac soit mis à la disposition de l'industrie du camionnage dans les années à venir. Le système que l'on a proposé récemment, et qui consisterait à réserver cinq places aux camions sur chaque traversée pendant la saison d'été, quoiqu'il soit bienvenu, ne sera pas longtemps suffisant. Nous pouvons très bien concevoir la nécessité d'avoir, d'ici quelques années, un bac prévu essentiellement pour les camions, avec possibilité de chargement et de déchargement rapides.

Il ne faut pas oublier qu'un service de bac inadéquat a eu des effets nuisibles pour le développement de l'industrie de camionnage. Les camionneurs ont des frais d'exploitation d'un niveau plus élevé que la normale, ce qui fait que la concurrence n'existe pas dans les mêmes proportions que dans les autres régions des Maritimes et dans le reste du Canada. Ainsi, ceux qui utilisent les services de transports de l'île non seulement ne bénéficient pas du service vraiment efficace que peuvent fournir les camions, mais de plus ont à payer le tarif ferroviaire, qui est plus élevé, du fait que les services de camionnage ne peuvent soutenir la concurrence pour le transport de certaines denrées.

La Loi sur les taux de transport des marchandises dans les provinces Maritimes découlent de certaines obligations et de certains engagements pris à l'égard des provinces Maritimes au moment de la Confédération, et qui avaient pour objet de faciliter aux expéditeurs des Maritimes l'accès à des marchés plus vastes et situés dans d'autres régions du pays. Cet engagement a été honoré sous différentes formes d'aide jusqu'à la promulgation, en 1927, de la Loi sur le transport des marchandises dans les provinces Maritimes.

Entre autres choses, cette loi avait pour objet:

> de permettre aux commerçants, négociants et fabricants des Maritimes d'accéder aux marchés plus vastes que constitue l'ensemble de la population canadienne plutôt qu'aux marchés restreints des Maritimes elles-mêmes.

La Loi avait un double objectif: maintenir l'avantage d'un tarif statutaire dans les provinces Maritimes, et remplir un engagement pris au moment de la Confédération en aidant les entreprises des Maritimes à avoir des

[*Texte*]

1927 which have caused the Maritime Freight Rates Act to fail in its objective.

The effectiveness of the Act has progressively deteriorated. The development of competitive transport facilities in other parts of Canada and the large and frequent horizontal rate increases, contrary to the purpose of the Act, have largely destroyed the rate relationship which the Maritime Freight Rates Act was designed to maintain.

Clearly, a major revision and updating of the Act is now necessary. This will require more thorough study than we have so far been able to give it.

However, there are certain very definite conclusions that we have already firmly adopted. First, it is imperative that the intent and the objective of the Maritime Freight Rates Act be retained and the Act amended so that new policies and machinery can be implemented to enable a return to the Maritime advantages which prevailed after the coming into force of the Act in 1927. Second, we urge that two changes be made in the new improved Act:

1. that the subsidy provision of the Act be extended to other public modes of transport;

2. that the subsidy benefits be payable to the shipper.

There are other changes that merit the most serious consideration. The present Act does not provide for any subsidy on shipments to the United States. We submit that such traffic should be included for subsidy payments. At the present time most of our fisheries production and a considerable quantity of agricultural products are dependent on markets in the United States. The extension of the subsidy provisions of the Maritime Freight Rates Act to include traffic to the United States would greatly improve our prospects of expanding our sales in this large market.

I would like to deal briefly with the whole question of air transport as it affects Prince

[*Interprétation*]

marchés plus vastes qu'elles ne pourraient en avoir autrement. Je n'ai pas l'intention de faire l'historique des événements ni l'historique juridique, ni d'expliquer en détail les modifications qui sont intervenues dans les transports ou les forces économiques qui ont agi depuis 1927, et qui ont empêché la Loi sur les taux de transport des marchandises dans les provinces Maritimes d'atteindre ses objectifs.

L'efficacité de la Loi s'est peu à peu amenuisée. La naissance de moyens de transport concurrentiels dans d'autres parties du Canada et les fortes augmentations horizontales des tarifs qui sont fréquemment intervenues, contrairement au but fixé par la loi, ont détruit les rapports de tarifs que la Loi sur les taux de transport des marchandises dans les provinces Maritimes était censée protéger.

Il est clair qu'il est nécessaire de procéder à une revision et à une mise à jour générales de la Loi. Cela nécessitera une étude plus approfondie que nous n'en avons fait jusqu'à présent.

Cependant, nous avons déjà adopté fermement un certain nombre de conclusions bien précises. Tout d'abord, il est essentiel de conserver la portée et l'objectif de la Loi sur les taux de transport des marchandises dans les provinces Maritimes, et de modifier celle-ci afin de permettre l'application d'une nouvelle politique et d'un nouveau système qui permettrait un retour aux avantages dont les Maritimes jouissaient après l'entrée en vigueur de la Loi en 1927. Ensuite, nous demandons que l'on apporte deux modifications à la nouvelle Loi améliorée:

1. Que la clause de la Loi qui concerne les subventions soit étendue à d'autres moyens de transports publics.

2. Que les subventions soient versées directement aux expéditeurs.

Il y a d'autres modifications qui méritent d'être envisagées très sérieusement. La Loi actuelle ne prévoit pas de subventions pour les expéditions faites vers les États-Unis. Nous estimons que ces expéditions devraient aussi faire l'objet de subventions. A l'heure actuelle, la plus grande partie de notre production de la pêche et une partie considérable de notre production agricole doivent compter sur les marchés américains. L'extension des dispositions sur les subventions de la Loi sur les taux de transport des marchandises dans les provinces Maritimes aux exportations à destination des États-Unis augmenterait beaucoup nos chances d'étendre nos ventes sur cet important marché.

Je voudrais vous parler brièvement de la question du transport aérien en autant que

[*Text*]

Edward Island. Perhaps many of the Committee feel that throughout this brief and in the context of the modern world too much attention has been given to the problems of land transport.

Upon close examination of our present air transport facilities, it will be found that Prince Edward Island has not yet been discovered by the jet set, to say nothing of the North Star, the DC-7 and the Viscount set. We have yet to emerge from the DC-3 era.

The size and capacity of the aircraft serving Prince Edward Island is an important consideration. However, if we were assured of efficient and convenient service throughout the Atlantic provinces with the smaller aircraft now in use, we would be somewhat less concerned. At the present time it is more difficult to fly to most Atlantic points from Prince Edward Island return than it is to fly to Europe. Today it is impossible to fly to Halifax, Fredericton, Saint John and Moncton, do whatever business is necessary and return the same day.

In addition, the Halifax to Charlottetown route does not function on Sunday. Apart from one direct flight a day, if we wish to travel to Montreal and points west we must be willing to waste endless hours to make the necessary connections.

Our experience, too, has been that Air Canada agents, regional carrier agents and travel agencies are quite often misinformed as to the schedule of airlines other than their own. A much greater effort must be made toward co-operative scheduling between Air Canada and the regional carriers. We believe that if the federal government is to implement a regional air transport policy in the Atlantic region, it must be ready to commit more funds to the development of an adequate service.

Concurrent with the needed improvement of schedules and other related matters is the proper development of the Charlottetown airport. In December of 1967 we were informed that long-range plans of the Department of Transport for the Charlottetown airport included provision of a new air terminal, maintenance garage, fire hall and power plant complex over the period 1970 to 1973.

[*Interpretation*]

cela concerne l'Île-du-Prince-Édouard. Peut-être bon nombre des membres du Comité sont-ils d'avis que tout au long de ce mémoire, et dans le contexte du monde moderne, on a attaché trop d'importance aux problèmes du transport terrestre.

Après une étude attentive de nos services actuels de transport aérien, on constatera que l'Île-du-Prince-Édouard n'a pas encore été découverte par l'avion à réaction, sans parler du «North Star», du «DC-7» et du «Viscount». Nous n'avons pas encore réussi à sortir de l'ère du «DC-3».

Les dimensions et le nombre de places de l'avion qui dessert l'Île-du-Prince-Édouard est une question importante. Toutefois, si nous étions du moins assurés d'un service efficace et commode dans toutes les provinces de l'Atlantique avec les petits avions que nous utilisons actuellement, nous ne serions pas tout à fait aussi inquiets. A l'heure actuelle il est plus difficile de faire l'aller-retour en avion entre l'Île-du-Prince-Édouard et la plupart des endroits dans les provinces de l'Atlantique que d'aller en Europe. Il est impossible aujourd'hui d'aller à Halifax, à Fredericton, à Saint-Jean ou à Moncton, d'y faire ce que l'on a à y faire, et de revenir le même jour.

De plus, le vol entre Halifax et Charlottetown n'existe pas le dimanche. A l'exception d'un vol direct par jour, si nous voulons aller à Montréal ou n'importe où à l'ouest, nous devons être prêts à gaspiller des heures et des heures à prendre les correspondances nécessaires.

Nous avons aussi remarqué que les agents d'Air Canada, les agents des compagnies de transport régionales ou les agences de voyage sont bien souvent mal renseignés quant aux horaires des lignes aériennes autres que les leurs. Il faut donc déployer beaucoup plus d'efforts pour parvenir à une collaboration, en matière d'horaires, entre Air Canada et les compagnies de transport régionales. Nous estimons que si le gouvernement fédéral veut appliquer une politique de transport aérien dans les provinces de l'Atlantique, il doit être prêt à fournir plus de fonds pour la mise au point d'un service adéquat.

De concert avec la nécessité d'améliorer les horaires et autres aspects connexes, il y a l'aménagement d'une façon adéquate de l'aéroport de Charlottetown. En décembre 1967, on nous a dit que les plans à long terme du ministère des Transports pour l'aéroport de Charlottetown prévoyaient une nouvelle aérogare, un hangar pour les réparations, une caserne de pompiers et une centrale d'énergie pour la période de 1970 à 1973.

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During the same period, runway improvements and the installation of an instrument nding system were scheduled. We now nderstand that the bulk of this work has een rescheduled for the period 1975 to 1980. 'e do not believe that this work should be ostponed forever or for even one more year. 'e strongly recommend that construction and stallation of the new facilities be comenced in the spring of this year.

One example of the lack of interest of the epartment of Transport in providing adeuate passage service at the Charlottetown rport can be seen in the fact that Commisonnaires are not employed as they are in very other Department of Transport airport assist in the operations of the airport. n addition, at the present time there is real- no effective air cargo service to look after he needs of island shippers.

We should also mention the excellent prosects for expanded trade between Prince dward Island and the Province of Newoundland. These two provinces will shortly e establishing a joint working group to etermine types of products which can most rofitably be trade. Effective implementation f trade will require a drastic improvement n the transport facilities between the two rovinces. A regular shipping service by odern vessel will be needed.

The prospects for increasing our trade with he Seven Islands and Northern Labrador reas are also bright and improved water ansport can be an effective means of mproving our trade with the Caribbean ountries. A great deal more study and planing must be brought to bear on these atters.

I understand that a series of rate changes n both the Borden and Wood Island ferries s being considered. For the Borden-Cape Tornentine service the proposal is to raise the er trip automobile rate by 50 per cent from 2 to $3. In balancing the possible additional evenue which the increase may produce we hould consider the additional hardship mposed on Islanders.

Although it would be possible by buying a ook of 10 tickets to cross at the present rate, t is not realistic to expect the great bulk of he residents of this province to be interested n paying for their passage on this basis. In ffect, we are being asked to agree to a 50 per ent increase in fares in order to help reduce he deficit involved in operating the economic ifeline of this province. Let me add that on he basis of recent experience the raise in are rates would reduce present operating

[*Interprétation*]

Pour la même période, on avait aussi prévu l'amélioration des pistes et l'installation d'un système de commande de l'atterrissage. Maintenant, la plupart de ces travaux ont été remis à la période de 1975 à 1980. Nous estimons que ces travaux ne doivent pas être remis indéfiniment, ni même à un an au plus tard. Nous recommandons vivement que la construction des nouvelles installations soit inaugurée au printemps de cette année.

On peut voir un exemple du manque d'intérêt que manifeste le ministère des Transports lorsqu'il s'agit d'assurer un service de passagers adéquat à l'aéroport de Charlottetown dans le fait que l'on n'emploie pas, comme dans tout autre aéroport du ministère des Transports, de commissionnaires chargés d'aider à la bonne marche des aéroports. De plus, il n'y a pas vraiment, à l'heure actuelle, de service aérien de transport des marchandises efficace pour répondre aux besoins des expéditeurs de l'Île.

Il faudrait aussi parler des excellentes perspectives d'expansion du commerce entre l'Île-du-Prince-Édouard et Terre-Neuve. Ces deux provinces établiront d'ici peu un groupe de travail conjoint qui décidera du genre de produits qui pourraient se prêter le mieux à des échanges. Pour une application efficace du commerce, il faudra une amélioration radicale des services de transport entre ces deux provinces. On aura besoin d'un service d'expédition régulier par navires modernes.

Nos perspectives de commerce accru avec Sept-Îles et avec le nord du Labrador sont elles aussi assez bonnes, et de meilleurs transports maritimes nous permettraient d'améliorer notre commerce avec les pays des Caraïbes. Il faut donc approfondir ces questions et en faire l'objet de plans bien pensés.

Si je comprends bien, on envisage une série de modifications des tarifs pour les transbordeurs de Borden et de l'île Wood. Pour le service de Borden-Cap-Tourmentine, l'augmentation serait de 50 p. 100, soit de $2 à $3, par trajet automobile. Eu égard aux revenus possibles qu'entraînera cette hausse, il faut tenir compte des difficultés qui en résulteront pour les gens de l'Île.

Même s'il est possible de verser le même prix qu'avant en achetant un carnet de 10 billets, on ne peut vraiment s'attendre que la plupart des habitants de la province se prévalent d'un tel avantage. En réalité, on leur demande d'accepter une augmentation de 50 p. 100 du tarif pour diminuer le déficit encouru par l'exploitation d'un service essentiel à l'économie de la province. Si l'on en juge par l'expérience récente à ce sujet, cette hausse de tarif ne diminuera le déficit d'ex-

[*Text*]

deficits of the CNR by no more than 5 per cent.

It is further proposed that the fare on the Wood Island-Caribou run be raised to $4 per automobile. This would produce a differential in the fare structure of the two ferry services and would seriously upset the pattern of tourist traffic. At present the tourists can enter Prince Edward Island at Borden and by the use of an interchangeable ticket leave by the Wood Island ferry.

Under this proposal you would have to pay extra to use the Wood Island service. This proposed change is alarming to our tourist industry and runs counter to the provisions of our development plan which is designed to encourage tourists to visit the eastern and western extremities of the province.

We also protest the proposal to withdraw the reduced rate privilege for trucks between 10 a.m. and 5 p.m. This type of proposal shows a lack of appreciation of how our economy works. For example, it is plainly not realistic to expect a shipper of livestock to delay his shipment beyond the normal hours in which a receiving plant on the mainland, for example, is in operation.

Mr. Chairman, please accept my thanks for allowing us to present our views, our opinions and suggestions to your Committee concerning the over-all transportation picture on Prince Edward Island. I sincerely hope that your Committee will give earnest and sincere consideration to these comments. And if there should be some questions, Mr. Chairman, that you would have directed to me following this presentation or later in the morning, I hold myself available to deal with them as best I can.

The Chairman: Mr. Prime Minister, my colleagues and I are proud to have you with us at this hearing this morning. We want to thank you very much for your well prepared brief. We hope you will stay part of the day with us. You said you would allow members to ask you questions. We thought of that too and I am going to give the floor, first, to Mr. Nesbitt.

Mr. Mahoney: On a point of order, I would like to inquire of you whether or not Eastern Provincial Airways have indicated any intention of appearing before this Committee. They were scheduled for St. John's. They did not appear. Have you had any further word from them?

The Chairman: I was informed, Mr. Mahoney, they would not appear, but if they

[*Interpretation*]

ploitation du National-Canadien que d'à peine 5 p. 100.

De plus, on a l'intention d'augmenter de $4 par trajet automobile le prix du passage Île Wood-Caribou. Il en résulterait un important écart de prix entre les deux services de transbordement, ce qui nuirait sensiblement à l'industrie touristique. A l'heure actuelle, les billets sont interchangeables, c'est-à-dire valides pour l'un ou l'autre des deux transbordeurs.

Désormais, il faudrait verser un montant additionnel à l'île Wood. Voilà ce qui préoccupe l'industrie touristique de l'Île, car une telle mesure irait à l'encontre des dispositions de son programme de développement, lequel est conçu en vue d'encourager les touristes à visiter tant l'est que l'ouest de la province.

Nous contestons aussi la proposition visant à abolir le tarif réduit pour les camions entre 10 et 17 heures. Il est clair qu'on ne se rend pas compte des véritables besoins de notre économie. Ainsi, il est irréaliste de s'attendre à ce qu'un expéditeur de bestiaux puisse retarder son chargement au delà des heures d'affaires normales de l'établissement où il livre sa marchandise.

Monsieur le président, je vous remercie de nous avoir permis d'exposer notre point de vue, nos opinions et nos propositions à votre comté quant à l'ensemble du secteur des transports à l'Île-du-Prince-Édouard. Nous espérons sincèrement que le comité donnera toute son attention à nos remarques et observations. Si les membres ont des questions à poser, monsieur le président, au terme de ma déclaration ou bien plus tard ce matin, je reste à leur disposition.

Le président: Monsieur le premier ministre, mes collègues et moi-même sommes très honorés de votre présence ici ce matin. Permettez-nous de vous remercier sincèrement pour ce mémoire si bien présenté. J'espère que vous pourrez passer une partie de la journée avec nous. Vous avez dit que vous étiez disposé à répondre à nos questions. Nous y avions déjà pensé. Alors, je laisse la parole à M. Nesbitt, qui entamera la discussion.

M. Mahoney: En me prévalant du règlement, je voudrais vous demander si la société *Eastern Provincial Airways* a manifesté l'intention de comparaître devant notre comité. Ses gens devaient témoigner à Saint-Jean (T.-N.), mais ils ne se sont pas présentés. Est-ce que vous avez eu de leurs nouvelles depuis?

Le président: Monsieur Mahoney, on m'a dit qu'ils ne viendraient pas. Toutefois, s'ils

[*Texte*]

are here today and would like to appear we will try to accommodate them.

Mr. McGrath: Mr. Chairman, I cannot see how we can realistically examine some of the serious transportation problems of the Island unless we can examine the principal regional carrier who maintains the only airlift with the mainland. I think they should be here. They should be called.

The Chairman: Is it agreed that if they are here today we will call on them?

Some hon. Members: Agreed.

Mr. Nesbitt: Mr. Chairman, if they are not here today I think we should request that they come.

The Chairman: Are Eastern Provincial Airways here this morning? We will call on them this afternoon. If they are here you can rest assured that we will take time to hear them.

Mr. Mahoney: We may, Mr. Chairman, have to consider calling them to Ottawa, because I am completely in agreement with Mr. McGrath. I do not know how on earth we can do a job without having an opportunity to examine as important a carrier as EPA.

Mr. Nesbitt: Mr. Chairman, would it be possible perhaps for the Secretary of the Committee to communicate with Eastern Provincial Airways this morning to see if they could have someone here this afternoon. They have presented us with a brief and I imagine they could probably get someone here this afternoon to answer some of the questions.

The Chairman: For your information, Mr. Nesbitt, I think there was one representative at St. John's and we called on him and he would not appear.

Mr. Nesbitt: Then I think we ought to request them to appear.

The Chairman: I may be wrong but this is the information I have. We will try again, Mr. Nesbitt.

Mr. Nesbitt: I have just one or two very brief questions relating to the air service which I would like to address to the Premier.

In your opinion, Mr. Premier would it be helpful if Air Canada were to return and provide service to the Island in view of your observation that it is quite apparent the present services are not adequate? Do you think this would be helpful?

[*Interprétation*]

sont ici aujourd'hui, nous essaierons de trouver le temps d'entendre leur témoignage.

M. McGrath: Monsieur le président, je ne vois pas du tout comment nous pouvons examiner de façon réaliste certains des problèmes graves de transport qui affligent l'Île, à moins que nous puissions interroger le principal transporteur régional par air dans l'Île. Je crois qu'on devrait convoquer cette société.

Le président: Êtes-vous d'accord pour que ces gens comparaissent s'ils sont ici aujourd'hui?

Des voix: D'accord.

M. Nesbitt: Monsieur le président, nous devrions peut-être les prier de venir ici, s'ils n'y sont pas aujourd'hui.

Le président: Est-ce que les représentants de la *Eastern Provincial Airways* seraient ici ce matin par hasard? Je vais les redemander cet après-midi; s'ils y sont, nous les entendrons, soyez-en sûrs.

M. Mahoney: Monsieur le président, nous devrions peut-être les convoquer à Ottawa, car, tout comme monsieur McGrath, j'estime que nous ne pourrons pas bien acquitter notre tâche, si nous omettons d'interroger un transporteur aussi important que celui-ci.

M. Nesbitt: Monsieur le président, le secrétaire du comité ne pourrait-il pas tenter de communiquer avec cette société, ce matin, pour qu'elle nous envoie un de ses représentants cet après-midi? Elle nous a présenté un mémoire, tout de même; j'imagine alors qu'elle pourrait déléguer un représentant cet après-midi pour répondre à nos questions.

Le président: Pour votre gouverne, monsieur Nesbitt, je crois qu'il y avait un représentant de cette société à Saint-Jean, mais que ce monsieur a refusé de comparaître lorsque nous lui avons demandé.

M. Nesbitt: Nous devrions alors faire connaître nos désirs à la société, je pense.

Le président: Sauf erreur, voilà tous les renseignements que j'ai. Nous reviendrons à la charge, monsieur Nesbitt.

M. Nesbitt: J'aurais une ou deux questions, très brèves, à poser au premier ministre au sujet du service aérien.

Selon vous, monsieur le premier ministre, est-ce qu'il serait utile qu'Air Canada desserve l'Île de nouveau, du moment qu'il vous semble fort évident que les services actuels sont insuffisants? Croyez-vous que cela vous aiderait vraiment?

[*Text*]

Mr. Campbell: I certainly believe for a number of reasons that very serious consideration should be given to the suggestion that the facilities and services of Air Canada be available to the travelling residents of the Island, to the potential tourist traffic to and from the Island, and to the shipping interests of the Island.

If I might make one point, Mr. Chairman, appreciating the point that was raised a moment ago by two members of your Committee, I think it is imperative that the regional air carrier submit itself for questioning by your Committee. And I do note the presence of two Members of Parliament who represent this province on your Committee and who are personally acquainted with the difficulties in travelling to and from the central parts of Canada. I think it is likely a common experience that when a regional carrier is inaugurating schedules of service that their own interests are first served.

There is one mitigating circumstance, of course, and that is that it is perhaps difficult to mesh the schedules of two different airlines together to the most convenient extent.

But we find that every time air schedules change that we have lost a connection, that a further lengthy delay is involved in making connections—most notably at the Moncton airport where the regional carrier connects with the national carrier. But in recent months we have been able to see the results of the direct flights which Eastern Provincial Airlines now operate into Montreal from Charlottetown. All other connections from our regional carrier to the central parts of Canada, connecting with the three or four daily flights of Air Canada, have disappeared.

I am not suggesting that this was deliberately arranged but it is no longer convenient for us to get to central Canada, into Toronto, according to the present air schedule by taking Eastern Provincial Airlines' flight from Charlottetown and Summerside to Moncton.

Therefore we have essentially one flight per day now to Montreal and that is via EPA. The service is given by a Dart Herald. It is certainly a more comfortable aircraft than the DC-3 but it is a far cry from what I would consider in this day and age a satisfactory and adequate facility service. The connections from Montreal either to Ottawa or via Toronto to western points are not very satisfactory at all.

I should think that our own Members of Parliament who are required to make trips more frequently than I to and from the capi-

[*Interpretation*]

M. Campbell: Pour un certain nombre d raisons, il me semble que l'on devrait envisa ger très sérieusement de donner suite à l proposition visant à mettre les aménagemen et les services d'Air Canada à la dispositio des habitants de l'Île des touristes qui la fr quentent et des transporteurs maritimes qui sont établis.

Si je puis maintenant revenir à la questio qui a été soulevée tantôt par deux membre du comité, je dirais qu'il importe que l transporteur régional en question se présent devant vous pour répondre à vos question Je constate que votre comité compte deu représentants de notre province; ils sont bie au courant, eux, des difficultés que posent le déplacemens entre notre province et l Canada central. Il est assez courant, je pense que le transporteur régional, lorsqu'il établi ses horaires, songe d'abord à ses propre intérêts.

Il y a évidemment des circonstances atté nuantes, notamment qu'il peut être difficile d coordonner au mieux les horaires de deu lignes aériennes.

Néanmoins, nous constatons qu'à chaqu modification de l'horaire, nous avons un correspondance en moins, que les période d'attente entre deux vols s'allongent, princi palement à Moncton, où le transporteu régional fait la correspondance avec la ligne nationale. Depuis quelques mois, nous avon pu voir le résultat des vols directs que l société *Eastern Provincial Airlines* offr maintenant de Charlottetown à Montréal. I est maintenant impossible de faire la corres pondance, à partir du transporteur régional avec les trois ou quatre vols quotidiens d'Ai Canada à destination du Canada central.

Je ne voudrais pas donner à entendre que cela s'est fait de propos délibéré, mais il n'es guère commode pour nous maintenant de nous rendre à Toronto, par exemple, en prenant l'avion de la *Eastern Provincial Airlines* qui part de Charlottetown à destination de Summerside et de Moncton.

Par conséquent, il ne nous reste qu'un seul vol par jour jusqu'à Montréal, celui de l'*Eastern Provincial Airlines*. L'avion est du type «Dart Herald»; il est certes plus confortable que le DC-3, mais c'est loin d'être ce que je considérerais un appareil satisfaisant et approprié à notre époque. Les correspondances vers Montréal, Ottawa ou, par Toronto, vers l'Ouest sont loin d'être satisfaisantes.

J'ai l'impression que nos propres députés, qui doivent se rendre plus souvent que moi, par exemple, à la capitale du pays, auraient

[*Texte*]

al of the nation would have some personal xperiences to relate to their fellow members f the Committee. It was not too long ago that he entire Cabinet of Prince Edward Island pent a good part of the night on the benches n the airport at Moncton because of the four r five hour wait between the Air Canada light arriving from Montreal to the New Brunswick hub city and the first early morning crossing of the regional carrier.

I am addressing myself at the moment to his problem of passenger traffic. I did mention in the brief the difficulty of getting around the Maritimes. This is a very real difficulty. We talk about greater co-operation here in the Maritime Provinces, many would urge us to unite economically and politically, but this is an area of Canada where we cannot even travel conveniently between the Maritime province centres by air.

I certainly think that the prospective service, the potential service that might be offered industries in Prince Edward Island by way of air cargo is one that presents Prince Edward Island with an opportunity of jumping 20 or 30 years ahead in the development of the economy here, but as long as we rely upon the present equipment, the present schedules and the present services, we are a long way from delivering on a regular basis our agricultural and fisheries products to potential markets.

I can refer to the northern markets, I can refer to the southern markets as well as the eastern markets, and there is just not at the present time available to us, nor is there any prospect over the next year or so, jet cargo or other air equipment which would serve this potential traffic. These are two areas which immediately come to mind, sir—the potential of air cargo traffic and the potential of better passenger transportation.

The Chairman: Mr. Nesbitt, would you allow Mr. Rose a supplementary question.

Mr. Nesbitt: Yes, if it is a brief one.

Mr. Rose: Thank you, Mr. Chairman. Mr. Premier, I was interested in following up with a supplementary, because the Committee got the general impression that in spite of the fact that five or six air cargo flights come into Halifax a day, since these flights often return completely empty that Nova Scotia was not making full use of the air cargo flights that they had. I was interested in your remark about air cargo and jumping ahead thirty years. Do you feel at this time that the products of Prince Edward Island are of a kind suitable for east-west air cargo return.

[*Interprétation*]

beaucoup de choses à nous raconter à ce sujet. Il n'y a pas si longtemps, tous les ministériels de l'Île-du-Prince-Édouard ont dû passer la majeure partie de la nuit sur les banquettes à l'aéroport de Moncton, en raison de la période d'attente de quatre à cinq heures entre le vol d'Air Canada en provenance de Montréal et le premier vol matinal du transporteur régional à partir de Moncton.

Pour le moment, je parle du problème du service-voyageurs. A ce propos, j'ai mentionné dans mon mémoire les difficultés que posent les déplacements dans les provinces Maritimes. Ces difficultés existent vraiment. On parle d'étroite collaboration entre les provinces Maritimes, certains préconisent l'union de ces provinces sur les plans économique et politique, mais voilà justement une région du Canada où les déplacements aériens se font difficilement.

Je suis persuadé que le service aérien que l'on pourrait offrir aux industries de l'Île-du-Prince-Édouard donnerait à la province l'occasion de faire progresser son économie de 20 ou 30 ans. Toutefois, aussi longtemps qu'il nous faudra compter sur le matériel, les horaires et les services actuels, nous ne pourrons jamais garantir à quiconque la livraison régulière de nos produits agricoles et de la pêche.

Qu'il s'agisse des marchés du nord, du sud ou de l'est, à l'heure actuelle, ni même dans un an, nous ne pouvons espérer obtenir les appareils à réaction ou autres qui nous permettraient de desservir ces marchés. Voilà deux choses qui me viennent immédiatement à l'esprit, soit la possibilité d'intensifier le trafic aérien des marchandises et celle d'améliorer le service-voyageurs.

Le président: Pourriez-vous, monsieur Nesbitt, laisser la parole à monsieur Rose, le temps d'une brève question supplémentaire?

M. Nesbitt: A la condition qu'il soit bref.

M. Rose: Merci, monsieur le président. Monsieur le premier ministre, si j'ai tenu à poser une question supplémentaire, c'est qu'on nous a donné à entendre que les cinq ou six avions de transport qui amènent des marchandises à Halifax chaque jour repartent souvent à vide: c'est donc que la Nouvelle-Écosse ne profite pas pleinement des moyens qu'elle a à sa disposition. Votre remarque au sujet d'un progrès de 20 ou 30 ans m'a donc fortement intéressé. Croyez-vous que les produits actuels de l'Île-du-Prince-Édouard se prêtent au transport aérien d'est en ouest?

[*Text*]

Mr. Campbell: Indeed yes. We have made some initial and successful efforts to process frozen agricultural products, and surely this product in the smaller and lighter containers could be moved by large jet cargo aircraft.

We have a strawberry industry which can be greatly expanded provided, however, we are able to move those strawberries in the most advantageous way into let us say the Boston market, for example. We are processing milk here in various forms and there is a demand for this product in Newfoundland, in the Labrador area and in the Southern Islands area.

Very small quantities at the moment do move by air and I believe that this is yet another example of the great potential in moving fresh and processed products into selective markets.

Mr. Nesbitt: That was one of the questions I had in mind, Mr. Premier. I presume also that lobster and other varieties of fish and sea food could be moved advantageously by air.

Mr. Campbell: I would concur naturally with the suggestion that fish products in various forms and processed in various ways can move. What we do observe is that while our national carriers are well financed and have the funds to develop new modes and new equipment, decisions are being made in central Canada, with recognized benefits to shipping concerns and to manufacturers, on how that new equipment can best serve their needs.

I would only want to suggest to the Committee that when these decisions for investments are being made, that when commitments of the CNR or of Air Canada or other national shipping interests over which the federal government does have some control are being made, that the potential service of Prince Edward Island and of the Atlantic Provinces be fully considered.

It was not too long ago that I learned that Canadian National Railways is investing rather substantial amounts of money in developing containerized equipment to carry beef from Ontario to Newfoundland.

Prince Edward Island is not today able to serve the Newfoundland market with its beef requirements. We hope that that day is not too far away. But we will find as we increase our beef production in Prince Edward Island, as we further develop our ability to deliver agricultural products—beef for example—to market areas that we will then be competing with very efficient containerized movements direct from Ontario to Newfoundland. This

[*Interpretation*]

M. Campbell: Oui, certes. Déjà, nous avons assez bien réussi à traiter des produits agricoles congelés. On pourrait assurément transporter ces produits par avion à réaction dans des containers légers et petits.

La culture de la fraise qui se fait dans la province pourrait prendre de l'expansion, à condition, évidemment, que nous puissions diriger ce produit aussi avantageusement que possible jusqu'au marché de Boston, par exemple. Les produits de notre industrie de transformation laitière sont en demande à Terre-Neuve, dans la région du Labrador et dans les îles du Sud.

A l'heure actuelle, on n'en transpporte qu'une très faible quantité par air. Voilà un autre exemple qui illustre bien, je pense, la possibilité qu'il y a de trouver les débouchés choisis pour nos produits frais et transformés.

M. Nesbitt: Voilà l'une des questions que j'avais à l'esprit, monsieur le premier ministre. Je suppose, en outre que le homard et les autres produits de la pêche se prêteraient avantageusement, à leur tour, au transport aérien.

M. Campbell: Évidemment, je suis d'accord que les produits de la pêche, sous toutes leurs formes, s'y prêteraient. Chose à noter, bien que nos transporteurs nationaux soient très bien financés et disposent des fonds voulus pour mettre au point de nouvelles méthodes ou infrastructures, c'est au Canada central qu'on prend les décisions quant à ce qui peut profiter aux expéditeurs et aux fabricants, mais aussi quant au matériel répondant le mieux à leurs besoins.

A mon sens, lorsqu'on prend des décisions au sujet des investissements, lorsque des engagements sont pris par le National-Canadien, Air Canada ou d'autres expéditeurs nationaux sur lesquels le gouvernement fédéral se conserve une certaine emprise, il faudrait que l'on tienne sérieusement compte de l'intérêt de l'Île-du-Prince-Édouard et des autres provinces de l'Atlantique.

Il n'y a pas tellement longtemps que j'ai appris que le National-Canadien avait dépensé beaucoup d'argent pour mettre au point des containers propres au transport du bœuf de l'Ontario à Terre-Neuve.

A l'heure actuelle, nous ne pouvons pas fournir en bœuf les marchés terre-neuviens, mais nous espérons être en mesure de le faire sous peu. Néanmoins, quand nous aurons accru notre production et amélioré nos services d'expédition, pour le bœuf ou les produits agricoles, nous aurons à livrer concurrence à un commerce par container déjà florissant entre l'Ontario et Terre-Neuve. Cela nous ramène au problème de l'absence de bons ser-

[*Texte*]

brings us back to the problem of the lack of adequate shipping services between Atlantic points and between this province and the Caribbean area as well.

Mr. Nesbitt: I have one or two very brief questions, Mr. Premier. How many airports at the moment on Prince Edward Island can accommodate aircraft the size of a Viscount? I know the Charlottetown airport can, but are there any others beside that and Summerside?

Mr. Campbell: The air base at Summerside, of course, is a military installation and Eastern Provincial Airways (1963) Limited is using that on its regular schedule, but these are the only two airports within the province that could accommodate Viscounts. I am not in a position, gentlemen, to suggest whether or not a DC-9 might conveniently use the facilities at Charlottetown, but I understand that extensions to runways must be made before landings of ships of the size of DC-9s can safely be made here.

Mr. Nesbitt: Thank you. There is another question I would like to ask. Are any other regional carriers attempting to make an effort to serve Prince Edward Island?

Mr. Campbell: Not to my knowledge, sir.

Mr. Nesbitt: You made a reference in your brief at page 13, I believe, concerning an instrument landing system. Do either of the existing airports in Prince Edward Island have trouble with atmospheric conditions to any large degree for any protracted period such as in Charlottetown or Summerside? I refer to fog in particular.

Mr. Campbell: We went into this matter in very careful detail when Prince Edward Island was expressing concern about the military base in Summerside closing. The base at Summerside is one of the most fog-free bases, I understand, in the Atlantic provinces. In fact, there were fewer incidents of fog here in Prince Edward Island than existed at other military bases on the mainland, as I recall.

The wind factor is the great problem, I think, here in Prince Edward Island, which requires alternate runway courses, but by and large the weather conditions are such that they should not discourage the expansion and the development of greater air services and facilities here in Prince Edward Island.

[*Interprétation*]

vices d'expédition entre divers points des provinces de l'Atlantique et cette province, ainsi qu'avec la région des Antilles.

M. Nesbitt: J'ai une ou deux questions très brèves à poser monsieur le premier ministre. A l'heure actuelle, combien d'aéroports de l'Île-du-Prince-Édouard peuvent-ils recevoir des avions de la taille du «Viscount»? Il y a évidemment l'aéroport de Charlottetown, mais y en a-t-il d'autres, à part celui-là et celui de Summerside?

M. Campbell: Le terrain d'aviation de Summerside est, bien entendu, une base militaire, que *l'Eastern Provincial Airways (1963) Limited* utilise pour son service régulier mais ce sont les deux seuls aéroports de la province qui puissent recevoir un «Viscount». Je ne suis pas en mesure, messieurs, de vous dire si un DC-9 pourrait ou non utiliser des installations de Charlettetown, mais je crois comprende qu'il faudrait prolonger les pistes avant que des avions de la taille du DC-9 puissent atterrir ici en toute sécurité.

M. Nesbitt: Merci. J'aimerais poser une autre question. Y a-t-il d'autres compagnies de transport régionales qui font un effort pour desservir l'Île-du-Prince-Édouard?

M. Campbell: Pas à ma connaissance, monsieur.

M. Nesbitt: Vous avez mentionné dans votre mémoire, à la page 13, je crois, un dispositif de commande de l'atterrissage. Est-ce que l'un ou l'autre des aéroports qui existent actuellement dans l'Île-du-Prince-Édouard a parfois des difficultés assez graves, et pendant une période de temps assez prolongée, en raison des conditions atmosphériques? Je veux parler en particulier du brouillard.

M. Campbell: Nous avons étudié cette question en détail et avec un soin extrême lorsque l'Île-du-Prince-Édouard exprimait son inquiétude au sujet de la fermeture de la base militaire de Summerside. La base militaire de Summerside est, je crois, l'un des aéroports des Provinces de l'Atlantique qui ait le moins de brouillard. En fait, si je me souviens bien, on a eu moins souvent du brouillard ici, à l'Île-du-Prince-Édouard, qu'aux autres bases militaires, sur le continent.

Le gros problème, dans l'Île-du-Prince-Édouard, c'est le vent, qui oblige à avoir des pistes d'envol alternées. Mais dans l'ensemble, les conditions atmosphériques ne sont pas propres à décourager l'expansion et la mise au point de meilleurs services aériens dans l'Île-du-Prince-Édouard.

[*Text*]

Mr. Nesbitt: I think that is all I have to ask, Mr. Chairman. Thank you, sir.

Mr. Thomas (Moncton): First of all I would like to compliment the Premier on this excellent presentation he has just made.

An hon. member: Hear! hear!

Mr. Thomas (Moncton): It is very comprehensive, it poses the problems and in most cases suggests the solutions. In fact, it is so informative that I find most of my questions have already been answered. It makes it difficult to ask questions on a brief of this type.

I have one or two short questions, though, Mr. Campbell. I notice on page 3 you referred to the haphazard phasing out of facilities and services to points across the Island. Are you referring here to both passenger and freight services? You may want to leave this to some future brief, from the Boards of Trade, or something, but briefly could you tell me what you are referring to here?

Mr. Campbell: Mr. Thomas, I thank you for that question. I believe that several of the shippers can be more precise in their response, but as a general observation let me say that there have been frequent closing ceremonies of CNR facilities certainly during the last two years. These closings have, I believe, been proposed to effect greater operating and budgetary efficiency and the CNR has justified them on that basis.

We, of course, are not in a very good position to argue with the CNR on the basis of profitability, but what we do see, however, is the continuous effort of the CNR to close stations, to retire services, and it is quite obvious to us, sir, that the CNR has spent very little money indeed in the last 10 or 15 years in maintaining rail lines. There are certain sections on main lines where the train must slow to 20 miles an hour for fear of rocking because of the deteriorated condition of the roadbed.

I do not present, nor do I propose to present, the case for maintaining passenger service in Prince Edward Island with the CNR. It is a service that has long lost any appeal to potential passengers. My last recollection concerning a passenger travelling from Summer-

[*Interpretation*]

M. Nesbitt: Je crois que c'est tout ce que j'ai à demander, monsieur le président. Merci, monsieur.

M. Thomas (Moncton): Tout d'abord, je voudrais féliciter le premier ministre de l'excellent exposé qu'il vient de faire.

Une voix: Bravo!

M. Thomas (Moncton): Il est très complet, il pose les problèmes, et, dans la plupart des cas, il propose des solutions à ces problèmes. En fait, cet exposé donnait tant de renseignements que j'ai l'impression que la plupart de mes questions ont déjà reçu réponse. Il est très difficile de poser des questions sur un mémoire de ce genre.

J'ai toutefois une ou deux brèves questions à poser, monsieur le président. A la page 3, vous avez parlé de la façon dont on supprime au hasard des services vers divers points de l'Île. Voulez-vous parler du service de passagers ainsi que du service de marchandise? Vous voudrez peut-être réserver cette question pour d'autres exposés, celui des Chambres de commerce, par exemple, mais pourriez-vous me dire brièvement ce dont vous voulez parler ici?

M. Campbell: Je vous remercie de cette question, monsieur Thomas. Je suppose que plusieurs des expéditeurs pourraient vous donner des réponses plus précises, mais, de façon générale, permettez-moi de dire que l'on a eu bon nombre de cérémonies de clôture de services du National-Canadien ces deux dernières années. On a proposé ces fermetures, je pense, en vue d'obtenir un meilleur rendement financier et une plus grande efficacité dans l'exploitation, et c'est ainsi que le National-Canadien les a justifiées.

Évidemment, nous ne sommes pas très bien placés pour discuter avec le National-Canadien sur les questions de rentabilité, mais ce que nous constatons, en tout cas, c'est l'effort continuel que fait le National-Canadien pour fermer des gares et pour annuler des services, et il nous est manifeste, monsieur, que le National-Canadien a dépensé vraiment très peu d'argent ces 10 ou 15 dernières années pour entretenir les voies ferrées. Il y a des sections, sur des lignes principales, où le train doit ralentir jusqu'à 20 milles à l'heure de crainte de balancer à cause de l'état de détérioration de la superstructure.

Je ne présente pas, et je ne me propose pas de présenter, une cause en faveur du maintien du service de voyageurs du National-Canadien dans l'Île-du-Prince-Édouard. C'est un service qui a perdu depuis longtemps tout attrait pour les voyageurs éventuels. Le der-

[*Texte*]

side to Borden on a passenger train, which is a distance of 20 miles, is that the trip required about five or six hours.

Therefore, CNR can effectively argue that there is no great demand for such a service. They are proposing exclusive traffic between the capital city and Borden by bus. I cannot argue against the improved bus service, because the passenger service between Charlottetown and the ferry terminal is such that only a very few people are using it today.

Mr. Thomas (Moncton): But there is still a passenger service provided?

Mr. Campbell: There is still a passenger car on that train, but it is a mixed train.

Mr. Thomas (Moncton): In these areas where the CNR has abandoned their freight service, has an alternative service been provided? Perhaps I should leave this for the shippers to answer.

Mr. Campbell: Certainly the truckers might answer that question. I know the CNR is prepared to provide CN trucks and will argue that they are offering better service than was formerly available by the rail service, but we still need the rail to move potatoes.

Until the day comes when potatoes can be moved in containers or by highway traffic, our life blood, our primary industry continues to depend upon the availability of a sufficient number of reefers, it depends upon the condition of those reefers and depends upon the ability of CNR to move those reefer cars out of the province on a regular basis.

The present service is unable to provide an adequate service in this respect. We find ourselves at the peak shipping period with perhaps a shortage of 300 reefer cars. We get pretty far behind in our orders. We are unable any longer to compete with those potato shippers from other regions, from Maine and New Brunswick and from other regions, who are able to get into the central market by truck, who are able to deliver to warehouses within two or three hours, when we in Prince Edward Island may be faced with a car shortage, may be faced with ice conditions in the strait which hamper movement of ferries, may be faced with a delay of two or three days in getting to market.

[*Interprétation*]

nier souvenir que j'aie d'un voyage en train entre Borden et Summerside, soit une distance de 20 milles, c'est que cela avait pris cinq ou six heures.

Ainsi, le National-Canadien peût en effet soutenir qu'il n'y a pas une très grande demande pour un tel service. Il propose un service exclusif entre la capitale et Borden par autobus. Je ne saurais m'opposer à une amélioration du service d'autobus, car le service de voyageurs entre Charlottetown et le terminus du bac est si mauvais que très peu de personnes seulement l'utilisent à l'heure actuelle.

M. Thomas (Moncton): Mais il y a toujours un service de voyageurs?

M. Campbell: Il y a encore un wagon de voyageurs dans ce train, mais c'est un train mixte.

M. Thomas (Moncton): Dans les régions, où le National-Canadien a abandonné son service de transport des marchandises, est-ce que l'on assure un autre service en remplacement? Je devrais peut-être réserver cette question pour les expéditeurs.

M. Campbell: Les camionneurs pourraient assurément vous répondre. Je sais que le National-Canadien est prêt à fournir des camions et prétendra qu'il offre ainsi un meilleur service que le service ferroviaire que l'on avait auparavant, mais nous avons toujours besoin des chemins de fer pour transporter les pommes de terre.

Jusqu'au jour où nous pourrons transporter les pommes de terre par cadres ou par transport routier, notre industrie primaire, notre subsistance, continuera de dépendre sur la disponibilité d'un nombre suffisant de wagons frigorifiques, de l'état de ces wagons, et de la capacité du National-Canadien à faire partir les wagons réfrigérés de la province de façon régulière.

Le service actuel n'est pas suffisant à cet égard. En période de pointe, il nous faudrait 300 wagons réfrigérés de plus. Nos commandes restent en suspens. Nous ne pouvons plus soutenir des expéditeurs de pommes de terre des autres régions, du Maine, du Nouveau-Brunswick et d'ailleurs, qui peuvent atteindre le centre du Canada par camion et livrer leurs produits aux entrepôts dans l'espace de deux ou trois heures, alors que nous, dans l'Île-du-Prince-Édouard, nous pouvons manquer de wagons, nous pouvons avoir des difficultés avec la glace dans le détroit, ce qui gêne le mouvement des bacs, et nous pouvons n'atteindre les marchés qu'avec deux ou trois jours de retard.

[*Text*]

The buyers of potatoes today and the market are becoming sufficiently sophisticated that Prince Edward Island is having some difficulty staying in the ball game when we can only deliver within two or three days compared to an hourly commitment by shippers elsewhere.

Mr. Thomas (Moncton): I have just one further question. I hesitate to ask this one, because it may open up a long discussion, but I will ask it at any rate. This is with reference to the causeway crossing. First of all I would like to state unequivocally that I have always been a firm proponent of a causeway crossing as a New Brunswick member. I have been disturbed at what is to me the growing tendency across Canada recently to laugh the Causeway off as a handout to 100,000 Islanders. This to me is unfair, because I feel that the benefits that will accrue from such a crossing will be as great to New Brunswick, Nova Scotia and to the other provinces as it will for Prince Edward Island. Therefore, we are talking about 2 million people instead of 100,000.

I have read your brief to the federal government some time ago, but I would just like to ask you whether you are suggesting a type of crossing that will also carry rail transportation, or are you at the stage now that you will take just the road without the rail if you can get it?

Mr. Campbell: The laugh you described is a pretty expensive laugh and those who are laughing are by implication quite prepared, apparently, to pick up the tab of $1 billion which will be the cost over 60 years of running the ferry service and providing additional ferries as required. I would hope that the Committee, when they have access to the Stanford Research Institute document, will look at the figures beyond the year 2,000. It is perhaps on the short term viable for the federal government to continue the ferry system at some considerable expense until the year 2,000, but take a look at what happens after that time.

Take a look at the cost of the new docking facilities and the additional ferries that are estimated to be required by that date. I have quoted a figure of $160 million. That is my latest information on the basis of design work. It is my understanding that a crossing costing $160 million does not make provision for rails on the crossing.

[*Interpretation*]

Aujourd'hui, les acheteurs de pommes de terre et le marché deviennent si sophistiqués que l'Île-du-Prince-Édouard a du mal à rester dans la course lorsque nous ne pouvons effectuer une livraison que deux ou trois jours plus tard alors que les autres expéditeurs, ailleurs, peuvent le faire en une heure.

M. Thomas (Moncton): J'ai une autre question. J'hésite à poser cette question, car elle peut donner lieu à un long débat, mais nous verrons bien. Il s'agit de la chaussée. Tout d'abord, je voudrais dire sans équivoque que j'ai toujours été tout à fait en faveur de la construction d'une chaussée, en tant que représentant du Nouveau-Brunswick. Je m'inquiète de la tendance de plus en plus grande que l'on a aujourd'hui, un peu partout au Canada, à ne pas prendre le projet de construction d'une chaussée au sérieux et à en rire, car on estime que ce serait un cadeau aux 100,000 habitants de l'Île. Cela est injuste, à mon avis, car une chaussée bénéficierait au Nouveau-Brunswick, à la Nouvelle-Écosse et aux autres provinces autant qu'à l'Île-du-Prince-Édouard. C'est donc d'environ 2 millions de personnes qu'il s'agit, et non de 100,000.

J'ai lu, il y a quelque temps, le mémoire que vous avez présenté au gouvernement fédéral, mais j'aimerais vous demander si vous proposez un genre de chaussée qui puisse aussi porter un chemin de fer, ou si vous en êtes maintenant arrivés au point où vous vous contenterez d'une route, sans chemin de fer, si vous pouvez en obtenir une?

M. Campbell: Le rire dont vous parlez coûte plutôt cher, et ceux qui rient sont, en conséquence, tout prêts, apparemment, à payer le milliard de dollars que coûteront, en soixante ans, l'exploitation du service de bac et la fourniture des bacs supplémentaires nécessaires. J'espère que le Comité, lorsqu'il aura l'occasion d'examiner le document du *Stanford Research Institute*, regardera les chiffres pour les années après l'an 2,000. Peut-être qu'à court terme c'est viable pour le gouvernement de maintenir le service de bac, à des frais considérables, jusqu'en l'an 2,000, mais voyez ce qui se produira après l'an 2,000.

Voyez ce que coûteront les nouvelles installations de bassin et les bassins supplémentaires qui, prévoit-on, seront nécessaires d'ici là. J'ai cité le chiffre de 160 millions de dollars. C'est là le dernier chiffre que j'aie pu obtenir d'après les plans et devis. Je crois comprendre qu'une chaussée qui coûterait 160 millions de dollars ne comporterait pas l'aménagement de voies de chemin de fer.

[*Texte*]

Mr. Thomas (Moncton): Have you any recent figure on a crossing that would provide rail facilities? Would it be another $100 million?

Mr. Campbell: One figure I heard one time was $40 or $50 million additional to place rails on the structure. I cannot verify whether or not that is a good or a close figure, but I do appreciate that the structure must be stronger; parts of the bridge must be shorter to withstand the additional weight going across. That adds considerably to the expense, but I understand that the additional cost is in the region of from $40 to $50 million.

Mr. Thomas (Moncton): That is all. Thank you, Mr. Chairman.

The Chairman: Mr. Pringle?

Mr. Pringle: Thank you, Mr. Chairman. Mr. Campbell, I too would like to compliment you on a very, very complete report, which could, I believe, act more or less as an overture for the briefs that we are going to receive today. It is very well prepared. I want to thank the honourable gentleman opposite for asking all my questions, too.

I have one point. The Canadian trucking industry is requesting that Part III of the Canadian Transportation Act be implemented which I believe would give some jurisdiction with regard to interprovincial trucking. It would place it in the hands of the federal government. As head of government of this province, have you people given consideration to this; if so, would you care to give your reaction to this possibility?

Mr. Campbell: Did you say inter or intra?

Mr. Pringle: Inter.

Mr. Campbell: Between the provinces?

Mr. Pringle: Yes.

Mr. Campbell: I think we have been quite successful in reaching reciprocal arrangements with other provinces, but it has been a very difficult process. Mr. Brennan from the Public Utilities Commission is here and I think the question might better be put to him. However, it was only this year that we arranged full reciprocity with the Province of Quebec. It takes a long time to work out these arrangements. I would say without giving the matter a great deal of prior thought and without committing the government, that

[*Interprétation*]

M. Thomas (Moncton): Est-ce que vous avez des chiffres récents pour une chaussée avec voies de chemin de fer? Est-ce que cela coûterait 100 millions de dollars de plus?

M. Campbell: A un moment donné, on avait parlé de 40 ou 50 millions de dollars de plus pour l'aménagement de voies de chemin de fer. Je ne saurais dire si c'est un chiffre exact, mais je me rends bien compte qu'il faudrait que la structure soit plus solide, et que certaines parties du pont soient plus courtes, pour supporter le poids supplémentaire. Cela ajoute beaucoup aux dépenses, mais je crois comprendre que les frais supplémentaires seraient de l'ordre de 40 ou 50 millions de dollars.

M. Thomas (Moncton): C'est tout. Merci, monsieur le président.

Le président: Monsieur Pringle?

M. Pringle: Merci, monsieur le président. Monsieur Campbell, je désire, moi aussi, vous féliciter de votre rapport très complet, qui pourrait, je pense, servir plus ou moins d'introduction aux autres mémoires que l'on va nous présenter aujourd'hui. Votre exposé était extrêmement bien préparé. Je veux aussi remercier l'honorable député qui me fait face, d'avoir posé toutes mes questions.

J'ai une observation à faire. L'industrie du camionnage du Canada demande que la Partie III de la Loi sur les transports du Canada soit mise à exécution. Cela, à mon avis, donnerait une certaine compétence pour ce qui est du camionnage interprovincial. Le gouvernement fédéral en aurait l'entière charge. En tant que chef de gouvernement de cette province, y avez-vous déjà songé; si c'est le cas pourriez-vous nous faire part de votre réaction à cet égard?

M. Campbell: Avez-vous dit inter ou intra?

M. Pringle: Inter.

M. Campbell: Entre les provinces?

M. Pringle: Oui.

M. Campbell: Je pense que nous avions bien réussi à en arriver à des arrangements réciproques avec les autres provinces, mais ce fut un processus très difficile. M. Brennan, de la Commission des services publics est ici et je pense que c'est à lui que l'on devrait plutôt poser la question. Cependant ce n'est que cette année que nous avons pu assurer l'entière réciprocité avec la province de Québec. Il m'a pris du temps pour en arriver à ces ententes. Je dirais, sans vraiment avoir à y songer longuement et sans engager le gouver-

[*Text*]

it seems to make good sense to have a national policy established here so that the flow of the trucking industry between the provinces and through the provinces would be expedited.

Mr. Pringle: Thank you. You mentioned the possibility of extending a subsidy on freight in respect of products shipped to the United States and I am wondering if this would have any effect upon our GATT arrangements with respect to dumping duties. This matter has been brought up several times at the hearings and I am very interested in knowing if anyone has a ruling or a suggestion in that regard.

Mr. Campbell: The Province does not have a ruling and I am not able to express an opinion on whether or not this would upset the GATT arrangement. I do suggest, however, that the population growth in the Boston-New York area will increase by some 5 million people by the early seventies. This might indicate to you how great our interest is in being able to serve that area—because this represents growth in the demand for agricultural products. The potential growth in that one area is equal to a very large preference demand in the entire Province of Ontario.

Mr. Pringle: Mr. Premier, would you suggest the possibility of a commodity free trading area north and south here?

Mr. Campbell: Oh yes, I think you would find a lot of support for that in this region of Canada.

Mr. Pringle: I would like to ask one other question which has to do with the navigational equipment for air transport on the Island. You touched upon ILS which to me is a very elementary requirement now in view of today's sophisticated air transports. Are navigational facilities restricting the use of equipment on the Island? I presume that if we have the opportunity of questioning the regional carrier, which I certainly hope we will have today, we will be able to find out about this, but I was wondering if you had any information on this. Do you have any omnihearing facilities or is it all low frequency here for navigational aids?

[*Interpretation*]

nement, qu'il serait censé, à mon avis, d'avoir ici une politique nationale pour que le débit et l'industrie du camionnage entre les provinces et à travers les provinces soit accéléré.

M. Pringle: Merci. Vous avez parlé de la possibilité de consentir des subventions au transport des marchandises pour ce qui est des produits expédiés vers les États-Unis, et je me demande si cela pourrait avoir des effets sur les dispositions du GATT à l'égard des droits de dumping. Cette question a déjà été soulevée plus d'une fois au cours des audiences et je voudrais bien savoir si quelqu'un a une décision à prendre ou une suggestion à faire à cet égard.

M. Campbell: La province n'a pas encore eu de décision à prendre là-dessus. Je ne suis pas en mesure d'exprimer mon avis si cela affectera ou non les dispositions du GATT. Cependant je ne dirais pas que la croissance démographique dans la région de Boston-New York, se trouvera à augmenter dans une proportion de 5 millions au début des années 1970. Cela prouve combien nous nous intéressons à pouvoir vraiment desservir cette région, parce que cela se traduira par une augmentation des besoins pour les produits agricoles. La croissance éventuelle dans ce secteur équivaut à une très grande demande préférentielle dans tout l'Ontario.

M. Pringle: Monsieur le premier ministre, croyez-vous en la possibilité d'établir une zone de libre échange pour les denrées dans les secteurs nord et sud d'ici?

M. Campbell: Oui. Je crois que vous trouverez beaucoup d'appui à cet égard dans cette région du Canada.

M. Pringle: J'aimerais poser une autre question qui porte sur les instruments de navigation pour le transport aérien dans cette île. Vous avez mentionné le système d'atterrissage téléguidé qui à mon avis, est une nécessité très élémentaire étant donné le caractère sophistiqué du transport aérien de nos jours. Les services de navigation restreignent-ils l'utilisation de l'équipement dans l'Île? J'imagine que si nous avons l'occasion de poser des questions aux transporteurs régionaux, et que j'espère vraiment que nous allons le faire aujourd'hui, nous serons en mesure de savoir ce qu'il en est, mais pouvez-vous nous renseigner là-dessus? Disposez-vous de quelque installation pour le relèvement de positions, ou utilisez-vous uniquement les bandes de basse fréquence pour ce qui est des appareils de navigation?

[*Texte*]

Mr. Campbell: Well we have the full facilities at the military base at Summerside. But there is some reluctance of course on the part of the military to have an aggressive commercial operation in landing and taking off there. There is certainly no provision for warehousing at the terminal in Summerside. The facilities in Charlottetown are non-existent. If for example, we might expect some regularity in commercial traffic, some regularity in trips to northern ports and to southern ports, then we just do not have the facilities here in Charlottetown or at any other point in the Province to assure and facilitate regularity.

Mr. Pringle: I have one final question. I too, even though I come from British Columbia, have had the opportunity of studying the requirements with regard to transportation on and off this Island, and having had some slight business connection I feel that the causeway is very vital.

Now do you feel that you are getting the support from the industrialists in connection with this type of a crossing, and is there any way that you think that we will be able to get a firm price? We hear anywhere from your figure of $160 million to $400 million. Also, we have read some briefs which are not entirely in support of this type of a crossing. I do not want to open up a long discussion on it but I did want to make that point.

Mr. Campbell: Thank you for that question, sir, because on that point the Province speaks with a clear voice. I rather doubt that the briefs which have failed to support the proposal have had their origins in Prince Edward Island. When the brief to the federal government was presented some 17 provincial organizations met in Charlottetown much in this fashion and presented their briefs in support

In addition and in direct response to the question about support of industrialists, the industrialists of Prince Edward Island have recently met with the Minister of Transport and with the Minister of Regional Affairs and they have presented their own specific views, from the benefits which would flow from a dry permanent crossing to the prospects of a greatly expanded secondary manufacturing industry within the Province.

With regard to the cost, for some reason or other when the original tenders were received in response to the first tender call—those tenders were over maybe 10 or 20 per cent of the total work—they were projected and the

[*Interprétation*]

M. Campbell: Nous avons tous les services à la base militaire de Summerside. Mais, bien entendu, l'autorité militaire a quelques hésitations d'avoir une entreprise commerciale d'envergure d'utiliser ces services. Il n'y a certainement pas d'installations pour l'entreposage au terminus à Summerside. Les aménagements à Charlottetown n'existent pas. Si, par exemple, on pouvait s'attendre un trafic aérien commercial assez régulier, des voyages assez réguliers vers les ports du nord et du sud, nous n'aurions pas les services et les aménagements nécessaires ici à Charlottetown ou ailleurs dans cette province pour assurer et faciliter la régularité du transport.

M. Pringle: Une dernière question, s'il vous plaît. Bien que je vienne de la Colombie-Britannique, j'ai eu aussi l'occasion d'étudier les exigences en ce qui concerne le transport à l'arrivée au départ de cette île, et ayant eu quelques rapports commerciaux, je trouve que la chaussée est un élément vital. Croyez-vous que vous avez l'appui des industriels pour un tel projet et croyez-vous que nous serons en mesure d'obtenir un prix ferme? Vous parlez de $160 à 400 millions; de même, dans certains mémoires, on voit qu'on n'appuie pas tout à fait un tel projet de chaussée. Je ne veux pas ouvrir une longue discussion, mais je voulais faire cette observation.

M. Campbell: Je vous remercie de m'avoir posé cette question, parce que le point de vue de la province est très clair là-dessus. Je doute que les mémoires qui n'ont pas appuyé cette proposition soient venus de l'Île-du-Prince-Édouard. Lorsque le mémoire fut présenté au gouvernement fédéral, quelque 17 organismes provinciaux se sont rencontrés à Charlottetown, tout comme ici, et ont présenté leurs mémoires en vue d'appuyer ce projet. De plus, et en réponse à la question de l'appui des industriels, les industriels de l'Île-du-Prince-Édouard se sont réunis récemment avec le ministre des Transports et le ministre des Affaires régionales, et ont présenté leurs propres points de vue pour ce qui est des avantages qui découleraient de l'aménagement d'une chaussée permanente sèche, par rapport aux perspectives de l'expansion très grande des industries secondaires de cette province.

Pour ce qui est du coût, pour une raison ou pour une autre, lorsque les soumissions originales furent reçues lors du premier appel d'offre, ces soumissions portaient peut-être sur quelque 10 ou 20 p. 100 du travail global;

[*Text*]

projection of the first tenders two years ago added up to some $300 million.

It is this figure that we have continued to hear and it is this figure which some officials in Ottawa have continued to reveal to the public or to publicize. But the federal government, since those first tenders were projected, then caused a more thorough investigation of the tendering practices, of the design concept, and it is the result of the last two years of work in these areas that has produced figures from $160 to $180 million. The $300 million figure is totally irrelevant today in light of the last two years' work in refining the procedures for calling tenders and refining the design work for the causeway.

The Chairman: Mr. Rock?

Mr. Rock: Mr. Premier, you mentioned that they were restudying the subject matter of the causeway.

Was there any study made of the possibility of a complete tunnel rather than a causeway? I do not know the make-up of the soil and rock formation under the sea. You may have more information than I on this. I would like to know whether there was a study made of an alternative, such as a tunnel like they are talking about in Newfoundland. Mind you, I must say that I would like to see a causeway or tunnel built also for Newfoundland at the same time. Have you any information on tunnel versus causeway?

Mr. Campbell: Yes, there is, sir. The original design which was projected at $300 million was a combined solid crossing, with a bridge high enough to allow large vessels to sail underneath and a section of tunnel as well. I believe that this design was pretty well rejected because of not being appropriate to the requirements here. I am personally aware of the analysis made of a solid tunnel from one side to the other, and the indicators for the cost factor very early discounted a tunnel across the Northumberland Strait as a possible economic solution to it—so the tunnel idea was rejected over a year ago.

Mr. Rock: Mr. Premier, if I recall correctly, some time ago they were speaking about moving in mountains or hills to build your causeway. Were they referring to rubble or solid rock which they would have to dynamite and bring in to build a causeway?

[*Interpretation*]

les projections des premières soumissions il y a deux ans représentaient quelque $300 millions.

Ce sont ces chiffres que nous avons toujours entendu mentionner et ce sont ces mêmes chiffres que certains hauts fonctionnaires à Ottawa ont toujours rendus publics, mais depuis lors, le gouvernement fédéral a entrepris une plus grande étude de ce système d'appels d'offres, de la conception du projet, et à la suite des travaux des deux dernières années, nous avons pu obtenir des chiffres allant de $160 à $180 millions. Le chiffre de $300 millions n'est pas du tout pertinent aujourd'hui à la lumière des études faites au cours des deux dernières années pour raffiner le processus des appels d'offres, ainsi que la mise au point des plans et devis de la chaussée.

Le président: Monsieur Rock?

M. Rock: Monsieur le premier ministre, vous avez dit qu'il allaient reprendre l'étude de la question. A-t-on considéré la possibilité de contruire un tunnel plutôt qu'une chaussée? Je ne sais pas quelle est la formation du sol sous-marin. Vous avez sans doute plus de renseignements que moi. Je voudrais savoir si l'on a étudié cette alternative d'aménager un tunnel, comme on en parle à Terre-Neuve. Remarquez bien, j'aimerais bien voir une chaussée ou un tunnel construit aussi pour Terre-Neuve. Avez-vous des renseignements quant aux avantages d'un tunnel par rapport à une chaussée?

M. Campbell: Oui. Le premier devis qui prévoyait $300 prévoyait une chaussée, un pont, un pont assez élevé pour permettre aux grands navires de naviguer sous le pont, ainsi qu'une section qui serait formée d'un tunnel. Je pense que ces plans et devis furent rejetés, n'étant pas conformes aux besoins. Je suis personnellement au courant de l'analyse quant à l'aménagement d'un tunnel, d'un bout à l'autre, et le facteur coût, les indices quant au coût dès le début ont fait qu'on a rejeté entièrement l'idée d'un tunnel sous le détroit de Northumberland comme étant une solution rentable. Donc, cette idée du tunnel fut rejetée il y a au moins un an.

M. Rock: Monsieur le premier ministre, si j'ai bien lu il y a quelques années, il était question de construire la chaussée en déplaçant des montagnes ou des collines. Voulaient-ils parler de rocaille ou de rochers solides qu'ils devraient dynamiter et s'en servir pour construire la chaussée?

[*Texte*]

Mr. Campbell: I think the mountain consisted of quite a number of bureaucrats in Ottawa.

Mr. Rock: You expressed your dissatisfaction over schedules of airlines, particularly in respect of businessmen who could not go, say, to Halifax and come back on the same day. Do you feel that there may be some collusion between travel agencies, air lines and hotel businessmen to keep the customer in their municipality and in their hotels for a longer period. Perhaps this is the reason that air lines schedule to the satisfaction of hotel owners and so on.

Mr. Campbell: No, I would discount any notion, sir, that that is the root cause of the problem. The problem is that the regional carrier has only limited equipment and it endeavours to serve as many of the point-to-point trips with a limited amount of equipment. So that you may find an aircraft travelling from Moncton to Charlottetown then going to the Magdalen Islands, coming back in and going over to Halifax, back to Charlottetown and over to Moncton. It is a problem of limited equipment, I am sure, and the economics of running regular flights between Charlottetown and Halifax—two or three trips a day—just would not make sense.

But what we talk about in the brief is this lack of co-ordinating the trips within the region so that it is convenient for businessmen to move around and to get from point A to point B without having to stay overnight or without having to waste a great deal of time. As a matter of fact, many, many businessmen have begun travelling by car in the inessmen have begun travelling by car in the last six months because of the impossibility of getting to Fredericton and back on the same day.

Mr. Rock: Do you feel that the benefits of MFRA should also apply to shipments coming into your province to reduce the cost of goods from central Canada, thereby reducing your cost of living?

Mr. Campbell: I believe that our submission from the four Atlantic provinces to the Minister will very clearly reflect the position of the province on that point, sir. You will find great similarity between the position of Newfoundland and the position of Prince Edward Island. One of our great concerns is that as an agricultural province we depend on the importation of quite substantial quantities of bulk materials: fertilizers, lime, seed

[*Interprétation*]

M. Campbell: Je pense que cette montagne consistait d'un bon nombre de bureaucrates d'Ottawa.

M. Rock: Vous nous avez parlé de votre mécontentement au sujet des horaires des lignes aériennes particulièrement pour ce qui est des hommes d'affaires qui ne peuvent pas se rendre à Halifax et être de retour le même jour. Croyez-vous qu'il y ait collusion entre les agences de voyage, les lignes aériennes et les propriétaires d'hôtels, pour que le client ait à rester dans cette municipalité pour une plus longue période? C'est peut-être la raison pour laquelle les lignes aériennes prévoient des horaires qui puissent satisfaire les propriétaires d'hôtels.

M. Campbell: Non, je rejette toute idée voulant que ce soit là la cause essentielle du problème. Le problème est que le transporteur régional n'a qu'un équipement limité et qu'il essaye de desservir le plus grand nombre d'itinéraires, avec le moins d'équipement possible. Ainsi, vous pouvez avoir un avion qui va de Moncton à Charlottetown puis se dirige vers les Îles-de-la-Madeleine, y revient, repart vers Halifax, puis vers Charlottetown, et enfin vers Moncton. Je suis sûr que c'est un problème d'insuffisance de matériel car il serait insensé et peu rentable d'organiser des vols réguliers, deux ou trois fois par jour entre Charlottetown et Halifax.

Mais ce dont nous parlons dans le mémoire, c'est ce manque de coordination des voyages dans la région pour qu'un homme d'affaires puisse se déplacer facilement et aller par exemple du point A à point B sans avoir à passer la nuit en cours de route ou encore sans avoir à perdre beaucoup de temps. Et je dirais que bon nombre d'hommes d'affaires ont commencé à voyager par automobile au cours des six derniers mois étant donné l'impossibilité de se rendre à Fredericton et d'y revenir la même journée.

M. Rock: Croyez-vous que les avantages de la Loi sur les taux de transport des marchandises dans les provinces Maritimes devraient s'appliquer aux expéditions de marchandises vers votre province afin de réduire le coût des produits provenant du Canada central?

M. Campbell: Je pense que notre mémoire venant des 4 provinces de l'Atlantique et présenté au ministre reflétera vraiment la position de la province sur ce point. Vous trouverez de très grandes similarités entre la ligne de conduite de Terre-Neuve et celle de l'Île du Prince-Édouard. Nous disons donc que toute l'agitation vient du fait que, en tant que province agricole, nous devons compter sur l'importation de grandes quantités de matiè-

[*Text*]

grains, of course at the present time, even gravel.

To build the airport at Summerside, I think it took 150 railway cars for three months to provide the gravel requirement that would meet the federal minimum standards for asphalt construction. We depend to a great extent on the import of bulk commodities and if the Maritime freight rates were adjusted upwards, this would have a very serious detrimental effect upon our primary industry of agriculture. I do believe that the subsidy today applying to the importation of fertilizer, for example, saves a potato farmer about $50 an acre, or something of that order, and you will appreciate that figure is approximate. However, to give you an idea of the importance of it the removal of such assistance would pretty well put us out of the game altogether.

Mr. Rock: Do you feel if we do extend MFRA that the consumer in the long run will benefit? Will things be reduced then or will the farmer, for example, if he gets fertilizer cheaper, just pocket that? Will he become richer, let us say, rather than pass this on in the form of cheaper goods by reducing the price of his product?

This is a thing that concerns me. Why I am saying is that, for instance, when we removed the 12 per cent tax from the manufacturer's price of drugs, there is evidence that the manufacturer did reduce his price to the druggist, but the druggist did not reduce his price. Therefore, I believe, the druggists across Canada were $20 million richer. The population did not receive that. Do you feel that the same thing may happen if we extend MFRA, and all we will do is give this benefit to the farmer himself who will become richer, or to anyone else who is going to benefit, but that the population itself will not benefit?

Mr. Campbell: I am not an expert in this field, but I would like to make an observation.

Prince Edward Island has a natural market for agricultural products in the Atlantic provinces and we enjoyed that market for some number of years, and perhaps because of the transportation costs between Ontario and the distribution points within the Maritime provinces, what I believe has happened is that the agricultural industry in Ontario and parts of Quebec has become so efficient and has

[*Interpretation*]

res en vrac, les engrais, la chaux, les graines de semence, et même en ce moment, le gravier.

Pour aménager l'aéroport de Summerside, je pense qu'il nous a fallu 150 wagons de chemins de fer en trois mois pour répondre aux exigences en gravier qui pourraient satisfaire aux exigences minimales établies par le gouvernement fédéral en matière de bitumage. Nous comptons aussi dans une grande mesure sur les importations de marchandises en vrac, et les tarifs marchandises des provinces Maritimes étaient haussés, la hausse nuirait considérablement à l'industrie primaire de l'agriculture. Je crois que, en ce moment, les subventions qui s'appliquent à l'importation d'engrais, par exemple, épargne aux cultivateurs de pommes de terre près de $50 l'acre ou quelque chose de ce genre. Évidemment, ce n'est qu'un chiffre approximatif, mais afin de vous donner une idée de l'importance de cette aide, son abolition nous ferait disparaître du tableau.

M. Rock: Croyez-vous que si nous étendons les dispositions de la Loi sur le transport des marchandises que le consommateur en bénéficiera à la longue? Est-ce qu'on baissera le prix des produits ou est-ce que si, par exemple, l'agriculteur obtient son engrais à un meilleur prix, il empochera tout simplement l'argent. Est-ce qu'il deviendra plus riche plutôt que de faire bénéficier les autres de ses avantages en baissant le prix de ses produits?

C'est une chose qui nous préoccupe. La raison pour laquelle je vous dis tout cela, c'est que, par exemple, lorsque nous avons enlevé la taxe de 12 p. 100 sur le prix de fabrication des médicaments, on a pu constater que le fabricant a baissé son prix de vente au pharmacien mais que celui-ci n'a pas baissé le sien. Je pense que les pharmaciens se sont enrichis de $20 millions, mais non pas la population. Croyez-vous que la même chose puisse se produire ici, si nous étendons les dispositions de la Loi, et que le seul qui en bénéficiera sera le cultivateur qui s'enrichira ou un autre, mais que la population n'en bénéficiera pas?

M. Campbell: Je ne suis pas un spécialiste dans ce domaine, mais je voudrais exprimer une opinion.

L'Île-du-Prince-Édouard a un marché naturel de produits agricoles dans les provinces de l'Atlantique, et nous avons joui de ce marché pendant un certain nombre d'années, peut-être à cause du coût de transport entre l'Ontario et les provinces Maritimes. Ce qui s'est produit, je pense, c'est que l'industrie agricole de l'Ontario et de certaines régions du Québec est devenue tellement efficace et s'est

[*Texte*]

nproved to such an extent that it is now ble to absorb whatever transportation costs here are and to compete with and beat our bility to match prices within the Maritime arket. I think that the consumer in this espect has been the beneficiary because ntario poultry, Ontario turkey, Ontario you-ame-it, is on the shelf here in the Maritime rovinces. The beef, the milk, is now in the laritime market at prices which our farmers laim are below their cost of production.

I am not suggesting that more subsidies in he hands of Prince Edward Island shippers n farmers through rails will have beneficial ffects on the consumer price. What I am uggesting is that unless we are able to get nto these markets and unless we have that ssistance, there is very little hope indeed for he agricultural industry in this province. hat, then, is the primary concern which I ee: the ability of Prince Edward Island to et into the market.

I think through the development plan we vill be inaugurating programs here that will ncourage and assist Prince Edward Island roducers and fishermen to produce more conomically. But without being able to get nto markets at reasonable prices, without eing able to buy their necessary materials, heir machinery, their limestone, their ferti-zer at reasonable cost, then there is very ittle hope for the agricultural industry in hese provinces and every prospect that we vill continue to depend more and more every ear upon the agricultural production of cen-ral Canada.

The Chairman: Mr. McGrath, do you have supplementary question?

Mr. McGrath: Yes, Mr. Chairman. Mr. Pre-nier, realizing the importance of the New-oundland market to P.E.I., Newfoundland eing agriculturally deficient, could you per-aps expand on the importance, or what role he causeway would play in helping you to nore effectively get into the Newfoundland narket?

Mr. Campbell: I do not really see the causeway enabling us to get into the New-oundland market more effectively. I think he Newfoundland market today can best be erved by water transport, by a system of ransport that can stop at various ports of call and can efficiently roll off containerized equipment at the various ports of call. However, I do expect that Newfoundland will vastly improve its highway system so that two or three points of call in five or ten years from now would enable a distribution system

[*Interprétation*]

tellement améliorée qu'elle peut maintenant absorber le coût de transport et concurrencer avec nous sur le marché des provinces Maritimes. Je pense que le consommateur, à cet égard, a été le plus avantagé parce que les poulets, les dindes et les autres produits de l'Ontario se trouvent dans les magasins des provinces Maritimes. Le bœuf, le lait se trouvent sur le marché des Maritimes à des prix qui, de l'avis de nos agriculteurs, sont inférieurs à leurs frais de production.

Je ne propose pas que si on versait plus de subventions aux expéditeurs ou aux agriculteurs de l'Île-du-Prince-Édouard par l'entremise des chemins de fer, on réduirait le prix au consommateur, mais à moins que nous soyons en mesure de pénétrer ces marchés et que nous obtenions cette aide, il y a très peu d'espoir pour l'industrie agricole de cette province. C'est donc la principale préoccupation et à mon avis, la possibilité pour notre île de pénétrer ce marché.

Je crois que le programme d'expansion aidera et encouragera les producteurs et les pêcheurs de l'Île du Prince-Édouard à produire à moins de frais. Mais s'ils ne peuvent pénétrer ce marché à un prix raisonnable, s'ils ne peuvent acheter de matériaux, l'équipement, la chaux, les engrais à un coût raisonnable, il y a très peu d'espoir pour l'industrie agricole de ces provinces, il est fort possible que l'on continuera de plus en plus chaque année de dépendre sur la production agricole du Canada central.

Le président: Monsieur McGrath, avez-vous une question complémentaire à poser?

M. McGrath: Oui, monsieur le président. Monsieur le premier ministre, compte tenu de l'importance du marché de Terre-Neuve pour l'Île du Prince-Édouard puisque sa production agricole est inadéquate, pourriez-vous donner une idée de l'importance du rôle que jouerait la chaussée pour vous permettre de pénétrer plus efficacement sur le marché de Terre-Neuve?

M. Campbell: Je ne vois pas comment la chaussée puisse nous permettre de pénétrer sur le marché de Terre-Neuve de façon plus efficace. Je pense que le marché de Terre-Neuve, aujourd'hui, serait mieux desservi par le transport maritime, par un système de transport qui peut s'arrêter à différents ports, décharger de l'équipement dans des cadres aux différents ports d'escale. Mais, je m'attends à ce que Terre-Neuve améliore son réseau routier pour que deux ou trois ports d'escale assurent un système de distri-

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in St. John's and at one or two more points to move these products then to the various consumers by road.

Mr. McGrath: This is what I was getting at, Mr. Premier. I realize it is more efficient to move root crops by ocean bottoms, but there is a great need in Newfoundland for fresh produce, the same as you can get in the Maritimes during the harvest season and this is what I was referring to. Would it be feasible with a causeway to ship fresh produce by truck to the Newfoundland market?

Mr. Campbell: If that causeway went directly to Newfoundland, I could see the direct relevance, but if we were to use the causeway in this context, our trucks would have some difficulty, I think, in driving to New Brunswick, up through New Brunswick, up along Seven Islands—is that it? How would it work?

Mr. McGrath: No, across the ferry at Sydney.

Mr. Campbell: It is my understanding that the trucking industry of Newfoundland had some difficulty in getting from Sydney to Newfoundland, and I would make a case for the trucking industry of Newfoundland in this respect, that if we are talking about moving potatoes by truck into Newfoundland there would be great difficulty today in moving the quantities of potatoes or fresh agricultural products efficiently through that service. This is my understanding.

Mr. Rock: You spoke about political and economic union: how serious are the provinces in this idea of political union? If there is any seriousness in this idea, do you not feel that your Island should be the site for the new capital? I am saying this in seriousness, Mr. Chairman. The reason is that years ago Vancouver Island was a province too, and it joined on the condition that the capital city was to remain on the island. So I am just asking this question now.

Mr. Campbell: I can say, Mr. Chairman and members of the Committee, that Prince Edward Island is quite serious as a partner to the study on Maritime union as it involves greater economic co-operation and as it touches upon the subject of political union as well. We are quite serious as a partner to that study. That study has begun already to reveal certain things to us. I only suggest, of course, that such a thing as the causeway, better transportation, brings our people closer together in a very direct way. It might

[*Interpretation*]

bution, d'ici cinq ou dix ans, de St-Jean et un ou deux autres ports et d'expédier ensuite ces produits aux concommateurs par route.

M. McGrath: C'est ce à quoi je voulais en arriver, monsieur le premier ministre. Je comprends que le transport de ces tubercules se fait plus efficacement par navire, mais nous avons besoin de produits frais à Terre-Neuve, tout comme vous pouvez les obtenir dans les Maritimes à la période de la récolte. Est-ce que vous pourriez expédier les produits frais par camions aux marchés de Terre-Neuve, s'il y avait une chaussée?

M. Campbell: Si la chaussée allait directement à Terre-Neuve, je verrais la pertinence de la question, mais si nous utilisions la chaussée dans ce contexte, nos camions éprouveraient de la difficulté, je pense, à se rendre au Nouveau-Brunswick, traverser cette province, vers Sept-Îles... Est-ce que c'est bien l'itinéraire?

M. McGrath: Non, en empruntant le transbordeur à Sydney.

M. Cambell: Si je comprends bien, l'industrie de Terre-Neuve éprouve des difficultés à traverser de Sydney à Terre-Neuve, et je reconnais la cause de l'industrie du camionnage de Terre-Neuve à cet égard, car si nous parlons du transport de pommes de terre par camion à Terre-Neuve, nous éprouverions beaucoup de difficultés, en ce moment, à acheminer la quantité de produits agricoles frais et de pommes de terre efficacement avec les moyens actuels.

M. Rock: Vous avez parlé de l'union politique et économique. Jusqu'à quel point les provinces sont-elles sérieuses quand elles parlent d'union politique? Est-ce qu'il y a vraiment un fonds de sérieux, ne croyez-vous pas que votre île serait l'emplacement logique de la nouvelle capitale? Je parle sérieusement, monsieur le président. La raison est qu'il y a des années, l'île de Vancouver était une province aussi, et elle s'est joint à la condition que la capitale demeure sur l'île. C'est pourquoi je pose cette question.

M. Campbell: Tout ce que je puis vous dire, monsieur le président et messieurs les députés, c'est que l'Île-du-Prince-Édouard est un partenaire assez sérieux à cette étude sur l'union éventuelle des Maritimes car elle comporte une plus grande collaboration sur le plan économique et qu'elle touche l'aspect de l'union politique également. Nous sommes un associé assez sérieux à cette étude. Elle nous a déjà révélé un certain nombre de choses. Je ne fais que proposer, bien entendu, qu'une chose comme la chaussée, des meilleurs

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courage or assist in our efforts to -operate.

For example, I am thinking of the area of vernment services. Each of us has our own ghway sign department and each of us is aking signs. New Brunswick established a w plant in Fredericton last year that has e capacity to make sufficient signs for the tire Atlantic provinces, which would mean at signs would be turned out on a very icient basis. This is only one instance of ndreds of ways in which the provinces can -operate. But we also have transportation fficulties involved in this whole business of -operation.

Mr. Trudel: Mr. Chairman, I will be as ief as possible. I have two questions that I ould like to ask the Premier. First of all I ant to compliment him on brief.

The first question: I believe that the need s been established for markets for the oducts of your province. Have you at the esent time, sir, a coastal service to collect l of the goods, or some of the goods that are quired to export?

Mr. Campbell: Our coastal service for the port of goods, without considering the ood Islands ferry system which receives a deral subsidy, includes a North Shore ship- ng service which the province and the fed- al government together subsidize to the tent of about $80,000 a year. This is a eekly trip of a relatively small ship with latively limited freezing facilities aboard, om island ports to Seven Islands. It does ot operate in the wintertime because of ice nditions and because of the limited capacity the ship to operate under those rcumstances.

Then we have the Newfoundland run as ell, which operates, I believe, once a week, once every 10 days, and it receives a fed- al-provincial subsidy as well, but unfortu- ately we cannot assure regularity of ship- ents, with that service; we do not have the cilities in our market for stockpiling ship- ents of potatoes to be spread over the win- r season.

It is not a service which encourages regu- rity, continuity in the supply of our prod- cts to the market. We compete therefore, sir ith the regular trucking service from Mont- eal to Seven Islands for example, trucks oming in every day within hours of requests r goods, and this is the kind of service with

[*Interprétation*]

moyens de transport, nous rapproche davantage. Cela peut nous encourager à collaborer.

Ainsi, je songe aux services du gouvernement. Chacun d'entre nous à son propre service de pancartes indicatrices pour les routes. Le Nouveau-Brunswick a ouvert une nouvelle usine à Fredericton, l'an dernier, qui peut produire suffisamment de pancartes de signalisation pour toutes les provinces de l'Atlantique, ce qui veut dire que la production des pancartes y serait très efficace. Ce n'est qu'un exemple entre mille où les provinces pourraient collaborer. Mais la collaboration comporte également des problèmes de transport.

M. Trudel: Je vais être aussi bref que possible. J'ai deux questions que je voudrais poser. Je voudrais d'abord le féliciter de son mémoire.

Je crois qu'on a déjà établi la nécessité de trouver des marchés pour les produits de votre province. A l'heure actuelle, avez-vous un service de cabotage pour cueillir toutes les denrées destinées à l'exportation?

M. Campbell: Notre service de cabotage pour l'exportation des produits, sans tenir compte du service de transbordeur de Wood Islands qui reçoit une subvention de l'État, comprend un service de navigation de la Côte Nord subventionné conjointement par le gouvernement provincial et le gouvernement fédéral pour une somme de $80,000 par année. C'est un navire plutôt petit dont les installations de réfrigération sont limitées, qui offre un service hebdomadaire depuis les ports de l'île à Sept-Îles. Il ne fonctionne pas l'hiver, en raison des glaces, et en raison des possibilités très limitées pour le navire de naviguer dans ces conditions.

Nous avons aussi un service jusqu'à Terre-Neuve qui effectue le trajet une fois par semaine ou une fois tous les dix jours; ce service bénéficie également d'une subvention fédérale-provinciale, mais malheureusement, nous ne pouvons assurer une livraison régulière par ce service. Nous n'avons pas les installations voulues dans nos marchés pour pouvoir entreposer les pommes de terre dont les livraisons seraient réparties au cours de l'hiver.

Ce n'est pas un service qui nous encourage à assurer l'approvisionnement régulier de nos produits vers ce débouché. Nous faisons donc concurrence aux services de camionnage de Montréal jusqu'à Sept Îles, par exemple. Des camions qui arrivent chaque jour dans l'espace de quelques heures après qu'on a com-

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which we cannot compete with the present water shipments available to the province.

What I am talking about is a better ship, a bigger ship and I think that we can find the government has things to trade and private enterprise, and this could serve as a stimulant to private enterprise getting on a more regular basis and a better organized basis for trading as well.

Mr. Trudel: Mr. Premier, looking over the figures in your brief, you have mentioned, I believe, and I stand to be corrected, the ferry rates going from $2 to $3. You have also mentioned the projected figure of $1 billion over a 60 year period and I think you have used a 50 per cent increase on the rate and you also have used a 5 per cent decrease of the deficit now contemplated by the CNR. If I use the figures that you have mentioned, not having any of the others at my disposal at the present time, I would say that the rate on a self-sufficient basis to the users would have to be in the neighbourhood of $15 a crossing. Would that be correct?

Mr. Campbell: You speak on that subject with more authority than I can, sir, but I have indicated that the Stanford Research Institute's work was the basis upon which we came to the figure of $1 billion. There are quite a number of presumptions made in arriving at that figure.

Mr. Trudel: Have you any tables, sir, that you could present or add to your brief that would give us a factor on which we could base a judgment?

Mr. Campbell: Unfortunately that document is not a provincial document and therefore I am unable to offer the document to you, but I mentioned earlier that I hoped the Committee would have access to it and look beyond the year 2000 and the implications of the cost.

Mr. Trudel: Thank you, Mr. Chairman.

The Chairman: Mr. Rose.

Mr. Rose: Thank you, Mr. Chairman. Mr. Premier, although I am from British Columbia my father was born in Prince Edward Island and therefore I have some interest in your particular problems here. My ancestors moved from Prince Edward Island I suppose in search of greater opportunity. That is the story of the Island, is it not? You

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mandé les denrées, et c'est le genre de concurrence que nous ne pouvons pas soutenir avec les services de transport maritime actuels.

Je veux dire qu'il nous faudrait un meilleur navire, un plus gros navire et je crois que nous constaterons que le gouvernement et les entreprises privées ont des marchandises à vendre, ce qui pourrait encourager les entreprises privées si nous avions un service plus régulier et si nous étions mieux organisés pour le commerce.

M. Trudel: Monsieur le premier ministre, en examinant les chiffres mentionnés dans votre mémoire, si je ne me trompe, vous avez mentionné que le tarif du transbordeur sera porté de $2 à $3. Vous avez aussi mentionné l'extrapolation d'un chiffre de $1 milliard sur une période de 60 ans, pour laquelle vous vous êtes servis d'une hausse de 50 p. 100 du tarif et d'une baisse de 5 p. 100 du déficit envisagé a l'heure actuelle par le CN. En me servant des chiffres que vous avez employés vous-même, n'en ayant pas d'autres à ma disposition à l'heure actuelle, je dirais qu'il faudrait que le tarif aux clients, si le service devait être autonome, soit d'environ $15 par traversée. Est-ce exact?

M. Campbell: Vous parlez avec plus de compétence que je ne le pourrais, monsieur, mais j'ai mentionné que nous nous étions basés sur les travaux du *Stanford Research Institute,* nous en étions arrivés au chiffre de 1 milliard de dollars. On a présumé de beaucoup de choses pour arriver à ce chiffre.

M. Trudel: Avez-vous des tableaux comparatifs que vous pourriez ajouter à votre mémoire et qui nous donneraient un facteur sur lequel baser notre décision?

M. Campbell: Malheureusement ce document n'est pas un document provincial et je ne puis donc vous l'offrir, toutefois, j'ai mentionné auparavant que j'espérais que le Comité aurait accès à ces documents et pourrait prévoir au-delà de l'année 2,000 en ce qui concerne les frais.

M. Trudel: Merci monsieur le président.

Le président: Monsieur Rose.

M. Rose: Merci, monsieur le président. M Campbell je me souviens, bien que je vienne de la Colombie-Britannique mon père est né à l'Île du Prince-Édouard et j'ai donc un certain intérêt envers votre province et ses problèmes. Mes ancêtres ont quitté l'île en cherchant probablement de meilleures occasions, mais n'est-ce pas justement là l'histoire de

[Texte]

ave relatively fewer people here now than ou had 50 years ago. Is that so?

Mr. Campbell: Relatively, yes. I believe the opulation at the time of Confederation was bout 96,000. It rose for some time and eached a peak and there have been very inor annual additions to the population. The end has been for approximately 1,000 young eople from this province leaving after eceiving their education here and seeking pportunities in the industrial centres of the ountry and travelling to the New England tates as well. We estimate the cost of educaion alone at $3 million a year for these young eople who are leaving the province.

We certainly hope that through develop- nent programs about to be initiated in the rovince we will be able to take greater dvantage of the resources which are here nd provide more jobs for these young people vho are so vital to the development of our rovince.

Mr. Rose: In spite of the enthusiasm locally or large families, still your population has ot gone up. Your argument is that you are roviding aid to the rest of Canada through he emigration of skilled young people.

Mr. Premier, I was very much interested in documentary I saw on television recently bout Prince Edward Island. I was also nterested in your brief that you presented his morning. In it you called for a compre- ensive plan of transportation and although you did not say so you indicated that trans- portation at this point had been proceeding on a sort of patchwork basis.

Could you go beyond that and suggest that you would be interested in a comprehensive plan for all forms of federal assistance to this area such as ARDA, FRED, equalization pay- ments?

Mr. Campbell: Very much so, yes.

Mr. Rose: You would agree, then?

Mr. Campbell: Very much so. We have been doing our best as a province to take advantage of federal aid schemes, and very often the schemes are national programs not designed with the special problems of this province or region in mind; very often we are unable to raise our share of the cost of those programs. The Trans-Canada Highway was a project of which we were responsible for 10 per cent of the cost, Prince Edward Island was one of the first provinces to complete

[*Interprétation*]

l'île? Vous avez moins de monde maintenant qu'il y en avait il y a cinquante ans, n'est-ce pas?

M. Campbell: Relativement oui, je crois que la population au moment de la Confédération était d'environ 96,000 personnes. Elle a augmenté pendant un certain temps et en est arrivée à un sommet; les additions annuelles à la population sont minimes. Mais la tendance actuelle est qu'environ 1,000 jeunes quittent la province après avoir été instruits ici et cherchent à s'établir dans les centres industriels du pays et même dans les états de la Nouvelle-Angleterre. Nous estimons à 3 millions de dollars par année le coût de l'instruction de ces jeunes qui quittent la province.

Nous espérons donc que, grâce aux programmes de développement d'expansion que l'on doit entreprendre dans la province, nous pourrons profiter plus des ressources qui sont les nôtres et assurer plus d'emplois à ces jeunes qui sont si nécessaires au développement de notre province.

M. Rose: Malgré l'enthousiasme local à l'égard des grandes familles, votre population n'a pas augmenté? Et alors vous prétendez que vous donnez de l'aide au reste du Canada par l'émigration de vos jeunes travailleurs qualifiés.

J'ai été très intéresssé par un documentaire que j'ai vu récemment sur l'Île du Prince-Édouard. Et votre mémoire ce matin m'a beaucoup intéressé aussi. Dans votre mémoire, vous demandez un programme d'ensemble sur le transport. Vous avez aussi laissé entendre que jusqu'à maintenant, les transports avaient été aménagés au hasard presque?

Est-ce que vous iriez plus loin et diriez que vous êtes intéressés à un programme d'ensemble pour toutes formes d'aide fédérale pour cette région, comme les programmes ARDA, FODER, les paiements de péréquation, etc.

M. Campbell: Oui, sûrement.

M. Rose: Vous êtes d'accord?

M. Campbell: Sûrement. Nous avons fait de notre mieux en tant que province pour profiter des programmes d'aide fédérale. Très souvent, il s'agit de programmes nationaux qui ne sont pas conçus en fonction des problèmes particuliers de cette province ou cette région et très souvent nous ne sommes pas en mesure de fournir notre part des coûts pour ces programmes. Par exemple, nous étions responsables du 10 p. 100 des coûts de construction de la route transcanadienne. L'Île du

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that project, but the 25 or 50 per cent of the cost of other road-building programs has been a cost of which we have found very great difficulty in meeting our share.

In ARDA programs and what have you, our use of that program has been limited indeed when we think of the great use which such provinces as Saskatchewan or Ontario have made of that program. It has involved on our part a 33⅓ or 50 per cent share and we have not in the past been able to take full advantage of these programs.

Mr. Allmand: A supplementary question, Mr. Chairman.

The Chairman: Mr. Allmand.

Mr. Allmand: Mr. Premier, do you therefore think that in making any proposals with respect to a new MFRA, or widespread amendments to MFRA, we should consult very closely with the new Minister of Regional Economic Expansion, who may have other plans for the total development of the area?

Mr. Campbell: Yes, I should hope this Committee would. I should hope that all departments would keep this in mind. I would suggest a warning that there are quite a number of federal departments actively involved in various programs and projects here in the Atlanic provinces and I believe that there will be a tendency for these departments to suggest, in response to a request coming from this province for some work, that they pass it over to Jean Marchand and ask him to do it through the development plans and I think we are going to have to be very careful about this.

The Department of Public Works has an obligation for maintaining wharves, for example. I would not want the Department of Public Works to be saying, "This is something we do not have to charge up to our budget; pass it over to Marchand and let him do that development plan and charge it up somehow."

Mr. Allmand: But you would like us to consult.

Mr. Campbell: But I should think that there must certainly be a greater degree of co-operation between federal departments and between provincial departments on these projects. Certainly we are aware of difficulties at Port Hawkesbury in Nova Scotia. Eleven departments of the federal government or agencies, I believe, were affected by the

[*Interpretation*]

Prince-Édouard a été l'une des premières provinces à terminer sa part de la route. Mais pour ce qui est des 25 ou 50 p. 100 des autres programmes de construction de routes, il est très difficile pour nous de payer notre part.

Pour les programmes de l'ARDA ou autres, nous n'avons profité que très peu de ces programmes quand on songe par exemple à la Saskatchewan et à l'Ontario qui ont su en profiter beaucoup plus. Mais notre apport a quand même été de 33⅓ ou de 50 p. 100 et, dans le passé, nous n'avons pas pu profiter pleinement de ces programmes.

M. Allmand: Une question supplémentaire, monsieur le président.

Le président: Monsieur Allmand.

M. Allmand: Monsieur le premier ministre, est-ce que vous croyez alors que pour formuler des propositions pour une nouvelle Loi sur les taux de transport des marchandises dans les provinces Maritimes que nous devrions consulter de très près le nouveau ministre du Développement économique régional qui aurait peut-être d'autres projets pour la région.

M. Campbell: Oui, j'espère que le Comité le fera. J'espère que tous les ministères en tiendront compte et j'aimerais toutefois formuler une mise en garde. Il y a certains ministères du gouvernement fédéral qui sont impliqués dans des programmes ici dans les provinces de l'Atlantique. J'ai l'impression que certains ministères auront peut-être tendance à suggérer, en réponse à une demande qui viendrait de cette province pour avoir certains travaux, que cela soit passé à M. Jean Marchand et qu'on lui demande de le faire en vertu du programme d'aménagement régional. Je crois qu'il faudra faire bien attention à cela.

Le ministère des Travaux publics doit entretenir les quais. Je ne voudrais donc pas que le ministère des Travaux publics dise «Voilà une chose qui n'est plus comprise dans notre budget; passons-la à M. Marchand qui la fera dans le cadre du programme de développement et la créditera quelque part.»

M. Allmand: Vous voudriez toutefois qu'il y ait consultation.

M. Campbell: Il doit certainement y avoir beaucoup plus de collaboration entre les ministères fédéraux et entre les ministères provinciaux pour ces projets. Je suis conscient des difficultés qui existent à Port Hawkesbury en Nouvelle-Écosse. Onze ministères du gouvernement fédéral ou agences du gouvernement fédéral ont été touchés par la pro-

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proposal there, and 11 departments of government agreed that this was a wise move and that all departments and agencies would lend their support to the project. It took one year to cut through all the red tape of the willing partners to get the things jelled and agreements and arrangements worked out.

The Chairman: Mr. Rose.

Mr. Rose: Mr. Premier, although this Committee sits as a transportation committee I believe its justification is whatever it does, and the recommendation that is here is justified because it is vital to the whole economy of the particular area. Someone suggested a little earlier that some of the farmers were going to be getting rich on these transportation subsidies. Have you any evidence of this?

Mr. Campbell: We do not have very much evidence of this, no.

Mr. Rose: Also, would you agree that transportation is perhaps only one part of the cost factor that makes a farmer or a fisherman less than competitive in this particular area?

Mr. Campbell: In some instances, only a very small part—only 2 or 3 per cent of the cost of the package on the market.

Mr. Rose: Therefore, there are probably other factors that are much more important than transportation?

Mr. Campbell: There are other urgent areas as well, but accommodating all those other areas we could still fail if we are unable, through an efficient and reasonably costed transportation service, to move into those markets.

Mr. Rose: It would assist. But this is one of the problems—whether it actually does; whether a subsidy to a trucker or to a rail line actually trickles down to the people who need it most, and this has been of concern throughout the hearings. Could you tell me how much of the potato dollar gets back to the farmer?

Mr. Campbell: Of course the potato prices have ranged from one cent a pound to three cents a pound over the last four or five years and it has been mostly a cent a pound or less, but this is the market price. During the last three years the potato farmer has hardly been able to cover his cost of production when all other costs are taken out.

[*Interprétation*]

position là-bas, et onze ministères du gouvernement ont convenu qu'il s'agissait d'une bonne chose et que toutes les agences appuieraient le projet. Il a fallu un an pour éliminer toutes les difficultés et les complexités de la part de ceux qui voulaient être les partenaires et en arriver à des accords.

Le président: Monsieur Rose.

M. Rose: Monsieur le premier ministre, bien que le Comité soit le Comité des transports et communications, je crois que les recommandations qu'il entend à n'importe quel sujet sont justifiables en raison du fait que cela est nécessaire pour l'économie de la région dans son ensemble. Plus tôt quelqu'un a dit que les cultivateurs pourraient peut-être devenir riches en raison de ces subventions aux transports. Avez-vous des preuves à ce sujet?

M. Campbell: Non, nous n'avons pas de preuve à ce sujet.

M. Rose: Est-ce que vous seriez aussi d'accord que les transports sont un seul aspect du facteur coût qui fait que l'agriculteur ou le pêcheur est moins concurrentiel dans ce domaine?

M. Campbell: Dans certains cas une très petite partie, peut-être 2 ou 3 p. 100 des frais en cause pour le produit rendu sur le marché.

M. Rose: Il y a donc certains autres facteurs qui sont plus importants que les transports?

M. Campbell: Il y a d'autres besoins importants aussi, mais, même si nous réglions tous ces autres facteurs, nous échouerons si nous ne pouvons commercialiser le produit grâce à un service efficace et peu coûteux.

M. Rose: Cela pourrait aider. Mais voilà un des problèmes, est-ce que cela aide vraiment? Est-ce qu'une subvention à une compagnie de camionnage ou de chemins de fer aide finalement ceux qui en ont le plus besoin? C'est un problème qui a été exprimé durant toutes nos séances. Pourriez-vous nous dire quelle proportion du dollar pour les pommes de terre revient au cultivateur?

M. Campbell: Les prix pour les pommes de terre ont évolué entre un et trois cents la livre depuis quatre ou cinq ans, d'habitude c'est un cent la livre ou moins mais c'est le prix du marché. Depuis trois ans, le cultivateur de pommes de terre n'a presque pas pu récupérer ses frais de production lorsqu'on enlève tous les autres frais.

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Mr. Rose: Brokerage costs, shipping costs...

Mr. Campbell: The cost of bags, the cost of production.

Mr. Rose: You mentioned a mountain of bureaucracy when we were discussing the causeway. Does the potato industry suffer from a similar problem?

Mr. Campbell: There is an area of great improvement in the potato industry of Prince Edward Island and that of the Maritimes, but I think that we are talking about all areas and influences affecting the industry, from the selection of the seed to the method of growing, to the management of the farm, to the approach to marketing, to the marketing facilities available to the industry and to the way in which the industry will market the product. Transportation is, however, very vital to the potato industry and a very important factor.

Mr. Rose: Did the increase of the tariff rates, sir, in September 1967 affect the trucking rates?

Mr. Campbell: Would you address that question, sir, to the person giving the trucking brief?

Mr. Rose: Yes, I will hold it. As a matter of fact, I believe I read it in another brief and I have forgotten. Would you agree with the concept of an Atlantic free trade area because the line under Confederation has severely inhibited your natural markets?

Mr. Campbell: Naturally we would want to look very carefully at the implications. The idea of free trade with New England and other areas very attractive to us, but the suggestion made in response in Ottawa recently was that the tariff wall would be placed at the Quebec or Ontario border. Certainly we would want to look at this very carefully before we jumped from one situation into another.

Mr. Rose: Yes. This is my final question and perhaps it is facetious. You mentioned that one of your problems was the importation of gravel. It might be suggested, since we just came from Newfoundland, that they might be interested in some of your soil. You might be able to work out a reciprocal arrangement.

[*Interpretation*]

M. Rose: Les frais de courtage, d'expédition ...

M. Campbell: Le coût des sacs et de la production.

M. Rose: Vous avez mentionné une énorme machine bureaucratique tout à l'heure quand vous avez parlé de la chaussée. Est-ce que l'industrie de la pomme de terre souffre du même problème?

M. Campbell: L'industrie de la pomme de terre à l'île du Prince-Édouard et dans les provinces Maritimes, il y a certainement beaucoup d'améliorations à faire à cet égard mais je crois que nous parlons de tous les secteurs et toutes les influences qui jouent, à compter du choix de la semence jusqu'à la méthode de culture, l'administration même de la ferme, les débouchés accessibles à l'industrie, et la façon même dont l'industrie va commercialiser ou va mettre en marché son produit. Toutefois, dans l'industrie de la pomme de terre, les transports sont essentiels pour l'industrie et constituent un facteur très important.

M. Rose: Est-ce que l'augmentation du tarif en 1967 a affecté les taux de transport par camion?

M. Campbell: Est-ce que vous pourriez poser cette question, monsieur, à la personne qui va vous présenter le mémoire sur le camionnage.

M. Rose: Très bien, je vais attendre. De toute façon, je crois que je l'ai vu dans un autre mémoire mais j'ai oublié le chiffre. Est-ce que vous appuyez l'idée d'une zone d'échange libre dans les provinces de l'Atlantique parce que depuis la Confédération vos marchés naturels ont été restreints.

M. Campbell: Évidemment, il nous faudrait étudier sérieusement les effets, mais l'idée d'un commerce avec les États de la Nouvelle-Angleterre nous attire beaucoup, mais la réponse qu'on a reçue à Ottawa dernièrement, c'est que la barrière tarifaire serait établie à la frontière de l'Ontario ou du Québec. Nous voudrions alors examiner très attentivement ces possibilités avant de passer d'un état de choses à un autre.

M. Rose: Une dernière question. Vous avez dit qu'un de vos problèmes était l'importation du gravier. Comme nous venons tout juste d'arriver de Terre-Neuve il se pourrait que la province soit intéressée à obtenir un peu de votre sol. Vous pourriez peut-être en arriver à un accord réciproque avec eux à ce sujet.

[*Texte*]

Mr. Campbell: We can list quite a number of items which Newfoundland has to export, and gravel is one. Hardboard, lime, quite a number of things could serve as the basis of very effective trade between these provinces.

Mr. Rose: Thank you very much.

The Chairman: Mr. McCleave.

Mr. McCleave: First, Mr. Premier, I want to congratulate you on your comprehensive and lucid brief. I want also to confirm what you suggested from personal experience, that as far as the regional air carriers are concerned the connections to almost anywhere in Canada have become worse since the initiation of the direct flight from Charlottetown to Montreal.

I have a couple of questions which would more properly be addressed to the regional air carrier or to someone else, but perhaps you might be able to enlighten the Committee with regard to this. In your opinion if Air Canada had one of its flights originating in St. John's, Newfoundland—one of the many flights that go daily from St. John's to Montreal and Toronto—with the accent on air freight and were to make Charlottetown a regular stop, do you not agree that there would be quite a potential for air freight moving in both directions, to Newfoundland and to Montreal, as well as being a convenience in passenger service?

Mr. Campbell: I am not altogether convinced, sir, that our air freight requirements can best be served by a regular Air Canada run between St. John's stopping at Charlottetown and going to Montreal, because this is not really aimed directly at our markets.

It is the city of Boston that wants fresh berries. It is the City of St. John's or Stephenville or Labrador City or Churchill Falls that many want our agricultural products. I do not think we are answering the problem by the courtesy service which Air Canada would offer by stopping at Charlottetown on its way from St. John's to Montreal.

It would be helpful, but I doubt very much that it would be the pattern of traffic that we would seek to project Prince Edward Island shippers into the jet cargo age.

Mr. McCleave: Has it been argued that such a service would make the present direct flight from Charlottetown to Montreal noneconomic?

[*Interprétation*]

M. Campbell: Nous pourrions vous donner toute une liste de choses que Terre-Neuve doit exporter et le gravier en est une. Les planches murales, la chaux et toutes sortes de choses qui pourraient justement servir de base à un excellent commerce entre les deux provinces.

M. Rose: Merci beaucoup.

Le président: Monsieur McCleave.

M. McCleave: Tout d'abord, monsieur le premier ministre, je veux vous féliciter de votre mémoire très détaillé et lucide. Je veux dire que ce que vous avez suggéré d'après votre expérience personnelle en ce qui concerne les transporteurs aériens régionaux, les correspondances pour n'importe quel point au Canada ont empiré depuis l'introduction du vol direct entre Charlottetown et Montréal.

J'aurais quelques questions à poser et qui s'adresseraient peut-être mieux au transporteur aérien régional ou à quelqu'un d'autre, mais vous pourriez toutefois essayer d'informer le Comité à ce sujet. A votre avis, si un des vols d'Air Canada partait de St-Jean (Terre-Neuve), un des nombreux vols quotidiens entre St-Jean, Montréal et Toronto, transportant surtout des marchandises et arrêtait régulièrement à Charlottetown, ne croyez-vous pas qu'il y aurait de grandes possibilités pour le transport aérien des marchandises entre Terre-Neuve et Montréal, dans les deux sens et que cela serait évidemment utile au service voyageurs?

M. Campbell: Je ne suis pas tout à fait convaincu que nos besoins en matière de service marchandises aérien soient mieux comblés par un service régulier d'Air Canada qui s'arrêterait à Charlottetown en route pour Montréal, car cela ne s'adresse pas directement à nos marchés.

C'est la ville de Boston qui veut obtenir nos fruits frais. Ce pourrait être les villes de St-Jean, Stephenville, Labrador City ou Churchill Falls qui voudront nos produits agricoles. Je ne crois pas qu'on résolve grâce au service de courtoisie qu'Air Canada offrirait en s'arrêtant à Charlottetown en route pour Montréal et en provenance de St-Jean (Terre-Neuve).

Cela aiderait, mais je doute que cela soit le genre de trafic que nous voudrions avoir pour projeter les expéditeurs de l'Île du Prince-Édouard dans l'ère des réactés.

M. McCleave: Est-ce qu'on a déjà dit qu'un tel service rendrait le vol direct actuel de Charlottetown à Montréal non rentable?

[*Text*]

Mr. Campbell: We have not studied in any great detail Air Canada air cargo service between Charlottetown and Montreal. We did, however, make inquiries of Air Canada as to whether or not one of its three daily return flights between Halifax and Montreal might stop here in Charlottetown. They were concerned first about the effect that service might have on the regional carrier and the business it would draw from the regional carrier. It was also concerned about the minimal traffic that would offer such a passenger service.

Mr. McCleave: It is said that the regional carrier intends to introduce DC-9 service on this route to Montreal in the near future.

Mr. Campbell: Yes.

Mr. McCleave: I understand that has been delayed. Is that correct?

Mr. Campbell: I think the brief suggested that the work on the airport is being delayed, and that suggests to me that the regional carrier would have very real difficulty in bringing its DC-9 service into Prince Edward Island if the runway is not there and if the navigational aids are not there.

Mr. McCleave: Thank you.

The Chairman: Mr. Perrault.

Mr. Perrault: Mr. Chairman, as others have said, the Premier is to be congratulated for the excellence of the brief which he has brought to our Committee this morning and for the durability he has demonstrated this morning under long questioning. I know that certainly, together with most Canadians, I feel Prince Edward Island has contributed to this country well beyond the number of people who have been born here, and it is a pleasure for me to be here for the first time.

I am going to try to keep my questions as to the point as possible because time is moving along. Mr. Premier, in your brief you were very critical of the Canadian National Railways and I am sure members of the Committee would appreciate a particularization of the alleged deficiencies of the Canadian National Railways.

You could not do it this morning, but I wonder, in view of the fact, Mr. Chairman, that we are going to have CN representatives testify before the Committee in Ottawa, whether it would be possible to obtain from you a detailed account, a factual summary, which we could study in Ottawa and perhaps confront CN representatives with that sum-

[*Interpretation*]

M. Campbell: Nous n'avons pas étudié en détail le service marchandises d'Air Canada entre Charlottetown et Montréal. Toutefois, nous avons demandé à Air Canada si l'un de ces trois vols quotidiens aller et retour entre Halifax et Montréal ne pourrait pas s'arrêter ici à Charlottetown. Air Canada se préoccupait tout d'abord des effets que ce service aurait sur le transporteur régional qui verrait diminuer sa clientèle, ainsi que le trafic minimum qu'offrirait un tel service voyageurs.

M. McCleave: On dit que le transporteur régional a l'intention d'introduire sous peu un service par DC-9 sur le parcours de Montréal.

M. Campbell: Oui.

M. McCleave: Et j'ai cru comprendre que cela a été retardé? Est-ce exact?

M. Campbell: Je crois que le mémoire suggère que le travail d'aménagement de l'aéroport a été retardé, ce qui me fait penser que le transbordeur régional aurait beaucoup de difficultés à introduire un service par le DC-9 à l'Île du Prince-Édouard où les instruments de navigation de la piste n'existent pas.

M. MacLean: Merci.

Le président: Monsieur Perrault.

M. Perrault: Monsieur le président, comme les autres l'ont dit, on doit féliciter le premier ministre de l'excellence du mémoire qu'il a présenté au Comité ce matin ainsi que de l'endurance dont il a fait preuve en face de toutes les questions qui lui ont été posées. Je sais que l'Île du Prince-Édouard a contribué à notre pays dans une mesure bien supérieure au nombre de personnes qui y sont nées, et c'est un plaisir pour moi de visiter l'Île pour la première fois.

Je vais essayer de poser des questions aussi pertinentes que possible car le temps passe. Monsieur le premier ministre, dans votre mémoire vous avez fortement critiqué les Chemins de fer nationaux du Canada et je sais que les membres du Comité aimeraient avoir des détails sur les déficiences qui existent selon vous au National-Canadien.

Vous ne pouvez pas le faire ce matin, mais vu le fait que les représentants du National-Canadien vont témoigner devant le Comité à Ottawa, ne serait-il pas possible d'obtenir de votre part un résumé des faits que nous pourrions étudier et qui nous aiderait lorsque les fonctionnaires du National-Canadien seront devant nous à ce moment-là. Je crois que cela

[*Texte*]

mary at that time. It would be helpful to us, I think, Mr. Chairman, if that were made available.

Mr. Campbell: Mr. Chairman, I would be very happy to provide a summary of the list of items and complaints that would more specifically back up and support the generalization that the brief offers.

I want to tell the members of your Committee, Mr. Chairman, that I have personally noted and I have recognized publicly on three different occasions the gratification of the government of Prince Edward Island with the new attitude of the CNR in the last several months, and I would say, gentlemen, that the appointment of Mr. Graham Macdougall as a Vice-President of the railway in charge of the Atlantic provinces services has been central to a new approach which the railway appears to be taking here in the Atlantic provinces.

As a secretary of a board of trade quite a few years ago in Prince Edward Island trying to get a railway station painted or the restaurant services opened on the ferry before the ship left, as a member of the Legislature, as a member of the government, I found until recently that there was a very fixed attitude taken by CNR—that we could not afford it or that we did not have the money or what have you. I believe that that attitude is changing, and we welcome the approach, which appears to be taken today by the officials of the CNR, of indicating a willingness to sit down with us to look at long-range requirements for the region and to work out as best they can a transportation service appropriate to the needs here. Mr. Macdougall and his regional officers will require a good deal of support from the decision-makers in his head office. It will have to be well understood by those who are in a position to commit the funds of the CNR that the Atlantic Provinces are not presently well served, and that it will cost that Company some money and cost the country some money to upgrade the services to meet the needs of the Atlantic region.

Although I have talked about a haphazard approach I want to place on record recognition of the more forward-looking approach that seems to be the order of the day today, but even in his best efforts he will require the support of the national executive.

Mr. Perrault: Mr. Chairman, presumably the suggestions contained on pages 9 and 11 of this brief constitute what Prince Edward Island feels should be the package of federal assistance which may be required. I would like to ask some questions on their proposals.

[*Interprétation*]

nous aiderait, monsieur le président, si nous pouvons obtenir ce résumé.

M. Campbell: Monsieur le président, je serais très heureux de vous fournir un résumé des choses ou des plaintes que nous avons et qui seraient à l'appui du commentaire général contenu dans le mémoire.

Je voudrais dire aux membres du Comité, monsieur le président, que personnellement j'ai constaté et j'ai reconnu en public à trois occasions différentes la reconnaissance du gouvernement de l'Île du Prince-Édouard envers la nouvelle attitude du CN depuis quelques mois. Je vous dirais messieurs que la nomination de M. Graham MacDougall comme vice-président responsable du service pour les provinces de l'Atlantique est la base de cette nouvelle attitude de la part des Chemins de fer vis-à-vis des provinces de l'Atlantique.

Comme le secrétaire d'une chambre de commerce de l'Île du Prince-Édouard qui essayait d'obtenir qu'une gare soit peinturée ou qu'on ouvre les services d'un restaurant sur le traversier avant les départs de navire, comme membre de la législature, comme membre du gouvernement, j'ai constaté que, jusqu'à très récemment le CN avait adopté une atttiude rigide en disant qu'on n'avait pas les fonds voulus pour le faire et qu'il était impossible de le faire.

Je crois que cette attitude change maintenant. Nous sommes très heureux de l'attitude que semblent prendre aujourd'hui les fonctionnaires du CN. Ils semblent disposés à examiner avec nous les besoins à long terme de la région et à essayer d'en arriver, le plus possible, à un service de transport qui serait approprié à nos besoins. M. MacDougall et ses fonctionnaires régionaux auront besoin d'un très grand appui de la part de ceux qui prennent les décisions au siège social. Ceux qui engagent les fonds du CN devront bien comprendre que les provinces de l'Atlantique ne sont pas bien desservies à l'heure actuelle et que cela va coûter à la compagnie et au pays pour améliorer les services, afin de répondre aux besoins des provinces de l'Atlantique. Même si j'ai parlé d'une approche au hasard, je voulais insister sur l'attitude plus progressive qui semble exister aujourd'hui. Même dans ses meilleurs efforts, il aura besoin de l'appui des fonctionnaires nationaux.

M. Perrault: Monsieur le président, les suggestions que l'on trouve aux pages 9 et 11 du mémoire constituent ce qui, selon l'Île-du-Prince-Édouard, devrait être le projet d'ensemble pour l'aide fédérale. Je voudrais donc poser des questions au sujet des propositions.

[*Text*]

You have suggested the extension of the subsidy provisions of the Maritime Freight Rates Act to motor transport. The suggestion is that subsidy benefits be payable to the shipper.

I would like to ask the Premier whether he would dispute another view expressed in this maritime tour, that a shipper subsidy would merely be an additional increment to operating revenues and that a shipper's needs could be better supplied in other ways, either through capital loans or the establishment of co-operative distribution facilities of some type?

This has been another view expressed in the Maritimes—that there is no way of assuring that this is really going to improve the competitive situation of industry on the Island.

Mr. Campbell: This is a very good question. What we are anticipating is the withdrawal, under federal policy, of established, fixed rates assistance, and this is what we are trying to respond to by, first of all, insisting on the need for some continued assistance. Perhaps not all of our industries, or not all of our shippers, require this assistance and they are just simply taking advantage of it because it is there, but I have illustrated the need for continuing assistance on bulk commodities moving.

Many of our shippers are very small shippers indeed, and the rates imposed have affected them adversely. They are not shipping out regular carlots of canned chicken to central distribution points. The nature of their business is to ship a few cases here and there and the rates have very seriously affected the nature of their operations.

Mr. Perrault: It might be difficult to apply such a subsidy, though. Do you see any possibility of a carrier, aware of a government contribution to the shippers' transportation costs, reacting by applying an appropriate increase in the rate? And should there be universal application of the shipping subsidy to both deserving and inefficient operators? This is a problem you have touched on.

Mr. Campbell: Yes. I was just going to add sir, that you will be hearing from the Maritime Motor Transport Association and from the Prince Edward Island truckers. I do not think they will argue that they are today

[*Interpretation*]

Vous avez proposé l'extension au transport routier des dispositions de subvention de la Loi sur les taux de transport des marchandises dans les provinces Maritimes. Nous avons entendu dire que les subventions C devraient être payées aux expéditeurs. Je voudrais donc demander au premier ministre, s'il est aussi d'avis que cette subvention ne constituerait qu'une augmentation des revenus d'exploitation et que les besoins de l'expéditeur pourraient être mieux satisfaits d'une autre façon, soit au moyen de prêts de capital ou par l'établissement de services coopératifs?

On a entendu dire dans les provinces Maritimes, qu'il n'y a aucun moyen d'assurer que cela améliorera la situation concurrentielle de l'industrie dans l'île.

M. Campbell: Excellente question. Ce que nous prévoyons, c'est le retrait, en fonction de la politique fédérale, des subventions fixes pour les tarifs de transport, et nous nous efforçons de l'empêcher en insistant d'abord sur la nécessité de maintenir une forme d'aide. Peut-être que ce ne sont pas toutes les industries ni tous les expéditeurs qui en ont besoin, mais ils en profitent simplement parce qu'elle existe; j'ai toutefois essayé de vous montrer la nécessité de continuer à subventionner le transport en vrac.

Plusieurs de nos expéditeurs sont de très petits expéditeurs et les tarifs imposés ont eu des résultats néfastes pour eux. Ils n'expédient pas des chargements complets de poulet en boîtes à des points centraux de distribution. La nature de leur commerce est telle qu'ils expédient quelques boîtes seulement à la fois, ici ou là, et les tarifs ont nui sérieusement à leur exploitation.

M. Perrault: Il serait peut-être impossible d'appliquer une subvention de ce genre. Est-ce que le transporteur, conscient de la contribution de l'État aux frais de transport de l'expéditeur, réagirait en haussant son tarif d'autant? Est-ce qu'on devrait accorder la subvention à tous les expéditeurs, à ceux qui la méritent et aux entreprises inefficaces aussi? C'est un problème auquel on ne s'est pas arrêté.

M. Campbell: Oui, j'allais justement ajouter, monsieur, que vous recevrez un mémoire de l'Association des camionneurs des provinces Maritimes et de l'Association des camionneurs de l'Île-du-Prince-Édouard. Je ne crois

[*Texte*]

competitive with the CNR. They have very real difficulty in providing competitive services, especially because of the bottleneck on the Northumberland Strait.

Then the suggestion that our truckers, or the trucking industry, begin to move their goods at some time later, or after midnight, or something like that, suggests again another element of discrimination.

We do not enjoy a competitive trucking industry in Prince Edward Island. There is no great rush by large national trucking firms to establish regular shipments here, and our own industry has had very real difficulty in competing. This is why we feel that if some measure were possible to allow a shipper to decide which mode he would choose, and if the truckers were given a fair opportunity relative to the Northumberland crossing, and if assistance presently available to the railways was also available to the trucking industry, we would find a more competitive atmosphere between the CNR and the truckers.

Mr. Perrault: Mr. Premier, may I ask, very briefly, whether you believe that this should be a complete package? Is it a matter of causeway construction and extended subsidies, or causeway in place of extended subsidies? In other words, are you asking for full federal support for the Northumberland Strait crossing, provision of truck terminals in the larger centres of the region, and extension of all other highways to provide a linkage with all rural arterial and main truck highways in this province? Is this to be a complete federal involvement on the points you have set forth?

Mr. Campbell: We are not in a position today to suggest such a package. If the causeway were to become a fact—and this is away up in the air right now—I would expect that the trucking industry would become more interested in trading in Prince Edward Island, would provide additional facilities to carry commodities to Prince Edward Island and that our reliance upon subsidy aids might be lessened...

Mr. Perrault: It could considerably reduce your need for subsidies?

Mr. Campbell: Yes.

Mr. Perrault: I have just one further question. Do you regard transportation subsidies to this province, or the shipper subsidies to

[*Interprétation*]

pas qu'ils vous diront qu'ils peuvent concurrencer avec le CN à l'heure actuelle. Ils éprouvent beaucoup de difficultés à offrir un service concurrentiel, particulièrement, en raison de l'embouteillage du détroit de Northumberland.

La proposition faite aux camionneurs, ou à l'industrie du camionnage, pour qu'ils commencent à transporter leurs marchandises beaucoup plus tard, après minuit, par exemple, est un autre élément de discrimination.

Nous n'avons pas une industrie de camionnage concurrentielle dans l'Île du Prince-Édouard. Et les grandes entreprises nationales de camionnage ne sont pas tellement pressées à établir un service régulier ici, et nos propres camionneurs ont donc beaucoup de difficultés à concurrencer. C'est pourquoi nous trouvons que s'il y avait moyen de laisser à l'expéditeur le choix du mode de transport et de donner aux camionneurs une chance à l'égar de la traversée du détroit de Northumberland, et que les subventions présentement versées aux chemins de fer étaient étendues aux camionneurs, il y aurait plus de concurrence entre eux et le CN.

M. Perrault: Je voudrais vous demander brièvement si vous croyez que ce devrait être un tout. Est-ce une question d'aménagement de la chaussée et d'extension des subventions ou la construction d'une chaussée au lieu d'étendre les subventions? Autrement dit, est-ce que vous demandez l'appui total du fédéral pour la traversée du détroit de Northumberland, la construction de terminus pour le transport routier dans les grands centres urbains de la région, le prolongement de toutes les routes afin d'assurer un lien avec toutes les routes principales ou secondaires de cette province? Est-ce que le gouvernement fédéral doit participer d'emblée aux points que vous avez énumérés?

M. Campbell: Nous ne sommes pas en mesure aujourd'hui de proposer un tel arrangement global. Si la chaussée devait se réaliser, et il n'y a rien de bien arrêté encore, l'industrie du camionnage serait beaucoup plus intéressée à faire le commerce avec l'Île du Prince-Édouard, à assurer des services additionnels pour le transport des marchandises à l'Île du Prince-Édouard et nous compterions moins sur les subventions...

M. Perrault: Vous auriez possiblement moins besoin de subventions?

M. Campbell: Oui.

M. Perrault: Une autre question. Considérez-vous que les subventions accordées au transport dans cette province ou aux expédi-

[*Text*]

the province and the Maritimes, as a right to be extended in perpetuity, as a condition of Confederation, or do you contemplate a time when subsidies can be discontinued? And is it a realistic national policy to subsidize shippers in one part of Canada and not in others?

Mr. Campbell: I think it can become sufficiently efficient. I think that there will be a day when we do not rely upon these subsidies, but until there is a good-risk, competitive transportation system available to us our reliance upon subsidies will not diminish.

Mr. Perrault: And you are including subsidies, of course, for shipments to the United States. Do you think that that right should be extended to other sections of agriculture in Canada which may be in trouble and having difficulty shipping, or should it be confined just to the Maritimes?

Mr. Campbell: We are trying to get on our feet, sir, and there are many mitigating factors. There is no commitment at the moment from the present government to build the causeway, and without that we are being asked to consider the withdrawal of subsidies.

There are no modes of effective competitive transportation available, where the carriers are competing in price, and we are therefore left in the very difficult position of being asked to entertain the withdrawal of certain forms of subsidy without really knowing what the alternatives are and of only being able to speculate that the conditions will worsen unless some of these problems are solved.

Mr. Perrault: Thank you, Mr. Chairman.

Mr. Macquarrie: Mr. Chairman, I am not at the moment sure whether or not the process of ordination and induction of Mr. MacLean and I has been completed, and we are fully endorsed as members of this august body, but I would like to begin by saying a word of welcome to this province and to this constituency to my colleagues who are not from this province.

I would like to say, too, that I share the general opinion which has been expressed about the Premier's brief. There is only one thing I might take exception to, and it is a technical one. I cannot believe that a flight which commences in Charlottetown and stops at Charlo is in fact a direct flight. If one finds it impossible to complete the Charlo-Montreal

[*Interpretation*]

teurs vers la province et les Maritimes, un droit qu'il faut perpétuer, comme une condition d'entrée en Confédération ou est-ce que vous envisagez qu'à un moment les subventions seront discontinuées? De plus, est-ce une politique nationale réaliste que de subventionner les expéditeurs dans une région du Canada et non pas dans les autres?

M. Campbell: Je crois que ce pourrait être efficace. Je pense que le jour viendra où l'on ne comptera plus sur ces subventions, mais jusqu'à ce que nous ayons un système de transport concurrentiel et qui ne comporte pas trop de risques, il nous faudra encore compter sur les subventions.

M. Perrault: Ceci comprend les subventions pour les expéditions aux États-Unis, n'est-ce pas? Croyez-vous qu'il faudra l'étendre aux autres secteurs agricoles du Canada qui éprouvent des difficultés à expédier leurs marchandises, ou qu'il faut le restreindre aux Maritimes?

M. Campbell: Nous essayons de nous remettre sur pied, et il y a tellement de facteurs qui entrent en jeu. Le gouvernement actuel ne s'est pas engagé à aménager la chaussée, et sans cet engagement on nous demande de songer au retrait des subventions.

Il n'y a pas de modes de transport concurrentiels efficaces à l'heure actuelle, où les transporteurs se font la concurrence tarifaire, et par conséquent, nous nous trouvons dans la situation vraiment difficile où on nous demande de songer au retrait de certaines formes de subventions sans connaître les solutions de rechange et nous ne pouvons que prévoir que les conditions vont se détériorer à moins de trouver une réponse à ces problèmes.

M. Perrault: Merci beaucoup, monsieur le président.

M. Macquarrie: Monsieur le président, je ne suis pas tout à fait sûr en ce moment si le processus de classification et d'induction de M. MacLean et moi-même est terminé, et que nous sommes membres attitrés de cette auguste assemblée, mais je voudrais, tout d'abord accueillir dans cette province et cette circonscription, mes collègues qui ne sont pas de la province.

Je voudrais vous dire aussi que je partage l'opinion générale formulée à l'égard du mémoire du premier ministre. La seule chose auquelle je puis m'en prendre, est une question technique. Je ne crois vraiment pas qu'un vol qui part de Charlottetown et qui arrête à Charlo est un vol direct. Si l'on se voit dans l'impossibilité de poursuivre le

[*Texte*]

eg and remains in Charlo one would wish hat one were in Moncton, in terms of making ome other arrangements.

Can the Premier elaborate a bit on the listurbing item at the top of page 15? For ears I have heard rumours, emanating from he Canadian National Railways affecting our ervice, and nearly always the unfortunate nes prove to be borne out in fact. Is this roposal anywhere close to a formal propos-l? It surely is not before the Commission. Have you received definite indication, or is his in fact a rumour?

Mr. Campbell: It is more than rumour, sir. t is information that has come to me very ecently from the Minister of Transport. It vas therefore felt important enough to nclude in the brief.

There has been some speculation that this kind of rate increase would be applied, but I am afraid that the rumour has now jelled into something more specific and more definite.

Mr. Macquarrie: The last time the rates were increased there were indications that the Commission would hold hearings here, and they did not eventuate. I would hope that we might be forewarned this time.

I was for a moment frightened, when I read this and heard it from you, that my good friend, Mr. Kierans, may have taken over the Department of Transport. He and I have been arguing about other rates.

I was wondering, too, about your definition of the bureaucratic mountain. I agree with what you say about the bureaucratic mountain, but I would say that a bureaucrat is anyone who works in an office, not just in the back office; it could be in the front, as well.

You invited me, in particular, I think, to testify about the air service. I can do that with great brevity but with immense sincerity. I left Ottawa at midnight to be here for these sessions. That I wanted to come only for the afternoon session I would still have had to leave Ottawa at midnight to make it, and had I wanted to be here to have dinner with you at 6 o'clock I would still have had to leave Ottawa at midnight last night to make it. So we have certain reservations and inhibitions about our participation in the jet age. And I underscore exactly what you say.

[*Interprétation*]

voyage de Charlo à Montréal et qu'on doive rester à Charlo, on préférerait se trouver à Moncton où on peut prendre d'autres dispositions.

Je me demandais si le premier ministre ne pouvait pas élaborer un peu plus quant au point inquiétant qui figure au haut de la page 15? Pendant des années, j'ai entendu des rumeurs venant du National Canadien à l'égard de notre service et presque toujours ce sont les rumeurs désavantageuses qui se sont matérialisées. Est-ce que cette proposition est une proposition en bonne et due forme? La Commission n'en est certainement pas saisie. Est-ce qu'on vous a indiqué de façon précise ce qu'il en serait ou est-ce simplement une rumeur?

M. Campbell: C'est plus qu'une rumeur, monsieur. Ce sont des renseignements qui nous ont été fournis il y a quelque temps par le ministre des Transports. C'est pourquoi, nous avons jugé qu'il était assez important pour le mentionner dans le mémoire.

Il y a eu certaines rumeurs selon lesquelles une telle augmentation serait mise en vigueur, mais je crains fort que la rumeur se matérialise de plus en plus.

M. Macquarrie: La dernière fois qu'on a haussé le tarif, il semblait que la Commission tiendrait des audiences ici, ce qui ne s'est pas fait. J'espère donc qu'on sera averti d'avance cette fois.

J'ai eu un moment de crainte, lorsque j'ai lu et que je vous ai entendu dire que M. Kierans allait peut-être assumer la responsabilité du ministère des Transports. Car nous avons déjà eu une querelle au sujet d'autres tarifs.

Je me demandais aussi ce que vous entendiez par la montagne de bureaucratie. Je tombe d'accord avec ce que vous dites au sujet de cette montagne de bureaucratie, mais selon moi un bureaucrate est quiconque travaille dans un bureau, et pas seulement dans l'arrière-boutique, car ce peut tout aussi bien être dans le bureau principal.

Je crois que vous m'avez demandé de témoigner quant au service aérien. Je peux le faire très brièvement avec grande sincérité. J'ai quitté Ottawa à minuit pour être ici pour cette séance. Si j'avais voulu venir simplement pour la séance de l'après-midi, j'aurais dû quitté Ottawa à minuit de toute façon. Même si j'avais voulu venir seulement dîner avec vous à 18 heures, j'aurais dû quitter sur le même vol. De sorte que nous avons certaines réserves à formuler quant à notre participation à l'ère des réactés. J'appuie donc tout à fait ce que vous avez dit. Lorsque, hier soir,

[*Text*]

When I was in the Moncton airport last night I did not have the good company of the Prince Edward Island Cabinet, but I did have what has to be the most vigorous snorer in the Dominion of Canada. He certainly blew my rest, if I may use that expression.

I am wondering, Mr. Premier, if you and your government have been making representations about the fuller utilization of one of our links, which is the Wood Island car ferry run? I have often been impressed by the fact that this runs only in the daylight hours, and only in part of them. I have tried to suggest that navigational aides might make possible night navigation which would be very, very helpful. Are you, too, interested in this development?

Mr. Campbell: Mr. Chairman, we have made various representations to the Canadian Transport Commissioner, Mr. Pickersgill, as well as to federal ministers more directly involved, to assist in the expansion of the services between Caribou and Wood Island. There are two ships presently travelling back and forth there. They run, I think, from 7 o'clock in the morning until—what is it, Mr. Macquarrie?—9 o'clock, or 10 o'clock in the evening?

Mr. Macquarrie: Nine, I believe.

Mr. Campbell: Nine in the evening perhaps; and last summer the situation became so accute that at 8 o'clock in the morning tourists, visitors who were on the Caribou side, were being told that they could not be accommodated that day, and at 8 o'clock in the morning they were being asked to go to Tormentine and try to come over to the island. I do not know what percentage of those persons turned away actually tried again at the other terminal, but this has been a very real inhibiting factor in the growth of the tourist industry in Prince Edward Island.

We have made these representations and I believe that there is a prospect in 1970 or 1971 of making some additional vessel capacity available there, but even that, if carried out, will not meet the requirements of the next year or so.

Mr. Macquarrie: Thank you.

The Chairman: Mr. Corbin, I think you will be the last speaker.

Mr. Corbin: Thank you very much, Mr. Chairman.

The Chairman: Gentlemen, I think we have to be fair to the Premier and the other people

[*Interpretation*]

je me trouvais à l'aéroport de Moncton, je n'étais pas dans la gracieuse compagnie du Cabinet de l'Île-du-Prince-Édouard, mais il y avait ce qui est sûrement le plus fort ronflement de tout le Canada. Il m'a certainement empêché de me reposer.

Je me demande si vous et votre gouvernement avez fait des instances au sujet d'une plus grande utilisation d'un de nos liens, soit le transbordeur d'automobiles de Wood Island? J'ai toujours été étonné que ce service n'est offert que de jour, et seulement une partie du jour. J'ai tenté de proposer que les instruments de navigation pourraient nous permettre d'offrir ce service la nuit, ce qui serait des plus utile. Est-ce que vous seriez aussi intéressé à un tel événement?

M. Campbell: Monsieur le président, nous avons fait différentes instances à la Commission canadienne des transports, à M. Pickersgill, et aussi aux ministres fédéraux en cause, afin d'aider à l'expansion des services entre Caribou et Wood Island. Il y a deux navires qui, en ce moment, voyagent entre ces points. Ils sont de service, je crois, de 7 heures du matin à 21 heures ou 22 heures, n'est-ce pas, monsieur Macquarrie?

M. Macquarrie: 21 heures, je crois.

M. Campbell: 21 heures, peut-être. L'été dernier la situation était tellement grave, qu'à 8 heures le matin, les touristes, les visiteurs qui étaient à Caribou, se faisaient dire qu'on ne pouvait pas les traverser ce jour-là. Donc, dès 8 heures le matin, on leur demandait de passer par Tormentine, et d'essayer de se rendre dans l'île ainsi. Je ne sais pas quel est le pourcentage de ces personnes ainsi refusées, qui ont essayé de se rendre à l'île de nouveau par l'autre terminus, mais c'est là un facteur qui a vraiment nui à la croissance de l'industrie touristique de l'Île-du-Prince-Édouard.

Nous avons formulé des instances, et je crois sincèrement qu'il y a lieu d'espérer qu'en 1970 ou 1971 on pourra mettre en service d'autres navires, mais même à cela, on ne répondrait pas aux besoins pour un an ou deux.

M. Macquarrie: Merci.

Le président: Monsieur Corbin, je pense que vous serez le dernier à poser des questions.

M. Corbin: Merci beaucoup, monsieur le président.

Le président: Messieurs, je crois qu'il nous faut être justes envers le premier ministre et

[*Texte*]

in the audience. Some of them have been waiting since 9:30 this morning to present their briefs. I would ask members to try to be as brief as possible.

Mr. Corbin: Mr. Premier, I have noticed a few minor changes in the brief you have presented this year compared to the one you presented last year, and especially on page 9 where you make five suggestions. Item No. 5 last year referred to the construction of the corridor road through Maine. I guess a lot of members expected me to bring up this matter. Now you favour, instead the extension of all-weather highways to provide linkage, and so on. In other words, you give a priority to your road building programs in the province. Why this change of attitude all of a sudden?

Mr. Campbell: It is just a question of priority, sir. The corridor road is certainly a very desirable link running from south of Montreal into New Brunswick, but Prince Edward Island can take little advantage of that unless the problems with the Northumberland Strait and our own highway system are resolved to the extent that we can take that advantage.

Mr. Mahoney: I have a supplementary, Mr. Chairman. Referring specifically to Item 5 on page 9, sir, has the provincial government a set of priorities for, and an estimate of the costs of, the all-weather highway program envisaged there and, if so, could that be made available to the Committee?

Mr. Campbell: Yes; through the development plan we have worked out a 15-year road program for Prince Edward Island.

Mr. Mahoney: Could you make a copy of that available?

Mr. Campbell: Very shortly, sir, yes.

Mr. Mahoney: Could the Committee consent to its being appended to the report of our proceedings?

The Chairman: Is it agreed?

Some hon. Members: Agreed.

Mr. Corbin: I will follow up with my final question, Mr. Premier. Why will a corridor road be advantageous to you? Is it to get to Montreal, or to Toronto? Is that the only reason for your favouring such a project?

[*Interprétation*]

les autres ici présents. Certains d'entre eux, sont ici depuis 9h. 30 ce matin, pour présenter leurs mémoires. Je demanderais donc aux députés d'être le plus bref possible.

M. Corbin: Monsieur le premier ministre, j'ai remarqué quelques modifications dans le mémoire que vous avez présenté cette année par rapport au mémoire que vous aviez présenté l'année dernière, tout particulièrement à la page 9 où vous faites cinq propositions. L'année dernière, le poste 5 traitait de la construction de la route-corridor via le Maine. J'imagine que bon nombre de députés s'attendaient à ce que je soulève la question. Maintenant vous êtes plutôt en faveur de la construction de routes tous-temps pour assurer un réseau de transport, et ainsi de suite. Autrement dit, vous donnez la priorité à votre programme de construction de routes dans la province. Pourquoi un tel changement d'attitude tout à coup?

M. Campbell: C'est simplement une question de priorités. La route-corridor est sûrement un lien souhaitable au sud de Montréal au Nouveau-Brunswick, mais l'Île du Prince-Édouard ne peut vraiment pas bénéficier de cette route à moins que les problèmes du Détroit de Northumberland ne soient réglés et que notre propre réseau de routes ne soit amélioré de façon à nous permettre d'en profiter vraiment.

M. Mahoney: Une question complémentaire, monsieur le président. Au sujet du poste 5 à la page 9, est-ce que le gouvernement provincial a établi un ordre de priorités et établit les coûts de ce programme de routes tous-temps et, dans ce cas, est-ce que nous pourrions avoir les résultats?

M. Campbell: Oui, dans le programme d'expansion, nous avons mis au point un programme de 15 ans pour l'aménagement de routes dans l'Île du Prince-Édouard.

M. Mahoney: Est-ce que nous pourrions en avoir un exemplaire?

M. Campbell: D'ici peu, oui.

M. Mahoney: Est-ce qu'on pourait l'annexer au compte rendu des délibérations?

Le président: Est-ce convenu?

Des voix: Convenu.

M. Corbin: Une dernière question, monsieur le premier ministre. Pourquoi une route-corridor serait-elle avantageuse pour vous? Est-ce pour vous rendre à Montréal ou à Toronto? Est-ce la seule raison pour laquelle vous seriez en faveur d'un tel projet?

[*Text*]

Mr. Campbell: We would have two-way traffic on the highways, and certainly again the tourist traffic coming into the Atlantic Provinces. I think that the main roads are feeder roads, and that the Atlantic Province would greatly benefit by this.

We are certainly looking at the round trip which the trucking industry would make and the number of hours it would cut off the travelling time, but if they were asked to wait eight hours on the Borden dock you can see that the question of priority would place the greatest emphasis of this province on sorting out the problem here and of building up the road system so that these trucks can serve the various communities and the various warehouses which are distributed across the province.

Mr. Corbin: Are you aware, Mr. Premier, that there is an easy access road through to central Canada if you were to cut across New Brunswick from Newcastle and on to Edmunston, and so on? You would not be travelling any greater distance than on a corridor road.

Have you discussed this with the Premier of New Brunswick?

Mr. Campbell: Certainly and with the Governor of Maine and with the Premier of Nova Scotia as well, and with the federal ministers who from time to time have indicated interest. I would like you to ask one of our truckers who will be giving evidence here today what his opinion is about the present road connection.

Mr. Corbin: Lastly, are you not afraid that this easy access for us into Montreal and for the tourist back to the island and so on would not open the door to serious competition in the sale of our agricultural products as well? In other words, do you not see a very real danger of dumping into the Maritimes of agricultural products from the farms and gardens of Montreal and the Ontario region?

Mr. Campbell: That danger exists as long as we are unable to respond effectively and competitively, and we are going to bet our dollars that we will be able to respond. Thank you, sir.

The Chairman: You have another question, Mr. Allmand?

Mr. Allmand: Yes, I do. My question is related to your harbour facilities because on page 14 are stated the possibilities of shipping services to Newfoundland, Magdalen Islands,

[*Interpretation*]

M. Campbell: Il y aurait une circulation dans les deux sens, sur cette route, et elle attirerait aussi les touristes vers les provinces de l'Atlantique. Je pense que les routes principales sont des embranchements et que les provinces de l'Atlantique pourraient en bénéficier énormément.

Mais nous songeons évidemment aux voyages aller-retour que feraient les camions, le nombre d'heures en moins qu'il faudrait pour faire le voyage, mais s'il faut attendre huit heures sur les quais de Borden, vous pouvez vous rendre compte que la priorité dans cette province, serait tout d'abord de régler nos propres problèmes, et d'aménager notre réseau routier pour que ces camions puissent desservir ces différents centres et les différents entrepôts qui sont répartis dans toutes les parties de la province.

M. Corbin: Êtes-vous au courant, monsieur le premier ministre, qu'il y a une voie d'accès facile vers le Canada central, si vous traversez le Nouveau-Brunswick de Newcastle à Edmunston, et ainsi de suite? Vous n'auriez pas à parcourir une distance plus longue que par la route-corridor.

Est-ce que vous en avez parlé avec le premier ministre du Nouveau-Brunswick?

M. Campbell: Oui, ainsi qu'avec le gouverneur du Maine, le premier ministre de la Nouvelle-Écosse, et les ministres fédéraux qui, de temps à autre, ont démontré un certain intérêt à cet égard. Je voudrais que vous demandiez à l'un de ceux de nos camionneurs qui témoigneront ici aujourd'hui ce qu'il pense de la jonction actuelle des routes.

M. Corbin: Enfin, ne craignez-vous pas que cet accès à Montréal facile pour nous, et ce retour à l'île facile pour les touristes, n'ouvrent la porte à une concurrence sérieuse pour la vente de nos produits agricoles aussi. En d'autres termes, ne voyez-vous pas un danger véritable de «dumping» dans les Maritimes de produits agricoles venant des fermes et des jardins de Montréal et des diverses régions de l'Ontario?

M. Campbell: Ce danger existera toujours, tant que nous ne serons pas en mesure de procéder d'une façon efficace et concurrentielle, et nous allons parier que nous serons en mesure de faire face aux circonstances. Merci, monsieur.

Le président: Vous avez une autre question, monsieur Allmand?

M. Allmand: Oui. Il s'agit de vos installations portuaires, car, à la page 14, on parle de la possibilité d'avoir des services d'expédition vers Terre-Neuve, vers les Îles-de-la-Made-

[*Texte*]

Seven Islands and to the Caribbean. I was wondering what sort of harbour facilities you have now not considering the ferry terminals and are these harbours adequate?

I do not think they are under the National Harbours Board; are they under local control, under municipal control or provincial control, or what?

Mr. Campbell: The Department of Transport, I believe, is the controlling authority; it is not Public Works, but one of those two departments.

Mr. Allmand: And in the main, where are those harbours, Mr. Premier?

Mr. Campbell: At Summerside and Charlottetown with limited facilities at Georgetown and Surrey. At these ports we have the Marine wharfs, so called, which are the federal government wharfs, and you will find a warehouse facility on that wharf. There is one at Alberton as well, and here potatoes are stored, for example. The water is deep enough to accommodate large ocean-going vessels which will take our seed potatoes to the world markets. This is about the limit, however. For example, there are no facilities for loading in adverse weather conditions and it is the old boom and the rack.

We see the need to develop our harbour facilities so that we can take advantage of changes and improvements in transport services such as the containerized or the roll-on, roll-off equipment. In the Caribbean area for example, there is very little warehousing available and if for example we were able to move refrigerated cars into that area, our product might be held for distribution for several more days than is presently the case.

We do run into problems of entire shiploads of potatoes rotting on the wharf or in inadequate warehousing facilities there, because there are no holding or receiving facilities.

Mr. Allmand: Have you as a province made any recommendations regarding the upgrading of any one of the ports on the island with better loading facilities for containerization and for warehousing? Have you decided that one of your ports should be upgraded by the federal government to do this sort of thing?

Mr. Campbell: Yes, and I think these recommendations are frequently made. I do

[*Interprétation*]

leine, vers Sept-Îles et vers les Caraïbes. Je me demandais de quel genre d'installations portuaires vous disposiez actuellement, sans tenir compte des terminus du service de bac, et si ces installations étaient suffisantes. Je ne pense pas qu'ils relèvent du Conseil des ports nationaux. Est-ce qu'ils sont sous l'autorité locale, municipale, provinciale, ou quoi?

M. Campbell: Je pense qu'ils relèvent de l'autorité du ministère des Transports, et non du ministère des Travaux publics, c'est l'un de ces deux ministères, en tout cas.

M. Allmand: Et où sont situés la plupart de ces ports, monsieur le ministre?

M. Campbell: A Summerside et à Charlottetown, et, avec des installations limitées, à Georgetown et à Surrey. A ces ports, nous avons les quais maritimes du gouvernement fédéral, et il y a un entrepôt sur ces quais. Il y en a aussi un à Alberton, où l'on entrepose les pommes de terre, par exemple. L'eau est assez profonde pour recevoir les grands navires au long cours, qui transportent nos pommes de terre à semence vers les marchés du monde. C'est à peu près tout, cependant. Par exemple, il n'y a pas d'installations qui permettent de faire le chargement dans de mauvaises conditions atmosphériques; nous en sommes encore aux vieilles méthodes.

Nous nous rendons compte de la nécessité qu'il y a d'améliorer nos installations portuaires pour pouvoir profiter des modifications et des améliorations apportées aux services de transports, comme le transport par cadres ou le chargement et déchargement par roulement. Dans les Caraïbes, par exemple, il y a très peu d'entrepôts disponibles, et si, par exemple, nous étions en mesure d'avoir des wagons frigorifiques dans cette région, nos produits pourraient être conservés pendant un plus grand nombre de jours qu'à l'heure actuelle.

Il nous arrive que des cargaisons entières de pommes de terre pourrissent sur le quai ou dans des installations inadéquates d'entreposage là-bas, car il n'y a pas de service d'entreposage ou de réception des marchandises.

M. Allmand: Avez-vous, en tant que province, fait des recommandations quant à l'amélioration des installations de l'un des ports de l'île, grâce à de meilleures installations pour le transport par cadres et pour l'entreposage? Avez-vous décidé que l'un de vos ports devrait être amélioré par le gouvernement fédéral pour faire ce genre de choses?

M. Campbell: Oui, et je pense que l'on fait souvent ces recommandations. Je ne crois pas

[*Text*]

not think that the province has ambitiously promoted the kind of roll-on, roll-off or containerized movement that I am talking about, and there are possibilities of hooking into the Halifax port, given certain changes in the CNR operation and perhaps an assembling point over in Moncton.

We have had initial discussions with the CNR and two shipping companies have indicated an interest in exploring with us the prospect of developing this kind of trade, but it is only jelling at the moment. The shipping industry is only getting serious, I think, in this part of the world on this kind of service. They are running into union problems ad strikes down the Atlantic seaboard, but our presentation to the minister later this month will indicate our interest in this kind of approach.

The Chairman: Well, Mr. Premier, we want to thank you for your kind brief and we want to thank you for allowing us so much of your time to discuss your brief. Thank you, very much.

Mr. Campbell: Well, Mr. Chairman, again I sincerely hope that the remainder of your visit and of the members of your Committee will be enjoyable and we want to see you all back this summer for two or three weeks in the sun. Thank you very much for the interest you have indicated in your questions, and I am certain that you will benefit from the briefs that are yet to be given and the more detailed information which our businessmen, our truckers and other persons more directly involved in transportaton will have to offer to this meeting.

The Chairman: Thank you very much, Mr. Premier.

Mr. Campbell: Thank you again, sir.

The Chairman: Our next brief will be the Prince Edward Island Frosted Foods Limited.

Mr. Allmand: Mr. Chairman, may I raise a point of order at this time? Before starting on the trip we had agreed that each questioner would be limited to 10 minutes. If we are going to get through I think we should follow that. If a man does not finish his questioning in 10 minutes he should go to the bottom of the list; if he wants to pursue it later, he could, but I suggest very strongly that we have this limitation.

[*Interpretation*]

que la province ait ambitieusement encourager le genre de service de chargement et de déchargement rapides, ou de transport par cadres, dont je parle, et il serait possible de se tourner du côté du port d'Halifax, si l'on modifiait quelque peu le service du National-Canadien et si, peut-être, on avait un point d'assemblage à Moncton.

Nous avons eu des entretiens préliminaires avec le National-Canadien et deux sociétés d'expéditeurs se sont montrées intéressées à explorer avec nous la possibilité de mettre au point ce genre de commerce, mais ce n'est qu'un début. L'industrie d'expédition dans ce coin-ci du monde commence à peine à s'intéresser sérieusement à ce genre de service. Elle éprouve des difficultés sur le plan syndical, et il y a des grèves le long du littoral de l'Atlantique, mais nous indiquerons, dans le mémoire que nous présenterons au ministre plus tard ce mois-ci, l'intérêt que nous portons à ce genre de méthode.

Le président: Monsieur le premier ministre, nous désirons vous remercier de votre excellent mémoire, et merci de nous avoir donné une si grande partie de votre temps. Merci infiniment.

M. Campbell: Monsieur le président, une fois encore, j'espère sincèrement que le reste de votre séjour et de celui des membres de votre Comité sera agréable, et nous voulons vous voir tous de retour ici cet été pour profiter de deux ou trois semaines au soleil. Merci beaucoup de l'intérêt que vous avez manifesté dans vos questions. Je suis certain que vous tirerez beaucoup des mémoires qui vont encore vous être présentés et des renseignements plus détaillés que vont vous donner nos hommes d'affaires, nos camionneurs, et d'autres personnes directement intéressées aux transports.

Le président: Merci beaucoup, monsieur le premier ministre.

M. Campbell: Merci encore, monsieur.

Le président: Notre prochain mémoire sera celui de la *Province Edward Island Frosted Foods Limited.*

M. Allmand: Monsieur le président, puis-je invoquer le Règlement? Avant de commencer notre voyage, nous étions convenus que chaque membre du Comité qui poserait des questions n'aurait droit qu'à 10 minutes. Je pense que si nous tenons à terminer notre travail, nous devrions suivre cette ligne de conduite. Si quelqu'un ne termine pas ses questions en 10 minutes, son nom devrait être apposé au bas de liste; s'il voulait reprendre plus tard, il

[*Texte*]

The Chairman: I do not think any member used his 10 minutes this morning, for your information, Mr. Allmand.

Mr. Allmand: That is good; I thought two or three of them had 15 or 20 minutes.

The Chairman: Are representatives of the Prince Edward Island Frosted Foods Limited here this morning? Their brief will stand.

The Charlottetown Board of Trade? The gentleman on my right is Mr. W. R. Brennan, Chairman of the Transportation and Communications Committee; and Mr. R. W. Smith, President, and C. W. Moffatt, General Manager. I would ask Mr. Brennan to give us a summary of his brief and I know he will do so quickly to give more time for our members to ask questions. Mr. Brennan?

Mr. Brennan: Mr. Chairman, members of the Standing Committee on Transport and Communications, it is indeed a pleasure to have been selected to make the presentation of the Charlottetown Board of Trade on Transportation.

This brief was filed originally when the first committee came forward and we sincerely trust that copies of the brief have been distributed among the members of the Committee. In the interest of brevity, we are going to extract the various sections of the brief as originally presented. The brief as originally presented was divided into several sections, the first of which was "Freight Rates Structure". At this point we are going to do a masterpiece of abbreviation. We are going to go to the summary at the very end and I will read:

> We unamimously endorse the submission of the Maritime Transportation Commission to the Minister of Transport, which in summary stated:
>
> (1) That the reduction in intra Maritime rates referred to in the Minister's announcement of 9 November be implemented at once;
>
> (2) That the railways be required to withhold their application to cancel the existing less-than-carload freight rates, at least until a new regional transportation policy is developed and implemented;

[*Interprétation*]

le pourrait, mais je pense qu'il serait bon que nous imposions cette limite.

Le président: Pour votre gouverne, monsieur Allmand, je crois qu'aucun membre du Comité n'a utilisé ses 10 minutes en entier, ce matin.

M. Allmand: Très bien. Je croyais que deux ou trois d'entre eux avaient eu 15 ou 20 minutes.

Le président: Les représentants de la *Prince Edward Island Frosted Foods Limited* sont-ils ici ce matin? Leur mémoire est réservé.

La Chambre de commerce de Charlottetown? A ma droite, M. W. R. Brennan, président du comité des transports et des communications; M. R. W. Smith, président, et M. C. W. Moffatt, directeur général. Je vais demander à M. Brennan de nous donner un résumé de son mémoire, et je sais qu'il va faire vite, pour donner aux membres du Comité plus de temps pour poser des questions. Monsieur Brennan?

M. Brennan: Monsieur le président, messieurs les membres du Comité permanent des transports et des communications, c'est un véritable plaisir pour moi que d'avoir été choisi pour présenter le mémoire relatif aux transports de la Chambre de commerce de Charlottetown.

Ce mémoire a été déposé, à l'origine, lorsque le premier comité a été constitué, et nous espérons que l'on en a distribué des exemplaires aux membres du Comité. Dans l'intérêt de la brièveté, nous allons extraire les diverses sections du mémoire sous sa forme originale. A l'origine, le mémoire se divisait en plusieurs sections, dont la première s'intitulait: «Le régime des tarifs-marchandises». Là, nous allons abréger au maximum. Nous allons passer directement au résumé, à la fin de la section. Je vous le lis:

> Nous faisons unanimement nôtres les vues exprimées dans le mémoire adressé au ministre par la *Maritime Transportation Commission* et qui peuvent se résumer ainsi qu'il suit:
>
> (1) Que soit appliquée immédiatement la diminution des tarifs intérieurs pour les Maritimes dont il est question dans la déclaration du ministre du 9 novembre;
>
> (2) Qu'il soit ordonné aux chemins de fer de surseoir à la demande qu'ils ont faite en vue de la suppression des tarifs dits *L.C.L.*, tout au moins jusqu'à ce qu'ait été mise au point et appliquée une nouvelle politique générale en ce qui concerne les transports régionaux;

[*Text*]

(3) That the so-called density rule be reduced from one cubic foot equalling ten pounds to one cubic foot equalling five pounds; and

(4) That immediate steps be taken to extend the Maritime Freight Rates Act subsidies to other forms of transport.

Gentlemen, that summarizes three pages.

The second section is entitled "Miscellaneous Problems Relative to Freight."

Since the advent of the establishment of Express Freight service by the Canadian National Railways, the number of delayed, lost and/or misplaced shipments has increased to an alarming degree. In general, L.C.L. out of Toronto and Montreal areas have been routed into Moncton and are "exploded" there with the result that multiple parcel shipments which had been originally shipped together became separated and are liable to be placed in two separate railway cars or in some cases in railway cars and highway freight trucks. This is a situation which is extremely frustrating to the individual who has ordered the materials for a job, part of which arrive one day, the other part of which could arrive as much as a week later, and in some cases, become completely misdirected.

On goods as vulnerable as most commodities shipped from P.E.I., i.e. food, it is essential that shipments be handled in the fastest possible manner. Delays for whatsoever reason effect to some degree the quality of the product at the other end. This, in addition to the fact that if the customer finds that he cannot rely upon this source of supply, he will almost invariably seek another. These delays are brought about by many different situations such as lack of equipment, priority, at the ferry terminals, lack of ferry capacity, unduly bad weather, and extremely heavy ice conditions.

There is no doubt about the fact that with the ever-increasing volume of shipments both into and out of the Province, those carriers handling the goods have had to carry on a continuing program of changing and adapting their facilities as

[*Interpretation*]

(3) Que la formule dite «de densité» soit modifiée de façon à ne plus se lire «un pied cube est tenu pour être égal à dix livres», mais au contraire à se lire «un pied cube est tenu pour être égal à cinq livres» et enfin...

(4) Que l'on prenne immédiatement des mesures en vue d'étendre les subventions prévues par la loi sur les taux de transport des marchandises dans les provinces Maritimes à d'autres moyens de transport.

Messieurs, cela résume trois pages.

La deuxième section s'intitule: «Transport des marchandises—problèmes divers».

Depuis la création par les chemins de fer nationaux d'un service de *messageries-fret*, on ne compte plus les retards, les pertes ou les disparitions provisoires des envois. En général, les expéditions *L.C.L.* en provenance des régions de Toronto ou de Montréal sont acheminées sur Moncton où il y a rupture de charge. Il résulte de cette dispersion des envois que certains envois groupés, par exemple, comportant un certain nombre de colis, se dispersent. Il arrive que plusieurs parties en soient réparties sur deux wagons, voire sur des wagons et des camions. On conçoit l'inconvénient qui en résulte pour l'usager qui a passé la commande. Il se trouve souvent dans l'impossibilité de commencer tel ou tel travail du fait qu'une partie de ce qu'il lui faut arrive une journée, le reste huit jours plus tard, mettons, ou pas du tout.

Si on songe au caractère plus ou moins périssable de la plupart des denrées expédiées de l'Île du Prince-Édouard (denrées alimentaires essentiellement), on conçoit que l'on tienne à ce que les expéditions se fassent dans les meilleures conditions de rapidité. Quels que soient les motifs des retards, la qualité du produit livré au destinataire risque d'en être altérée. Ajoutons à cela le fait que si le client ne peut compter sur tel ou tel fournisseur, il s'en cherchera presque toujours un autre. Ces retards tiennent du reste à toutes sortes de raisons: défaut de matériel, priorités aux quais des transbordeurs, manque de place dans les transbordeurs, mauvais temps, glaces flottantes, etc....

Il n'est pas douteux, pour quiconque songe à l'augmentation continue du volume des expéditions vers l'Île du Prince-Édouard ou en provenance de l'Île du Prince-Édouard, que les transbordeurs ont eu à réaliser constamment toutes sor-

[*Texte*]

technological improvements become available to the transportation industry. Such improvements, of course, are always far more beneficial in areas of more dense population. In an area such as this, some of these changes have meant little to us, and their adaptation to our particular problems have not always resulted in an improvement in service. There has been some discussion in recent times that it might be well to give consideration to the phasing of railway service out of Prince Edward Island. This, we submit, would serve only to increase our problems beyond what they are now. To raise only one question in this regard, I would bring to your attention that there are approximately 10,000 reefer cars of potatoes shppped out of Prince Edward Island each year. If this service was going to be discontinued, it could only be replaced by temperature-controlled highway vehicles .

r container type rail shipments of one type r another.

which would represent a tremendous capital investment for someone for a few weeks use in the fall and winters months. As it stands now, the reefer cars used by the potato industry of Prince Edward Island are used at other seasons of the year for the California and Florida citrus fruits business and the Niagara peach business. The mere fact that they are somewhat off-season at a time when required here makes this a very beneficial situation to our potato market. If such a transition in carrying carload lots of potatoes was to come about, it would serve only to discriminate against the sale of our product by increasing its cost in a market which is increasingly competitive. It might be well to point out something that I am sure every member of your Committee is well aware of, and that is the fact that the normal markets and trading areas of the Atlantic Provinces would be in the New England States. These markets in general, are closed off to us by restrictive requirements and customs duties as far as our sales are concerned. Insofar as our purchases are concerned, we are compelled to buy from the various manufacturing areas of Canada, whose goods are protected by import duties coming into Canada, which means we pay a higher price than we normally would in our natural markets, while at the same time

[*Interprétation*]

tes de changements, ont dû s'adapter aux conditions nouvelles qui ont exigé d'eux la transformation de leurs moyens techniques au fur et à mesure que le progrès s'installait dans les techniques de transport. Il va de soi que des changements de ce genre sont particulièrement intéressants dans les régions à population plus dense. Mais dans une région comme la nôtre, certains de ces changements n'ont guère de sens, leur adaptation à nos circonstances propres n'ayant pas toujours provoqué une amélioration du service. On s'est demandé, depuis peu, s'il n'y aurait pas avantage à supprimer progressivement le service ferroviaire dans l'Île du Prince-Édouard. On nous permettra de faire observer que cela aurait pour effet d'aggraver nos difficultés. Ne considérons la chose que d'un seul point de vue. L'Île expédie chaque année environ 10,000 wagons frigorifiques de pommes de terre. Si on allait supprimer ce service, il faudrait remplacer ces wagons par des camions frigorifiques...

ou des expéditions par chemin de fer, du type transport par cadres,

... ce qui supposerait d'énormes investissements, eu égard surtout au fait que ces camions ne serviraient guère que pendant quelques semaines, en automne ou en hiver. A l'heure actuelle les wagons frigorifiques qui servent à transporter les pommes de terre de l'Île du Prince-Édouard servent, à d'autres époques de l'année, pour le transport des agrumes de la Californie ou de la Floride ou des pêches de la vallée du Niagara. Le fait, justement, que c'est pour eux, en quelque sorte, la morte-saison au moment où nous en avons besoin représente un avantage incontestable en ce qui nous concerne. Si donc on allait transformer cette méthode de transport de nos pommes de terre cela ne saurait avoir qu'un seul résultat, savoir l'augmentation du prix de nos produits dans des marchés où nous avons déjà à compter avec une très vive concurrence, d'où de plus grosses difficultés pour nous. Tous les membres de votre comité savent sans doute—mais il est bon de le rappeler—que nos marchés naturels—ceux des Provinces atlantiques sans doute—se trouvent dans les États de la Nouvelle Angleterre avec lesquels nous commerçons. Ces marchés nous sont en général fermés, du point de vue des ventes, par certaines restrictions ou par les tarifs douaniers. Nous devons d'autre part acheter ce dont nous avons besoin dans les diverses régions industrielles du

[*Text*]

having to pay shipping charges both on our goods sent to market and on all products purchased from Central Canada. Normally, there is some compensation in these matters. If you lose on one end, you make it upon the other. This is a case where we lose both ways.

I have a short section here with regard to Additional Ferry Service. There has recently been completed for the Borden-Tormentine ferry route an additional ferry. This ferry, the *John Hamilton Gray* went into service in October, 1968. Bearing in mind the tourist traffic between these two points between Dominion Day and Labour Day, we are compelled to arrive at the conclusion that no single factor could contribute more in the way of service to the tourists, as well as to assist measurably in the economy of this province, than to provide adequate accommodation for all tourist vehicles which offer before they turn away. Because of the fact our tourist season lasts for such a short period, we must make the most of it.

While ferry capacity has increased, which is encouraging, this can in no way be looked upon as an adequate solution to the ever-present traffic problem.

The next section is on a continuous link to the mainland. There is no matter that has received more consideration or has been used more as a political football in Prince Edward Island than the matter of a continuous link to the mainland. This is something that every Islander has become intimately acquainted with over the last several years. Such a link, generally, is essential to the welfare of not only this province but to the whole of Canada. The amount of money that is paid out annually in subsidies for the present operations, plus the additional capital costs of ever-expanding and increasing facilities, in a few years would carry the total cost of such a link.

At the present time there are three basic sources of money coming into Prince Edward Island. The money the farmer brings in, the money the fisherman brings in and the money the tourist brings in. For these reasons it is imperative that we look out for the farmer

[*Interpretation*]

Canada, dont la production est elle-même protégée par des droits douaniers. Bref, nous payons plus cher que ce ne serait le cas si nous pouvions acheter dans nos marchés naturels alors qu'en même temps nous avons à payer des frais de transport plus considérables, à la fois en ce qui concerne nos propres expéditions et en ce qui concerne tout ce que nous faisons venir du Canada central. Normalement, en pareilles circonstances, on peut gagner sur un tableau ce qu'on a perdu sur l'autre, mais ici on perd deux fois.

J'ai ici une brève section qui s'intitule: «Nouveaux services de bacs-transbordeurs». On a récemment terminé la construction d'un nouveau bac pour la liaison Borden-Tormentine. Ce bac, le *John Hamilton Gray*, est entré en service en octobre 1968. Si l'on songe au grand nombre de touristes qui circulent entre ces deux points entre la Fête de la Confédération et la Fête du travail, nous devons conclure que rien ne saurait davantage assurer le succès de la saison touristique dans la province cette année que la livraison anticipée du bâtiment en question. Notre saison, de ce point de vue, est très courte, de sorte que la mise en service de celui-ci en septembre ne servirait à peu près à rien de ce point de vue. A cette époque de l'année, à toutes fins pratiques, il n'y a plus de tourisme chez nous.

Bien que la capacité de traversiers ait augmenté, ce qui est encourageant, on ne peut considérer cela comme une solution au problème toujours présent de la circulation.

Rubrique suivante: liaison continue avec le continent.

Rien n'a davantage défrayé la chronique de l'Île du Prince-Édouard, rien n'a fait l'objet de marchandages politiques tant que la construction éventuelle d'un ouvrage reliant en permanence l'Île au continent. Tous les insulaires ont appris à connaître cette question sous tous ses aspects depuis quelques années. Un ouvrage de ce genre est essentiel, non seulement du point de vue de la province, mais encore de celui du Canada tout entier. Si on songe à ce qu'on verse tous les ans comme subventions aux services actuels et à l'argent que l'on doit consacrer sous forme d'investissements à leur extension et à leur amélioration, on conçoit qu'il serait probablement possible de couvrir ainsi la dette totale que l'on contracterait éventuellement au titre d'un ouvrage de ce genre.

L'Île du Prince-Édouard a, à l'heure actuelle, trois grandes sources de revenus: l'argent qu'y fait venir le pêcheur, l'argent qu'y fait venir le cultivateur, l'argent enfin qu'y apporte le touriste. Même si les services actuels sont infiniment supérieurs à ce qu'ils

[*Texte*]

and his products, the fishermen and his products and the toursist and his interests.

The present facility, even through it is a vast improvement over what we have had in years past, is far from adequate for today's requirements. The number of occasions on which shipments of potatoes have been delayed by the unvailability of reefer cars in without number. The number of occasions on which shipments of fish by truck have been delayed at the ferry terminals are too numerous to mention.

In such cases, even through the shipment ultimately gets through, there is some deterioration in the quality of the product. Every one of us who travels to and from Prince Edward Island during the summer months has seen the situation where tourists were lined up to and from the ferries as far as three miles back and more. Tourists in general will not put up with this. They wait so long and then they leave to carry on their holiday somewhere else.

Such a link should provide continuous service, not intermittent or broken service such as could result from heavy storms, snow, ice or wind conditions. Even on the one-mile causeway to Cape Breton Island, there are times in the winter when traffic is help up. If this is so on a one-mile causeway, how much more often and more grievous would the situation be on a seven-mile link under much more exposed conditions. If such a link were to be established it should provide the best possible travelling conditions throughout the 12-month period each year. Any link which is only slightly above the water level and covering a distance such as this would be almost impossible to keep open in the snow, ice and wind conditions which prevail in this area.

I recommend that I leave out the next section, but I respectfully request that the members of the Committee look at in in the brief that has been filed. I am leaving it out in the interests of brevity.

The next section is on the Magdalen Islands service. The Charlottetown Board of Trade strongly supports the Magdalen Islands Chamber of Commerce in their endeavour to obtain a regular daily ferry service between Souris, Prince Edward Island, and the Magdalen Islands. This service is well warranted on the basis that these people are poorly served under present arrangements. Everything that is shipped to the Magdalen Islands has to be off-loaded, put aboard another ferry and unloaded at the Magdalen Islands for distribution by truck. This is awkward, time-consuming and restricts to an extremely

[*Interprétation*]

étaient autrefois, ils sont encore loin d'être satisfaisants. On ne compte plus le nombre de fois où les acheminements de pommes de terre ont été retardés par le manque de wagons frigorifiques. Il en va de même des expéditions de poisson par camions, à cause des embarras de circulation aux docks.

Même si les expéditions finissent toujours par se faire, dans le dernier cas, cela n'améliore pas la qualité du produit, bien au contraire. Tous ceux d'entre nous qui ont à quitter l'île ou à y entrer pendant l'été ont pu voir les voitures des touristes s'allonger en queues interminables aux accès des quais du bac, sur trois milles ou plus. En général le touriste ne s'y résigne pas. Il attend un moment, puis s'en va finir ses vacances ailleurs.

Il s'agirait tout d'abord d'une liaison continue, non point épisodique ou intermittente, comme cela peut être actuellement le cas à cause des tempêtes, de la neige, des glaces ou du vent. Même sur la chaussée d'un mille qui relie la Nouvelle-Écosse continentale au Cap-Breton il arrive que la circulation ne puisse se faire. S'il en est ainsi d'une chaussée d'un mille combien plus grave ce serait sur une chaussée de sept milles, autrement plus exposée aux éléments. L'ouvrage éventuellement mis en place devrait permettre une circulation ininterrompue toute l'année. S'il n'était élevé que de quelques pieds au-dessus du niveau de la mer il serait impossible de le garder ouvert par temps de neige, de glace ou de vent, ce qui est très souvent le cas dans nos régions.

J'aimerais maintenant dire que je saute la prochaine section, mais je demanderais aux membres du Comité de tenir compte de ceci et de l'examiner bien attentivement dans le mémoire qui a été déposé. Pour être plus bref, je laisserai tomber cette section.

La section suivante porte sur le service aux Îles-de-la-Madeleine. La Chambre de Commerce des Îles-de-la-Madeleine cherche actuellement à obtenir une liaison régulière et quotidienne, par bac-transbordeur entre Souris (Î. P.-É.) et ces îles. Elle bénéficie à cet égard de l'appui entier de la Chambre de Commerce de Charlottetown. Ce service présente un incontestable intérêt, les Madelinots étant actuellement très mal servis de ce point de vue. Tout ce qui est expédié de la Province doit être transbordé, embarqué sur le bac actuellement en service et déchargé dans les Îles pour y être ensuite livré par camion.

[*Text*]

heavy degree the types of commodities that can be shipped, and to an even greater degree the condition in which many of the commodities arrive, even through they might have been in prime condition at the time of shipment.

It is our strong recommendation that a drive on-drive off ferry service be provided from Souris, Prince Edward Island, to the most advantageous point on the Magdalen Islands on a daily service basis. This would offer considerably more security to the Magdalen Islands in the way of emergency and hospital services, and would most assuredly make a greater variety of products in better condition and at lower cost available to them. The reasons for recommending the proposed route so strongly is that Souris is by far the nearest port facility to the Magdalens and service from any other port would only serve to increase the amount of sailing time required to give the service, thereby reducing its frequency.

The next section deals with air transport. The fact that we are an island province puts us in the position of realizing just what a valuable asset we have in air transport. Prince Edward Island has had air transport on an intermittent basis since the middle 1920's and on a regular basis since approximately 1933. This has meant a great deal to the province, particularly with regard to emergency travelling and mail service. As air routes have been expanded over the years the scheduling of aircraft, which used to be tied in with rail service, is now of course tied in with national and international air flights. The scheduling is now dependent upon many variables, and we are well aware we cannot reasonably expect national and international flights to do anything other than to serve in a manner which will do the greatest good to the greatest number. However, in many cases this shows up in poor service and poor connections insofar as we are concerned.

Scheduling for mail service in an area such as this is in direct conflict with scheduling for air passenger service. To date we have had to choose in favour of the mail service. Anything which can be done to improve this would be appreciated.

The next section is on the subject of corridor roads. I feel the benefits of corridor roads are very, very outstanding to the Maritime Provinces in general and to Prince Edward Island in particular. I would like to make one very short comment. As a member of the

[*Interpretation*]

Tout ceci est très compliqué, très long et limite dans une grande mesure le nombre des marchandises qu'il est possible d'acheminer de cette façon. C'est d'autant plus grave que la qualité des produits ainsi livrés est très souvent compromise, même s'ils étaient en parfait état au moment du départ.

Nous sommes persuadés qu'il y aurait avantage à mettre en service un bac pour les automobiles devant circuler de Souris (Î. P.-É.) jusqu'à celui des ports des Îles-de-la-Madeleine qui réponde le mieux à toutes les exigences des intéressés. Ce service devrait être quotidien. Ce serait infiniment avantageux pour les Madelinots du point de vue interventions médicales, d'urgence ou de l'hospitalisation, par exemple. Il est incontestable aussi qu'ils pourraient ainsi bénéficier d'une quantité plus grande de marchandises, plus variées et à meilleur marché. Si nous insistons tant sur ce point c'est que Souris est le port le plus rapproché des Îles-de-la-Madeleine, de loin. Assurer ce service d'un autre port ce serait simplement allonger le temps de la traversée et diminuer sa fréquence.

Province insulaire, l'Île du Prince-Édouard est mieux placée qu'une autre pour mesurer les effets heureux des transports aériens. Elle bénéficie du reste de laisons aériennes intermittentes depuis le milieu des années vingt, et de liaisons régulières depuis 1933 à peu près. Cela a rapporté d'immenses avantages à la province, notamment en ce qui concerne les déplacements hâtifs ou le courrier. Au fur et à mesure que s'est développé le trafic aérien les horaires qui correspondaient autrefois aux horaires des chemins de fer doivent actuellement tenir compte des vols nationaux ou internationaux. Ils sont actuellement fonction de divers éléments et nous nous rendons parfaitement compte que nous ne saurions attendre des vols nationaux ou internationaux qu'ils soient prévus autrement que de manière à servir au mieux les intérêts du plus grand nombre possible de clients éventuels. Mais il n'en résulte pas moins pour nous certaines insuffisances de service et des mauvaises correspondances.

La préparation des horaires pour le service postal dans un secteur comme celui-ci entre directement en conflit avec l'horaire du service aérien pour passagers. Jusqu'ici, nous avons dû opter pour le service postal. Tout ce qui pourrait être fait pour améliorer cette situation serait grandement apprécié.

L'article qui suit porte sur le corridor routier. J'estime que les avantages du corridor routier peuvent être extrêmement intéressants pour les provinces des Maritimes en général et pour l'Île du Prince-Édouard en particulier. J'aimerais vous faire un commentaire très

[*Texte*]

Corridor Road Committee, and the originator of the idea back in 1947, at no time has any member of the Corridor Road Committee been under the impression that the Government of Canada should put one dollar into the construction of a highway in any portion of the United States. The only thing that the Corridor Road Committee is looking for is an improvement in the facility between the present Trans-Canada Highway in New Brunswick and McAdam, and between the port of entry in Quebec and where the four-lane highway begins at Sherbrooke, Quebec.

Thank you, gentlemen. That concludes the abbreviated brief.

The Vice-Chairman: Thank you, sir. Mr. Allmand.

Mr. Allmand: Sir, I was interested in your suggestions regarding the Magdalen Islands. Is the steamship link between Souris and the Magdalen Islands the only means of transportation to those Islands at present, or is there another link with Quebec?

Mr. Brennan: When the Gulf of St. Lawrence is not frozen up there is an intermittent link with Quebec by a service that comes down and serves the Magdalen Islands and the Maritime Provinces, but it is very intermittent. There is also a daily air service from Charlottetown to the Magdalen Islands.

Mr. Allmand: Do I understand correctly that Prince Edward Island is the main source of trade or materials? Do they go on the steamer from P.E.I. to the Magdalen Islands?

Mr. Brennan: This is correct, and also the place from which they receive their mail service.

Mr. Allmand: What do you provide them with generally, agricultural products, manufactured goods, and so forth?

Mr. Brennan: Practically everything, because if it is not purchased here—and a good deal of it is not—it is shipped through here.

Mr. Allmand: I notice on the map we had that the steamship run seems to originate in Charlottetown and goes around to Souris and then goes on to the Magdalen Islands. Does it in fact originate in Charlottetown or does it start in New Brunswick or some other place?

Mr. Brennan: The present scheduling of the ship provides more frequent service from Souris to the Magdalen Islands, but on one

[*Interprétation*]

bref. A titre de membre du Comité du corridor routier, et d'initiateur de l'idée en 1947, jamais un membre du Comité du corridor routier n'a eu l'impression que le gouvernement du Canada devrait débourser un seul dollar pour la construction d'une route à n'importe quel endroit aux États-Unis. La seule chose que le Comité du corridor routier cherche, c'est une amélioration des installations, des aménagements entre la route transcanadienne actuelle au Nouveau-Brunswick et McAdam, et entre le port d'entrée à Québec et l'emplacement où la route à quatre voies commence à Sherbrooke (Québec). Je vous remercie messieurs. Ceci termine le résumé de notre mémoire.

Le vice-président: Merci monsieur. Monsieur Allmand.

M. Allmand: J'ai été intéressé par votre suggestion au sujet des Îles-de-la-Madeleine, monsieur. Le lien maritime actuel qui se fait par bateau entre Souris et les Îles-de-la-Madeleine, est-il le seul moyen de transport vers ces îles ou existe-t-il un autre lien avec le Québec?

M. Brennan: Il y a une liaison intermittente avec le Québec par un service qui, lorsque le Golfe du Saint-Laurent n'est pas gelé, dessert les Iles-de-la-Madeleine et les provinces Maritimes, mais c'est un service intermittent. Il existe également un service aérien journalier de Charlottetown aux Îles-de-la-Madeleine.

M. Allmand: Est-ce que je dois comprendre que l'Île du Prince-Édouard se trouve à être la source principale d'échanges? Est-ce qu'on les transporte par bateau de l'Île-du-Prince-Édouard vers les Îles-de-la-Madeleine?

M. Brennan: C'est exact, et aussi c'est de là qu'ils reçoivent leur courrier.

M. Allmand: Et qu'est-ce que vous leur fournissez d'habitude, des produits agricoles, des produits manufacturés, etc . . . ?

M. Brennan: Presque tout, car même si ce n'est pas acheté ici, et une bonne part ne l'est pas, c'est au moins expédié par cette région.

M. Allmand: Je remarque sur la carte que nous avions que l'itinéraire du bateau semble commencer à Charlottetown et passe par Souris et se dirige ensuite vers les Îles-de-la-Madeleine. Le départ a-t-il lieu de Charlottetown, du Nouveau-Brunswick ou d'une autre place?

M. Brennan: Les horaires actuels des bateaux prévoient des services plus fréquents de Souris vers les Îles-de-la-Madeleine, mais

[*Text*]

trip a week it goes into Pictou, Nova Scotia, and on one trip a week, which is the Saturday trip, it comes into Charlottetown, P.E.I. It is essential that the boat must put into a bigger port for servicing at least once a week. The normal service should be basically from Souris to the Magdalen Islands, but it would have to make at least one trip a week into a larger port for servicing.

Mr. Allmand: You say that is on a daily basis in the summertime?

Mr. Brennan: They try to hit a daily basis but with the situation as it is now they do not quite make a daily basis. I think they call at Souris about three times a week and at Pictou and Charlottetown once a week.

Mr. Allmand: What do they do for supplies in the wintertime?

Mr. Brennan: They use air transportation.

Mr. Allmand: What is the population of the Magdalen Islands? Is it approximately 10,000?

Mr. Brennan: It is about 17,000.

Mr. Allmand: Thank you.

Mr. Rose: Mr. Brennan, I was interested in something which appears in the last paragraph of your brief at the bottom of page 848. It reads:

> The replacement of the less-than-carload rail rates put in effect to meet motor carrier and water competition was countered by higher rates, by both rail and motor carrier.

Mr. Brennan: May I summarize that?

Mr. Rose: I have not asked my question yet, sir. The cancellation of the competitive non-carload rates constituted an increase in rail rates which was followed by an increase in motor carrier rates. Are you suggesting that the truckers took advantage of the higher rail rates for less-than-carload lots? It seems to me that this is competition in reverse.

Mr. Brennan: I am not an expert in motor carrier transport but I would put it this way. I think their rates came up more nearly in line with the cost of operation at this point. This is why we are looking for the 20 per cent on subsidies within the select territory and 30 per cent subsidy on shipments moving outside the Maritimes.

[*Interpretation*]

une fois par semaine, un bateau se rend jusqu'à Pictou en Nouvelle-Écosse, et une fois par semaine, le samedi, il dessert Charlottetown. Au moins une fois par semaine, le bateau doit toucher un grand port pour se ravitailler. Le service normal devrait se faire généralement de Souris aux Îles-de-la-Madeleine, mais il faudrait que le bateau touche un grand port au moins une fois par semaine.

M. Allmand: Vous dites que ce voyage se fait tous les jours l'été?

M. Brennan: Ils essaient de le faire tous les jours, mais étant donné la situation actuelle, ils n'arrivent pas à le faire. Je crois qu'ils desservent Souris environ trois fois par semaine, et Pictou et Charlottetown, une fois par semaine.

M. Allmand: Comment le ravitaillement est-il assuré en hiver?

M. Brennan: Ils utilisent le transport aérien.

M. Allmand: Quelle est la population des Îles-de-la-Madeleine? Environ 10,000?

M. Brennan: Environ 17,000.

M. Allmand: Je vous remercie.

M. Rose: Monsieur Brennan, j'ai vu quelque chose dans le dernier alinéa de votre mémoire, au bas de la page 848, et je cite:

> La suppression du tarif du *L.C.L.* dont on pensait qu'elle permettrait aux chemins de fer de faire concurrence aux transports routiers, maritimes ou fluviaux a provoqué une hausse des tarifs, tant ferroviaires que routiers.

M. Brennan: Puis-je résumer cela?

M. Rose: Je n'ai pas encore posé ma question, monsieur. La suppression des tarifs compétitifs pour les chargements incomplets s'est traduite par une augmentation des tarifs ferroviaires suivie par une autre augmentation des tarifs routiers. Voulez-vous dire par là que les camionneurs ont profité des taux ferroviaires pour les chargements incomplets? Il me semble que c'est de la concurrence en sens inverse.

M. Brennan: Je ne suis pas un expert dans le camionnage, mais je dirais que leurs taux ont été augmentés pour être plus conformes à leurs frais d'exploitation. C'est la raison pour laquelle nous essayons d'obtenir les 20 p. 100 des subventions dans les régions choisies et 30 p. 100 pour les expéditions vers l'extérieur des Maritimes.

[*Texte*]

Mr. Rose: If they were just catching up to the cost of operation then, they must have been losing money before that.

Mr. Brennan: Most of them were.

Mr. Rose: I see. There was a suggestion made earlier by Premier Campbell that the CNR should reveal its long-term plan so that commerce and industry would have an opportunity to adjust to it more easily. So you support that suggestion?

Mr. Brennan: I certainly do.

Mr. Rose: There is another point I want to cover, and this was also suggested in a previous brief. This is that the intensity of the less-than-carloads lots was perhaps greater in the Maritimes than it was anywhere else in Canada, and it compared very unfavourably with that of central Canada. I suggest to you, sir, that the intensity of it is approximately the same in my province, which is B.C., and we suffer from a similar type of isolation. I think the comparison is because of the amount of less-than-carload transportation carried on in central Canada.

Mr. Brennan: I would agree with that.

Mr. Rose: We have seen the suggestion in a number of briefs that the density rule be changed from 10 pounds per cubic foot to 5 pounds per cubic foot. It has also been suggested that perhaps shippers, while complaining about this density rule, have not looked diligently enough for ways of compressing their products so that the weight more nearly conforms to the rules. Is there any type of product that you either import or export where it is possible to do this?

Mr. Brennan: What has brought this to our attention is that because we are not a manufacturing area we have to import all our products, and I have one specific case in mind where an individual brought in a shipment of 400 chairs which were very similar to the ones we are sitting on in this room today and before the application of this rate system it cost him one price and after the application of this rate system the price went up 320 per cent. This is the type of thing that prompted the presentation of this in our brief.

Mr. Rose: But there are products that can be compressed, such as underwear, for instance.

Mr. Brennan: Oh, yes.

Mr. Rose: That is all, Mr. Chairman. Thank you.

[*Interprétation*]

M. Rose: S'ils essayaient de couvrir les frais d'exploitation, ils devaient donc perdre de l'argent avant cela.

M. Brennan: Oui, la plupart.

M. Rose: Le premier ministre Campbell a suggéré plus tôt que le National-Canadien devrait révéler ses projets à long terme afin que les commerçants et les hommes d'affaires et l'industrie soient en mesure de s'y adapter plus facilement. Êtes-vous en faveur de cela?

M. Brennan: Oui, certainement.

M. Rose: Un autre point que je voulais soulever et qui a été soulevé aussi dans un autre mémoire. C'est que l'intensité des chargements incomplets était plus forte dans les Maritimes qu'ailleurs au Canada, et qu'elle ne se comparait pas favorablement avec le Canada central. J'oserais vous dire, monsieur, que cette densité est presque la même dans notre province, en Colombie-Britannique, et que nous ressentons les effets d'un isolement similaire. Je crois que la comparaison est en raison du transport des chargements incomplets effectué au Canada central.

M. Brennan: Oui, je suis tout à fait du même avis.

M. Rose: On avait proposé dans certains mémoires, que la règle de densité ou de volume soit changée de 10 livres à 5 livres par pied cube. On a également indiqué que plutôt que de se plaindre de cette règle de densité, les expéditeurs devraient s'efforcer de trouver des moyens de comprimer leurs produits afin que le poids soit plus conforme aux règles. Des produits que vous importez ou exportez, y en a-t-il qui pourraient se prêter à ce genre de compression?

M. Brennan: Ce qui a attiré notre attention c'est le fait que, n'étant pas dans un secteur manufacturier, nous sommes forcés d'importer tous nos produits et je me souviens d'un cas particulier où quelqu'un a importé un lot de 400 chaises semblables à celles que nous avons dans cette pièce et qui, avant l'application de ce système, avait payé un certain prix qui a été majoré de 320 p. 100 après l'application de ce même système. C'est ce genre de chose qui nous a obligés d'en faire mention dans notre mémoire.

M. Rose: Oui, mais il y a des produits, par exemple, comme les sous-vêtements, qui peuvent être comprimés.

M. Brennan: Oui, certainement.

M. Rose: C'est tout, monsieur le président. Merci.

[*Text*]

Mr. Thomas (Moncton): Mr. Brennan, referring to your remarks concerning the Northumberland Strait crossing, I am a little confused about just what you are referring to.

You mention the necessity for having a continuous permanent link, which seems to indicate strong support of the crossing, and then you go on to say that you might run into problems respecting tidal conditions and problems of snow and problems of crossing the causeway or whatever it is. What type of crossing do you envisage to eliminate these?

Mr. Brennan: Quite bluntly I envisage a tunnel as being the most satisfactory means of crossing.

Mr. Thomas (Moncton): But do you feel that maybe the cost of a tunnel, as the Premier has just mentioned, would be too prohibitive? It would be most desirable but apparently, as the Premier indicated, they reviewed the costing and decided it was out of the question.

Mr. Brennan: I am aware of the studies. I am aware of the situation relative to this. I have not a doubt in my mind that the estimates that have been received on the construction of this causeway are more likely guesstimates than estimates because the degree to which fill and so on will sink into the soft bottom makes this a very great variable. It is my opinion that the cost of establishing a tunnel could be estimated much more closely than the cost of establishing a causeway.

Mr. Thomas (Moncton): I notice the designation after your name. You are a professional engineer, I take it?

Mr. Brennan: That is correct.

Mr. Thomas (Moncton): I was also interested in your remark about the corridor road and your close connection with that project. Are you aware of the statement made by a representative of the State of Maine legislature this week that he had listened to our discussions down here in reference to the corridor road and he made the statement that there is presently a bill before the Maine legislature to provide $30 million to complete that link across the State of Maine? Is this correct?

Mr. Brennan: That is perfectly correct. Every year since this has been up, and I have been on the committee since its inception, we have never had less than $300,000 out of the State of Maine for this road. There is some discussion that representation be made to

[*Interpretation*]

M. Thomas (Moncton): Monsieur Brennan, dans vos commentaires au sujet de la traversée du Détroit de Northumberland, je ne comprends pas bien ce que vous voulez dire.

Vous avez mentionné la nécessité d'avoir une liaison permanente, ce qui semble être à l'appui de la chaussée, puis vous dites que vous ferez peut-être face à des problèmes au sujet des marées, les problèmes des glaces, de la neige et les problèmes de la traversée, aussi je me demande quel genre de traversiers vous avez en vue pour éliminer ces problèmes.

M. Brennan: Je dirais que je trouve qu'un tunnel serait le moyen le plus satisfaisant d'effectuer la traversée.

M. Thomas Moncton: Mais croyez-vous que le coût du tunnel, comme l'a dit le premier ministre, serait beaucoup trop élevé, ce serait évidemment le plus souhaitable mais comme le premier ministre l'a mentionné, une étude des coûts a révélé que c'était absolument impossible.

M. Brennan: Je suis au courant des études qui ont été faites. Je connais la situation. A cet égard, je n'ai aucun doute. Les estimations qu'on a reçues au sujet de la construction de cette chaussée sont plutôt des estimations que des calculs, car, jusqu'à quel point le remplissage disparaîtra dans le fond mou rend la chose très imprécise. Le coût de construction imprécise d'un tunnel peut être prévu beaucoup plus facilement que celui de la construction d'une chaussée.

M. Thomas (Moncton): D'après le titre qu'il y a ici, vous êtes ingénieur professionnel, n'est-ce pas?

M. Brennan: C'est exact.

M. Thomas (Moncton): Je m'intéresse aussi à la route corridor et à vos rapports étroits avec ce projet. Êtes-vous au courant de la déclaration faite par un représentant de l'assemblée législative du Maine selon laquelle il avait écouté nos discussions sur le corridor routier et que l'assemblée législative du Maine est présentement saisie d'un projet de loi visant à trouver 30 millions pour terminer cette route à travers le Maine. Est-ce exact?

M. Brennan: Oui, c'est parfaitement exact. Chaque année depuis qu'on a étudié la question, et je fais partie du Comité depuis le début, nous n'avons jamais eu moins de $300,000 de l'état du Maine pour la construction de cette route. Nous avons étudié la possibilité

[*Texte*]

Washington to treat this as an interstate highway.

Mr. Thomas (Moncton): If this bill to provide $30 million passes the legislature it will provide, apparently, for the cost of that link between Quebec and New Brunswick.

Mr. Brennan: This is so. I saw this report to the federal government on the corridor road and it absolutely shattered us because it intimated that all expenses would be paid by the federal government. This means one thing: that whoever made that report certainly at no time contacted any member of the committee because at no time has the committee even intimated that the federal government should contribute a penny for a road outside of the provinces of Canada.

Mr. Thomas (Moncton): That is all, Mr. Chairman.

The Chairman: Mr. Corbin.

Mr. Corbin: Mr. Chairman, could we have the name of that report that the gentleman referred to.

The Chairman: Would you repeat the question, please?

Mr. Corbin: Could we have the correct name of the report that the gentleman has just referred to? Would that be the Intelligence Unit Report?

Mr. Brennan: It is the 11 or 12 volume report.

Mr. Corbin: That is what it is.

Mr. Brennan: Yes.

The Chairman: Mr. Rock.

Mr. Rock: Yes, Mr. Chairman. You were speaking before about the corridor road. Which plan do you prefer, the one that goes from Calais, Bangor, this east-west highway that the Americans were proposing, or the one that is further north?

Mr. Brennan: Well this has been a very contentious subject in the State of Maine as well as in the Maritime Provinces, particularly for those people in the northern part of New Brunswick. But the situation under which the State of Maine is prepared to pay for this is to open up an area which presently is one of the best holiday resort areas.

Originally when we were thinking of this, strictly from the standpoint of the Maritimes,

[*Interprétation*]

de présenter des instances à Washington pour considérer cette route comme étant une route inter-états.

M. Thomas (Moncton): Mais si le bill qui prévoit 30 millions de dollars est accepté, cela couvrirait les frais de la construction entre le Québec et le Nouveau-Brunswick?

M. Brennan: C'est exact. J'ai vu le rapport présenté au gouvernement fédéral sur le corridor routier et cela nous a terriblement surpris car cela semblait dire que tous les frais de construction seraient payés par le gouvernement fédéral. Cela ne veut dire qu'une chose: celui qui a présenté le rapport n'a certainement jamais communiqué avec les membres du Comité, car le Comité n'a jamais laissé entrevoir que le gouvernement fédéral doive verser un seul sou pour la construction de routes à l'extérieur des provinces du Canada.

M. Thomas (Moncton): C'est tout.

Le président: Monsieur Corbin.

M. Corbin: Pourriez-vous nous indiquer le nom du rapport dont on a parlé?

Le président: Pourriez-vous répéter votre question?

M. Corbin: Pourriez-vous nous indiquer le nom exact du rapport mentionné par Monsieur Brennan. Est-ce qu'il s'agit du *Intelligence Unit Report?*

M. Brennan: Il s'agit du rapport de 11 ou 12 volumes.

M. Corbin: Voilà ce que c'est.

M. Brennan: Oui.

Le président: Monsieur Rock.

M. Rock: Monsieur le président, vous parliez tout à l'heure du corridor routier. Quel projet préférez-vous? Celui qui va de Calais à Banger, de l'est à l'ouest, proposé par les Américains ou la route qui est plus au nord?

M. Brennan: Le sujet a porté à controverse dans l'état du Maine ainsi que dans les provinces Maritimes, surtout pour ce qui est de ces gens qui se trouvent dans le nord du Nouveau-Brunswick. L'état du Maine est prêt à payer seulement pour ouvrir une des régions qui se trouvent une des meilleures régions de tourisme à l'heure actuelle.

A l'origine, quand nous songions à ce projet, strictement du point de vue des Mariti-

[*Text*]

yes, we were thinking of the lower road entering from St. Stephen, Calais and going right straight across the state and coming in on the far side as close to the southern border of the Province of Quebec at that point as reasonably possible. But the State of Maine could not raise or could not talk the legislature into paying for a road at that point, whereas they could talk them into opening the northern route known as the Corridor Road—Route 6, beginning at McAdam and going across the Vanceboro, going down through Lee, Lincoln, Dover-Foxcroft, Greenville and Jackman.

There is a situation there which, when this corridor road is developed, that route that I have indicated to you, takes the road north of Lake Mégantic in the Province of Quebec, but the most desirable route for the corridor road would be south of Lake Mégantic and it is the intention to redirect this road at a later date at a place just after it leaves Dover-Foxcroft and take it through a lake system and hill system and bring it in south of Lake Mégantic and into Sherbrooke that way.

Mr. Rock: We have in our printed Minutes from last year a map of that southern route but we have no map in evidence of the northern route. Would you be able to supply us with a map of this northern route—the main corridor road that you are talking about?

Mr. Brennan: It will be supplied this afternoon.

Mr. Rock: And we can attach that to your part of the Minutes. Is that all right, Mr. Chairman?

The Chairman: Agreed?

Some hon. Members: Agreed.

The Chairman: Mr. Perrault.

Mr. Perrault: Mr. Chairman, the committee will be glad to know that all of my questions have been answered very well and I pass.

The Chairman: Any other questions, gentlemen? Mr. Corbin.

Mr. Corbin: If I may, sir. I am sorry I missed the first part of your presentation; I had to be out. I am naturally most concerned about the Maine corridor road although I have stated on a few occasions through the press that I am not in principle opposed to it. I am mainly concerned with priorities from

[*Interpretation*]

mes, oui, nous songions à la route plus au sud, qui entrait à partir de St Stephen, et Calais et qui se rendait à travers l'état et qui suivait d'aussi près que possible la frontière sud de la province du Québec. Mais l'état du Maine n'a pas pu persuader la législature d'accorder les subsides voulus pour la construction de cette route. On a cependant persuadé la législature d'approuver la route du nord, qu'on désigne sous le nom de route-corridor No. 6 qui commence à McAdam, traverse à Vanceboro et passe par Lee, Lincoln, Dover-Foxcroft, Greenville et Jackman.

La situation est telle là-bas que lorsqu'on ouvrira la route corridor, cette route que je viens de mentionner plus tôt, suivra la route tout près de Lac Mégantic dans la province de Québec, mais la route la plus souhaitable pour le corridor routier serait au sud du lac Mégantic et alors, on a l'intention de déplacer la route un peu plus tard à un endroit juste après sa sortie de Dover-Foxcroft et lui faire traverser tout un réseau de lacs et de collines pour en arriver au sud de lac Mégantic et l'amener à Sherbrooke de cette façon.

M. Rock: Dans notre compte rendu de l'an dernier, nous avons une carte de cette route du sud mais nous n'avons rien du tout en ce qui concerne la route nord. Pourriez-vous nous donner une carte indiquant plutôt la route du nord, le corridor routier principal dont vous parlez?

M. Brennan: On vous la fournira cet après-midi.

M. Rock: Et nous l'annexerons à votre partie du compte rendu. Ça va, monsieur le Président?

Le président: D'accord?

Quelques voix: D'accord.

Le président: Monsieur Perrault.

M. Perrault: Le Comité sera heureux de savoir que toutes mes questions ont trouvé réponse, et de très bonnes réponses. Je cède donc la parole à un autre.

Le président: Y a-t-il d'autres questions, messieurs? Monsieur Corbin.

M. Corbin: Merci. Je regrette de n'avoir pas entendu la première partie de votre présentation, j'ai dû m'absenter. Naturellement, je suis très préoccupé de cette question du corridor routier du Maine et même si j'ai déjà dit à certaines occasions qu'en principe je ne suis pas contre, je me préoccupe surtout des prio-

[*Texte*]

the provincial points of view of New Brunswick, P.E.I., Nova Scotia and Newfoundland, although Newfoundland is not very much affected by this proposed corridor route.

I have reached the stage now, after hearing many witnesses, where I am mainly concerned with the double-edge effect that this corridor route may have on the Maritimes. The witness previous to you, the Premier, although I respect him very much, I cannot quite agree with him when he said that the Maritimes, if competition does come down here from central Canada, will be able to deal with it quite well. This concerns me an awful lot because actually—and this is a warning—what I anticipate could happen to the economy of the Maritimes, and I mentioned this to the previous witness, is that we will be opening ourselves to internal dumping from the markets, the farms, the industrialists of Upper Canada. Would you have any comments in that respect, sir?

Mr. Brennan: Well, of course, a question like that is strictly an opinion question and I have my opinions and my opinions go like this: I feel as the development of this country is growing that the southern part of the Province of Quebec and most of the southern part of Ontario are the industrial areas of Canada, and that areas such as the West growing wheat and the East growing general food products, will be the most economically viable situation that we can have.

As far as I am concerned, I do know that in the products that we have, that are properly handled, there is sufficient quality in these products so that people will pay premium prices. But quite apart from that, I am very, very convinced that this is an economically viable situation and that what we need are those things to better connect us with our markets. Admittedly, these markets are artificially brought about, but if we bring about those things which will put us in the position to best serve these markets in the most economical way I do not think there is a single doubt in the world that we can do it and make money doing it.

Mr. Corbin: Have you made an in-depth economic study of this very problem, sir? Or has anyone done it?

Mr. Brennan: No-one that I know of, and most assuredly I have not.

Mr. Corbin: Have you in any way studied the quite possible detrimental effects the corridor road—easy access road to central Cana-

[*Interprétation*]

rités du point de vue des provinces du Nouveau Brunswick, de l'Île-du-Prince-Édouard, de Nouvelle-Écosse et de Terre-Neuve, bien que Terre-Neuve ne soit pas tellement affecté par cette question de corridor routier.

Mais là j'en suis arrivé au point où, après avoir entendu plusieurs témoins, ce qui me préoccupe le plus, ce sont les effets à double sens que cela pourrait avoir dans les Maritimes. Même si j'ai beaucoup d'estime pour lui, je ne suis pas tout à fait d'accord avec le premier ministre même de votre province, quand il dit que, si la concurrence arrive ici du centre du Canada, les Maritimes pourront très bien répondre à cette concurrence. Cette question me préoccupe beaucoup car en fait—et c'est un avertissement que je voudrais vous donner—ce qui pourrait produire pour l'économie des Maritimes et je l'ai mentionné, aux témoins précédents, c'est que nous allons servir de dépotoir aux marchés, aux agriculteurs et aux industriels du Canada central. Est-ce que vous auriez des commentaires à ce sujet?

M. Brennan: Évidemment, il s'agit d'une question d'opinions dans ce cas et voici mon opinion à ce sujet. J'ai l'impression, au fur et à mesure que notre pays se développe, que la partie sud de la province de Québec et la partie sud de l'Ontario se trouvent à être les centres industriels du Canada et il y a des régions comme l'ouest où on cultive le blé et l'est où on cultive les produits agricoles pour la consommation se trouveront à établir la situation la plus viable du point de vue économique que nous puissions connaître.

Dans la province, il y a suffisamment de qualité dans les produits que nous cultivons pour que les gens nous payent les meilleurs prix possibles. Mais à part cela, je suis tout à fait convaincu du fait que nous sommes dans une situation économique viable et que ce dont nous avons besoin, ce sont de meilleures liaisons avec nos débouchés. Évidemment, ce sont des marchés artificiels, mais si nous réussissons à aménager les services qui nous permettront de desservir ces marchés de la façon la plus économique possible, je n'ai aucun doute que nous réussirons. Et que nous ferons de l'argent en le faisant.

M. Corbin: Avez-vous, ou quelqu'un d'autre a-t-il déjà fait une étude économique en profondeur de ce problème?

M. Brennan: Je ne l'ai pas fait moi-même et je ne connais personne qui l'ait fait.

M. Corbin: Est-ce que vous auriez étudié les effets nuisibles que pourrait avoir le corridor routier—route d'accès facile au centre du

[*Text*]

da—if it were to go through Maine, would have on all this part north of New Brunswick? When I speak of north of New Brunswick I do not only refer to the coastal area which begins from Chatham-Newcastle to Campbellton to Edmundston, but I include as well all the shore area of the lower St. Lawrence River up to Quebec and on to Montreal, whose economy at this time—let us be realistic—depends to a very great degree on traffic going through those areas.

In my opinion, if Maine were to build its corridor road at this time, there would be a very detrimental effect and this is an opinion, this is a feeling I have, but I think I could justify it if I were given time. It would have a very detrimental effect on the economy of all that area especially from Woodstock to Montreal.

Mr. Brennan: Well, like yours, mine can only be an opinion. But today with the type of truck that we are using, these heavy tractor-trailers with saddle tanks and everything else, the most the trucker ever stops for is a snack and very seldom a real meal until he gets to his destination. I do not think that the total drop-out of the total transportation through that area would mean very much to it.

Mr. Corbin: That is fine for the truckers but let us not kid ourselves: other people will be travelling and spending loads of money in Maine that Canada will never see again.

Mr. McGrath: Mr. Chairman, I would like to raise a point.

The Chairman: Mr. McGrath.

Mr. McGrath: I would just like to raise a point of order. It seems to me that we are drifting away from the established procedure that we laid down. This is argument that we are hearing from the hon. member. This is not a question. I think it would expedite our procedure if we stuck to our established procedure.

Mr. Corbin: I respect that, Mr. Chairman. I will ask one final question. In your opinion, should not the Government of Canada, jointly with the provinces, before pushing ahead any idea of the Maine corridor route, study as well—and this is what the London Intelligence Unit did not do—what would be the detrimental effects on the existing traditional routes into central Canada. Would you agree that this should be studied as well? Should that not be recommended?

[*Interpretation*]

Canada—s'il devait passer par le Maine, sur le nord du Nouveau Brunswick? Quand je parle du nord du Nouveau Brunswick, je ne parle pas simplement de la région cotière qui commence à Chatham et Newcastle et qui va à Campbellton et Edmundston, mais je parle de toute cette région du bas St-Laurent jusqu'à Québec et Montréal même, dont l'économie à ce moment-ci—et soyons réalistes—dépend dans une très grande mesure de la circulation qui passe.

A mon sens, si le Maine devait construire ce corridor routier à ce moment-ci cela aurait un effet nuisible. C'est une opinion, mais je crois que je pourrais la justifier si on me donnait suffisamment de temps. Cela aurait un effet nuisible très considérable sur l'économie pour toute la région, surtout à partir de Woodstock jusqu'à Montréal.

M. Brennan: Tout comme vous, je ne puis avoir qu'une opinion. Mais aujourd'hui, avec les genres de camions que nous employons, les gros camions à remorque avec des réservoirs supplémentaires etc., le plus souvent le camionneur n'arrête que pour prendre un petit repas léger, il ne prend que rarement un gros repas avant d'en être à son point d'arrivée. Et je ne crois pas que la baisse que connaîtrait le transport à travers cette région ait une grande importance.

M. Corbin: Très bien pour les camionneurs, mais ne nous illusionnons pas. D'autres voyageurs voyageront aussi, et dépenseront au Maine de l'argent que le Canada ne reverra plus.

M. McGrath: J'aimerais soulever une question ici.

Le président: Monsieur McGrath.

M. McGrath: J'invoque le règlement. Il me semble que nous nous éloignons justement de la procédure établie. L'argument soulevé à l'heure actuelle n'est pas vraiment une question. Si nous voulions nous en tenir à la procédure normale, nous avancerions beaucoup plus vite.

M. Corbin: Oui, et je vais m'en tenir à cela. Monsieur le président, je vais poser une dernière question. A votre avis, est-ce que le gouvernement du Canada, conjointement avec les provinces, avant d'avancer l'idée du corridor routier du Maine, est-ce que le gouvernement ne devrait pas étudier ce que seraient les effets nuisibles sur les routes actuelles vers le Canada central? Est-ce qu'on ne devrait pas formuler une recommandation à cet égard?

[*Texte*]

Mr. Brennan: I feel this way about that question, that if we in the Maritimes are going to survive on an economically sound basis, then we have got to do those things which are economically sound. The ultimate development of the corridor road, as distinct from the present routing which Canadian truckers now use, will save approximately 180 miles in one direction, which is 360 miles on a return trip, for anything basically south of the Fredericton area.

Now, if we are going to continue to cheat ourselves out of the very things that will make us economically viable, then I do not think we are playing fair with ourselves.

Mr. Corbin: Thank you for not answering my question but you are as well...

The Chairman: Order, please. He does not have to, Mr. Corbin. Mr. Nesbitt.

Mr. Nesbitt: One very brief question, Mr. Chairman, perhaps by way of a very brief observation. It has been brought to my attention a number of times that the southern part of Ontario where it is pretty large as far as markets and population are concerned, that there would be much greater sale of fresh seafood products could they be obtained quickly and in good condition. The frozen seafood products lose a great deal of their flavour in the process. I was going to direct this question to one of the commercial companies but I do not see any other brief so perhaps I could direct it to you or one of the other witnesses. Has there been any sort of survey or any investigation into the prospects of using air traffic for getting fresh seafood products such as lobsters in particular, fresh fish and other products of this area into the central Canadian market, Toronto, London and that area?

Mr. Brennan: I do not know that there has been an in-depth study but there are certain exclusive restaurants up there who avail themselves of this service now and actually receive regular shipments by air.

Mr. Nesbitt: From this would you think that while this goes to exclusive restaurants at the moment, there might be a very large general demand if your product were promoted?

Mr. Brennan: I think as far as we are concerned in the Maritimes, that the quicker we get first-class transportation facilities the quicker our products will be accepted in these areas and that people will have them. One of the great things that is happening—mentioned in that part of the brief that I left

[*Interprétation*]

M. Brennan: Voici ce que je pense, si nous des Maritimes voulons survivre au point de vue économique, nous devons faire des choses censées du point de vue économique. Le développement du corridor routier, par rapport à la route actuelle qu'on emprunte actuellement épargnerait 180 milles dans un sens, ce qui veut dire 360 milles aller et retour pour tout ce qui est au sud de la région de Frédéricton.

Si nous continuons à nous laisser enlever ces choses qui nous rendraient viables du point de vue économique, nous ne sommes pas justes envers nous-mêmes.

M. Corbin: Merci de n'avoir pas répondu à ma question, mais vous...

Le président: A l'ordre, s'il vous plaît. Il n'a pas besoin de le faire, Monsieur Corbin. Monsieur Nesbitt.

M. Nesbitt: Une question très brève, monsieur le président, ou plutôt une observation très bève. On a attiré plusieurs fois mon attention sur le fait que, dans le sud de l'Ontario où on a de vastes marchés et une importante population, il y aurait beaucoup plus de ventes de produits de mer si on pouvait les y expédier rapidement et une bonne condition. Les produits de mer congelés perdent une bonne partie de leur saveur. J'allais poser cette question à l'une des entreprises commerciales, mais je ne vois pas d'autre mémoire, alors je pourrais peut-être vous poser la question. Est-ce qu'il y eu une étude ou une enquête sur les possibilités d'utiliser le transport aérien pour obtenir des produits de la mer frais comme le homard en particulier, le poisson frais, etc .. de cette région pour les amener au marché du Canada central, dans la région de Toronto et London.

M. Brennan: Je ne crois pas qu'il y ait de telles études détaillées de faites, mais il y a des citoyens qui ont déjà recours à ce service et qui se font expédier régulièrement par air de telles denrées.

M. Nesbitt: Croyez-vous que, même si cela est acheminé vers des restaurants exclusifs maintenant, il pourrait y avoir une demande très grande si l'on faisait la promotion du produit?

M. Brennan: Je crois qu'en ce qui nous concerne, nous des Maritimes, plus rapidement nous pourrons obtenir un service de première classe en matière de transport, plus vite nos produits seront acceptés dans ces régions. Un des grands problèmes et cela a été mentionné dans mon mémoire, c'est que les retards dans

[*Text*]

out—is that shipments delayed en route, shipments held up, is damaging the quality of our products in many cases. We need direct shipments and improvement of service by shipment in smaller lots because of the type of commodity. Lobster, oysters, berries, are all small lot shipments and we have got to get improved service for the small lot shipment so that the customer will get a better product.

The Chairman: Well, gentlemen, this concludes the questioning period of your brief, and I would like to thank these gentlemen for being here. Thank you very much, sir.

Mr. Brennan: I would like to say a very sincere thank you to members of the Committee for hearing our brief.

The Chairman: I will now call upon the T. H. Fraser Company, Boneless Chicken Canner, Murray Harbour. Are they here? The T. H. Fraser brief will stand.

The Prince Edward Island Potato Marketing Board.

Mr. Rose: Mr. Chairman, on that, it is now 12.30 and we have to be back here at 2.00 o'clock. Do you think it is really fair to this witness, and to this brief, to hear the man at this time when we are all starving?

The Chairman: Would you prefer to appear at 2.00 o'clock? Very well, we will adjourn until 2.00 o'clock.

The meeting is adjourned.

AFTERNOON SITTING

The Chairman: Gentleman, we have with us today the Potato Marketing Board. On my right are Mr. Donald MacKenzie; Mr. Robert Farquharson and Mr. George MacMurdo. I would ask Mr. MacKenzie to summarize their brief.

Mr. Donald MacKenzie (Member, P.E.I. Potato Marketing Board): Thank you, Mr. Chairman and members of the Standing Committee on Transport and Communications.

I wish to present this brief today on behalf of the potato industry of Prince Edward Island.

The potato Industry is very important to the economy of Prince Edward Island. Potatoes being a bulk commodity, transpor-

[*Interpretation*]

les expéditions détériorent la qualité de notre produit dans bien des cas. Nous avons besoin d'un service d'expédition directe et une amélioration du transport en lots plus petits à cause de la nature du produit. Les huîtres, le homard, les baies, ne sont pas des denrées qui sont envoyées en grande quantité. Il nous faut donc avoir une amélioration du service pour les expéditions de moins d'importance afin que le client reçoive un meilleur produit.

Le président: Voici la fin de la période des questions, à la suite de la présentation de ce mémoire. Je remercie les deux témoins.

M. Brennan: Je remercie les membres du Comité d'avoir bien voulu entendre notre mémoire.

Le président: Je demanderais donc à la T. H. Fraser Company, conserverie de poulet désossé, de Murray Harbour, de bien vouloir se présenter. Messieurs, êtes-vous ici? Le mémoire de la T. H. Fraser est donc réservé.

L'Office de commercialisation de la pomme de terre de Île-du-Prince-Édouard.

M. Rose: Monsieur le Président, il est maintenant 12h30. Si je comprends bien, il nous faut être de retour ici à 2 heures. Croyez-vous qu'il soit juste et équitable pour ce témoin de l'entendre maintenant alors que nous sommes affamés?

Le président: Aimerez-vous mieux revenir à 2 heures? Très bien, nous ajournerons la séance jusqu'à 2 heures.

La séance est levée.

SÉANCE DE L'APRÈS-MIDI

Le président: Messieurs, nous avons avec nous aujourd'hui les représentants de l'Office de commercialisation des pommes de terre; j'ai, à ma droite, MM. Donald MacKenzie, Robert Farquharson, et George MacMurdo. Je demanderais donc à M. MacKenzie de nous donner un résumé du mémoire qu'ils ont préparé.

M. Donald MacKenzie (membre de l'Office de commercialisation des pommes de terre de l'Île-du-Prince-Édouard): Merci beaucoup, monsieur le président et messieurs les membres du Comité permanent des Transports et des Communications.

Je désire présenter ce mémoire au nom de l'industrie de la pomme de terre de l'Île-du-Prince-Édouard.

L'industrie de la pomme de terre est très importante pour l'économie de ma province. La pomme de terre étant une denrée pondé-

[*Texte*]

tation by water and rail is the most economical means. The markets for our crops, are a considerable distance from the producing area and for this reason we feel that potatoes from Prince Edward Island should be considered the same as wheat in the West. If we are to progress we require a reasonably low rate of transportation coupled with speedy delivery.

In the past five years production has increased by approximately 25 per cent and all indications are that it will continue at this rate in the future. We have in this province approximately 500,000 to 600,000 acres of land suitable for growing potatoes; the soil and climate we more suitable than any other place in North America. Up to the present time only 52,000 acres are being used for potato growing.

At the time Prince Edward Island joined Confederation the area included agriculture, fisheries, manufacturing and shipbuilding, having a population of approximately 113,000 people. Since that time we have contributed greatly to the development of other areas in Canada but comparatively very little to our own. For example, we purchase annually from Ontario and Quebec $80 million worth and upwards of their production. We feel that a causeway should provide us with up to date transportation both ways but definitely a causeway with rails.

We would be surprised and disappointed if we did not have the full support of the other provinces in the building of such a causeway as we are a very valuable market for the many supplies. Rail service must be maintained from our arm shipping points to mainland destinations and included in the plan for the causeway across the Strait.

Since the policy of the CNR seems to include the closing of some billing stations and others are closed on Saturdays and mail service is not always the best, it is suggested that the CNR be requested to accept billing at any billing station for cars loaded at any station on the Island. In many cases this would save the CNR considerable money since cars could be moving from one to several days earlier than is now the case.

[*Interprétation*]

reuse, on la transporte le plus économiquement par rail ou par voie maritime. Les marchés où nous écoulons nos récoltes sont très éloignés des régions de production et c'est pourquoi, nous sommes d'avis que les pommes de terre de l'Île-du-Prince-Édouard devraient être considérées au même titre que le blé de l'Ouest. Il nous faut, pour nous développer, des tarifs de transport raisonnablement bas et la garantie d'une livraison rapide.

Au cours des cinq dernières années, la production a augmenté dans une proportion de 25 p. 100 et tout semble indiquer qu'il en sera ainsi dans les années qui viennent. Nous avons, dans cette province, de 500,000 à 600,000 acres de terre environ qui se prêtent à la culture de la pomme de terre; le sol et le climat sont plus favorables ici que partout ailleurs en Amérique du Nord. Jusqu'ici, seulement 52,000 acres ont été utilisées pour la culture de la pomme de terre.

Au moment où l'Île-du-Prince-Édouard est entrée dans la Confédération, l'économie de l'île reposait sur l'agriculture, les pêcheries, quelques industries et la construction de navires; la population était d'environ 113,000 âmes. Depuis lors, nous avons contribué activement au développement des autres régions du Canada mais relativement peu au développement de la nôtre. Ainsi, nous achetons annuellement de l'Ontario et du Québec pour $80 millions et plus de leurs produits. Nous sommes d'avis que la chaussée projetée devrait nous donner un mode adéquat de transport de part et d'autre, mais il faudrait que cette chaussée comprenne une voie ferrée.

Nous serions surpris et même déçus si nous n'avions pas l'appui total des autres provinces pour l'aménagement d'une telle chaussée, étant donné que nous sommes un marché très important pour ces différents producteurs. Le service ferroviaire doit être maintenu à partir des centres d'expédition de l'île vers le continent et inclus dans le programme d'aménagement de la chaussée traversant le détroit. Puisque la politique du National-Canadien semble inclure la fermeture de certaines gares d'expédition, que d'autres gares sont fermées le samedi et que le service postal n'est pas toujours à son meilleur, nous proposons que le National-Canadien soit obligé d'accepter la facturation à toute gare désignée à cette fin pour les wagons chargés à l'une quelconque des gares de l'île. Dans bien des cas, cela pourrait épargner beaucoup d'argent au National-Canadien car ses wagons pourraient être acheminés vers leur destination plutôt que dans le cas présent.

[*Text*]

Referring to the Charlottetown St. John's Newfoundland water service which was served last year by the M. V. Gaspesian, this service has to be subsidized provincially and federally, should be extended to include the major island shipping port of Summerside, especially since this port serves a much larger potato acreage than Charlottetown.

It is considered that 50 per cent of the space should be reserved for loaders in the Summerside area. The P.E.I. to Seven Island water service was serviced by the M. V. *Souris Trader*. This service is also subsidized by the provincial and federal governments. While the volume of Island produce shipped on this boat for the last few years does not seem to warrant its continuation, it is nevertheless recommended that it be continued for the coming season, after which it should be reviewed again.

The reasons for supporting these suggestions are:

(a) it is the most economical method of supplying Island produce to the north shore markets and without it we would be unable even to quote on this business;

(b) not enough time has elapsed since the meeting with the P.E.I. sponsored government trade mission to this area last fall, when a number of good contacts were made and considerable optimism developed that our volume could be improved.

(c) the possibility—and I must add here that this trade mission is coming here on March 2 or 3—that a return trade mission will be invited before or soon after the opening of navigation with the hope that this business can be really tested during 1969.

In order properly to develop these north shore markets, it is essential that the Department of Transport build on the docks at Seven Islands and Baie Comeau controlled storages for receiving perishable goods such as potatoes, meat, eggs, and so on on arrival.

This is respectfully submitted on behalf of the Prince Edward Island Potato Marketing Board. Mr. Chairman and gentlemen, this is our brief.

The Chairman: Thank you, very much. Mr. Pringle?

Mr. Pringle: Thank you, Mr. Chairman. I would like to ask whether you feel there is

[*Interpretation*]

A propos du service de traversier qui relie Charlottetown à Saint-Jean (Terre-Neuve), service qui doit être subventionné par les gouvernements provincial et fédéral et qui était assuré l'an passé par le *M.V. Gaspé*, il devrait desservir le port d'expédition de Summerside, puisque ce port sert de lieu d'expédition pour une région agricole beaucoup plus vaste que dans le cas de Charlottetown.

On considère que 50 p. 100 de l'espace à Summerside devraient être réservés aux chargeurs. Le service de traversier reliant l'Île-du-Prince-Édouard à Sept-Îles a été assuré par le *M.V. Souris Trader* et il est aussi subventionné par les gouvernements provincial et fédéral. Bien que le volume de produits de l'Île-du-Prince-Édouard qui ont été expédiés par ce navire au cours des dernières années ne semble pas motiver sa continuation, on recommande tout de même de maintenir ce service pour l'année qui suit, après quoi il conviendra de revoir cette décision.

Les raisons évoquées à l'appui de ces suggestions sont les suivantes:

a) C'est la méthode la plus économique pour expédier les produits de l'Île à la côte Nord et sans ce service, nous ne pourrions même pas tenter d'obtenir ce marché.

b) Il s'est passé trop peu de temps depuis la réunion avec la mission commerciale commanditée par le gouvernement de l'Île-du-Prince-Édouard: cette mission s'est précisément rendue dans cette région et a établi à cette occasion de nombreux contacts qui présagent bien pour l'avenir.

c) Il est possible, et je dois mentionner à ce moment-ci que cette mission commerciale vient à Charlottetown le 2 ou le 3 mars, il est possible donc qu'une autre mission commerciale soit invitée avant ou un peu après l'ouverture de la navigation, dans l'espoir qu'on explorera vraiment ces possibilités commerciales au cours de 1969.

Pour avoir vraiment accès à ces marchés de la côte Nord, il est essentiel que le ministère des Transports construise sur les quais de Sept-Îles et de Baie-Comeau des entrepôts adéquats pour les denrées périssables comme les œufs, les pommes de terre, la viande, etc.

Nous vous présentons respectueusement le tout au nom de l'Office de commercialisation des pommes de terre de l'Île-du-Prince-Édouard.

Monsieur le président, messieurs, voilà donc notre mémoire.

Le président: Merci beaucoup. Monsieur Pringle?

M. Pringle: Merci beaucoup, monsieur le président. Je voudrais poser une question:

[*Texte*]

ample potato storage on Prince Edward Island, and I am referring to processed potatoes? If you process a product on the Island it becomes a more valuable product and should help the general economy a little more. Do you have adequate potato storage to service properly the processing plants on the Island?

Mr. MacKenzie: Do you mean at the farm level?

Mr. Pringle: I am talking about the level just prior to secondary industry.

Mr. MacKenzie: I would have to say, yes, in answer to your question. I think we have enough storage on Prince Edward Island.

Mr. Pringle: That was my question, Mr. Chairman.

The Chairman: Are there any other questions, gentlemen? Mr. Skoberg?

Mr. Skoberg: Mr. Chairman, do you have sufficient railway cars now to handle your market demand?

Mr. MacKenzie: Right at the moment, yes. In past years we have encountered great difficulty, particularly during the months of March and April. I think the CNR for this past season, at least from October on, have given us better service this particular year than they have for the past number of years. With the end of March and April being upon us, and again with ice conditions as they are, we are hoping we will not have this problem this year, but this has been a real problem in the past.

Mr. Thomas (Moncton): Mr. MacKenzie, could you clarify your statement on page 2 of your brief? Apparently there seems to be some problem with billing. Do I understand correctly from this because the CNR closed some billing stations and some are not open Saturdays, that if a particular way station is not open where the shipper wants to ship something the shipment is held up because they cannot get the bills?

Mr. MacKenzie: This is true. Let us take as an example a shipper in Summerside who has a car loading at Souris, which is at the east end of the Island. Let us assume that the

[*Interprétation*]

croyez-vous qu'il y ait un espace d'entreposage suffisant pour les pommes de terre sur l'Île-du-Prince-Édouard: je veux parler des pommes de terre ayant subi une transformation. Si vous apprêtez des pommes de terre dans l'Île, elles acquerront ainsi une plus grande valeur; c'est une mesure qui pourrait aider l'économie de la région. Est-ce que vous avez assez d'espace d'entreposage des pommes de terre pour alimenter en matières premières les usines de transformation situées dans l'île?

M. MacKenzie: Est-ce que vous voulez dire au niveau de la ferme?

M. Pringle: Je situe ma question au niveau qui précède immédiatement l'industrie secondaire.

M. MacKenzie: Je dois répondre oui à cette question. Il y a suffisamment d'espace d'entreposage sur l'île.

M. Pringle: C'était tout ce que j'avais à demander, monsieur le président.

Le président: Auriez-vous d'autres questions à poser. Monsieur Skoberg?

M. Skoberg: Monsieur le président, est-ce que vous avez suffisamment de wagons ferroviaires pour effectuer toutes vos livraisons?

M. MacKenzie: En ce moment, oui. Toutefois, au cours des dernières années, nous avons éprouvé beaucoup de difficultés surtout pendant les mois de mars et d'avril. Le National-Canadien, à partir d'octobre au moins, nous a donné un meilleur service qu'au cours des années précédentes. Mars et avril approchent rapidement et, préoccupés comme nous le sommes par les conditions de la navigation, nous espérons que nous n'aurons pas ce problème cette année. Mais ce fut, par le passé, de véritables problèmes.

M. Thomas (Moncton): Monsieur MacKenzie, pourriez-vous préciser la déclaration que vous faites à la page 2 de votre mémoire? Il semble y avoir un certain problème your la remise des feuilles d'expédition. Est-ce que vous voulez dire que la fermeture de certaines gares d'expédition par le National-Canadien, ajoutée au fait que certaines gares ne sont pas ouvertes le dimanche, causent des ennuis aux expéditeurs et que la livraison de leurs produits est retardée parce qu'ils ne peuvent obtenir leurs feuilles d'expédition?

M. MacKenzie: Oui, c'est juste. Prenons, par exemple, le cas d'un expéditeur de Summerside qui a un chargement à Souris, localité située dans la partie est de l'Île.

[*Text*]

farmer who is loading this particular car comes in on Friday evening and he is prepared to load it on Saturday. If this shipper in Summerside mails the bills to Souris it is quite conceivable that they will not get down there until Monday morning or perhaps Tuesday morning.

Mr. Thomas (Moncton): And the car cannot go?

Mr. MacKenzie: If the car is loaded on Friday the car cannot go.

Mr. Thomas (Moncton): You mean the car could be sitting there from Saturday until Monday or Tuesday?

Mr. MacKenzie: That is right, and it happens very frequently.

Mr. Thomas (Moncton): Has your Board made representations to the Canadian National Railways about this? Is there some way they can correct it?

Mr. MacKenzie: This request was made to the CNR a year ago last fall. I do not know what clerical difficulties they could see in it, but they apparently had some clerical differences. Our contention is that if that bill were presented to CNR say in Summerside, then they would process that bill and start that car rolling.

Mr. Thomas (Moncton): Do you have many small way stations of this type?

Mr. MacKenzie: Yes, there are 33 way stations on the Island. There are many more loading points than there are way stations and then again there are many stations closed on Saturdays.

Mr. Thomas (Moncton): So if a shipping point has no way station they have to make out the bill of lading and mail it to the nearest way station before the car can move.

Mr. MacKenzie: Yes, that is right.

Mr. Trudel: Mr. MacKenzie, I understand the bulk of your shipments are by rail?

Mr. MacKenzie: Yes.

Mr. Trudel: You have indicated in your brief, sir, that there has been a growth of 25 per cent, I believe, over a five-year period in the potato industry in the province. Did I get that correctly?

[*Interpretation*]

Disons que le fermier qui a ce wagon en particulier arrive le vendredi soir et qu'il est prêt à faire le chargement le samedi si cet expéditeur poste ses feuilles d'expédition pour Souris, il se peut fort bien que cette feuille de route n'y parvienne pas avant lundi matin ou même mardi matin.

M. Thomas (Moncton): Et le wagon ne peut partir?

M. MacKenzie: Si le wagon est chargé le vendredi, il ne pourra partir.

M. Thomas (Moncton): Vous voulez dire que le wagon pourrait être immobilisé du samedi au lundi ou même mardi?

M. MacKenzie: C'est exact. Et cela se produit souvent.

M. Thomas (Moncton): Est-ce que votre Office a fait des démarches auprès du National-Canadien pour corriger cette situation?

M. MacKenzie: La demande a été faite au National-Canadien, il y a un an l'automne dernier. Je ne sais pas quelles sont les difficultés administratives qu'ils y voyaient, mais, apparemment, ils voyaient des désavantages à cette nouvelle procédure. Nous prétendons que si cette feuille d'expédition était présentée au National-Canadien, disons à Summerside, alors, le chargement pourrait être inscrit et le wagon pourrait être acheminé.

M. Thomas (Moncton): Est-ce qu'il y a bon nombre de petites gares de ce genre?

M. MacKenzie: Oui, il y en a 33 sur cet île. Il y a beaucoup plus de centres de chargement que de petites gares et plusieurs gares sont fermées le samedi.

M. Thomas (Moncton): Ainsi, si un centre d'expedition n'a pas de petite gare qui y est juxtaposée, alors il faut faire la feuille d'expédition et l'envoyer à la gare la plus rapproché avant que ces wagons puissent être acheminés.

M. MacKenzie: C'est juste.

M. Trudel: Monsieur MacKenzie, je crois comprendre que la majorité de vos expéditions se font par rail.

M. MacKenzie: Oui.

M. Trudel: Vous avez indiqué, dans votre mémoire, que vous avez eu une augmentation de 25 p. 100 sur une période de cinq ans pour la production des pommes de terre dans la province. Est-ce que j'ai bien compris?

[*Texte*]

Mr. MacKenzie: Yes.

Mr. Trudel: Could you relate this, sir, to the growth of the potential Canadian market?

Mr. MacKenzie: The real potential market is to the south of us. Again, if you bring in water shipment I feel this is a real potential growth area. This may depend on containerized water shipment. I do not know just how much real potential growth we have in our Quebec and Ontario markets. But certainly I think our real growth is south.

Our exports are up this year. We export particularly seed. We export seed to Greece, Venezuela and enjoy quite a table export business in Puerto Rico along with the West Indies area in general—the Caribbean area.

Mr. Trudel: Would you care to put a percentage sir, on the export as compared to the domestic market?

Mr. MacKenzie: Our exports have shown the greater percentage of increase.

Mr. Trudel: It would be what—60 per cent?

Mr. MacKenzie: Over the last year, you mean?

Mr. Trudel: Yes.

Mr. MacKenzie: I would say this year roughly 60 per cent, yes.

Mr. Trudel: Now, you have also indicated your endorsement of the causeway with rail facilities and I would like to relate this to the figure that you used of $80 million that are being imported to the province from the Ontario and Quebec markets, the overall importation. Could you, sir, by the same token give us an idea of the export market in the over-all market that is going out from here towards either the southern market that you have mentioned or the Canadian market?

Mr. MacKenzie: You mean, dollar-wise?

Mr. Trudel: Dollar-wise.

Mr. MacKenzie: This varies greatly from year to year. I would judge this year the total value would not exceed $10 million, although two years ago I think DBS figures show that it was to the value of $24 million.

[*Interprétation*]

M. MacKenzie: Oui.

M. Trudel: Pourriez-vous rattacher cela à la croissance du marché éventuel au Canada?

M. MacKenzie: La véritable possibilité d'expansion du marché se trouve au sud. Une fois de plus, si vous tenez compte du transport maritime, je trouve que le sud présente une véritable possibilité d'expansion de marché. Tout dépendra des avantages que pourra apporter l'utilisation des conteneurs dans les expéditions maritimes. Je ne pourrais vous dire quelles sont les possibilités d'expansion éventuelle sur les marchés de Québec et d'Ontario. C'est au sud, je crois, que notre marché peut prendre le plus d'expansion. Nos exportations sont à la hausse cette année. Nous exportons surtout des semences vers la Grèce et le Venezuela, mais nous avons un bon marché à Porto-Rico, ainsi que dans la région des Antilles en général.

M. Trudel: Pourriez-vous nous donner le pourcentage des exportations en comparaison avec le marché intérieur?

M. MacKenzie: Ce sont nos exportations qui ont connu la plus forte augmentation.

M. Trudel: De l'ordre de combien? Soixante pour cent?

M. MacKenzie: Par rapport à l'an passé?

M. Trudel: Oui.

M. MacKenzie: Je dirais que l'augmentation est d'à peu près 60 p. 100.

M. Trudel: Vous avez aussi indiqué que vous étiez en faveur du projet de construction d'une chaussée avec voie ferrée et j'aimerais rattacher cette question aux chiffres que vous avez utilisés, soit 80 millions de dollars d'importations dans votre province de marchandises provenant de l'Ontario et du Québec. Pourriez-vous nous donner, par la même occasion, des détails sur les marchés d'exportation de vos marchandises, soit vers le sud, soit dans les autres provinces du Canada.

M. MacKenzie: Vous voulez dire en dollars?

M. Trudel: En dollars.

M. MacKenzie: Les chiffres varient d'une année à l'autre. Je dirais que cette année, que la valeur totale ne dépasse pas 10 millions de dollars, bien qu'il y a deux ans, le Bureau fédéral de la statistique nous indiquait que nos exportations étaient de l'ordre de 24 millions.

[*Text*]

Mr. Trudel: The reason I asked the question, Mr. MacKenzie, is because we have been told by various people that 90 per cent of the time some of the facilities going one way or the other are not being used, and that was my reason for trying to establish a relationship between the two.

Thank you, Mr. Chairman.

Mr. Rock: You were speaking about the quantity of potatoes you sell, but could you tell me what the price is of a 50-pound bag before it leaves the Island?

Mr. MacKenzie: What is the price? To the producer today?

Mr. Rock: Yes, that is right; to the producer? No, No. What is the market price of a 50-pound bag of potatoes before it leaves the Island?

Mr. MacKenzie: Do you mean what is the value of a carload when it is loaded ready to ship off the Island? Is that your question? I do not quite follow you.

Mr. Rock: No. You see, as a consumer I know what we have to pay in Montreal for a 50-pound bag of potatoes. I would be interested to know, before it leaves the Island, what price do you get for that 50-pound bag of potatoes.

Mr. MacKenzie: Basically on 75 cents on today's market.

Mr. Rock: Before it leaves?

Mr. MacKenzie: Right.

Mr. Rock: Thank you. Do you find any difficulty in finding shipping space on ships going to the Caribbean?

Mr. MacKenzie: It has been very rough this winter, particularly due to the strike on the U.S. coast, but basically space is usually available from Halifax or Saint John.

Mr. Rock: There are no ships discontinuing their routes? You do not find any ships discontinuing their routes to the Caribbean?

Mr. MacKenzie: Quite a number of lines have dropped out of the Caribbean, but the Saguenay Shipping in particular—maybe I should not name names here...

Mr. Rock: I think you should.

Mr. MacKenzie: I should not, I am sorry.

[*Interpretation*]

M. Trudel: Je vous en parle parce que différents témoins nous ont dit que, la plupart du temps, certaines installations allant dans un sens ou dans l'autre ne sont pas utilisées et j'aimerais établir la relation qui existe entre les deux. Merci beaucoup, monsieur le président.

M. Rock: Vous parliez de vos ventes de pommes de terre pourriez-vous me dire quel est le prix d'un sac de 50 livres avant qu'il quitte l'Île?

M. MacKenzie: Le prix pour le producteur?

M. Rock: Oui, c'est juste, pour le producteur. Non, non. Quel est le prix sur le marché pour un sac de 50 livres de pommes de terre avant qu'il ne quitte l'Île.

M. MacKenzie: Vous voulez dire quelle est la valeur d'un wagon rempli de pommes de terre alors qu'on est prêt à l'expédier à l'extérieur? Est-ce là votre question? J'ai du mal à comprendre où vous voulez en venir.

M. Rock: Non. Voici: en tant que consommateur, je sais ce que nous devons payer à Montréal pour un sac de 50 livres de pommes de terre. Je voudrais savoir le prix que vous obtenez pour un sac de 50 livres avant qu'il ne quitte l'Île?

M. MacKenzie: A peu près 75 cents sur le marché d'aujourd'hui.

M. Rock: Avant son départ?

M. MacKenzie: C'est juste.

M. Rock: Merci. Avez-vous déjà eu des difficultés à trouver de l'espace à bord des navires à destination des Caraïbes?

M. MacKenzie: Oui, ce fut très difficile cette année, à cause surtout de la grève sur la côte est des États-Unis; mais, généralement, on peut trouver de l'espace à Saint-Jean ou à Halifax.

M. Rock: Il n'y a pas de navires qui abandonnent leur trajet? Est-ce qu'il y a des navires qui abandonnent le trajet vers les Caraïbes?

M. MacKenzie: En effet, plusieurs sociétés de navigation ont abandonné la route maritime des Caraïbes, mais la Saguenay Shipping, en particulier— ; peut-être vaudrait-il mieux ne pas donner de noms ici.

M. Rock: Je crois que vous pouvez.

M. MacKenzie: Je ne devrais pas, je m'excuse.

[*Texte*]

Mr. Rock: You should.

Mr. MacKenzie: There is still service into the Caribbean that has met our requirements.

Mr. Rock: The reason I was asking that question about the ships to the Caribbean is because we have had, I believe, one complaint that when a ship does drop out of service you have no recourse. You cannot make a complaint to anyone. There is no board to govern such a case as there is if you want to drop out of the freight services, and things like that. This is the reason I was asking that question.

Are you concerned that there is no board to appeal to in case a shipping firm wants to discontinue shipping service in the area going to the Caribbean or anywhere else?

Mr. MacKenzie: This is a very, very real and very true problem. If one line dropped out of Halifax we have had the course when it comes to the Caribbean.

The Chairman: Mr. McGrath?

Mr. McGrath: Mr. Chairman, could the witness tell us approximately what percentage of the potato production of Prince Edward Island goes to Newfoundland?

Mr. MacKenzie: I believe it would be somewhere around 12 per cent.

Mr. McGrath: Are you including Labrador in that figure?

Mr. MacKenzie: I would think that figure would be generous enough to include both Labrador and Newfoundland.

Mr. McGrath: I realize, Mr. Chairman, that this is a matter of record but I asked the question to facilitate the study of our evidence and the drafting of our report. What is the subsidy, both federal and provincial, on the M. V. Gaspesien which goes to St. John's, Newfoundland?

Mr. MacKenzie: I do not have that information.

An hon. Member: It is roughly $100,000.

Mr. McGrath: I thought it was $80,000 federal and $20,000 provincial. Is that approximately it?

Mr. MacKenzie: Yes.

[*Interprétation*]

M. Rock: Vous devriez.

M. MacKenzie: Il y a toujours un service de transport maritime pour les Caraïbes et il satisfait à nos besoins.

M. Rock: La raison pour laquelle je posais la question au sujet des navires à destination des Caraïbes, c'est qu'il y a un grief qui a été formulé à l'effet qu'advenant la discontinuation du service par un navire, vous n'avez plus aucun recours, vous ne pouvez formuler de grief à quiconque. Il n'y a pas d'organisme de régie pour régler de tels cas comme il y en a si vous discontinuez un service de transport de marchandises ou autre service du genre. Voilà pourquoi je pose cette question. Est-ce que vous vous inquiétez du fait qu'il n'y ait pas d'organisme de régie à laquelle vous pourriez en appeler si une société désire interrompre son service dans une région donnée, dans les Caraïbes ou ailleurs.

M. MacKenzie: C'est sans doute un grave problème. Ainsi, lorsqu'une société maritime a discontinué son service à Halifax, nous avons eu des difficultés pour l'expédition aux Caraïbes.

Le président: Monsieur McGrath.

M. McGrath: Monsieur le président, le témoin pourrait-il nous dire quel pourcentage de la production de pommes de terre de l'Île-du-Prince-Édouard est dirigée vers Terre-Neuve?

M. MacKenzie: Environ 12 p. 100.

M. McGrath: Incluez-vous le Labrador dans ce chiffre?

M. MacKenzie: Je crois que cela serait assez important pour comprendre le Labrador et Terre-Neuve.

M. McGrath: Je sais, monsieur le président, que c'est une question pour le compte rendu, mais j'ai posé la question pour faciliter l'étude de notre témoignage et pour nous aider aussi à rédiger notre rapport. Quelle subvention, fédérale et provinciale, est accordée au *M. V. Gaspésien* qui va à Saint-Jean (Terre-Neuve)?

M. MacKenzie: Je n'ai pas ces renseignements.

Une voix: C'est environ $100,000.

M. McGrath: Je croyais que c'était $80,000, du fédéral et $20,000 du provincial. Est-ce à peu près ce qu'il en est?

M. MacKenzie: Oui.

[*Text*]

Mr. McGrath: I asked that question to get it on the record, Mr. Chairman.

What is the subsidy on the P.E.I.-Seven Islands route on the M. V. Souris Trader?

Mr. MacKenzie: I believe it is around $80,000.

Mr. McGrath: Would that be the same provincial-federal proportion—$60,000 federal and $20,000 provincial?

Mr. MacKenzie: I believe it is $40,000 federal and $38,000 provincial.

Mr. McGrath: Would the produce in connection with the service going to Seven Islands be destined for the Labrador market?

Mr. MacKenzie: Going to Seven Islands?

Mr. McGrath: Seven Islands, for example, is the shipping point for Labrador City and Wabush.

Mr. MacKenzie: I think Mr. Farquharson is more familiar with this particular part of it than I am.

Mr. Robert Farquharson (Prince Edward Island Potato Marketing Board, Charlottetown, Prince Edward Island): I doubt if there is very much goes by way of Seven Islands to Labrador. Normally it goes by rail to North Sydney, steamship to Port aux Basques, Port aux Basques to a point north of Corner Brook and thence steamer across to Labrador City.

Mr. McGrath: How can you get to Labrador City, which is in western Labrador, by steamer?

Mr. Farquharson: There is a steamship service from northern Newfoundland across to Labrador.

Mr. McGrath: To Seven Islands.

Mr. Farquharson: I thought you were asking me...

Mr. McGrath: No, no. The point I am making is that this appears to me to be a very inefficient way to get your produce into western Labrador. I assumed that this P.E.I.-Seven Islands service was going into western Labrador, but if you are shipping it to Newfoundland and then shipping it back to Labrador this is about the most inefficient way you have of getting your produce into Labrador.

[*Interpretation*]

M. McGrath: J'ai posé la question pour la consigner au compte rendu, monsieur le président. Quelle est la subvention accordée pour la route Î.-P.É.-Sept-Îles le *M.V. Souris Trader*?

M. MacKenzie: Environ $80,000.

M. McGrath: Est-ce que ce serait la même proportion fédérale-provinciale, soit $60,000 et $20,000?

M. MacKenzie: Je pense que c'est $40,000, pour le fédéral et $38,000 pour le provincial.

M. McGrath: Est-ce que le produit relié au service allant à Sept-Îles serait destiné au Labrador?

M. MacKenzie: Allant à Sept-Îles?

M. McGrath: Disons, s'il va à Sept-Îles. Est-ce que le point d'expédition est Labrador City et Wabush?

M. MacKenzie: Je vais laisser le soin de répondre à M. Farquharson.

M. R. Farquharson (Office de commercialisation des pommes de terre de l'Île-du-Prince-Édouard, Charlottetown (Î.-P.-É.): Je ne crois pas qu'il y ait tellement d'expéditions au Labrador par Sept-Îles. Habituellement, tout se fait par chemin de fer jusqu'à North Sydney, et ensuite par bateau jusqu'à Port-aux-Basques, de là jusqu'à un endroit au nord de Corner Brook, et ensuite par navire jusqu'à Labrador City.

M. McGrath: Comment pouvez-vous aller à Labrador City, par navire, alors que cette ville est dans la partie ouest?

M. Farquharson: Il y a un service maritime de la partie nord de Terre-Neuve jusqu'au Labrador.

M. McGrath: Jusqu'à Sept-Îles.

M. Farquharson: Je croyais que vous me demandiez...

M. McGrath: Non, non. Ce à quoi je veux en venir, c'est qu'il me semble que ce soit une méthode très inefficace d'acheminer votre produit vers l'ouest du Labrador. Je supposais que ce service de l'Île-du-Prince-Édouard à Sept-Îles allait dans la partie ouest du Labrador, mais si vous l'expédiez à Terre-Neuve pour ensuite le renvoyer au Labrador c'est, à mon avis, une méthode très peu efficace d'acheminer votre produit au Labrador.

[*Texte*]

Mr. Farquharson: I mentioned Labrador City, but I was wrong. There is another town out there.

Mr. McGrath: Churchill Falls?

Mr. Farquharson: No.

Mr. McGrath: The North West River?

An hon. Member: Happy Valley?

Mr. Farquharson: Yes, Happy Valley.

Mr. McGrath: Yes, but this does not get you into the western Labrador market of Labrador City and Wabush.

Mr. Farquharson: We have not shipped to Labrador City or Wabush so I cannot really answer that, but I doubt very much if very much goes by way of Seven Islands from P.E.I.

Mr. McGrath: Is it a fact that in connection with this subsidized service on the M.V. Gaspesien to St. John's, Newfoundland, that this vessel comes back empty?

Mr. Farquharson: Yes.

Mr. McGrath: Of course you could not answer this but I was going to pose the question whether there has been any attempt made to have return cargoes on the vessel and hence, I would suggest, help reduce the subsidy?

My last question, Mr. Chairman, is one that rather intrigues me. Realizing the importance of the Newfoundland market to P.E.I., being agriculturally deficient as we are, would it not be in the interest of the P.E.I. Potato Marketing Board to establish warehouse facilities and an office in Newfoundland to ensure that you are getting good products there—because there have been a number of complaints about the quality of P.E.I. potatoes going into Newfoundland. Of course everybody recognizes that P.E.I. potatoes are the best in the world, but the fact remains that less than the best are getting into Newfoundland. Do you have any comment on that?

Mr. Farquharson: There again, maybe transportation can really gum up a good product before it gets in there if it is handled a great number of times. We have heard complaints and we fell that they are justified on behalf of Newfoundlanders, but I think a great deal of it can be traced back to transportation and transportation problems—be-

[*Interprétation*]

M. Farquharson: J'ai mentionné Labrador City, mais j'avais tort. C'est une autre ville dans cette partie-là.

M. McGrath: Churchill Falls?

M. Farquharson: Non.

M. McGrath: North West River?

Une voix: Happy Valley?

M. Farquharson: Oui, Happy Valley.

M. McGrath: Ce qui fait que vous n'allez pas au marché de l'ouest du Labrador, de Labrador City et de Wabush.

M. Farquharson: Nous n'avons pas expédié à Labrador City ou Wabush; je ne peux donc vous répondre, mais je doute fort qu'il y ait beaucoup de produit provenant de l'Île-du-Prince-Édouard qui passe par Sept-Îles.

M. McGrath: Est-ce vrai que dans ce service subventionné sur le *M.V. Gaspésien*, qui va à Saint-Jean (Terre-Neuve), ce navire revient à vide?

M. Farquharson: Oui.

M. McGrath: Naturellement vous ne pourriez pas répondre à ma question, mais enfin je voulais savoir s'il a vraiment essayé d'avoir une cargaison pour le retour et cela aiderait à diminuer la proportion des subventions.

Une dernière question, monsieur le président. Une question qui m'intrigue un peu parce que je me rends compte de l'importance du marché de Terre-Neuve pour l'Île-du-Prince-Édouard, vu notre carence de produits agricoles. Est-ce qu'il ne serait pas dans l'intérêt de l'Office de commercialisation des pommes de terre de l'Î.-P.-É. d'avoir des entrepôts à Terre-Neuve et un bureau pour vous assurer que vous aurez de bons produits, parce qu'il y a eu un certain nombre de plaintes formulées sur la qualité des pommes de terre de l'Île-du-Prince-Édouard allant à Terre-Neuve. Tout le monde sait très bien que ces pommes de terre sont les meilleures au monde, mais, enfin, le fait demeure que, du moins, une qualité inférieure nous arrive à Terre-Neuve. Avez-vous des commentaires à ce sujet?

M. Farquharson: Une fois de plus, le transport peut vraiment coller un bon produit avant qu'il n'arrive à destination. S'il est manipulé plusieurs fois. Nous avons entendu ces plaintes de la part des Terre-Neuviens et nous sommes d'avis qu'elles sont justifiées. Mais, je pense qu'on peut rattacher cela au transport et aux problèmes de transport, car

[*Text*]

cause every time you handle potatoes you are not helping the product, you are harming it.

Mr. McGrath: What, in your opinion, is the best way to get your produce to the Newfoundland market?

Mr. Farquharson: I think I would have to go along with the Premier's remarks this morning when he was talking about roll-on and roll-off service. In other words, we as growers can pack this material and roll it on to the boat and then you, as receiver, are the next man that handles it. Then, as a grower, I have a certain responsibility which can be traced back to me, and if I am not doing the right job you can try somebody else along the line. As it is now, you lose control and it is very difficult to ascertain just who is at fault here. Is it the grower, the shipper, or the transporter. The more people that you get involved in it the more difficult the problem becomes.

Mr. McGrath: You maintain that transportation is at fault here.

Mr. Farquharson: It is one of the factors, and perhaps the big factor.

Mr. McGrath: I just have one comment, if I may, Mr. Chairman. There is a very interesting geological theory that when the Great Ice Cap swept down the North American continent and separate Newfoundland from the mainland it dumped all the top soil off Newfoundland into the Gulf and here we have Prince Edward Island. Consequently they grow the potatoes and we cannot.

Mr. Corbin: Mr. Chairman, I would like to raise a question of privilege, please. I take strong exception to Mr. McGrath's remarks to the effect that Prince Edward Island produces the best potatoes. Coming from the upper Saint John Rivr Valley, I think we compete equally well in this market.

The Chairman: Order, please.

Mr. Turner (London East): Mr. MacKenzie, could you tell the Committee whether the CNR made application for a trucking licence on the Island?

Mr. MacKenzie: Do you mean concerning potato movement or LCL shipments?

[*Interpretation*]

chaque fois que vous manipulez les pommes de terre, vous n'aidez pas le produit, vous l'abîmez.

M. McGrath: Quelle est la meilleure façon d'acheminer votre produit vers le marché de Terre-Neuve?

M. Farquharson: Il nous faut convenir avec le premier ministre de l'île, dans ses observations de ce matin, lorsqu'il parlait de chargement et de déchargement automatiques. En tant que producteurs, on peut empaqueter le produit et le charger automatiquement à bord des navires et ensuite, vous, en tant que récipiendaire, vous êtres le prochain à le manipuler. En tant que producteur, j'ai une certaine responsabilité qui peut m'être imputée, et si je ne fais pas un bon travail, on va essayer quelqu'un d'autre. De la façon dont cela se fait maintenant, vous pouvez finir par perdre le contrôle, et il est très difficile de savoir de façon certaine qui est responsable, l'expéditeur, le producteur, ou le transporteur. Plus il y a de personnes qui sont des intermédiaires, plus le problème est grand.

M. McGrath: Vous soutenez que c'est le transport qui est responsable?

M. Farquharson: C'est sans doute un des facteurs. Peut-être le grand facteur.

M. McGrath: J'aurais ainsi une observation à faire, si on veut bien me le permettre, monsieur le président. C'est une théorie géologique très intéressante, savoir, lorsque le Grand glacier blanc a balayé le continent nord-américain et a séparé Terre-Neuve du continent, toute la bonne terre est tombée dans le golfe et été poussée pour former l'Île-du-Prince-Édouard. Maintenant, celle-ci cultive les pommes de terre, et nous, nous ne le pouvons pas.

M. Corbin: Monsieur le président, je voudrais soulever une question de principe, et je m'en prends aux observations de M. McGrath portant que l'Île-du-Prince-Édouard produit les meilleures pommes de terre. Comme je viens du haut de la vallée de la rivière Saint-Jean, je crois que nous pouvons très bien lui faire une concurrence égale dans ce domaine.

Le président: A l'ordre, s'il vous plaît.

M. Turner (London-Est): Monsieur MacKenzie, pourriez-vous dire au Comité si le National Canadien a présenté une demande de permis de camionnage sur cette île.

M. MacKenzie: Vous voulez dire au sujet du transport des pommes de terre ou des envois en lots brisés?

[*Texte*]

Mr. Turner (London East): Potato movement or LCL shipments.

Mr. MacKenzie: Again, I do not want to speak out of turn here, but I understand they made application for trucking LCL but not for potato movement.

Mr. Turner (London East): If they did make an application would your industry oppose it?

Mr. MacKenzie: No, our industry would not oppose it, but we are led to believe that it is more economical to move straight carloads rather than, say, piggyback service.

Mr. Turner (London East): Does your industry use any of your own trucks?

Mr. MacKenzie: Do you mean for interprovincial transportation?

Mr. Turner (London East): Yes.

Mr. MacKenzie: I would say no to that.

Mr. Turner (London East): Could you use piggyback service out of the Island to the mainland if the railroad provided a piggyback service on the mainland?

Mr. MacKenzie: We could use it, yes.

Mr. Turner (London East): Thank you.

The Chairman: Mr. Nesbitt?

Mr. Nesbitt: I have a few brief questions, Mr. Chairman. What is the price per bag at the present time that the average farmer here on the Island receives for a bag of No. 1 quality potatoes?

Mr. MacKenzie: As of today?

Mr. Nesbitt: Yes.

Mr. MacKenzie: I would say basically one cent a pound.

Mr. Nesbitt: Yes.

Mr. MacKenzie: A 100 pound bag would be $1 a bag today.

Mr. Nesbitt: What percentage of your crop normally goes to the Province of Ontario?

Mr. MacKenzie: I would say that 40 per cent goes to the Province of Ontario.

Mr. Nesbitt: Forty per cent?

Mr. MacKenzie: From 40 to 50 per cent.

[*Interprétation*]

M. Turner (London-Est): Soit pour l'un ou l'autre.

M. MacKenzie: Je ne veux voler le tour de personne, mais je pense qu'ils ont demandé un permis de camionnage, un permis de camionnage pour les envois en lots brisés, mais non pour les pommes de terre.

M. Turner (London-Est): Est-ce que votre industrie s'y opposerait si le CN en faisait la demande?

M. MacKenzie: Non, on ne s'y opposerait pas. Mais nous sommes portés à croire que c'est plus rentable de faire des chargements complets que le service de remorque rail-route.

M. Turner (London-Est): Est-ce que vous êtes propriétaire de certains camions?

M. MacKenzie: Voulez-vous dire pour le transport interprovincial?

M. Turner (London-Est): Oui.

M. MacKenzie: C'est non, dans ce cas.

M. Turner (London-Est): Est-ce que vous pourriez avoir recours au service de remorque rail-route à partir de l'île vers le continent, les chemins de fer fournissant un service de remorque rail-route sur le continent?

M. MacKenzie: Oui, on pourrait s'en servir.

M. Turner (London-Est: Merci.

Le président: Monsieur Nesbitt?

M. Nesbitt: J'aurais quelques questions très brèves à poser, monsieur le président. Quel est le prix que l'agriculteur moyen de l'île reçoit pour un sac de pommes de terre n° 1?

M. MacKenzie: Aujourd'hui?

M. Nesbitt: Oui.

M. MacKenzie: Fondamentalement, je dirais 1 cent par livre.

M. Nesbitt: Excusez-moi?

M. MacKenzie: Un sac de 100 livres serait 1 dollar aujourd'hui.

M. Nesbitt: Quel pourcentage de votre récolte est ordinairement acheminé vers la province de l'Ontario?

M. MacKenzie: En Ontario, je dirais 40 p. 100.

M. Nesbitt: 40 p. 100?

M. MacKenzie: De 40 à 50 p. 100.

[*Text*]

Mr. Nesbitt: That is good enough. Is there any special rate per bag?

Mr. MacKenzie: There is an agreed freight rate, yes.

Mr. Nesbitt: Could you tell us what it is?

Mr. MacKenzie: Into Toronto it is 65 cents a hundred.

Mr. Nesbitt: Sixty-five cents a hundred.

Mr. MacKenzie: Plus your heating charge which represents about 7 cents a hundred at the moment.

Mr. Nesbitt: Do you have any idea of what Island potatoes retail for in Ontario?

Mr. MacKenzie: I cannot answer too specifically, I can give you an experience of a couple of years ago. I bought in one of your leading chain stores two 10-pound bags of our own potatoes. I paid 59 cents for them and the most that they could have paid for them would be 28 cents because our company sold them in cars at 28, 29 and 30 cents.

Mr. Nesbitt: Thank you. Do you think there is any likelihood or prospect of improvement of sales of your very excellent quality potatoes? I will not say they are the best in the world because, like Mr. Corbin, I grow potatoes too. But they are as good as anybody else's. We will put it that way.

Mr. MacKenzie: Thank you.

Mr. Nesbitt: Do you think there is a prospect of improving sales in Ontario?

Mr. MacKenzie: Yes, we hope so. I think we have been holding our own and gaining a little larger percentage of the Ontario market.

Mr. MacKenzie: Who is your chief competitor in the Ontario market?

Mr. MacKenzie: Today, Ontario would probably be our chief competitor.

Mr. Nesbitt: Fine, thank you.

Mr. Perrault: A supplementary, Mr. Chairman. What is your effective marketing area? Do you go beyond Ontario borders?

[*Interpretation*]

M. Nesbitt: C'est assez bon. Est-ce qu'il y a un tarif spécial par sac?

M. MacKenzie: Oui, un tarif sur lequel nous nous sommes entendus.

M. Nesbitt: Pourriez-vous nous dire combien il est?

M. MacKenzie: A Toronto, 65 cents les cent livres.

M. Nesbitt: 65 cents les cent livres.

M. MacKenzie: Plus les frais de chauffage qui représentent environ 7 cents par 100 livres dans le moment.

M. Nesbitt: Savez-vous quel est le prix de détail des pommes de terre de l'île, en Ontario?

M. MacKenzie: Je ne pourrais pas répondre trop précisément. Je pourrais dire qu'il y a quelques années, dans un de nos grands magasins à chaine, j'ai payé 59 cents pour deux sacs de nos pommes de terre et le plus qu'ils pourraient avoir payé serait 28 cents, parce que notre société les a vendues au char 28, 29 ou 30 cents.

M. Nesbitt: Je vous remercie. Croiriez-vous maintenant qu'il y a de bonnes perspectives d'amélioration dans la vente de vos pommes de terre d'excellente qualité? Je ne dirai pas qu'elles sont les meilleures au monde parce que comme M. Corbin, je cultive aussi des pommes de terre et qui sont aussi bonnes que celles de n'importe qui, laissez-moi vous le dire.

M. MacKenzie: Merci.

M. Nesbitt: Croyez-vous qu'il y a des perspectives d'améliorer les ventes en Ontario?

M. MacKenzie: Oui, nous l'espérons. Au fait, nous avons au moins gardé le même pourcentage, et avons gagné un plus fort pourcentage sur le marché ontarien.

M. Nesbitt: Quel est votre principal concurrent dans l'Ontario?

M. MacKenzie: A l'heure actuelle, c'est la province elle-même qui le serait.

M. Nesbitt: Bien, merci beaucoup.

M. Perrault: Une question supplémentaire, monsieur le président, s'il vous plaît? Quel serait votre débouché normal actuel? Est-ce que vous allez au-delà des frontières de l'Ontario?

[*Texte*]

Mr. MacKenzie: No. I would say as far as Fort William. There are exceptions sometimes, when go west.

The Chairman: Mr. MacLean?

Mr. MacLean: Mr. MacKenzie, when the retail price of potatoes drops on the market does the grower take the whole decrease in price? Is it correct that although the freight cost is the same and other distribution costs are the same, when there is a fluctuation in the retail price of potatoes either up or down the grower is subject to almost the entire amount of that fluctuation?

Mr. MacKenzie: That is right, 99 per cent of it.

Mr. MacLean: In other words, nobody handling the crop between the producer and the consumer is interested in what the price is because it does not matter to him—he gets the same amount of business whether the price is low or high.

Mr. MacKenzie: That is true.

Mr. MacLean: Thank you.

Mr. Carter: Mr. Chairman, the Jenkins Brothers' brief says that the service presently being subsidized should be extended to include the major island shipping port of Summerside. I am wondering why it does not. Have representations been made to the federal and provincial government to have this port included?

Mr. MacKenzie: Yes, I understand there have been representations made.

Mr. Carter: Is the shipper responsible for designating ports of call?

Mr. MacIenzie: No, the shipper is not responsible.

Mr. Carter: But representation has been made to the federal government, I presume, to have this port included.

Mr. MacKenzie: Yes, there has been. I cannot say whether representation has been made within the past year, but it has been made in the past.

Mr. McGrath: A supplementary, Mr. Chairman.

Mr. Chairman: Mr. McGrath.

[*Interprétation*]

M. MacKenzie: Non, je dirais jusqu'à Fort William, seulement. Il y a parfois des exceptions évidemment, quand nous allons dans l'Ouest.

Le président: Monsieur MacLean.

M. MacLean: Monsieur MacKenzie, lorsque le prix de détail des pommes de terre baisse sur le marché est-ce que c'est le producteur qui subit la diminution entière? Est-ce exact que, bien que le tarif marchandises soit le même et que les autres frais de distribution soient les mêmes, lorsqu'il y a une fluctuation dans le prix de détail des pommes de terre, que ce soit augmentation ou diminution, le producteur doit absorber presque tout le montant de cette fluctuation? Est-ce exact?

M. MacKenzie: Oui, vous avez raison, il doit en absorber 99 p. 100.

M. MacLean: En d'autres termes, personne, parmi les intermédiaires entre le producteur et le consommateur, n'est intéressé au prix, car peu lui importe, il a le même chiffre d'affaires que le prix soit bas ou élevé.

M. MacKenzie: C'est vrai.

M. MacLean: Merci.

M. Carter: Monsieur le président, le mémoire *Jenkins Brothers* dit que le service subventionné à l'heure actuelle devrait être étendu pour inclure le plus grand port d'expédition de l'île, soit Summerside. Je me demande pourquoi il ne l'est pas. Est-ce qu'on a présenté des instances aux gouvernements fédéral et provincial pour inclure ce port?

M. MacKenzie: Oui. Je crois comprendre qu'il y a eu des instances.

M. Carter: Est-ce que l'expéditeur est chargé de désigner les ports?

M. MacKenzie: Non, ce n'est pas l'expéditeur.

M. Carter: Mais je suppose qu'on a présenté des instances pour que ce port soit inclus?

M. MacKenzie: Oui, il y en a eu. Je ne saurais dire si cela s'est fait depuis un an, mais cela s'est fait dans le passé.

M. McGrath: Une question supplémentaire, monsieur le président.

Le président: Monsieur McGrath.

[*Text*]

Mr. McGrath: Would it make any sense to have this vessel loaded with gravel coming back?

Mr. MacKenzie: I think it would be at a fair premium. I know that a number of years ago they were bringing back cement. Just what happened in that particular trade I cannot say, but about five or six years ago they brought cement back.

Mr. McGrath: Mr. Chairman, that was a serious question, because we are concerned with the fact that this is a one-way trade; we do not seem to be able to sell anything to P.E.I.

Mr. MacKenzie: I think all soil from Newfoundland is more or less quarantined because of the potato wart. So I am afraid we would not move in their gravel.

Mr. Rock: Does the farmer bring his potatoes to a central point or do you pick up the potatoes? You said the growers receive a cent a pound for their potatoes. For that price, do they have to ship their potatoes, to a central point?

Mr. MacKenzie: Yes. Actually, if you look at the map of P.E.I., we have about 33 or 34 central points with the CNR passing right down through the middle of the Island.

Mr. Rock: You mentioned that before they leave the Island you receive 75 cents for 50 pounds, which is $1.50 per 100 pounds. There is a 50 per cent differential between what the farmer gets for his potatoes and what you people receive for the potatoes before it leaves the Island. Why is there that 50 per cent differential?

Mr. MacKenzie: From the farmers and what they receive?

Mr. Rock: That is right. The question I asked you previously was, how much does it cost for a 50-pound bag of potatoes before it leaves the Island? And you said 75 cents.

Mr. MacKenzie: Yes.

Mr. Rock: This means you receive 75 cents for that. Someone else asked a question. How much does the farmer get for the potatoes? You said $1 per 100 pounds. There is a 50 per cent differential. You sell it for 1 cent a pound before it gets off the Island. Therefore, there is a 50 per cent differential, and I want to know why.

[*Interpretation*]

M. McGrath: Cela aurait-il du sens de faire charger ce navire de gravier pour le retour?

M. MacKenzie: Je pense que cela pourrait se faire à bon prix. Il y a des années, on rapportait du ciment. Je ne saurais dire ce qui est arrivé à ce commerce, mais on le faisait il y a 5 ou 6 ans.

M. McGrath: Monsieur le président, cela n'était pas une question sérieuse car ce qui nous préoccupe, c'est le fait que ce soit un commerce à sens unique seulement: il nous semble impossible de vendre quoi que ce soit à l'Île-du-Prince-Édouard.

M. MacKenzie: Je pense que tous les sols de Terre-Neuve sont plus ou moins mis en quarantaine à cause de la verrue de la pomme de terre. J'ai donc bien peur que nous n'acceptions pas leur gravier.

M. Rock: Est-ce que le cultivateur livre ses pommes de terre à un point central ou est-ce que vous les recueillez chez chaque cultivateur? Vous avez dit que les producteurs reçoivent un cent la livre pour leurs pommes de terre. Est-ce qu'il doit lui-même, à ce prix, expéditer ses produits à un endroit central?

M. MacKenzie: Oui. Si vous examinez la carte, vous verrez que nous avons 33 ou 34 points centraux, où passe le CN si vous passez par le milieu de l'Île.

M. Rock: Très bien. Et alors vous avez mentionné qu' avant que les pommes de terre quittent l'île, vous recevez 75 cents pour 50 livres, ce qui fait $1.50 par cent livre. Il y a donc une différence de 50 p. 100 entre ce que reçoit le cultivateur pour ses pommes de terre, et ce que vous recevez avant que les pommes de terre quittent l'Île? Pourquoi cette différence de 50 p. 100?

M. MacKenzie: Entre les fermiers et ce qu'ils reçoivent?

M. Rock: Oui. La question que je vous avait posée tout à l'heure, c'est combien coûte le sac de 50 livres de pommes de terre avant qu'il quitte l'Île? Vous avez répondu 75 cents.

M. MacKenzie: Oui.

M. Rock: Cela veut dire que vous recevez 75 cents pour cela. Quelqu'un d'autre vous a posé une question. Combien le cultivateur reçoit-il pour les pommes de terre? Vous avez dit $1 les 100 livres. Il y a une différence de 50 p. 100. Vous le vendez 1½ cent la livre. Il y a donc une différence de 50 p. 100 et je veux savoir pourquoi.

[*Texte*]

Mr. MacKenzie: We are dealing with 100 pounds of potatoes, so I as a farmer have got 100 pounds of potatoes to offer, so I have $1 coming. Involved there is 27 cents for a 100-pound bag. You may have a dime to 15 cents trucking charge from farmer A to this particular central point.

Mr. Rock: No, you said before he delivers that for that price to the central point.

Mr. MacKenzie: If I did, I excuse myself for that. You are using a price as to what you would get for a carload, and I gave you 75 cents for a carload loaded, which includes the container, trucking, inspection fees, and the whole bit. When I answered over here I was thinking about what the farmer receives for 100 pounds of potatoes. That is why I used the price of $1.

The Chairman: Gentlemen, this completes the question period. I want to thank you gentlemen for a very good brief.

I will call upon Douglas Brothers and Jones Incorporated. Shall it stand?

Some hon. Members: Agreed.

The Chairman: I will call upon the City of Charlottetown. Shall it stand?

Some hon. Members: Agreed.

The Chairman: Jenkins Brothers Limited. There is no brief from Jenkins Brothers Limited.

Gentlemen, I have on my right here, Mr. Phaneuf, and he will give us a resume of his brief. Will you go ahead, Mr. Phaneuf?

Mr. J. R. Phaneuf (Jenkins Brothers Limited): Mr. Chairman, members of the Standing Committee on Transport and Communications, gentlemen. This submission is made by Jenkins Brothers Limited, who are one of the larger shippers of LCL freight by Canadian National Railways from Summerside, P.E.I.

Since the implementation of Tariff Schedule No. 100 on September 5, 1967, shipping costs have increased anywhere from 33 per cent to 160 per cent. To substantiate this statement, attached is Schedule One which outlines a cost comparison on actual shipments. These charges can be verified by freight bills that I have in my possession.

Attached to the brief is Schedule Two which outlines the new freight schedule on 300, 500, 1,000, 2,000 and 5,000 pound ship-

[*Interprétation*]

M. MacKenzie: Nous parlons de 100 livres de pommes de terre, et moi, en tant que fermier, j'ai 100 livres de pommes de terre à offrir alors je reçois $1. Il y a là 27 cents pour un sac de 100 livres. Il y a peut-être de 10 à 15 cents en frais de camionnage du premier fermier jusqu'à ce point central.

M. Rock: Non, vous avez dit avant qu'il le livre à ce prix-là jusqu'au point central.

M. MacKenzie: Si je l'ai fait, je m'en excuse. Vous utilisez un prix pour ce que vous auriez pour une wagonnée, et je vous ai dit 75 cents pour une wagonnée chargée, ce qui comprend le contenant, le camionnage, les frais d'inspection etc...Quand j'ai répondu tout à l'heure, je pensais à ce que le cultivateur reçoit pour 100 livres de pommes de terre. C'est la raison pour laquelle, j'ai dit $1.

Le président: Messieurs, voilà la fin de la période de questions. Je tiens à vous remercier pour votre excellent mémoire.

Je demanderais maintenant à *Douglas Brothers and Jones, Inc.* de Charlottetown de présenter leur mémoire. Réservé?

Des voix: D'accord.

Le président: Je demanderais maintenant à la Ville de Charlottetown de présenter son mémoire.

La Ville de Charlottetown. Réservé?

Des voix: D'accord.

Le président : *Jenkins Brothers Limited.* Cette société n'a pas de mémoire.

Messieurs, à ma droite se trouve M. Phaneuf qui va nous donner un résumé de son mémoire. Monsieur Phaneuf.

M. J. R. Phaneuf (Jenkins Brothers Limited): Monsieur le président, messieurs les membres du Comité permanent des transports et des communications. Cette présentation est faite par *Jenkins Brothers Limited,* l'un des plus important expéditeurs de chargements de moins d'une wagonnée par le CNR à partir de Summerside (Î. P.-É.).

Depuis la mise en vigueur du tarif 100, le 5 septembre 1967, les frais d'expédition ont augmenté d'entre 33 et 160 p. 100. Pour vous en donner la preuve, nous avons l'annexe 1 qui vous donne une comparaison des prix sur les expéditions effectivement réalisées. Ces frais peuvent être vérifiés d'après les factures que j'ai en ma possession.

Nous avons joint au mémoire l'annexe n° 2 qui nous donne les nouveaux tarifs de fret sur les expéditions de 300, 500, 1,000, 2,000 et 5,000

[*Text*]

ments as compared to the old rate structure. These figures have been supplied to me by the Canadian National Railways. A quick comparison indicates a direct freight increase from 60 per cent to 160 per cent, depending on the freight weight classification that would apply on individual shipments.

As the Maritimes have not a heavy concentration of population like Ontario and Quebec, customers cannot handle large shipments which means a good number of shipments are in the 300-pound minimum category. As a result we are faced with an extremely high delivery cost.

Even though the old LCL freight rates are still available it is impossible for us to take advantage of them as many of our customers have not the vehicles to pick up shipments from the freight shed, and I refer specifically to the large chain stores.

The freight cost is an item that figures into our cost of doing business, and all shipments are on a prepaid basis. Last year freight costs were slightly over $7,000. As a matter of estimation, our calculated cost will soar to approximately $12,000 on our next year's operation. We do not feel we can absorb this extra burden, and therefore we will have to pass it on to the consumer. This in effect will increase the living cost in the Maritimes approximately 10 per cent if all manufacturing falls in line.

In regard to that statement in the last paragraph, gentlemen, our fiscal year ends on April 30 of each year, and at the end of 1968 our freight costs were $14,000. I took a quick look at our record before coming down here today, and as of January 31, 1969, we have already expended in freight rates $14,000.

The provinces of Prince Edward Island, Nova Scotia and New Brunswick are spending large sums of money to attract new industries. The new freight schedule now in effect will be a hindrance, and in fact it will discourage expansion in the Atlantic provinces.

It is our recommendation that the Canadian National Railways give careful consideration to reverting to the old freight rate schedule that was in effect prior to September 5, 1967.

The Chairman: Thank you, Mr. Phaneuf. Mr. Trudel.

Mr. Trudel: Mr. Chairman and Mr. Phaneuf, could you tell us the extent of the market that you cover?

[*Interpretation*]

livres comparativement à l'ancien barème. Ces chiffres m'ont été donnés par les Chemins de fer Nationaux du Canada. Une comparaison rapide révèle une augmentation directe du tarif-marchandise de 60 à 160 p. 100, selon la classification de poids qui s'appliquerait aux expéditions individuelles.

Comme les Maritimes n'ont pas de fortes concentrations démographiques, comme l'Ontario et le Québec, les clients ne peuvent prendre de fortes expéditions ce qui veut dire qu'un grand nombre d'expéditions sont dans la catégorie minimum de 300 livres. Il s'ensuit que nous devons faire face à des frais de livraison énormes.

Même si les anciens taux s'appliquant à moins d'une wagonnée existent toujours, il nous est impossible d'en profiter étant donné que plusieurs de nos clients n'ont pas les véhicules voulus pour cueillir les expéditions aux hangars de fret et je pense spécialement aux grands magasins de détail.

Les frais de transport des marchandises comptent dans nos frais d'exploitation et toutes les expéditions sont payées à l'avance. L'an dernier, les frais se sont élevés à un peu plus de $7,000. Comme estimation, notre coût calculé montera à environ $12,000 l'an prochain. Nous ne pensons pas pouvoir supporter ce fardeau additionnel, et nous devrons alors le faire supporter par le consommateur. Cela augmentera le coût de la vie d'environ 10 p. 100 dans les Maritimes, si toute l'industrie manufacturière suit notre exemple.

En ce qui concerne cette déclaration au dernier paragraphe, notre année financière se termine le 30 avril de chaque année, et à la fin de 1968, nos frais d'expédition étaient de $14,000. J'ai rapidement examiné nos livres avant de venir ici aujourd'hui, et au 31 janvier 1969, et nous avons déjà dépensé $14,000 en frais de transport des marchandises.

Les provinces des Maritimes dépensent beaucoup d'argent pour attirer de nouvelles industries. Le nouveau tarif-marchandises maintenant en vigueur sera un élément dissuasif, et en fait il découragera l'expansion dans les provinces de l'Atlantique.

Nous recommandons que les Chemins de fer Nationaux du Canada étudient sérieusement la possibilité de revenir à l'ancien tarif-marchandises qui était en vigueur avant le 5 septembre 1967.

Le président: Merci beaucoup, monsieur Phaneuf. Monsieur Trudel.

M. Trudel: Monsieur le président, monsieur Phaneuf, pourriez-vous nous dire quelle est l'étendue de votre marché?

[*Texte*]

Mr. Phaneuf: The central market that we cover?

Mr. Trudel: Yes.

Mr. Phaneuf: We cover the entire Maritime provinces, including Newfoundland. We cover Winnipeg west to British Columbia. We do a small amount of business in Ontario, and no business in Quebec.

Mr. Trudel: Would you rely completely on rail transportation?

Mr. Phaneuf: Definitely so.

Mr. Trudel: Do you have a door-to-door policy in your company, a delivery policy?

Mr. Phaneuf: What do you mean by door-to-door?

Mr. Trudel: I mean, do you deal through wholesalers, or do you handle your goods directly to the ultimate end, to the store?

Mr. Phaneuf: No, we ship to wholesalers, and we ship also the chain stores, direct.

Mr. Trudel: On a direct basis.

Mr. Phaneuf: Yes, sir.

Mr. Trudel: Have you considered wholesalers exclusively at any time for you goods?

Mr. Phaneuf: Impossibility.

Mr. Trudel: None of these goods, from what I understand, are refrigerated.

Mr. Phaneuf: No, sir.

Mr. Trudel: They are all canned goods.

Mr. Phaneuf: All canned goods. You are getting into another subject there when you get into refrigeration.

Mr. Trudel: Yes, that is the reason why I asked the question.

Could you relate the cost of your transportation, the transportation factor in the over-all cost of your goods?

Mr. Phaneuf: How do you mean that?

Mr. Trudel: Your total transportation cost related to your over-all costs. For example, your item costs $1. Would it be 7 cents, 12 cents involving transportation, 19 cents, 50 cents?

[*Interprétation*]

M. Phaneuf: Le marché central que nous desservons?

M. Trudel: Oui.

M. Phaneuf: Nous couvrons toutes les provinces des Maritimes, y compris Terre-Neuve, ainsi que de Winnipeg jusqu'à la Colombie-Britannique. Nous faisons de petites affaires en Ontario et nous n'avons aucun commerce au Québec.

M. Trudel: Vous fiez-vous uniquement au transport ferroviaire?

M. Phaneuf: Absolument.

M. Trudel: Avez-vous une politique de livraison de porte à porte?

M. Phaneuf: Qu'est-ce que vous voulez dire par là?

M. Trudel: Est-ce que vous faites affaires par l'entremise des grossistes ou est-ce que vous livrez directement aux magasins?

M. Phaneuf: Non, nous faisons la livraison aux grossistes et directement aux détaillants aussi.

M. Trudel: Directement.

M. Phaneuf: Oui.

M. Trudel: Avez-vous songé exclusivement aux grossistes à un moment donné pour vos marchandises?

M. Phaneuf: Cela est impossible.

M. Trudel: Si j'ai bien compris, aucun de ces produits n'est réfrigéré.

M. Phaneuf: Non, monsieur.

M. Trudel: Il s'agit de marchandises en boîte?

M. Phaneuf: Toutes. Vous vous attaquez à autre chose lorsque vous vous lancez dans la réfrigération.

M. Trudel: Oui. C'est la raison pour laquelle j'ai posé cette question. Pourriez-vous faire le rapport des frais de transport le coût total de vos marchandises?

M. Phaneuf: Qu'est-ce que vous voulez dire?

M. Trudel: Votre coût total de transport par rapport à votre coût total. Par exemple, votre article coûte $1, est-ce qu'il s'agirait de 7, 12, 19, 50 cents pour le transport?

[*Text*]

Mr. Phaneuf: If you look at Schedule One, you will see the rate structure here, and the costs as they pertain to the various shipments. I will just pick a few at random; I did not want to cover them all or I would have pages and pages of it. They are only a few of the points that we ship to.

Mr. Trudel: This is not the question that I am asking. I have that chart, but what I am thinking is that you have given us some figures. You quoted $5,000, $12,000 and $14,000 regarding the over-all freight cost.

Mr. Phaneuf: That is right.

Mr. Trudel: This, in your operation—I am trying to relate this. I know that you have specific points because you have mentioned that in your chart. But you still have an over-all cost of transportation.

Mr. Phaneuf: You wish to relate that to the over-all sales?

Mr. Trudel: Yes, that is what I am trying to get.

Mr. Phaneuf: About 2½ per cent.

Mr. Trudel: Two and a half per cent, with the new rates.

Mr. Phaneuf: Yes,with the new LCL rates. I am referring to new LCL rates now.

Mr. Trudel: This is reflecting into the operations, progressing into 1969. What were they before?

Mr. Phaneuf: They would be about 50 per cent less. Our freight rates are approximately double what they were. They were 1¼ before, and 2½ now. That would be close enough.

The Chairman: Mr. Allmand.

Mr. Allmand: Mr. Phaneuf, you said that in marketing your products you sell nothing in Quebec and a small part in Ontario. Is this because the competition is too stiff there, or what is the reason?

Mr. Phaneuf: There are a number of packers there who are packing the same type of items as we are, and competition is stiff. There are no two ways about that. We are slowly but surely trying to correct this, but it is a long hard road.

[*Interpretation*]

M. Phaneuf: Si vous examinez l'annexe 1, vous verrez les taux de transport et les coûts s'appliquent aux diverses expéditions. J'en choisirai quelques-uns au hasard, car j'en aurai des pages et des pages. Ce ne sont que quelques-uns des endroits où nous faisons des expéditions.

M. Trudel: Ce n'est pas là ma question? Je vois bien la carte, mais ce que je pense, c'est que vous nous avez donné des chiffres. Vous avez dit $5,000, $12,000 et $14,000 en ce qui concerne tous les frais totaux de transport.

M. Phaneuf: C'est exact.

M. Trudel: J'essaie d'établir la relation. Je sais que vous allez à des points déterminés car vous l'avez mentionné dans votre tableau. Mais vous avez tout de même un total de frais de transport.

M. Phaneuf: Est-ce que vous voulez le rapport avec la totalité des ventes?

M. Trudel: Oui, exactement.

M. Phaneuf: Environ 2½ p. 100.

M. Trudel: 2½ p. 100, avec les nouveaux tarifs.

M. Phaneuf: Oui, avec les nouveaux tarifs pour les chargements de moins d'une wagonnée. Je parle des nouveaux tarifs maintenant.

M. Trudel: Cela se voit dans les opérations, à mesure que 1969 avance. Qu'étaient-ils auparavant?

M. Phaneuf: Environ 50 p. 100 de moins. Nos frais de transport sont à peu près le double de ce qu'ils étaient. Ils étaient de 1¼ auparavant et ils sont maintenant de 2½. Ce serait à peu près ça.

Le président: Monsieur Allmand.

M. Allmand: Monsieur Phaneuf, vous avez dit que pour la mise en marché de vos produits, vous ne vendez rien dans le Québec et seulement une petite partie dans l'Ontario. Est-ce parce que la concurrence est trop forte là-bas, ou quelle en est la raison?

M. Phaneuf: Il y a un certain nombre de raisons. Nous avons beaucoup de concurrence là-bas. Il y a un certain nombre de conserveries qui mettent en boîte les mêmes articles que nous et la concurrenc est forte. Il n'y a pas de doute à ce sujet. Nous essayons lentement mais sûrement de corriger la situation, mais c'est un travail de longue haleine.

[*Texte*]

Mr. Allmand: I do not know if Mr. Trudel asked this question, but do you do any shipping by truck, especially in the Maritimes?

Mr. Phaneuf: Trucks in the Maritimes?

Mr. Allmand: Yes.

Mr. Phaneuf: We ship some by truck.

Mr. Allmand: I suppose if you had the causeway, you would ship a greater amount.

Mr. Phaneuf: Definitely.

Mr. Allmand: That is all, Mr. Chairman.

The Chairman: Mr. Perrault.

Mr. Perrault: A point of information, Mr. Chairman. On your list of products you have a quahaug listed. I confess I do not know what that is. We do not call them quahaugs on the Pacific coast.

Mr. Phaneuf: We have quahaugs. It is a shellfish, something like a clam.

The Chairman: Do you have a question, Mr. Pringle?

Mr. Pringle: From mid-1959 until around the end of 1967 the transportation costs have been pretty well frozen. Could you give us an idea of the percentage of increase in the other costs of your operation? Have they gone up in relation to transportation? What would be the relationship between this and the normal increase in other costs of your operations?

Mr. Phaneuf: I suppose you are referring to cans, cartons and things of this nature? The costs have gone up proportionately. Metal, for example, has increased in price, and we have been faced with increases in the cost of cans. Sometimes there is no increase, sometimes it is 1 per cent, last year a 2 per cent increase. On the first of April this year there will be another increase of 2 per cent. Cartons went up 4 per cent last September, or somewhere around that time. This was not exactly related to freight rates. It more or less relates to labour costs.

Mr. Pringle: Labour costs have gone up in the railway industry too, so they are searching, I presume, to try to recover some of this. You mentioned 2½ per cent as your transportation costs as related to sales. How would

[*Interprétation*]

M. Allmand: J'ignore si M. Trudel vous a posé la question, mais est-ce que vous faites du transport par camion, particulièrement dans les Maritimes?

M. Phaneuf: Des camions dans les Maritimes?

M. Allmand: Oui.

M. Phaneuf: Nous expédions une partie par camion.

M. Allmand: Je suppose que si vous aviez la chaussée, vous pourriez en expédier davantage.

M. Phaneuf: Certainement, oui.

M. Allmand: C'est tout, monsieur le président.

Le président: Monsieur Perrault.

M. Perrault: Je voudrais avoir un renseignement. Vous avez des «quahaugs» sur votre liste de produits. J'avoue ignorer ce que c'est. Sur la côte du Pacifique, nous ne les appelons pas «quahaugs».

M. Phaneuf: Nous en avons. C'est un genre de crustacé, un peu comme une «clam».

Le président: Monsieur Pringle, avez-vous une question?

M. Pringle: Depuis la moitié de 1959 jusqu'à la fin de 1967, les frais de transport ont été plutôt gelés. Pourriez-vous nous donner une idée du pourcentage d'augmentation dans vos autres frais d'exploitation? Ont-ils augmenté par rapport au transport? Quelle serait la proportion entre cela et l'augmentation normale des autres frais d'exploitation?

M. Phaneuf: J'imagine que vous voulez parler des boîtes de conserve, des cartons, etc.? Les frais ont augmenté en proportion. Le prix du métal, par exemple, a augmenté et nous avons eu à subir des augmentations dans les prix de nos boîtes. Parfois, il n'y a pas d'augmentation, parfois elle est de 1 p. 100; l'an dernier, elle était de 2 p. 100. le 1er avril de cette année, il y aura une autre augmentation de 2 p. 100. Les cartons ont monté de 4 p. 100 en septembre dernier, ou vers le mois de septembre. Cela n'avait pas exactement de rapport avec les taux de transport. Cela a un certain rapport avec les coûts et de la main-d'œuvre.

M. Pringle: Le coût de la main-d'œuvre a augmenté dans l'industrie ferroviaire aussi et je suppose qu'ils cherchent à compenser. Vous avez mentionné 2½ p. 100 comme frais de transport par rapport à vos ventes. Comment

[*Text*]

this compare with the transportation costs percentagewise to your competitors in the same field in which you are selling your products?

Mr. Phaneuf: You are probably referring to shipments coming out of Ontario. You must remember that if you ship in carload lots, things move at a lot better price. We can ship a carload of canned goods into Ontario for $1.10 a hundredweight.

If you look at your classifications here, with regard to the Maritimes, with regard to small shipments, we pay $3 per six cartons. That is 50 cents a case. That is over two cents a can. That is a lot of money, and on top of that there is a parcel charge involved, which brings the costs—there is one item here, $3.45 and $1.20, which makes $4.65 for a small shipment to Fredericton, New Brunswick.

Mr. Pringle: It is the LCL increase that is creating your problem, and as you suggest could very well increase the cost of living by 10 percent in the Maritimes if it is reflected through the other manufacturers.

Mr. Phaneuf: Exactly.

Mr. Pringle: That is your point on LCL if it is not carload lot.

Mr. Phaneuf: The point that we are very serious about and very worried about is the LCL parcel directly here in the Maritimes. You must remember, and it is specified right here, that we have got a very small population in the Maritimes. We have Halifax with probably 100,000 people, Saint John, Moncton and Sydney. What do you have after that? They are small cities.

These central points will not consume as much canned goods as a city such as Montreal, Hamilton, Windsor, Kitchener, or other large centres. If you have a bigger influx of canned goods, this will lower your rates.

Mr. Pringle: So they really have the advantage of a volume...

Mr. Phaneuf: They certainly have.

Mr. Pringle:...on transportation, rather than you.

The Chairman: Mr. Skoberg.

Mr. Skoberg: Mr. Chairman, do you have any problem with obtaining a sufficient number of cars for your business?

[*Interpretation*]

cela se compare-t-il au pourcentage des frais de transport de vos concurrents dans le même domaine où vous vendez vos produits?

M. Phaneuf: Vous parlez sans doute des expéditions provenant de l'Ontario. Il faut se souvenir que si nos expéditions en un chargement complet de wagonnée, le prix est de beaucoup meilleur. Nous pourrions expédier toute une wagonnée de conserves vers l'Ontario pour $1.10 le quintal.

Si vous examinez vos classifications pour les Maritimes, à l'égard des petites expéditions, nous payons $3 pour six cartons. Il s'agit de 50 cents la caisse. C'est plus de deux cents la boîte, ce qui est beaucoup et en plus, il y a des frais pour le colis, ce qui porte les coûts... Il y a un article ici, $3.45 et $1.20, ce qui fait $4.65 pour une petite expédition vers Fredericton (Nouveau-Brunswick).

M. Pringle: C'est le taux de moins d'une wagonnée qui cause votre problème, ce qui pourrait, comme vous le dites, fort bien augmenter le coût de la vie de 10 p. 100 dans les Maritimes, si cela se reflète chez les autres fabricants.

M. Phaneuf: Exactement.

M. Pringle: C'est ce que vous voulez dire pour les chargements de moins d'une wagonnée, si ce n'est pas un chargement complet.

M. Phaneuf: Ce qui nous préoccupe beaucoup, c'est les taux de moins d'une wagonnée directement ici dans les Maritimes. Souvenez-vous, et nous l'avons précisé, que la population est très petite dans les Maritimes. Nous avons Halifax, avec peut-être 100,000 personnes, Saint-Jean, Moncton et Sydney. Qu'y a-t-il à part cela? Ce sont des petites villes.

Ces points centraux ne consommeront pas autant de conserves que des villes comme Montréal, Hamilton, Windsor, Kitchener ou autres grands centres. Si vous avez beaucoup plus de produits en conserve, cela baissera les taux.

M. Pringle: Alors, ils ont vraiment l'avantage d'un volume...

M. Phaneuf: Et comment.

M. Pringle: ... au transport, plutôt que vous.

Le président: Monsieur Skoberg.

M. Skoberg: Monsieur le président, est-ce que vous avez de la difficulté à obtenir suffisamment de wagons pour votre commerce?

[*Texte*]

Mr. Phaneuf: Occasionally we do. Not very often, but during the season when the potatoes are moving very readily, there are problems. We sometimes have to wait three or four days.

Mr. Skoberg: Do you use air cargo at all to ship anything?

Mr. Phaneuf: No, sir.

The Chairman: Mr. Trudel.

Mr. Trudel: Mr. Chairman, one more question to the witness, please. Would you give us your opinion on this new density rule that has been brought into effect, and we have heard a lot about by other witnesses, as to 10 pounds to the cubic foot, or rather against five pounds. It has been suggested to us that it interfered with several businesses.

Mr. Phaneuf: I have not looked to see just how that would affect us as far as density is concerned. Our packaging is very small. A carton, with contens, is 14 pounds, 14 to 15 pounds, and there could be some relation between the rate and density.

Mr. Trudel: This is not your prime concern?

Mr. Phaneuf: No.

The Chairman: Mr. Thomas.

Mr. Thomas (Moncton): Mr. Chairman, one short question for Mr. Phaneuf. I think you said that practically all your shipments are made by rail. Are there no alternatives? Do you find you cannot ship by highway transport satisfactorily? Why do you use rail entirely?

Mr. Phaneuf: Well as far as truck transportation is concerned, we will say for the Ontario market or the western market, their freight rates are out of the question.

Mr. Thomas (Moncton): I am thinking more of the intra-Maritime market.

Mr. Phaneuf: We do utilize some transfers in the Maritimes, but they do not get to all points. What happens is that if you want to make a shipment from here to Fredericton by transfer, it leaves our place of business on a transfer and goes as far as Moncton or Saint John. Then there is the transfer and it is picked up by another one at Fredericton and there is a delay. By the time they both pick up their rates for these minimum shipments

[*Interprétation*]

M. Phaneuf: De temps à autre. Pas souvent, mais au cours de la saison, lorsque les expéditions de pommes de terre sont faites rapidement, il y a des problèmes. Parfois, il nous faut attendre trois ou quatre jours.

M. Skoberg: Est-ce que vous employez le fret aérien pour vos expéditions?

M. Phaneuf: Non, monsieur.

Le président: Monsieur Trudel.

M. Trudel: Monsieur le président, une dernière question au témoin, s'il vous plaît. Voulez-vous nous donner votre opinion sur la nouvelle règle de densité qui vient d'être mise en vigueur, et d'autres témoins nous en ont beaucoup parlé, c'est-à-dire 10 livres au pied cube, par opposition à 5. On nous a dit que cela nuisait à plusieurs entreprises.

M. Phaneuf: Je n'ai pas examiné la question pour savoir comment cela nous touchait quant à la densité. Nos emballages sont très petits. Un carton avec son contenu pèse 14 livres, 14 ou 15 livres, et il pourrait y avoir un certain rapport entre le taux et la densité.

M. Trudel: Cela n'est pas votre première préoccupation?

M. Phaneuf: Non, monsieur.

Le président: Monsieur Thomas.

M. Thomas (Moncton): Monsieur le président, j'ai une brève question à poser à M. Phaneuf. Vous avez dit, je crois, que pratiquement toutes vos expéditions se faisaient par chemin de fer. Est-ce qu'il n'y a pas d'autres modes de transport? Est-ce que vous n'êtes pas capables d'expédier par transport routier, est-ce que ce n'est pas satisfaisant ou pourquoi employez-vous les chemins de fer exclusivement?

M. Phaneuf: En ce qui concerne le camionnage pour le marché de l'Ontario ou de l'Ouest, les tarifs sont hors de question.

M. Thomas (Moncton): Je songeais plutôt aux expéditions intra-maritimes.

M. Phaneuf: Nous utilisons certaines correspondances, mais elles ne parviennent pas à tous les endroits. Et alors, ce qui arrive c'est que si vous avez, par exemple, une livraison destinée à Fredericton par correspondance, la cargaison quitte notre entreprise et se rend à Moncton ou à Saint-Jean. Il y a ensuite la correspondance. Le chargement est pris par quelqu'un d'autre jusqu'à Fredericton. Après que chacun a perçu ses frais de transport

[*Text*]

this is pretty costly too and is practically the same as the CNR rate.

Mr. Thomas (Moncton): We have heard from the Premier of the province and he is suggesting a Northumberland Strait crossing without rail facilities. I think we will be hearing a brief from the trucking industry shortly, but if we build a crossing with no rail facilities on it, what position would that put a firm like yours in when you are using all rail now? You would have to go to another form of transportation.

Mr. Phaneuf: I cannot speak for the Causeway, or the Causeway committee, because that is not in my line.

Mr. Thomas (Moncton): No.

Mr. Phaneuf: I was thinking along the line of a Causeway with no rails on it, and I presumed they were going to have a ferry service or a shuttle service like the one between Detroit and Windsor for example.

Mr. Thomas (Moncton): That is what I am getting at. In other words, in your present position it is almost essential to retain rail services on Prince Edward Island.

Mr. Phaneuf: Until we find a better mode of transportation. Let us put it that way.

Mr. Thomas (Moncton): Thank you.

The Chairman: Are there other questions, gentlemen? Yes, Mr. Macquarrie.

Mr. Macquarrie: Mr. Chairman, apart from the cost and looking just for a moment at the quality of the movement of your goods out and I suppose your supplies coming such as cans have you formed over the last five years that goods are moving more quickly, less quickly, or do you see any difference?

Mr. Phaneuf: Do you mean the products and shipments moving—

Mr. Macquarrie: Both ways.

Mr. Phaneuf: I know as far as we are concerned on our shipments moving out—and I can speak about CNR because we utilize them quite a bit of the time—the service we have been getting from them in the past few years has been excellent. There was a time when it used to take two or three weeks to get a small shipment up to Sydney, Nova Scotia. You now deliver it two or three days. Today

[*Interpretation*]

pour ces petits chargements, cela fait un montant assez élevé qui équivaut à peu près aux taux du CN.

M. Thomas (Moncton): Le premier ministre de la province nous a dit qu'il proposait une chaussée pour traverser le détroit de Northumberland sans voie ferroviaire. L'industrie du camionnage va nous présenter sous peu un mémoire à ce sujet, mais si on construit une chaussée sans voie ferrée, dans quelle position cela mettra-t-il une entreprise comme la vôtre alors que vous utilisez uniquement le transport ferroviaire actuellement? Il faudra nécessairement que vous songiez à un autre mode de transport.

M. Phaneuf: Je ne peux pas parler au nom du comité de la chaussée, car je n'ai pas la compétence voulue.

M. Thomas (Moncton): Non.

M. Phaneuf: Mais quand je parle de chaussée sans voie ferrée, j'imagine qu'on va conserver le service de transbordeur ou un service de navette comme celui qu'il y a entre Détroit et Windsor, par exemple.

M. Thomas (Moncton): Dans votre situation actuelle, c'est presque nécessaire de garder le service ferroviaire dans l'Île du Prince-Édouard.

M. Phaneuf: Disons plutôt jusqu'à ce que nous trouvions un meilleur mode de transport.

M. Thomas (Moncton): Merci.

Le président: Pas d'autres questions? Monsieur Macquarrie.

M. Macquarrie: J'aurais une brève question à poser. Oublions un instant les prix et considérons la qualité du transport de vos exportations et celle de vos importations comme les conserves, avez-vous trouvé depuis quatre ou cinq ans que les produits étaient expédiés plus rapidement, moins rapidement ou voyez-vous une différence?

M. Phaneuf: Vous voulez dire pour les produits qui entrent...

M. Macquarrie: Dans les deux sens.

M. Phaneuf: En ce qui concerne nos produits qui sont exportés—et comme nous employons beaucoup les services du National-Canadien je peux parler à ce sujet—le service que nous avons depuis quelques années est excellent. Autrefois il fallait jusqu'à trois semaines pour expédier un petit chargement jusqu'à Sydney (Nouvelle-Écosse) mais maintenant cela prend deux ou trois jours. Au-

[*Texte*]

the CNR has a large van and our shipment goes on this van as far as Moncton, where it is transferred to rail cars, I presume. But it has speeded up the service considerably.

Mr. Macquarrie: It is good to hear that, thank you.

The Chairman: Mr. Trudel.

Mr. Trudel: I have a supplementary to Mr. Thomas' question. You mentioned the Causeway: would this be a fair assumption, sir, that whether the Causeway is built or not, this is not your main concern regarding your competitiors, because most of them are coming into some of the central markets now via water transportation.

Mr. Phaneuf: I must stop you, sir, right at this particular point when you are talking about the Causeway and transportation. I am simply talking now about canned goods, shipments within the Maritime provinces and also carloads, let us say, to western Canada or central Canada. But you must also take into consideration, sir, that besides that there is such a thing as the fish business for example. It is very important to remember that with frozen goods for fresh fish being transferred from this market, and most of it goes into the U. S. market, time is of the essence. This is where a transportation system such as a Causeway would be a great asset. You take a load of fresh fish or fresh lobster, for example, they are brought down to wharf and are held up seven, eight, nine or ten hours sometimes.

This is not impossible, because we have trucks doing this ourselves and we know from experience. It is only about 22 hours direct driving from Summerside to the Bostom market. When you waste 8 to 12 hours going across and the same thing coming back, you have lost a day. This is expensive. The man driving that truck has to be paid and there are a lot of trucks going back and forth.

Mr. Trudel: If I may, Mr. Chairman, I do not believe, sir, that you got the intent of my question. I was not trying here to be for or against the Causeway. I was just relating my question to your business. I believe you stated on previous questions that most of your goods are canned goods. I believe that is what you said.

Mr. Phaneuf: All are cans.

[*Interprétation*]

jourd'hui le National-Canadien a un très gros camion qui rend notre cargaison jusqu'à Moncton, et ensuite j'imagine qu'elle est transférée dans un wagon de chemin de fer. Cela a accéléré le service de façon appréciable.

M. Macquarrie: C'est bon d'entendre dire cela.

Le président: Monsieur Trudel.

M. Trudel: Une question supplémentaire à celle de M. Thomas. Vous avez mentionné la chaussée. Est-ce qu'on pourrait présumer, monsieur, que la chaussée soit construite ou non, que cela n'est pas votre principal préoccupation quant à vos concurrents, car la plupart se rendent aux marchés centraux par eau, de toute façon.

M. Phaneuf: Il faut que je vous arrête immédiatement quand vous parlez de transport et de chaussée. A l'heure actuelle, je parle tout simplement des produits en boîte, des expéditions à l'intérieur des provinces des Maritimes en plus de cela, des chargements complets de l'ouest ou le centre du Canada. Mais il faut aussi songer à l'industrie de la pêche, par exemple, il est très important de se rappeler qu'avec les marchandises congelées qui partent de notre marché, et la majorité de nos produits est destinée aux États-Unis, le temps est un facteur d'importance capitale. C'est dans une situation comme celle-là qu'une chaussée constituerait un grand avantage. Prenons par exemple un chargement de poisson ou de homard frais. On l'apporte au quai et il peut y rester jusqu'à sept, huit ou dix heures.

Ce n'est pas impossible car nous avons des camions qui le font, et nous en avons l'expérience. Cela prend seulement vingt-deux heures pour se rendre de Summerside jusqu'au marché de Boston, si on y va directement. Mais si vous perdez dix ou douze heures pour la traversée et la même chose pour revenir, vous avez déjà perdu vingt-quatre heures soit une journée. Ce qui coûte de l'argent, car il faut payer le chauffeur du camion. Il y a beaucoup de camions qui font la navette.

M. Trudel: Je ne crois pas que vous ayez compris ma question. Je n'essayais pas d'être pour ou contre la chaussée. J'essayais tout simplement d'établir le rapport avec votre entreprise. Je crois que vous avez dit, en réponse à une question précédente, que la plus grande partie de votre production se fait en boîte, n'est-ce pas?

M. Phaneuf: Tout.

[*Text*]

Mr. Trudel: Therefore, we are not talking about fresh fish at the present time. I was just trying to obtain some information regarding your main competitors who do come from far afield, if I understand your business correctly—and I do not pretend to be an expert on it—and therefore what you are concerned about here is water transportation more than overland transportation at the present time, other than the existing facilities, because you have some of your competitors who come from wide areas that are competing in central Canada using water transportation. Would I be right in saying that?

Mr. Phaneuf: This could be quite possible. They could be using the St. Lawrence Seaway and I suppose they could be shipping by boat from Toronto, Montreal, any of these places, landing in Halifax and warehousing in Halifax.

Mr. Trudel: Yes.

Mr. Phaneuf: This is not impossible. They could be doing it in Saint John as well.

Mr. Trudel: Thank you, Mr. Chairman.

The Chairman: Are there other questions, gentlemen.

If not, I would now call on Hawker Siddeley of Canada. This firm is from Trenton, Nova Scotia. I will introduce Mr. Owen, who is Traffic Manager, and ask him to give us a short resume of his brief.

Mr. A. W. Owen (Traffic Manager, Hawker Siddeley Canada Ltd.): My original brief was made up very quickly and only from my assessment of the entire situation. My second brief, or treatise, is not a brief: it just analyses what I figure is the situation. I am primarily a transportation man. You will notice that it is devoid of all statistics in regard to anything to do with the economics or the whole structure of our plant. We have a plant in Trenton which manufactures railway cars, which is our prime product, and we also manufacture all the railway car axles in Canada that are used on rail cars in Canada. We employ about 1,800 people when we are running at full strength. We have averaged about 900 to 1,000 people under normal conditions.

The brief or the treatise that I have presented just looks at the Maritime situation on transportation and the logistic position we are in. I believe something has to be done. We are a long way from our markets and I know

[*Interpretation*]

M. Trudel: Et alors, nous ne parlons pas du poisson frais à l'heure actuelle. J'essaie tout simplement d'avoir des renseignements quant à vos principaux concurrents qui viennent de loin, si je vous ai bien compris. Je ne prétends pas être expert dans ce domaine. Votre principale préoccupation c'est vraiment le transport par eau plutôt que par terre, à part les aménagements actuels, car vous avez des concurrents qui viennent de loin et qui font la concurrence dans le centre du Canada en employant le transport par eau. Ai-je raison de le dire?

M. Phaneuf: C'est fort possible. Ils pourraient emprunter la Voie maritime du Saint-Laurent et j'imagine qu'ils pourraient expédier leurs produits par navire de Toronto, Montréal et y venir jusqu'à Halifax où ils entreposeraient leurs propres produits.

M. Trudel: Oui.

M. Phaneuf: Ce n'est pas impossible. Ils pourraient le faire à Saint-Jean également.

M. Trudel: Merci beaucoup.

Le président: Vous n'avez pas d'autres questions?

Sinon, j'aimerais bien demander à la *Hawker-Siddeley of Canada* de venir se présenter à l'avant pour un mémoire. C'est une entreprise de Trenton (Nouvelle-Écosse). J'ai à ma droite M. Owen, directeur du transport. Je demanderais donc au témoin de nous faire un résumé de son mémoire.

M. A. W. Owen (Directeur du transport, Hawker-Siddeley Canada Ltd.): Le premier mémoire fut préparé très rapidement à partir de l'évaluation personnelle que j'ai faite de la situation. Mon deuxième mémoire, ou plutôt traité, n'est qu'une simple analyse de ce qui, à mon avis, représente la situation sur le marché en ce moment. Je m'intéresse avant tout au transport. Vous remarquerez qu'il n'y a aucune statistique ayant trait à quoi que ce soit de l'économie ou de la structure de notre usine. Nous avons une usine à Trenton qui fabrique des wagons de chemin de fer, notre principal produit, mais aussi des essieux de wagons qui servent au Canada. Nous avons environ 1,800 personnes lorsque nous produisons à pleine capacité, mais dans les conditions normales, c'est de 900 à 1,000 personnes.

Ce traité que je vous ai présenté ne traite que de la situation dans les Maritimes en matière de transport et du contexte logistique où nous nous trouvons. Je pense qu'il faut faire quelque chose. Nous sommes très éloi-

[*Texte*]

that most of us have competition in central Canada. We have problems in this regard and I think my treatise explains that full well. Our unit cost is quite high as opposed to our competition and anything else is irrelevant as far as I am concerned, or as far as my company is concerned, in that this unit cost and freight is a big subject, expecially where the labour costs are going up, rates, taxation and various other aspects of running a plant in Nova Scotia. I think that you will probably look at a lot of the sentences in here and realise they will have to be qualified. Therefore, I can only ask you to ask me questions.

The Chairman: Mr. Mahoney.

Mr. Mahoney: Mr. Owen, I am a little bit confused at your whole brief and perhaps you might clean up what I think is an ambiguity. Is this a personal brief by you, or is this a brief on behalf of Hawker Siddeley Canada Ltd.?

Mr. Owen: No, I presented the brief to our management and they could not add any more than what I had added to this brief.

Mr. Mahoney: Throughout the brief you related to experience in the company and yet recommendations and conclusions are certainly expressed in the first person.

Mr. Owen: I believe every area I state here is an area of discussion. Each area of discussion is of a complex nature. We could go into trucking, we could go into rails, we could go into every aspect of transportation.

Mr. Mahoney: I think you can answer this either "yes" or "no". Is this a brief on behalf of Hawker Siddeley Canada Ltd.?

Mr. Owen: Yes, I believe it is.

Mr. Mahoney: Thank you. The next point then is: could you give just a brief description of this course in traffic and transportation that you discuss on page 4. Certainly I do not think that too many of us here are familiar with the operations of the institute so that some idea of the course and its value would be helpful to me.

Mr. Owen: They have a two year course which they call a graduate course, and this covers all aspects of transportation.

Mr. Mahoney: What is involved in terms of time, study and so on?

[*Interprétation*]

gnés de nos débouchés et je sais que la plupart d'entre nous avons de la concurrence au Canada central. Nous avons des problèmes à résoudre, et je pense que mon traité vous explique très bien la situation. Nos coûts unitaires sont très élevés par rapport à ceux de nos concurrents et tout le reste n'a pas d'importance, ou du moins en ce qui concerne ma compagnie, parce que les coûts unitaires et le transport constituent les faits principaux, là où le coût de la main-d'œuvre augmente de même que les taux des impôts et les divers autres aspects de l'exploitation d'une usine en Nouvelle-Écosse. Je pense que vous verrez qu'il y a plusieurs éconcés de mon exposé qui auront besoin d'explication. Vous n'aurez qu'à me poser des questions.

Le président: Monsieur Mahoney.

M. Mahoney: Monsieur Owen, je ne comprends pas très bien votre mémoire et vous pourriez peut-être clarifier ce que je considère comme une ambiguïté. Ce mémoire, le présentez-vous en votre nom propre ou en celui de la compagnie que vous représentez?

M. Owen: Non, j'ai présenté le mémoire à l'administration qui n'a rien eu à ajouter.

M. Mahoney: Tout au long du mémoire vous parlez de l'expérience de la compagnie et les recommandations et conclusions sont formulées à la première personne.

M. Owen: Je pense que chaque secteur dont j'ai parlé peut prêter à discussion. Chaque secteur de discussion est de nature complexe. On pourrait parler de camionnage, de transport ferroviaire, enfin de tous les aspects du transport.

M. Mahoney: Je pense que vous pouvez répondre par un oui par un non. Est-ce là un mémoire présenté au nom de la *Hawker Siddeley Canada Ltd.*?

M. Owen: Oui, je le crois.

M. Mahoney: Merci. Alors, j'en arrive au point suivant: pourriez-vous décrire brièvement ce cours de trafic et de transport dont vous parlez à la page 4. Je ne crois pas qu'il y en ait beaucoup ici qui connaissent cet institut, et il nous devient utile d'avoir une certaine idée du cours et de sa valeur.

M. Owen: Il y a un cours de deux ans conduisant au diplôme et portant sur tous les aspects du transport.

M. Mahoney: Qu'est-ce que cela comprend en fait de temps, d'étude, etc?

[*Text*]

Mr. Owen: It is one year and this is up to the individual themselves,—on the two year course.

Mr. Mahoney: Is this a year away at college or university or is it three nights a week at night school or what?

Mr. Owen: Transportation courses are not available in Canada. They do not have one in any college, and yet in the States they have two or three colleges which have specific transportation courses which are from three to four years of study.

Mr. Mahoney: There are university courses in Manitoba and British Columbia.

Mr. Owen: This two year course is a prerequisite to a course which is a three year course and it is on college level and is put out by the University of Toronto and is the only one we have in Canada. It goes into economics and it is equivalent to a commerce course—or they are trying to make it equivalent to a commerce course.

Mr. Mahoney: It is evident from your brief that the Maritimes are very short of people with this type of training.

Mr. Owen: In this field? In every aspect, even into the trucking or any aspect, I could give you good examples, just brief examples, of why this is so. From Montreal to Vancouver, for instance, the class rate, I would say, is somewhere in the vicinity of $9 by rail on a Class 85 car on a certain class of product The pool car people run in there for approximately $6. I would say, and the pool truck, right after the Trans-Canada Highway was implemented and put through about five years ago, has run in from Montreal to Vancouver at the same rate as the pool car, so that pool truck and pool car are competitive one with the other. This is approximtaely $6.

We pay into Trenton, a distance of 800 miles—and I might add that the distance from Montreal to Vancouver is approximately 3,000—approximately $3.25. One apsect of the thing is that the trucking people work on a regular truck mile; they are not on the mileage of short haul versus long haul or anything; they have to make this definite. They operate from one point to another point. They operate out of Toronto into Vanocuver solely, and cannot stop on the way to pick up or deliver at any point between if they are going to one point. These are only examples of what I believe.

[*Interpretation*]

M. Owen: Le cours est d'un an, et tout dépend des étudiants eux-mêmes.

M. Mahoney: Est-ce que cela comprend toute une année au collège ou à l'université ou trois soirs par semaine à l'école du soir?

M. Owen: Les cours de transport ne sont pas offerts au Canada. Il n'y en a pas dans un seul collège et aux États-Unis il n'y en a que deux ou trois qui offrent un tel cours de transport qui dure trois ou quatre ans.

M. Mahoney: Il y a des cours de niveau universitaire au Manitoba, et en Colombie-Britannique.

M. Owen: Ce cours de deux ans est un pré-requis à un cours de trois ans au niveau collégial qui est offert par l'Université de Toronto et c'est le seul que nous ayons au Canada. On y étudie l'économique et c'est l'équivalent du cours en commerce, ou du moins on essaie d'en faire un équivalent.

M. Mahoney: D'après votre mémoire, il est bien évident que les Maritimes n'ont pas suffisamment de personnes avec une telle formation.

M. Owen: Dans ce domaine? Même pour ce qui est du camionnage ou de tout autre aspect, je peux vous fournir d'excellents exemples très brefs, des raisons de cet état de choses. De Montréal à Vancouver, par exemple, le tarif de catégorie est d'environ $9. par chemin de fer dans un wagon de classe 85, pour une certaine catégorie de produits. Il en coûtait environ $6 par wagon mis en commun et, après la fin des travaux et l'inauguration de la route Transcanadienne il y a cinq ans, le taux de transport par camion mis en commun a été à peu près le même ce qui établit une concurrence entre les deux modes de transport.

A partir de Trenton, sur un parcours de 800 milles—je dois ajouter que la distance de Montréal à Vancouver est d'environ 3,000, nous payons environ $3.25. Un aspect de la chose, c'est que les camionneurs fonctionnent en vertu du mille régulier de route, non pas en vertu des courts trajets par rapport aux longs trajets. Il faut que ce soit précis. Ils vont d'un endroit à un autre, disons de Toronto à Vancouver uniquement, et n'arrêtent pas en cours de route pour livrer ou prendre de la marchandise. Ce ne sont que des exemples.

[*Texte*]

Mr. Mahoney: Yes, I think we were discussing the transportation course at one point earlier on in your answer and I would like, if possible, to get back to that. Do I take it perhaps from your answer that the type of transportation education you are speaking of here involves a person becoming very knowledgeable in the existing transportation, in tariff structures and so on, so that he can get the best deal for the company, as opposed to a person who designs systems and so on?

Mr. Owen: I believe there is house cleaning to be done, but I do not say it is within the jurisdiction of this committee to say.

Mr. Mahoney: All right

The Chairman: Mr. Breau.

Mr. Breau: Yes, Mr. Chairman. Where do you deliver most of your products to?

Mr. Owen: We have no problem with delivery. We deliver right on the track of the CNR. Our big problem is on the eastbound move.

Mr. Breau: Eastbound?

Mr. Owen: Eastbound shipments. We purchase all our materials from Ontario and Quebec.

Mr. Breau: For example, you do not have a problem of delivery price?

Mr. Owen: We have the same problem that Sydney related in their brief of OCS shipments in distance being the point here as opposed to rates. This is relevant in this case.

Mr. Breau: Yes, but what I mean is that one of your competitors in central Canada has an advantage because he is closer to another market, and you say that you deliver right on the rail at your mill?

Mr. Owen: That is correct.

Mr. Breau: You deliver it right there but if your buyer would buy in central Canada would he buy cheaper? Do you get the same price? If you do not have to pay the freight somebody has to pick it up.

Mr. Owen: We have to go on price: they are purchasing the rail car and they will not take into any consideration—there is a lot of consideration to be taken in here because of the freight charges that we go back go right into the railroad, but they still do not consider this. It is not a consideration. It is strictly

[*Interprétation*]

M. Mahoney: Oui, je pense que nous parlions du cours de transport à un moment donné, et je voudrais, si vous le voulez bien, y revenir. Est-ce que je peux en conclure à la suite de votre réponse que ce genre de cours dont vous parlez ici donne à une personne la formation nécessaire pour bien connaître les systèmes de transport existants, les structures tarifaires et ainsi de suite, ce qui lui permettra d'obtenir les meilleurs conditions possibles pour la compagnie, comparativement à une personne qui conçoit des systèmes, etc.?

M. Owen: Je pense qu'il faut mettre un peu d'ordre mais je ne dis pas que c'est de la compétence du comité.

M. Mahoney: Très bien.

Le président: Monsieur Breau?

M. Breau: Où se font la plupart de vos livraisons?

M. Owen: Nous n'avons pas de problème pour ce qui est de la livraison. Nous livrons directement à la voie du CN. Notre gros problème réside dans le transport vers l'est.

M. Breau: Vers l'est?

M. Owen: Vers l'est. Nous achetons tous nos matériaux de l'Ontario et du Québec.

M. Breau: Ainsi, vous n'avez pas de problème à l'égard des prix de livraison?

M. Owen: Nous avons les mêmes problèmes qui ont été exposés dans le mémoire de Sydney en matière d'expéditions à longue distance. Ceci est pertinent par rapport aux tarifs. Ce qui est pertinent ici.

M. Breau: Mais ce que je veux dire c'est qu'un de vos concurrents du Canada central a un avantage parce qu'il se trouve plus près d'un autre marché? Vous dites que vous faites la livraison directement par rail à l'usine.

M. Owen: C'est juste.

M. Breau: Vous faites la livraison là directement, mais si votre acheteur achetait au Canada central, est-ce que le prix serait moins élevé? Avez-vous le même prix? Si vous ne payez pas le transport, quelqu'un doit le faire.

M. Owen: Nous devons nous fier au prix. Ils font l'achat du wagon, mais ils ne tiennent pas du tout compte du fait qu'il faut vraiment penser ici aux frais de messagerie qui reviennent directement au chemin de fer. On oublie cela, on n'en tient pas compte. Il s'agit simplement du coût, et si la concurrence demande

[*Text*]

a case of cost and if the competition is $200 less per car then this is the point at which they buy in. No consideration; that is it.

Mr. Breau: But this $200 difference; is it because of your raw materials that you have to pay the freight on? Only that?

Mr. Owen: Definitely; we are building at this moment refrigerator cars for the CNR. These refrigerator cars are costing us $850 per unit in freight. Our competition, and this is just looking at tariffs and comparing the points that they are buying from into their plant and the modes of transportation that I can see existing in the tariffs, are paying $250. In other words, we are $600 out on the cost in these cases. So we have to bring this up through labour and through our other charges pertinent to cost.

The Chairman: Mr. Allmand?

Mr. Allmand: My question are supplementary to those asked by Mr. Breau.

Do you not take any of your raw materials from the Sydney steel mill?

Mr. Owen: Definitely; what we can.

Mr. Allmand: What percentage of those materials would come from Sydney?

Mr. Owen: What percentage? Well all our axle billets. We complement Sydney on this basis. We complement one another in a lot of cases. We have the billets which we buy from them, something like about 15,000 tons a year of billets from Sydney, and this raw material we have but this is just a small section of our business. We also import 30,000 tons of steel from Hamilton and Algoma.

Mr. Allmand: This is a type of steel they do not make at Sydney, I presume.

Mr. Owen: Well, this is just plate steel alone and then we have angles and various other things that they do not make at Sydney.

Mr. Allmand: What percentage of your business is with the CNR? Is it mostly CNR business?

Mr. Owen: No; over the last three years we have built some 100 caboose cars for the CNR and we have an order at the present moment of 300 refrigerator cars. These are the last two orders in the last three years that we have had.

[*Interpretation*]

200 dollars de moins par wagon, alors c'est motivable pour faire l'achat. Aucune considération, c'est cela.

M. Breau: Mais ces 200 dollars sont-ils dus aux matières premières pour lesquelles vous devez payer le transport? S'agit-il uniquement de cela?

M. Owen: Précisément; nous sommes en train de construire des wagons réfrigérés pour le National-Canadien. Ces wagons réfrigérés nous coûtent 850 dollars de transport l'unité. Nos concurrents, et je ne parle que des tarifs comparant seulement les endroits d'où ils achètent pour leurs usines et les modes de transport à ces tarifs ne paient que 250 dollars. En d'autres mots, nous payons 600 dollars de plus dans ces cas. Il nous faut donc tenir compte de cette situation en ce qui a trait à la main-d'œuvre et aux autres frais relatifs au coût.

Le président: Monsieur Allmand?

M. Allmand: Mes questions complètent celles qui ont été posées par M. Breau. N'achetez-vous pas certaines de vos matières premières de l'usine de Sydney?

M. Owen: Oui, dans la mesure du possible.

M. Allmand: Quel pourcentage viendrait de Sydney?

M. Owen: Quel pourcentage? Tous nos billettes d'essieu. Nous sommes le complément de l'usine de Sydney dans ce domaine. Nous nous complétons l'un l'autre pour plusieurs choses. Il y a les billettes que nous achetons, peut-être 15 mille tonnes par année. C'est une matière première. Ce n'est qu'une petite partie de notre entreprise. Nous importons aussi 30,000 tonnes d'acier d'Hamilton et d'Algoma.

M. Allmand: C'est le genre d'acier qu'on ne trouve pas à Sydney, j'imagine.

M. Owen: Cela ne comprend que la tôle. Il y a aussi les équerres et les autres produits qui ne sont pas faits à Sydney.

M. Allmand: Dans quelle mesure faites-vous des affaires avec le National-Canadien? Traitez-vous essentiellement avec le National-Canadien?

M. Owen: Non. Nous avons construit, au cours des trois dernières années 100 wagons de queue pour le National-Canadien. Nous avons actuellement une commande pour 300 wagons réfrigérés. Ce sont les deux seules commandes que nous avons eues au cours des trois dernières années.

[*Texte*]

Mr. Allmand: If you sell to the other Canadian railways, such as Canadian Pacific and the other smaller ones, do you also deliver to them right at the plant?

Mr. Owen: No; we have a penalty of $55. In other words, we have to pay mileage to any other customer outside of the CNR. We have to pay the mileage rate to these people; over to Saint John where we deliver these cars to the CPR costs us $55.

Mr. Allmand: Do you have any export market to the United States or overseas?

Mr. Owen: We have a very small export market. We have just delivered 20 cars to Anaconda in Chile. This was an order we just had and this is very marginal business.

Mr. Allmand: Do you make buses at your plant? You do not make buses in Nova Scotia.

Mr. Owen: Port Arthur and Fort William.

Mr. Allmand: Thank you. That is all.

The Chairman: Mr. Thomas?

Mr. Thomas (Moncton): Mr. Owen, I understand your major problem is with eastward bound shipments. In other words, raw materials coming in.

Mr. Owen: Right.

Mr. Thomas (Moncton): Do you come under competitive or non-competitive tariffs? What I am trying to get at is for your carload lots, does the increase in carload rates apply to them; that is, the increase that has been frozen until March 23 this year?

Mr. Owen: On carload rates?

Mr. Thomas (Moncton): Yes, on carload lots.

Mr. Owen: Because of volume, most of our carload rates are on what they call commodity rates. There is no competition involved here because we have no competition. I do not believe there are any competitive rates. We have these commodity rates just based on volume alone.

Mr. Thomas (Moncton): That is what I am trying to get at. If the freeze on carload freight rates is lifted on March 23 as the Act

[*Interprétation*]

M. Allmand: Si vous vendez aux autres sociétés ferroviaires, tel le Pacifique-Canadien ou d'autres petites sociétés, est-ce que vous leur faites aussi la livraison à l'usine?

M. Owen: Non, il y a une surcharge de 55 dollars. En d'autres termes, il nous faut payer le millage pour tout autre client que le National-Canadien. Il nous faut payer le tarif au millage à ces gens; pour faire la livraison à St-Jean, où nous devons livrer ces wagons au Pacifique-Canadien, il nous en coûte $55.

M. Allmand: Est-ce que vous avez des marchés d'exportation, vers les États-Unis ou outre-mer?

M. Owen: Il y a un faible marché d'exportation. Nous venons à peine de faire la livraison de 20 wagons à Anaconda, au Chili, une commande que nous venons de recevoir et plutôt marginale.

M. Allmand: Est-ce que vous faites des autobus à votre usine? Vous n'en faites pas en Nouvelle-Écosse?

M. Owen: A Port Arthur et Fort William.

M. Allmand: Merci, c'est tout.

Le président: Monsieur Thomas?

M. Thomas (Moncton): Monsieur Owen, si je comprends bien, votre principal problème est pour le matériel venant de l'est. En d'autres termes, pour les matières premières.

M. Owen: En effet.

M. Thomas (Moncton): Le tarif est-il concurrentiel ou non concurrentiel? Ce à quoi je veux en venir, c'est que, pour ce qui est des chargements de wagonnées, est-ce que l'augmentation s'applique dans votre cas, c'est-à-dire l'augmentation limitée jusqu'au 23 mars de cette année?

M. Owen: Pour ce qui est des taux de wagonnées?

M. Thomas (Moncton): Oui.

M. Owen: A cause du volume, la plupart de nos tarifs sont ce qu'on appelle des tarifs compétitifs des denrées d'usage journalier. Il n'est pas question de concurrence ici parce que nous n'avons pas de concurrence, je ne crois pas qu'il y ait des tarifs compétitifs. Les taux que nous avons sont fondés exclusivement sur le volume.

M. Thomas (Moncton): Voici ce à quoi je veux en venir. Si la fixation des tarifs-marchandises est abolie le 23 mars tel que le veut

[*Text*]

at present reads, will this affect you favourably or will your carload rates then go up?

Mr. Owen: I have no arguments with the railroad. My communications with the railroads are very good; it is their business. We do it strictly on a bargaining basis and I believe that we have an understanding one with the other. We understand what we are talking about; I understand their position and they understand ours.

Mr. Thomas (Moncton): What I am trying to get at is whether you will be affected if the freeze in carload rates is lifted? Does this not apply to the type of commodity you are bringing in?

Mr. Owen: I believe that we could look for other competition. I have means of other competition.

Mr. Thomas (Moncton): Perhaps I am not phrasing the question right, but I mean . . .

Mr. Owen: I know what you mean; The freeze.

Mr. Thomas (Moncton): That is what I am trying to get at.

Mr. Owen: Are you talking about taking off the MFRA subsidy?

Mr. Thomas (Moncton): As you know, the carload rates were raised on certain commodity items, but a two-year freeze would prolong this which is due to start on March 23. Now, what I am trying to get is if this freeze expires on March 23 will this affect your carload rates?

Mr. Owen: This could; this is a matter for me to decide and to negotiate.

Mr. Thomas (Moncton): The LCL rates have already gone up.

Mr. Owen: Well, ETA 100 to me is not as serious as it is to you because they have an item in ETA 100 that was never ever put in in the beginning and I had this all set up before for my own opinion. Now, I do not say this is going to benefit everybody, but from the volume we use and from the setup we have, we have overcome this particular rate and we would have been right back where we started before. But this was a matter of negotiation between us and the railway.

Mr. Thomas (Moncton): In other words, you have been able to negotiate with the railway to get. . .

[*Interpretation*]

la loi en ce moment, est-ce que cela aura un effet favorable pour vous ou est-ce que vos taux seront augmentés?

M. Owen: Je n'ai rien contre la société ferroviaire. Nos relations sont excellentes; c'est leur affaire. Nous nous fondons sur les négociations et je crois qu'il y a une entente entre nous. Nous savons de quoi nous parlons; je comprends leur position et ils comprennent la nôtre.

M. Thomas (Moncton): Ce à quoi je veux en venir, c'est ceci: est-ce que vous serez affectés si le gel est aboli? Est-ce que cela ne s'applique pas au genre de marchandise que vous expédiez?

M. Owen: Je pense que nous pourrions essayer de trouver d'autres concurrents. Il y a d'autres ressources.

M. Thomas (Moncton): Peut-être que je n'ai pas bien posé ma question.

M. Owen: Je vois très bien ce à quoi vous voulez en venir. Vous parlez de la fixation des tarifs.

M. Thomas (Moncton): C'est ce à quoi j'essaie d'en arriver.

M. Owen: Vous voulez parlez des subventions prévues par la Loi sur les transports des marchandises dans les Maritimes?

M. Thomas (Moncton): Comme vous le savez, il y a eu augmentation des taux pour certaines denrées d'usage journalier, mais un gel de deux ans prolongerait cette période qui doit commencer le 23 mars. Si ce gel prend fin le 23 mars, est-ce que cela affectera vos taux de wagonnées?

M. Owen: Il se pourrait qu'il en soit ainsi; ce sera à moi de négocier alors.

M. Thomas (Moncton): Les taux du trafic de détail ont déjà augmenté.

M. Owen: ETA 100 n'est pas aussi grave pour moi que pour vous parce qu'il y a un poste qui n'a jamais été inclus dans ETA 100 au début. Et j'avais tout prévu. Je ne crois pas que ce soit à l'avantage de tout le monde, mais d'après le volume que nous avons, d'après nos opérations, nous avons pu parer à cet inconvénient. Et nous nous retrouverons là où nous en étions. Mais enfin, il s'agit d'un sujet de négociations entre nous et le chemin de fer.

M. Thomas (Moncton): En d'autres mots, vous avez pu négocier avec le chemin de fer.

[*Texte*]

Mr. Owen: Today ETA 100 is open to that.

Mr. Thomas (Moncton): Thank you.

The Chairman: Mr. Perrault?

Mr. Perrault: Mr. Chairman. A statement is made in the amendment to the original brief dated February 12, 1969 and I quote from page 1 of the brief

> The federal government contributes approximately $14 million annually to the Maritime Freight Rates Act subsidy without any knowledge of the benefits accruing to the provinces.

and then you go on to say:

> I am reasonably sure it is true that 75 per cent of this subsidy is wasted and if it were removed only 25 per cent of the recipients would suffer.

That is an interesting and startling statement, Mr. Chairman. I just wonder if Mr. Owen would be prepared to provide any additional background material for consideration by the Committee in Ottawa that might serve to advance this case or substantiate that statement which is quite a startling statement, as I have stated. What comment would you have on that?

Mr. Owen: This is strictly hearsay. I have tried to find out and I cannot find out. It is hearsay and I do not believe it is up to me to find out what hearsay is. I am just stating a fact, sir, that I know.

Mr. Perrault: Well, if you do have any additional material I am sure we would like to have it. I am not challenging the private of interest and I think that . .

Mr. Owen: I would like to get it for you.

Mr. Perrault: The second part, Mr. Chairman, is this. The brief states that railway cars are delivered by rail along the track, in effect, but I see the statement on page 2:

> When bidding for cars for the Pacific Great Eastern Railway in British Columbia, it costs them approximately $1,200 per car to deliver, approximately $400 per car more than their main competition.

It costs $1,200 per car to get a railway car to British Columbia?

Mr. Owen: That is right; that is on mileage. It is an empty car.

Mr. Perrault: Tagging it on to the end of an existing train at some point?

[*Interprétation*]

M. Owen: Actuellement, ETA 100 permet de le faire.

M. Thomas (Moncton): Merci.

Le président: Monsieur Perrault?

M. Perrault: Monsieur le président. Dans l'amendement apporté au mémoire le 12 février 1969, et là je cite la première page du mémoire: «Le gouvernement fédéral a contribué pour environ 14 millions de dollars annuellement aux subventions faites au titre de la Loi sur les transports des marchandises dans les Maritimes sans savoir quel avantage les provinces en retireraient.» Et vous poursuivez en disant: «Je suis à peu près certain que 75 p. 100 de ces subventions ne servent à rien et que, si elles disparaissaient, seulement 25 p. 100 des destinataires en souffriraient.» C'est une déclaration des plus intéressante, monsieur le président. Je me demande si M. Owen serait prêt à nous fournir d'autres données de base pour que le Comité puisse les étudier à Ottawa, et qui pourraient aider à prouver ces déclarations qui sont vraiment des plus étonnantes, comme je l'ai déjà dit. Quels commentaires auriez-vous à faire là-dessus?

M. Owen: C'est du ouï-dire. J'ai essayé de savoir, mais je n'ai pu. C'est du ouï-dire et je ne crois pas que ce soit à moi de le vérifier. Je mentionne seulement le fait, monsieur, voilà ce que je sais.

M. Perrault: Si vous avez d'autres données, nous nous ferions un plaisir de les entendre. Je ne conteste pas les intérêts, mais je crois que. . .

M. Owen: J'aimerais bien obtenir ces renseignements pour vous.

M. Perrault: Deuxième point, monsieur le président. Le mémoire déclare que les wagons sont livrés en les mettant sur les rails. A la page 2, on dit:

«Quand ils présentent des soumissions pour des wagons destinés au *Pacific Great Eastern Railway*, il leur en coûte environ 1,200 dollars par wagon pour la livraison, soit environ 400 dollars de plus qu'à leur principal concurrent.» Il en coûte 1,200 dollars pour acheminer un wagon en Colombie-Birtannique?

M. Owen: En effet; c'est basé sur le millage. Il s'agit d'un wagon vide.

M. Perrault: Même s'il est remorqué quelque part par un train existant déjà?

[*Text*]

Mr. Owen: Right.

Mr. Perrault: What would it cost to ship by water around the Panama Canal?

Mr. Owen: Much more, because the cubics are very high in price.

Mr. Perrault: It just would not be feasible then?

Mr. Owen: That is right.

Mr. Trudel: A supplementary please, Mr. Chairman.

The Chairman: Mr. Trudel?

Mr. Trudel: Did I understand the witness correctly when he said that it would be much higher by water?

Mr. Owen: Yes.

Mr. Trudel: To Vancouver?

Mr. Owen: To Vancouver; how would you get to Vancouver in the first place? There is no scheduled service to Vancouver. We would have to charter and it is a matter of production and customers demands. These are all taken into consideration, but the cubic content of a car is approximately two or three to one over the weight.

Mr. Perrault: Mr. Chairman, there is a statement concerning truckers, made in this brief as well, I quote from page 3:

> This monopoly of intra provincial and interprovincial trucking is taking its toll from industry in areas struggling for existence with rates that are far too high.

I take it, then, that you are opposed to any subsidy to the trucking industry in the Maritime industry.

Mr. Owen: No.

Mr. Perrault: Would you explain?

Mr. Owen: I can explain my position mainly from a traffic point of view. You have to take it as from a transportation point of view and that of an industrial traffic manager. We are dealing with the trucking people on a much lower level—or right at the basic level—than anyone else. You can have all the consultants in the world but they cannot tell you the basic fundamentals of the problem. We find this. I have had experience in Montreal and all across the country in dealing with trucking people and I have nothing against the trucking people. This is a business and they have to operate and they will charge what the traffic will bear.

[*Interpretation*]

M. Owen: Oui.

M. Perrault: Qu'est-ce qu'il en coûterait pour expédier par bateau, en passant par le Canal de Panama?

M. Owen: Beaucoup plus, parce que le cubage coûte très cher.

M. Perrault: Ce ne serait donc pas réalisable?

M. Owen: C'est juste.

M. Trudel: Une question supplémentaire, monsieur le président.

Le président: Monsieur Trudel?

M. Trudel: Est-ce que j'ai bien compris le témoin lorsqu'il a dit que ce serait beaucoup plus coûteux par mer?

M. Owen: Oui.

M. Trudel: Pour Vancouver?

M. Owen: Comment pouvez-vous vous rendre à Vancouver? Il n'y a pas de service prévu pour Vancouver. Il nous faudrait noliser et c'est une question de production et de demande. Tout cela entre en ligne de compte, mais le cubage d'un wagon est d'environ 2 ou 3 contre un au-dessus du poids.

M. Perrault: Monsieur le président, au sujet des camionneurs, on déclare aussi, à la page 3 dans ce mémoire, et je cite: «Ce monopole du camionnage à l'intérieur des provinces et entre les provinces nuit à l'industrie qui essaie de faire face à des tarifs qui sont beaucoup trop élevés». Dois-je en conclure que vous vous opposez à ce que des subventions soient payées à l'industrie du camionnage dans les Maritimes?

M. Owen: Non.

M. Perrault: Pouvez-vous préciser?

M. Owen: Je pourrais vous expliquer mon attitude simplement du point de vue du trafic. Prenons-le suivant l'aspect du transport, et comme le verrait un directeur du service de transport industriel. Nos relations avec l'industrie du camionnage se situent à un niveau inférieur ou plus fondamental. Vous pouvez avoir tous les conseillers, ils ne peuvent vous donner les éléments fondamentaux de ces problèmes. Nous en avons l'expérience. A Montréal, et partout au pays, j'ai rencontré les représentants des camionneurs, je ne leur en veux pas. C'est une entreprise, et il lui faut fonctionner. Les taux sont selon ce que le trafic permet.

[*Texte*]

Mr. Perrault: Do you think they are charging too much?

Mr. Owen: I think so; maybe it is because of their operating expenses. I have not got a clue; they have to prove this to me.

Mr. Perrault: Then you are not suggesting they be subsidized when you already state that they are charging too much.

Mr. Owen: Well, if you read the brief, what I am trying to imply is that that this is merely housecleaning and there is one hell of a lot of housecleaning to go on and I think this is apart from what the Committee wants. There is a problem. The only thing I want is a bridging subsidy. I was talking to somebody before on this. You were asking why the rest of the shippers in Canada were not; how would they feel about you getting a subsidy. Well there was a subsidy put on which did not affect the Maritimes, and I do not think anybody complained about that. It brought both Eastern and Western Canada closer together.

Mr. Perrault: Again, Mr. Chairman, if you have any information which would be of interest to the Committee relating to the cost of shipping by truck, any information relating to rates, I know the Committee would be pleased to hear from you.

Mr. Owen: Fine; any time.

Mr. Rose: Mr. Owen, I too was startled by the remarks in your brief. Were you here this morning, sir? I raised the question about the Charlottetown Board of Trade brief where the truckers responded to a raise in rail rates by immediately raising their own rates in this particular area; higher rates here for less than carload lots.

Mr. Owen: I will not argue with the trucker implication there; I cannot say.

Mr. Rose: It relates to the whole question of where assistance to this particular area might best be put, because there have been suggestions that any M.F.R.A. rate or any extension should go to the shipper rather than the carrier because at the problem that it might not be passed on by the carrier.

Mr. Owen: No; I did not imply that there.

[*Interprétation*]

M. Perrault: Ils exigent trop, selon vous?

M. Owen: C'est bien ce que je crois. C'est peut-être dû à leurs dépenses d'exploitation, je n'en sais rien. Ils doivent me le prouver.

M. Perrault: Alors vous ne proposez pas qu'ils doivent être subventionnés lorsque vous dites qu'ils exigent déjà beaucoup trop?

M. Owen: Si vous lisez le mémoire vous verrez que je suggère simplement de mettre un peu d'ordre. Il y a beaucoup d'ordre à mettre. Je pense que ce n'est pas ce que désire le Comité. Il y a un problème. Tout ce que je veux c'est une subvention d'appoint. J'en faisais part à quelqu'un auparavant. Vous demandez pourquoi les autres expéditeurs ne le font pas; quelle serait leur réaction si vous obteniez une subvention. Il y a eu une subvention qui ne touchait pas les Maritimes et je crois que personne ne s'est plaint. Cela a réussi à nous rapprocher, l'est et l'ouest.

M. Perrault: Si, une fois de plus monsieur le président, vous avez des renseignements qui puissent intéresser le Comité, qui se rattachent au coût d'expédition par camion, et des renseignements quant aux taux, je sais que le Comité se fera un plaisir de les entendre.

M. Owen: Excellent. En n'importe quel temps.

M. Rose: Monsieur Owen, moi aussi je suis étonné par les observations que vous avez énoncées dans votre mémoire. Est-ce que vous étiez là ce matin? J'ai abordé la question au sujet de la présentation du *Board of Trade* de Charlottetown, des camionneurs qui ont réagi en augmentant leurs tarifs dans cette région eux aussi par suite d'une augmentation du tarif ferroviaire; des taux plus élevés ici pour moins qu'une wagonnée.

M. Owen: Je ne veux pas m'en prendre aux camionneurs à ce sujet. Je ne suis pas en mesure de vous en parler.

M. Rose: Cela se rattache à toute cette question de savoir où l'aide à cette région serait la plus efficace parce qu'on a dit que tout tarif rattaché à la Loi sur les transports des marchandises dans les Maritimes, ou toute extension, devrait être donné à l'expéditeur plutôt qu'au transporteur au cas où celui-ci n'en ferait pas bénéficier le premier.

M. Owen: Ce n'est pas ce que j'ai dit.

[*Text*]

Mr. Rose: No, no; I did not say you did.

Mr. Owen: The carrier has his own problems. I am talking about industry. The whole object of the M.F.R.A. here was to bring industry into the Maritime Provinces.

To me it has not been done. I have looked at the situation. I have talked to people, I have talked to individuals who are presidents of companies and asked them how the freight rate affected them or what they knew about the M.F.R.A., what they knew about any aspect of transportation, and they could not answer this question. They could not even give me—they had no idea.

Mr. Rose: To paraphrase it for clarification—I am not attempting to put words in your mouth—you are suggesting that favourable attitudes and subsidies and this sort of thing have not developed indstry in the Maritimes.

Mr. Owen: No. That is right.

Mr. Rose: Is your own industry, sir, Hawker Siddeley Canada Limited, a British-owned firm?

Mr. Owen: It is a British-owned firm, yes.

Mr. Rose: Your company has been established here for some time?

Mr. Owen: Yes, I imagine so. If you have heard about Sydney, I believe you...

Mr. Rose: Right. I was interested in the business about the Sydney Steel Corporation because they had a problem in shipping their products too and you try to co-ordinate and use as much of the material there as possible.

Mr. Owen: Then again, the transportation department of Sydney Steel Corporation and my transportation department work very well together and this has no bearing on Hawker Siddeley Canada Limited or anything. We are a fraternity by ourselves and we work this way, and we have very good relations.

Mr. Rose: Can you tell me, sir, how much of an advantage your lower wages give you in your manufacturing here in the Maritimes?

Mr. Owen: Our lower wages at this moment, so I believe, I am no—that is why I stayed away from statistics and if anybody wanted to ask me what statistics they

[*Interpretation*]

M. Rose: Non, je ne prétends pas que c'est vous qui l'avez dit.

M. Owen: Le transporteur a ses propres problèmes. Je parle de l'industrie. Tout le but de la Loi sur les taux de transport des marchandises dans les province maritimes était d'amener des industries dans les Maritimes.

Pour moi, on n'y est pas parvenu. J'ai examiné la situation, je me suis entretenu avec des personnes, des présidents de compagnies afin de voir comment ces tarifs-marchandises les avaient affectés, ce qu'ils connaissaient de la Loi sur les taux de transport des marchandises dans les provinces maritimes ou tout autre aspect des transports, mais ils ne pouvaient répondre à cette question. Ils ne pouvaient même pas me donner... enfin ils n'avaient pas la moindre idée.

M. Rose: Pour paraphraser un peu, à des fins de précision, je n'essaie pas de vous prêter des paroles, vous proposez qu'une attitude favorable, des subventions et des choses de ce genre n'ont pas réussi à développer l'industrie dans les Maritimes.

M. Owen: Non, c'est vrai.

M. Rose: Votre propre industrie, Monsieur, *Hawker Siddeley Canada Limited,* est-t-elle une société britannique?

M. Owen: Oui, c'est une société britannique.

M. Rose: Êtes-vous établis ici depuis un certain temps?

M. Owen: Oui, j'imagine. Si vous en avez déjà entendu parler, je crois que vous...

M. Rose: C'est vrai. Je me suis intéressé aux affaires de la *Sydney Steel Corporation* parce qu'ils ont aussi eu un problème d'expédition de leurs produits et vous essayer de coordonner et d'utiliser le plus de matériel possible qui s'y trouve.

M. Owen: Alors, le service de transport de la *Sydney Steel Corporation,* et le mien collaborent très bien en eux et cela n'a rien à voir avec la *Hawker Siddeley Company Limited.* Nous sommes une fraternité par nous-mêmes et c'est ainsi que nous travaillons, nous avons d'excellents rapports.

M. Rose: Pouvez-vous me dire, monsieur, quel avantage vous procurent vos salaires inférieurs pour ce qui est de votre fabrication ici dans les Maritimes?

M. Owen: Nos salaires inférieurs, en ce moment, je crois, c'est la raison pour laquelle je me suis tenu éloigné de la statistique et si quelqu'un veut me demander de quelle statis-

[*Texte*]

require—our wages, I understand, are on a par with Quebec wages.

Mr. Rose: Your competitors' wages?

Mr. Owen: Our competitors? We have competitors in Quebec. Our competitors' wages are somewhat higher and, as I say, this is narrowing. It is narrowing the margin of profit and it is becoming very marginal in our cost.

Mr. Rose: Do you feel that perhaps the wages subsidize your industry less than they did in the past?

Mr. Owen: Yes, definitely. I think I can make this statement, that we accepted this reefer carrier just on the cost and we knocked off our profit just to keep going.

Mr. Rose: Is your plant organized, sir?

Mr. Owen: It is very well organized.

Mr. Rose: Is it organized by a trade union?

Mr. Owen: Yes, it is.

The Chairman: Have you other questions, gentlemen?

Mr. Perrault: Did Hawker Siddeley receive any kind of government incentive when it first came?

Mr. Owen: This I am not prepared to say. I know I have been there four, and I am going back five years now. We have not received any tax concessions. We have received no subventions and no subsidies and, as I say, as far as subsidies are concerned, the only one is the M.F.R.A. from which we derive about 5 per cent.

Mr. Perrault: It is your view that there is a more acceptable way to extend subsidy aid than merely this application of freight rates to the trucking industry and the rest. You would like to extend aid to industry where this aid is required?

Mr. Owen: Industry itself would have to prove that it is qualified. In order to qualify, with the qualification set up—this is just off the top of my head—the industry would require a transportation consultant in order to apply for those...

Mr. Perrault: I understand.

[*Interprétation*]

tique ils ont besoin, que nos salaires sont égaux à ceux du Québec.

M. Rose: Les salaires de vos concurrents?

M. Owen: Nos concurrents? Nous avons des concurrents au Québec. Leurs salaires sont quelque peu plus élevés, comme je l'ai dit, mais nous rapprochons. Cela diminue la marge de profit et devient un secteur tout à fait marginal dans nos frais.

M. Rose: Croyez-vous que les salaires subventionnent votre industrie moins que dans le passé?

M. Owen: Oui, sûrement. Je pense pouvoir faire cette déclaration que nous avons accepté cette commande de wagons frigorifiques simplement pour le coût et nous avons fait disparaître nos bénéfices simplement pour maintenir notre usine.

M. Rose: Est-ce que vous êtes organisés?

M. Owen: Oui, c'est très bien organisé.

M. Rose: Est-ce organisé par un syndicat?

M. Owen: Oui.

Le président: Messieurs, avez-vous d'autres questions à poser?

M. Perrault: Est-ce que vous avez reçu des encouragements du gouvernement lorsque vous êtes venus vous établir?

M. Owen: Je ne suis pas prêt à vous donner la réponse. Je suis là depuis cinq ans, et depuis ce temps, nous n'avons pas reçu de concessions en matière d'impôt. Nous n'avons jamais reçu de subventions, de subsides, et comme je vous dis, pour ce qui est des subventions, la seule à laquelle je peux songer est celle en vertu de la Loi sur les taux de transport des marchandises dans les provinces maritimes dont nous touchons environ 5 p. 100.

M. Perrault: Vous croyez qu'il y a une meilleure façon de procéder que cette simple application des tarifs-marchandises au camionnage et autres industries de transport. Vous aimeriez donner l'aide à l'industrie là où il le faut.

M. Owen: Il faudrait que l'industrie puisse prouver alors son admissibilité. Pour être admissible suivant les exigences qu'on prévoit, et là je vous donne simplement cela, l'industrie aurait besoin d'un expert-conseil en matière de transport pour pouvoir présenter une telle demande.

M. Perrault: Je comprends.

[*Text*]

Mr. Owen: You would also get the transportation people in there with them and say, "This is what you need."

Mr. Perrault: I understand.

Mr. Owen: On a very technical basis or sophisticated basis.

Mr. Perrault: Thank you, Mr. Chairman.

The Chairman: If there are no other questions, thank you, gentlemen, for submitting your brief.

Now I would like to call upon Major D. A. MacDonald, from the Brunswick Hotel in Moncton, New Brunswick, who will give a short resume of his brief.

Major D. A. MacDonald (Private Citizen, Moncton, New Brunswick): Mr. Chairman, gentlemen of the Committee, I am not going to read my first brief which I wrote a year ago. At that time the causeway was under construction and I was very glad to see that, but since that time it has been somewhat delayed. However, I wrote this short brief since—the other day.

Further to the brief I have submitted, I would like to say I had written to all the Governors of the New England States when I prepared the brief that I have read here. I also submitted a copy of the brief and a letter covering my ideas.

I would like to go into the project of the causeway crossing the Northumberland Straits. I made quite a study of this, taking everything into consideration, as I did of the causeway that crossed the Petitcodiac River which is now almost completed. This was in the early fifties. This causeway will be the greatest uplift to that section of the country. I wrote an article in the Moncton papers outlining my proposals. I will attach a copy of this article to my other letters which I have given you. I also spoke to the Board of Trade in Amherst on this subject. I was quite confident that it was feasible and I asked my good friend Neil Matheson to bring it up in the House, which he did.

It soon became an interesting subject. I was extremely pleased when a start was made on the approaches, although I was not pleased with the design. A causeway, a bridge, an island and a tunnel, I do not see or understand such a plan. I have not changed my mind on my plan; that a concrete structure solid across with a lock for summer shipping is sound. These concrete casements could be made on the beaches and floated out. There

[*Interpretation*]

M. Owen: Vous amèneriez également les gens des transports avec eux et il faudrait leur dire: «voilà ce dont vous avez besoin».

M. Perrault: Je comprends.

M. Owen: Il faut donc faire une étude technique ou sophistiquée.

M. Perrault: Merci beaucoup, monsieur le président.

Le président: S'il n'y a pas d'autres questions, j'aimerais bien pouvoir demander au Major D. A. MacDonald, de l'Hôtel Brunswick, à Moncton (N.-B.), de présenter son mémoire.

Major D. A. MacDonald (simple citoyen, Moncton, Nouveau-Brunswick): Monsieur le président, messieurs les membres du Comité, je n'ai pas l'intention de vous lire mon premier mémoire qui avait été présenté, il y a un an. A ce moment-là, la chaussée était en construction et j'étais très heureux de le constater, mais, depuis ce temps, la construction a été quelque peu retardée. Toutefois, j'ai écrit le bref mémoire depuis, l'autre jour.

En plus du mémoire que j'ai présenté, j'aimerais dire que j'avais écrit à tous les gouverneurs des États de la Nouvelle-Angleterre, quand j'ai préparé le mémoire que j'ai lu ici. J'ai aussi présenté un exemplaire du mémoire et une lettre exprimant mes idées.

J'aimerais maintenant vous parler du projet de la chaussée du détroit de Northumberland. J'ai étudié la question en détail, tenant compte de tous les aspects, comme je l'avais fait pour la chaussée traversant la rivière Petitcodiac, qui est maintenant presque terminée. Cela se passait au début des années 50. Cette chaussée sera la plus grande amélioration dans cette section du pays. J'ai écrit un article pour les journaux de Moncton, y exposant mes propositions. Je vais annexer une copie de cet article aux autres lettres que je vous ai déjà données. J'ai aussi parlé au Board of Trade de Amhest à ce sujet. J'étais très confiant que c'était pratique de le faire et j'ai demandé à mon bon ami M. Neil Matheson, d'en parler à la Chambre, ce qu'il a fait.

Le sujet est bientôt devenu des plus intéressants. J'ai été très heureux de voir les travaux qui s'effectuaient sur les voies d'accès, quoique je n'étais pas du tout heureux du dessin. Une chaussée, un pont, une île et un tunnel; je ne comprends pas du tout la raison d'être d'un tel projet. Je n'ai pas changé d'idée sur mon propre projet, à l'effet qu'une structure solide en béton, en largeur, avec une écluse pour la navigation en été est une

[*Texte*]

would have to be a canopy enclosure to protect the roadway from ice. It would be similar to the old-fashioned convered bridges. Another great thing in this construction is that 95 per cent of all the materials used would be purchased in the Maritime Provinces. The proof of my plan being sound is the construction of the Canso Causeway, and you know what this causeway has done for Cape Breton and the surrounding country.

The causeway to Prince Edward Island will be an asset to all Canada and Canada owes this to the people of the Maritime Provinces and a great deal more. We have given Canada and the world some of the greatest men and women in all walks of life.

Gentlemen, the smallest province in Canada, Prince Edward Island, in this great country, led second to the largest park in the world in Alberta as a tourist attraction. It is second as a tourist attraction all over this continent. The causeway must be built. These ships can be utilized on other parts of the Island to a great advantage. Wood Island's ferry is developing very rapidly. It needs two more boats there now. To build this causeway you can deduct—and I might say here the great dicffiulty in building this causeway seems to be money—$150 million that is wasted on the CBC. This is a scandalous waste. It should be turned into a private enterprise and left to pay its own way. The government should not be in the show business. Many of the programs are a disgrace and indecent.

Urban renewal is a public monster in a country like Canada where we have beautiful virgin land to build on. Purchasing land at an extravagant price because certain people with money want the public to hug the centre of the cities. Other properties have been left to waste. Ninety per cent of these properties have been condemned by the health department, are owned by the richest people in the country.

Too much emphasis is placed on house building. Any man who wants a $15,000 home or more should not be asking any favours. I am thinking about the man with a family that earns less than $100 a week. I am sure that comfortables homes could be built for these people. Fortunes have been made out of this national housing. A $10,000 home, deducting all taxes, could be built for approximately $7,200. Therefore it is 28 per cent taxes on a

[*Interprétation*]

bonne idée. On pourrait construire les battants en béton sur la rive et les faire flotter en place.

Il faudrait une voûte pour protéger la chaussée de la glace. Cela ressemblerait aux anciens ponts couvers. Un autre aspect important de cette construction est que 95 p. 100 de tous les matériaux employés seraient achetés dans les provinces maritimes. La preuve que mon projet est solide, est la construction de la chaussée Canso. Vous savez ce qu'à fait cette chaussée pour le Cap Breton et le milieu environnant.

La chaussée jusqu'à l'Île-du-Prince-Édouard serait certainement un avantage pour tout le Canada et le Canada doit cela aux gens des provinces maritimes, et beaucoup plus encore. Nous avons donné au Canada et au monde certains des plus grands hommes dans tous les domaines.

Messieurs, la plus petite province du Canada, l'Île-du-Prince-Édouard dans ce beau et vaste pays, s'est classée au deuxième rang, après le plus grand parc au monde en Alberta, comme parc d'attraction pour le tourisme. La chaussée doit être construite. On pourrait utiliser avantageusement ces navires pour les autres secteurs de la province. La traversée à Wood Island's se développe très rapidement et elle a besoin de deux autres navires. Pour la construction de la chaussée, et je dois dire ici, que la grande difficulté, vous pourriez déduire 150 millions de dollars qui sont gaspillés pour Radio-Canada. C'est un gaspillage scandaleux. On devrait transformer Radio-Canada en entreprise privée et la laisser se subvenir à elle-même. Le gouvernement ne devrait pas se mêler de théâtre. Plusieurs des émissions sont disgracieuses et indécentes.

La rénovation urbaine est un monstre public dans un pays comme le Canada où nous avons de beaux terrains vierges où l'on pourrait construire. Achetant le terrain à des prix extravagants parce que certaines personnes avec de l'argent veulent que le public s'entasse au centre des grandes villes. D'autres propriétés sont abandonnées à la ruine. 90 p. 100 de ces propriétés, qui ont été condamnées par le ministère de la Santé, sont la propriété des plus riches du pays.

On a trop insisté sur la construction de résidences. N'importe lequel homme qui veut une maison de $15,000 ou plus, ne devait pas quémander de faveurs. Je songe à celui qui a une famille et qui gagne moins de $100. par semaine. Je suis sûr que des maisons confortables pourraient être construites à l'intention de ces gens. On a fait des fortunes dans ce projet de logement. Une maison de $10,000, si on déduit toutes les taxes, pourrait certaine-

[*Text*]

house. The other people I am not worried about. If they want to call the tune they can pay for it.

The railway must not be paying taxes to the municipalities. The municipalities contribute very little to it. The backbone of the railway and the country at large is the farmers, the fishermen, the lumbermen, the miners and all producers of raw materials and they are the last to be considered.

Why should a miner contribute to a railway that pays taxes to a city and the taxes are used to illuminate the city? A city is fortunate to have a railway running through it. It has all the convenience at no cost whereby the farmer must haul his produce to a railway station at his own expense. They are building too close to the railway tracks now and they are asking the railway to move them.

There is only one way of remedying traffic problems of trains and other conveyances, and that is by underpasses and overpasses.

My final subject is interest rates. If something is not done and interest rates are not pegged, we will have a third world war.

There is no reason why the United States and Canada could not peg interest rates. They are both self-supporting nations with all the commodities of life. In the thirties Canada established the greatest banking system in the world. The United States copied it, but it is starting to break up. Thank you.

The Chairman: Thank you very much. Are there any questions, gentlemen?

Gentlemen, I have two further short briefs. These briefs are not on the agenda but the people are here and they would like to be heard. I think it is the duty of the Committee to hear them if it is possible. We will now call upon the Maritime Motor Transport Association.

Mr. McGrath: The only objection I make, Mr. Chairman, is that we had a long examination of the parent organization in Fredericton and I think we should bear that in mind.

The Chairman: We are just going to have a summary of the brief, Mr. McGrath.

Mr. J. Lowell Hogg (Vice-President, Maritime Motor Transport Association): Gentle-

[*Interpretation*]

ment être construite pour $7,200. Par conséquent, il y a 28 p. 100 de taxes sur une maison. Je ne me péoccupe pas des autres. S'ils veulent choisir, qu'ils paient.

Le chemin de fer ne doit pas verser des impôts aux municipalités. Les municipalités y contribuent très peu. La force des chemins de fer et du pays dans l'ensemble, ce sont les pêcheurs, les agriculteurs, les bûcherons, les mineurs et tous les producteurs de matière brute, et malheureusement, ce sont les derniers à être pris en considération.

Pourquoi le mineur doit-il contribuer à un chemin de fer qui paie des taxes à une municipalité et que les taxes servent à illuminer la ville? Le chemin de fer est un avantage pour une ville. Il a toutes les commodités sans aucun frais, tandis que le cultivateur doit transporter ses propres produits à ses propres frais, jusqu'à une gare de chemin de fer. On construit trop proche des voies ferrées à l'heure actuelle et on demande au chemin de fer de déplacer ses lignes.

Il n'y a qu'un seul moyen de remédier aux problèmes de la circulation et à d'autres moyens de transports c'est-à-dire par des passages inférieurs et supérieurs. Mon dernier sujet est les taux d'intérêt; si on ne fait pas quelque chose et si les taux d'intérêt ne sont pas baissés, nous aurons une troisième guerre mondiale. Il n'y a pas de raison pour laquelle le Canada et les États-Unis ne pourraient pas payer des intérêts. Les deux pays se suffisent à eux-mêmes. Ils ont tous les avantages matériels de la vie; dans les années trente, le Canada établit le meilleur système banquaire au monde, et les États-Unis l'ont approprié; mais il commence à se détériorer. C'est tout, messieurs, je vous remercie.

Le président: Merci, y a-t-il d'autres question à poser, messieurs?

Messieurs, j'ai deux autres petits mémoires, sur ma liste, qui ne se trouvaient pas sur notre programme, mais étant donné que les gens sont ici et aimeraient bien être entendus. Je crois que c'est le devoir du Comité de les entendre, si c'est possible. Et je demanderais donc au *Maritime Motor Transport Association* de présenter son mémoire.

M. McGrath: Monsieur le président, la seule objection que je fais est que nous avons longuement étudié l'organisme-mère à Fredericton et je pense qu'il faudrait en tenir compte.

Le président: Il va tout simplement résumer le mémoire, M. McGrath.

M. J. Lowell Hogg (Vice-président, Maritime Motor Transport Association): J'essayerai de

[*Texte*]

men, I hope I will not bore you. This brief deals practically in total with Prince Edward Island problems. I understand that the brief presented at Fredericton was, in the main, on the Maritime Freight Rates Act, but we do not plan to go into any detail on that subject.

The Prince Edward Island directors of MMTA appreciate the opportunity of appearing before this Transport Committee to answer questions and present some facts about truck transportation on Prince Edward Island and between that province and the rest of Canada.

Because of our insular position and lack of contact with our sister provinces, truck transportation is slow in coming to this province. Highways were paved in the 1940s but it was only with the re-building of the Trans-Canada Highway to all-weather standards in 1965 that trucks were able to carry payloads 12 months of the year. With this exception and a few trunk highways, heavy traffic is severely curtailed during the than-out period of approximately six weeks each spring. We have reviewed Walter Gordon's Report on the Royal Commission on Canada's Economic Prospects and a submission by Mr. Lessard entitled *Canadian Transportation*, which was published nearly 15 years ago, and we have found that of the many suggestions recommended to improve transportation in the Maritimes the only one nearing implementation is adequate highways.

The railways have had a virtual monopoly on freight and passenger traffic on Prince Edward Island, as they have had in other provinces. Truck transportation began interprovincially in 1941 with the opening of the Wood Island ferries for summer traffic. It was 1950 before rates were reduced and the decks were planked for trucks at Borden and Cape Tormentine, and Prince Edward Island began to enjoy modern transportation. However, trucks are still hampered by lack of crossing facilities over the Northumberland Strait and by the fact that their competitors, the railways, under the Maritime Freight Rates Act have the advantage of a 20 per cent or a 30 per cent subsidy plus a $2 freight car charge on the ferry as aganst a $6 to $8 rate for trucks.

The truck operators of Prince Edward Island fully endorse the presentation made by MMTA at your sittings in Fredericton with relation to the building of a Maine corridor road that will shorten the distance to central Canadian markets. We also give our strong support to the presentations in favour of the

[*Interprétation*]

ne pas être trop long: nous discutons presque au complet les problèmes d l'Île-du-Prince-Édouard. Le mémoire que nous avons présenté à Fredericton concernait principalement la Loi sur les taux de transport de marchandises des maritimes, et nous n'avons pas l'intention d'en parler en détail. Les directeurs apprécient l'occasion de se présenter devant ce comité de transports pour répondre aux questions et de vous présenter certains faits au sujet du transport par camion sur l'Île-du-Prince-Édouard et entre cette province et le reste du Canada.

En raison de notre situation insulaire, et du manque de contact avec nos provinces sœurs, le transport par camion se fait lentement en direction de la province. Dans les années 40 les autoroutes ont été bitumées, mais ce n'est qu'à la fin de la construction de la route transcanadienne, en 1965, conformes aux normes de toute saison que les camions ont pu faire le transport douze mois par année. Avec cette exception et certaines routes pour camions—ne pouvons en faire le transport par camion pendant six semaines au printemps seulement. Nous avons examiné les rapports de la Commission Gordon et de M. Lessard, intitulé *Canadian Transportation* publiées il y a tout près de quinze ans, et nous trouvons qu'une grande partie des recommandations faites pour améliorer les transports aux maritimes, la seule valable est de construire des autoroutes.

Les chemins de fer ont réellement eu un monopole sur le transport de marchandises et de passagers vers l'Île-du-Prince-Édouard comme cela existait dans les autres provinces. Le camionnage a commencé de façon interprovinciale en 1941 avec l'ouverture du service des transbordeurs de Wood Island pour l'été. En 1950, on a réduit les taux, et on a pu accepter les camions à Borden et à Cape Tormentine et l'Île-du-Prince-Édouard a donc commencé à profiter d'un moyen de transport moderne. Toutefois, les camions ont toujours de la difficulté de la traversée sur le détroit de Nord Cumberland. De plus, leurs concurrents, les chemins de fer, ont une subvention de 20 ou 30 p. 100, en vertu de la Loi sur les taux de transport de marchandises des provinces maritimes en plus de deux dollars pour chaque wagon pour les traversiers, comparativement à six ou huit dollars pour automobiles ou les camions.

Les camionneurs de l'Île-du-Prince-Édouard sont pleinement d'accord avec les recommandations formulées lors de la réunion de Fredericton par notre association: la construction de la route corridor du Maine qui abrégerait la distance des principaux marchés canadiens. Nous appuyons aussi les présenta-

[*Text*]

Northumberland Strait crossing that you will be considering as a result of these hearings in the Maritimes.

We cannot stress too strongly the advantages of a dry land crossing for Prince Edward Island residents. Despite the many difficulties which confront motor transport, it has made a notable contribution to the economy of Prince Edward Island. It has opened up a profitable fish market in the eastern port of the United States and it is now carrying on a valuable two-way trade between Prince Edward Island and the Central Canadian markets, as well as operating a daily service between Maritime points. With the implementation of the development plan on Prince Edward Island our farm and fishery products are expected to triple in volume, with the resulting increase in interprovincial trade. Truck transport will welcome this increased tade and prosperity and we are prepared to increase its capacity to handle this heavy traffic. We hasten to point out that notwithstanding planned increases in ferries and facilities at Borden-Tormentine, a hug bottleneck will result and there will be an increase in ferry costs, delays and inconvenience that will seriously curtail the benefits of the plan.

A dry land crossing would practically double the capacity of Maritime truck operators using the Prince Edward Island causeway service through the elimination of waiting and crossing time and faster turnaround, without increased spending on capital motor equipment. Heavy diesel equipment could operate 20 hours a day, whereas at present Island operators can only operate effectively 10 hours a day.

Low value products and bulk materials, such as oil, coal, rock, limestone, cement, salt, fertilizer, brick and building materials that are now uneconomic to haul by truck, will become practical by operating two trips daily instead of one. Livestock in temperature-controlled vehicles would represent a decided advantage by the elimination of shrinkage and loss of livestock. Highly priced perishable meats, fish, potato products and fruit would arrive in their original prime condition at the consumer area. Prince Edward Island-produced products would be within overnight shipping distance of the Montreal and Boston markets and second-day delivery in Toronto and New York. Labour and driver problems would be greatly improved, the present three-hour minimum delay per round trip would be eliminated and Prince Edward Island operators would have comparable working conditions to other Canadian transport operators under the Canada Labour

[*Interpretation*]

tions du détroit de Northumberland que vous devrez envisager en raison des audiences ici aux Maritimes.

Nous ne saurions trop insister sur la chaussée pour les résidents de l'Île-du-Prince-Édouard. Malgré les nombreuses difficultés pour le camionnage, cette industrie a fait un grand apport à l'économie de cette province. Nous avons pu trouver d'autres débouchés pour le poisson à l'est des États-Unis, et nous avons maintenant un commerce très profitable dans les deux sens, entre l'Île-du-Prince-Édouard et les principaux marchés du Canada, ainsi qu'un service quotidien entre les points des maritimes eux-mêmes. Avec la réalisation du projet d'aménagement de l'Île-du-Prince-Édouard, nos produits agricoles et de la pêche pourront tripler leur volume avec une augmentation du commerce interprovincial. Le transport par camions sera heureux de voir cette expansion et cette prospérité et nous sommes prêts à augmenter cette capacité pour manutentionner ce trafic. Mais nous nous empressons d'ajouter que, nonobstant les augmentations prévues pour le servicee de transbordeurs à Borden et Tormentine il y aura toujours du retard et des inconvénients qui réduiront considérablement les profits de ce projet.

Une traversée à pieds secs pourra doubler la capacité des opérations des camionneurs en utilisant le service de cette chaussée, grâce à l'élimination d'un temps d'attente, et à un aller-retour plus rapide, sans augmentation de dépenses pour l'équipement. L'équipement diesel pourrait fonctionner vingt heures par jours, alors qu'en ce moment les exploitants de l'Île ne peuvent fonctionner vraiment que pendant dix heures.

Des produits d'une faible valeur et des matériaux en vrac comme le pétrole, le charbon, le ciment, le sel des engrais, la brique et les matériaux de construction qui maintenant ne sont pas transportés par camion de façon rentable, pourraient facilement être transportés deux fois par jour, plutôt qu'une seule fois. Les véhicules pour bestiaux auront un avantage de marqué, en faisant disparaître toute perte et tout gaspillage de viande, de poisson, de pommes de terre, de fruits, pourront arriver dans leur état original dans les centres de distribution des consommateurs. L'Île-du-Prince-Édouard produit des denrées qui se trouveront à peine quelques heures des marchés de Montréal et de Boston, et de deux jours de Toronto et de New-York. La situation du travail et du conducteur sera largement améliorée. Maintenant, il y a un minimum de trois heures de retard par voyage aller-retour, et des exploitants de l'Île-du-Prince-Édouard auraient donc des conditions

[*Texte*]

(Standards) Code, and this is causing serious difficulties at present.

We favour immediate enactment of Part III of the National Transportation Act. This would give transport operators stabilized rates and uniform operating regulations in the Atlantic provinces.

Most extraprovincial Prince Edward Island operators have at least three provincial and, I may add, state authorities to deal with, and a simplification and standardization of regulations is much to be desired.

The relatively short time that Island operators have been in business and the high cost of operations has been responsible for a shortage of terminal facilities, communication media and working capital. With the present curtailment of rail services and the prospect of greatly increased traffic which will be generated by the development plan, the Island motor transport needs greatly increased facilities to give the service that will be required. Some form of financial assistance and reasonable financing would be beneficial.

Your Committee has been favoured this year, as have the transport operators, by very mild and unseasonable weather. The one solid fact that your Committee brought back to Ottawa last year was that travelling conditions in the wintertime on and to Prince Edward Island can be very disagreeable. We hope that your full attention will be given to our transportation problems and that you will not be distracted by weather or outside events.

The Chairman: Thank you very much. Mr. Perrault.

Mr. Perrault: Mr. Chairman, I think we have listened with interest to this brief. I would like to ask this question. The traffic manager of Hawker-Siddeley Canada Limited said earlier today that the monopoly of intraprovincial and interprovincial trucking was taking its toll from industry in areas struggling for existence with rates that are far too high, and when negotiating for lower rates and making rate comparisons with other areas of the country the transportation people say the deplorable condition of the roads which these companies are faced with makes for higher rates due to lost time and higher maintenance costs, but over the past two years the Trans-Canada Highway has connected most areas of the province through to

[*Interprétation*]

de travail comparables à celles des autres exploitants canadiens, en vertu du Code du travail du Canada que présente un difficulté très grande en ce moment.

Nous serions en faveur d'une mise en vigueur immédiate de la partie trois de la Loi canadienne sur le transport pour donner aux exploitants des taux stabilisés et des règlements uniformes pour les provinces de l'Atlantique.

La plupart des exploitants de l'Île-du-Prince-Édouard ont au moins trois cas avec qui ils doivent faire affaire; une simplification et une normalisation des règlements est vraiment souhaitable d'après une période depuis laquelle les exploitants de l'Île ont exploité et le coût d'exploitation était responsable de l'insuffisance des services d'aménagement, de moyens de communication et du capital d'exploitation. La diminution actuelle des services ferroviaires et la perspective d'un trafic engendré par les projets de développement, le transport de l'île a besoin de services accrus pour assurer le rendement requis, il faudrait donc une aide financière, un financement juste et adéquat.

Votre comité comme les camionneurs cette année ont été favorisés par une température très douce, mais le seul fait que votre comité a rapporté à Ottawa l'année dernière était que les conditions de transport en hiver vers l'Île-du-Prince-Édouard peuvent être très désagréables.

Nous espérons que vous apporterez toute votre attention à notre problème des transports, sans être distraits par des conditions climatiques ou d'autres événements extérieurs.

Le président: Merci beaucoup. Monsieur Perrault.

M. Perrault: Monsieur le président, je pense que vous avez écouté avec un vif intérêt ce mémoire; je voudrais vous poser la question suivante. Le directeur de la *Hawker-Siddeley Canada Ltd.* a dit aujourd'hui que le monopole du camionnage intraprovincial et interprovincial exige des taux beaucoup trop élevés dans les régions qui luttent pour leur existence, et que lorsqu'ils négocient des taux moins élevés et établissent de nouveaux tarifs comparables à d'autres régions du pays, les responsables du secteur du transport disent que l'état déplorable des routes que ces sociétés doivent faire face entraînent des taux plus élevés aussi dû au fait que le coût d'entretien est plus élevé; et dû aux retards apportés au cours des deux dernières années, la route

[*Text*]

the Quebec border but this has not been reflected in lower rates. If the corridor road becomes a reality, said the traffic manager of Hawker-Siddeley, with the present environment there will be no change unless the industry in this province hires transportation men, who know the makeup of rates, to protect their interests.

There is a clear allegation here that you are charging too much for trucking and the Maine corridor will not change the situation. Would you like to reply to that allegation?

Mr. Hogg: Mr. Chairman, I think that is a very large subject. It covers quite a number of aspects of trucking conditions. With respect to the Maine corridor road, by taking 160 miles off the total mileage to Montreal or Toronto there certainly should be some saving. I think the greatest saving would be in the ability to put products on those markets, which is now uneconomical and cannot be done by trucks.

Mr. Perrault: The suggestion is that the saving is not going to be passed along.

Mr. Hogg: The saving would be in the way of increased markets.

Mr. Perrault: And you are prepared to give that assurance?

Mr. Hogg: I would say so, yes.

Mr. Perrault: You say on page four of your brief:

> Some form of financial assistance and reasonable financing would be beneficial...

Presumably you mean to the industry. What form of financial assistance do you seek, what kind of so-called reasonable financing?

Mr. Hogg: Most small operators are just operating through a finance company, and we all have an idea what those interest rates are. I think assistance in terms of possibly more loans to small businesses, and I might mention on that topic that I believe the trucking industry is the only industry that is not included in the Small Businesses Loans Act.

Mr. Perrault: Have you estimated the cost to the federal treasury of this loan program?

Mr. Hogg: I do not think that direct loans would be the answer.

[*Interpretation*]

transcanadienne a rattaché la plupart des régions de la province par la frontière du Québec. Sans que cela se traduit en taux plus élevés. Si cette route corridor se réalise, a dit le directeur du transport de la *Hawker-Siddeley* il n'y aura aucune modification si l'industrie de cette province n'ait pas recours à des spécialistes qui savent comment établir les taux pour protéger les intérêts.

Donc ici on vous accuse de charger trop pour le camionnage et le corridor du Maine ne remédie pas à la situation. Voudriez-vous répondre à ces accusations?

M. Hogg: Monsieur le président, c'est un sujet très vaste qui tient compte de différents aspects des opérations du camionnage. Prenons le corridor du Maine. Si, disons, on enlève cent soixante milles du total vers Montréal ou Toronto, il doit y avoir un gain de temps. Le plus grand épargne viendrait du fait que nous serions en mesure d'acheminer des produits vers ces marchés qui maintenant ne peut être fait de façon rentable par les camions.

M. Perrault: Vous proposez alors qu'on ne bénéficiera pas de cette épargne.

M. Hogg: Oui, l'épargne est dans l'expansion des marchés.

M. Perrault: Vous nous donnerez cette assurance?

M. Hogg: Je dirais que oui.

M. Perrault: Vous dites à la page quatre de votre mémoire, et je cite:

> Une certaine aide financière et un financement raisonnable seraient avantageux.

Probablement pour l'industrie. Quel genre d'aide financière recherchez-vous, quel genre de soi-disant financement raisonnable?

M. Hogg: La plupart des petites entreprises fonctionnent sur la base d'une société de financement et nous savons tous quels sont leurs taux d'intérêts. Je veux dire qu'il faut accorder une aide par plus de prêts à des petites entreprises et je voudrais mentionner que le camionnage est la seule industrie qui ne soit pas incluse dans les dispositions de cette Loi sur les prêts aux petites entreprises.

M. Perrault: Est-ce que vous avez prévu le coût de ce programme au gouvernement fédéral et au trésor fédéral?

M. Hogg: Je ne crois pas que les prêts directs soient la réponse.

[*Texte*]

Mr. Perrault: You say "Some form of financial assistance and reasonable financing". In other words, there would be an outright grant. Are you thinking in terms of subsidies?

Mr. Hogg: No, I do not think subsidies are necessary.

Mr. Perrault: You are not asking for an extension of...

Mr. Hogg: All that the Maritime Motor Transport Association has asked for is equal treatment with the railway. It is a matter of government policy or negotiation between the federal government and the provinces whether there is a subsidy or not.

Mr. Perrault: Does your definition of equal treatment include subsidies, in view of what you say on page two? You say that the railways have the advantage of a 20 per cent or a 30 per cent subsidy under the Maritime Freight Rates Act. You want equal treatment. it suggests that you want a subsidy as well.

Mr. Hogg: If the railway subsidy is retained we feel that it should be extended to trucks as well, to other forms of transportation.

Mr. Perrault: In your view should the subsidy be paid directly to the trucker or to the shipper?

Mr. Hogg: I think that is just a matter of convenience. We have not taken a direct stand on that. One suggestion has been made that licensed carriers which, under the National Transportation Act, would come within the jurisdiction of the federal government, might be allowed to receive subsidies and their books would be open to inspection.

Mr. Perrault: Should shippers who operate their own private mode of transport receive the subsidies to which you refer?

Mr. Hogg: That is something that I would not...

Mr. Perrault: You are not prepared to take a position on that.

Mr. Hogg: I am not prepared to answer that.

Mr. Perrault: Thank you, Mr. Chairman.

Mr. Breau: Do the truckers not qualify under the Industrial Development Bank?

[*Interprétation*]

M. Perrault: Vous parlez d'une certaine aide financière et d'un financement juste et adéquat. En d'autres mots, il y aura une subvention forfaitaire. Pensez-vous à la possibilité d'une subvention.

M. Hogg: Non, je ne crois pas. Nous n'avons pas besoin d'une subvention.

M. Perrault: Vous ne demandez pas un prolongement de...

M. Hogg: Notre association a tout simplement demandé un traitement égal à celui qui est accordé aux chemins de fer; c'est une politique du gouvernement ou une négociation entre le gouvernement fédéral et les provinces de savoir s'il y a une subvention ou non.

M. Perrault: Est-ce que votre définition d'un traitement équitable comprend des subventions, vu ce que vous dites à la page deux? Vous dites que les chemins de fer ont l'avantage d'avoir une subvention de 20 ou 30 p. 100, en vertu de la Loi sur le taux de transport des marchandises dans les maritimes. Vous voulez un traitement égal, cela implique également une subvention.

M. Hogg: Si on maintient cette subvention aux chemins de fer, nous sommes d'avis que ce devrait être accordé aux camions et à d'autres moyens de transport.

M. Perrault: A votre avis, cette subvention devrait être payée directement aux camionneurs ou à l'expéditeur?

M. Hogg: Il s'agit tout simplement de voir ce qui serait plus approprié; nous n'avons pas établi de ligne de conduite à cet égard; on a proposé que les camionneurs autorisés en vertu de la Loi nationale des transports, relèveraient du gouvernement fédéral, et qu'ils pourraient peut-être recevoir une subvention, et leurs comptabilités seraient soumises à l'inspection.

M. Perrault: Est-ce que les expéditeurs, qui exploitent leur propre moyen de transport recevraient cette subvention dont vous parlez?

M. Hogg: Je ne suis pas prêt à répondre?

M. Perrault: Non, vous n'êtes pas prêt à répondre.

M. Hogg: Je ne saurais vous répondre.

M. Perrault: Merci, monsieur le président.

M. Breau: Est-ce que les camionneurs ne sont pas admissibles, en vertu des dispositions de la Loi sur le développement industriel?

[*Text*]

Mr. Hogg: Some of them do, yes.

Mr. Breau: So, they would not necessarily have to pay the high finance rates if they could qualify.

Mr. Hogg: That would be one way of doing it.

The Chairman: Mr. Macquarrie.

Mr. Macquarrie: Mr. Chairman, I would like to ask Mr. MacKinnon a question. This stems from where he refers at the beginning of page two to the railways having an advantage in reference to subsidies and rates. This gets to a very important question which is indeed fundamental and one of principle, that this vital interprovincial transport facility provided by the Government of Canada is operated and managed by the Canadian National Railways, which is a competitor of the trucking industry. I would like to ask if, in addition to this advantage in subsidies and in rates, which you set out, there are other advantages given to your competitor: namely, the railways? Do you find that your trucks are told to wait while the ferries carry your competitors' goods?

Mr. Hogg: In fairness to the railways, I think in recent years trucks have had very good treatment. As you know there are unscheduled crossings through the night, possibly the ferries will take a full load of freight cars and the trucks will be unable to get on.

Just last year I contacted the shore captain, and other officials from Moncton, at Borden with regard to a small number of trucks that cross every day being assured of crossings on the boat. This is where the five trucks per trip that the Premier mentioned came up. These two officials, who were very close to the operation, agreed and went along with us on that. However, we found out later that the suggestion was turned down completely at Moncton, that they would not give it any consideration, and really we had no business talking about it.

Mr. Macquarrie: Would you say at the present time that, while conditions have improved, your part of the industry does suffer because the facilities which you both must use are, in fact, operated and managed by your competitors?

[*Interpretation*]

M. Hogg: Oui, quelques-uns.

M. Breau: Ils n'ont pas nécessairement besoin de payer ces taux élevés de financement s'ils sont admissibles.

M. Hogg: Ce serait une façon d'y remédier.

Le président: Monsieur Macquarrie.

M. Macquarrie: Monsieur le président, je voudrais poser à M. MacKinnon une question. Une fois adopté au début de la page deux, on parle des chemins de fer qui bénéficieraient davantage pour ce qui est des subventions et aussi des taux. Alors nous en arrivons à une question très importante, même fondamentale, une question de principe. Ce service interprovincial, vital, assuré par le gouvernement du Canada, est exploité et administré par le National-Canadien, qui est un concurrent du camionnage. Je voudrais donc demander si, en plus de ces avantages des subventions et des tarifs que vous mentionnez, il y a d'autres avantages qui sont accordés à vos concurrents, et les chemins de fer en particulier? Est-ce que vous trouvez que vos camions doivent attendre sur le quai alors que le transbordeur transporte les marchandises de vos concurrents?

M. Hogg: Je dois dire, en toute justice à l'égard des chemins de fer, qu'au cours des dernières années, les camions ont été très bien traités. Comme vous le savez, la nuit, il y a des traversées qui ne sont pas prévues à l'horaire. Il arrive que le transbordeur prenne à son bord sa capacité de wagons marchandises et les camions ne pourront pas le prendre.

Ainsi l'année dernière, j'ai communiqué avec le capitaine et les autres représentants de Moncton, à Borden, pour ce qui est de leur assurer un certain nombre de camions qui traverseraient tous les jours, pour qu'on leur donne l'assurance de pouvoir traverser sur le transbordeur. Ce sont les cinq camions par traversée dont le premier ministre a parlé et deux des fonctionnaires qui connaissaient très bien le service en ont convenu ainsi avec nous. Mais nous avons constaté plus tard que la proposition fut rejeté complètement à Moncton, qu'on n'en tiendrait pas du tout compte, et que cela ne nous regardait pas du tout.

M. Macquarrie: Diriez-vous donc, à l'heure actuelle, que, bien que les conditions soient améliorées, votre secteur de l'industrie souffre parce que les installations que vous devez utiliser tous les deux sont exploités et administrés en réalité par vos concurrents?

[*Texte*]

Mr. Hogg: Well, we would like to have a little closer contact with the officials who handle the daily operation of the boat.

Mr. Macquarrie: There is room for improvement?

Mr. Hogg: There certainly is room for improvement.

Mr. Macquarrie: Thank you.

Mr. Thomas (Moncton): Mr. Chairman, and Mr. MacKinnon, this is possibly a supplementary to Mr. Macquarrie's question following along the line of thinking on rates. In the past few days, after listening to various briefs, I have gained the impression that there is some discrepancy in rates as between rail vehicles and highway transport vehicles using the Borden—Tormentine ferry. Let us compare, for example, a rail car of feed shipping out of Moncton to Charlottetown with one of your trucks carrying a carload of feed. Do you pay the same rates to cross the Northumberland Strait?

Mr. Hogg: No, to cross at Borden the railway pays the ferry authority $2 for a loaded boxcar. The boxcar on return, if it is empty, goes free. We pay an average of $8 each way for a tractor-trailer truck. So a truck that was going for a load of feed, or has a load of feed one way returning empty, would pay $16 against $2 for the same car of feed.

Mr. Thomas (Moncton): We have heard also that in some cases where the railway is using CN transport, if the shipment is billed on a railroad bill of lading then the truck transport qualifies for the 20 per cent subsidy. Does this still apply? Let us say they bill that out of Moncton on a railroad bill of lading but they ship by highway transport all the way; do they get the 20 per cent subsidy for that?

Mr. Hogg: Yes, it is our understanding that for a shipment on which $1 a hundred is paid by the customer to the railway, they get a dollar plus the 20 cents subsidy. Supposing we met that competition and charged a dollar, the railway would be ahead because they would get $1.20 for the same shipment.

Mr. Thomas (Moncton): Would this apply even though the railway trucked back into a warehouse in Moncton, loaded the feed on

[*Interprétation*]

M. Hogg: Nous aimerions avoir des contacts plus étroits avec les fonctionnaires chargés du service quotidien du navire.

M. Macquarrie: Il y a donc possibilité d'apporter des améliorations?

M. Hogg: Oui, certainement.

M. Macquarrie: Merci.

M. Thomas (Moncton): Monsieur le président, monsieur MacKinnon, c'est peut-être une question complémentaire à la question posée par M. Macquarrie. Dans le même ordre d'idée, sur les tarifs. Au cours des derniers jours, après avoir entendu différents mémoires, j'ai l'impression qu'il y a un écart dans les tarifs des chemins de fer et les camions qui utilisent le traversier entre Borden et Tormentine. Comparons, par exemple, un wagon plein de denrées animales expédié de Moncton à Charlottetown avec un de vos camions qui transporte la même marchandise. Est-ce que vous payez le même tarif pour traverser le détroit de Northumberland?

M. Hogg: Non, pour prendre le transbordeur Borden les chemins de fer paient $2 pour un wagon marchandises chargé; à son retour, si le wagon est vide, il traverse gratuitement. Nous payons, en moyenne, $8 par traversée pour un camion-remorque. Donc, un camion qui va chercher un chargement de denrées animales, ou qui transporte un chargement de denrées animales et revient vide, paierait $16 contre $2 pour un wagon transportant la même marchandise.

M. Thomas (Moncton): Nous avons également entendu dire que dans certains cas lorsque le chemin de fer a recours au service de transport du National-Canadien, si l'expédition se fait d'après un connaissement de chemin de fer, le camionneur est admissible à la subvention de 20 p. 100. Est-ce toujours le cas? Supposons qu'ils expédient de Moncton avec un connaissement de chemin de fer mais que tout le transport se fait par camion; est-ce qu'ils obtiennent la subvention de 20 p. 100?

M. Hogg: Oui, je crois comprendre que pour une expédition pour laquelle le client paie $1 le cent au chemin de fer, ils obtiennent $1 plus une subvention de 20c. Supposons que pour concurrencer nous établissons notre tarif à $1, le chemin de fer serait encore gagnant parce qu'il recevrait $1.20 pour la même expédition.

M. Thomas (Moncton): Est-ce que cela s'applique même si le chemin de fer transporte par camion jusqu'à un entrepôt à Moncton et

[*Text*]

there and delivered it right to the customer, and, in other words, did not see railway tracks or railway sheds at all? Would they qualify for this 20 per cent subsidy?

Mr. Hogg: It is our understanding that carried on a railway bill of lading it would be eligible for subsidy.

Mr. Thomas (Moncton): I have just one other short question, Mr. MacKinnon. In one of the briefs, I think from the Charlottetown Board of Trade, it was inferred that the highway transport does not have the refrigerated cars to handle the movement of potatoes; I think we are talking about 10,000 carloads of potatoes or something like that. They suggest that for this reason they have to use the railway because it would be too expensive for truck transport to provide the refrigerated cars. Is this true now, and, if so, in the foreseeable future could you get in on this movement of potatoes?

Mr. Hogg: It would be my personal opinion that if they started to build the causeway now, without rails, by the time it was completed the railway question would take care of itself. With the new containers coming in and the leasing of containers, it would be possible to have a stockpile or have containers available. If the total crop of potatoes of 10,000 cars could be spread over the full year, which probably is not possible, it would take approximately 50 semitrailers a day to handle it, and that is not too much out of the way.

Now, the third thing is that in other places, in Maine, in Florida and in other producing areas crop hauling is not done by regular, daily scheduled transport trucks. There is a pool of leased vehicles and a leasing agent in the vicinity who can call vehicles in from quite a distance—500 miles or more—to be available for these shipments. Also, vehicles coming in with other loads would be engaged to take out loads of the crop. This is working in other places.

Mr. Thomas (Moncton): Thank you.

The Chairman: Mr. Allmand?

Mr. Allmand: What routes do you use to the eastern United States at the present time? You said you have opened up a profitable fish

[*Interpretation*]

fait la livraison directement au client, sans que, autrement dit, la marchandise passe par les entrepôts ou les wagons du chemin de fer? Est-ce qu'ils sont admissibles à la subvention de 20 p. 100?

M. Hogg: Je crois comprendre que si la marchandise est inscrite sur un connaissement de chemin de fer, ils sont admissibles à la subvention.

M. Thomas (Moncton): Une dernière question monsieur MacKinnon. Dans un des mémoires, celui de la Chambre de Commerce de Charlottetown, on a plus ou moins laissé entendre que le transport par route n'a pas suffisamment de camions réfrigérés adéquats pour le transport des pommes de terre. Je crois qu'il s'agit de quelques 10,000 chargements de pommes de terre. Ils laissent entendre qu'ils doivent avoir recours aux services ferroviaires parce qu'il serait trop coûteux d'obtenir les camions réfrigérés. Est-ce que c'est juste, à l'heure actuelle, et prévoyez-vous que vous pourrez vous occuper du transport des pommes de terre avant longtemps?

M. Hogg: A mon avis, si on commence à construire la chaussée dès maintenant sans voie ferrée, qu'au moment où ce sera terminé, le problème ferroviaire se règlera de lui-même. Avec le nouveau système de cadres qu'on introduit et la location de cadres, il sera possible alors de constituer des stocks ou d'avoir des cadres en disponibilité. Si toute la récolte de pommes de terre de 10,000 wagons était répartie sur toute l'année, ce qui est pratiquement impossible, il faudrait à peu près 50 camions-remorques par jour pour la transporter, à condition que ce ne soit pas trop loin.

Mon troisième point est que dans quelques endroits du Maine, en Floride et dans d'autres régions de production, le transport des récoltes ne se fait pas par camion de transport ayant un horaire quotidien fixe. Il y a une mise en commun de camions, de location et un agent de location dans la localité qui peut faire venir les camions d'assez loin, d'une distance de 500 milles et même plus, de façon à ce qu'ils soient disponibles pour ces expéditions. De plus, les camions qui arrivent avec d'autres chargements sont utilisés pour transporter la récolte. Ce système fonctionne ailleurs.

M. Thomas (Moncton): Merci beaucoup.

Le président: Monsieur Allmand?

M. Allmand: De quelles routes vous servez-vous vers l'est des États-Unis à l'heure actuelle? Vous avez dit que vous avez découvert

[*Texte*]

market in the eastern United States. Do you go through St. Stephen or through McAdam-Vanceboro over to the interstate highway or what route do you use?

Mr. Hogg: The trucks travel to St. Stephen, up to Woodstock and Houlton and across in that way.

Mr. Allmand: Can large trucks go on the road that runs down to Bangor?

Mr. Hogg: That is the skyline—Route 9. I do not know whether trucks . .

Mr. Allmand: Do your trucks go on that road?

Mr. Hogg: I do not travel out of the Maritimes.

Mr. Allmand: I see. When going into Upper Canada, do you go by way of the Trans-Canada Highway?

Mr. Hogg: I think, sir, most of the trucks travel by the Trans-Canada Highway. There is a new short cut across—I have not travelled it myself—but I understand that there is a new route that has shortened the distance somewhat.

Mr. Allmand: Is that the route that goes through Plaster Rock that my friend from Edmunston favours so much?

Mr. Hogg: You are speaking of Route 51, I think.

Mr. Allmand: Yes, I think that is Route 51. Thank you; that is all.

The Chairman: Gentlemen I want to thank you for your brief. I would like to call upon Mr. Bergasse at this time who is the Assistant Manager of Industrial Enterprises Incorporated. He does not have a brief, but he has a few remarks to make.

Mr. Joseph A. Bergasse (Assistant Manager, Industrial Enterprises Incorporated): Mr. Chairman, members of the Standing Committee and gentlemen, before making my few remarks I would like to tell you who and what Industrial Enterprises is so you will know why I am here.

Industrial Enterprises Incorporated is a provincial Crown corporation established to promote the industrial development of the Province of Prince Edward Island, not only from the point of view of attracting new industries, but also to assist existing industries to expand and diversify. As such, we are closely in touch with the industrial and bus-

[*Interprétation*]

des marchés pour le poisson dans l'est des États-Unis. Par où passez-vous? Par St. Stephen ou par Adom-Vanceboro pour prendre la route inter-état?

M. Hogg: Les camions se rendent à St. Stephen, à Woodstock et à Houlton, et ainsi de suite.

M. Allmand: Est-ce que de gros camions peuvent emprunter la route qui descend à Bangor?

M. Hogg: C'est le «Skyline»—c'est la route 9. Je ne sais pas si les camions. . .

M. Allmand: Est-ce que vos camions prennent cette route?

M. Hogg: Je ne voyage pas hors des Maritimes moi-même.

M. Allmand: Je vois. Pour aller au Haut-Canada—est-ce que vous passez par la route transcanadienne?

M. Hogg: Oui, je pense que la plupart des camions prennent la route transcanadienne. Il y a un nouveau raccourci, que je n'ai pas pris moi-même, mais il y a une route qui abrège la distance quelque peu.

M. Allmand: Est-ce la route qui passe par Plaster Rock que mon ami d'Edmunston aime tant?

M. Hogg: C'est la route 51, je pense.

M. Allmand: Oui, je pense que c'est la route 51. Merci beaucoup, c'est tout.

Le président: Messieurs, merci beaucoup de votre mémoire. J'aimerais maintenant demander à M. Bergasse le directeur adjoint de *Industrial Enterprises Incorported* de faire la présentation de son bref mémoire.

M. Joseph A. Bergasse (Directeur adjoint, Industrial Enterprises Incorporated): Monsieur le président, messieurs les membres du Comité, avant de vous faire quelques observations, j'aimerais tout simplement vous dire ce qu'est *Industriel Enterprises* afin que vous sachiez pourquoi je suis ici.

L'*Industrial Enterprises Incorporated* est une société provinciale établie afin de promouvoir l'expansion industrielle de la province de l'Île du Prince-Édouard, non seulement en attirant de nouvelles industries, mais aussi pour aider les industries existantes à se développer et à se diversifier. Nous sommes ainsi très près de la collectivité industrielle et

[*Text*]

iness community of this province. The opinion of the community as a whole is that they are sick and tired of always being accused of looking for hand-outs, so much so that the members of the industrial and business community recently presented a private brief to the federal government expressing their concern over the delay in the construction of the Northumberland crossing.

I will quote one of the statements made in this brief:

> "Give us the causeway and we will take care of the disparity."

Our corporation in conjunction with the industrial community has prepared a financial feasibility study on the viability of the Northumberland Strait crossing.

This was prepared on the basis of how a businessman would look at such an investment and if he had to invest his dollars in a crossing of this type, would he do it? It was done—I would like to emphasize this—strictly on what we considered sound business principles and not based on—for want of better words as the Premier said this morning—the way the bureaucrats would look at it. This feasibility study, gentlemen, we propose to forward to your Committee together with a formal brief which we are now in the process of preparing.

I also would like to mention in connection with this Northumberland crossing—maybe because I am not an Islander I can look at it a little bit more dispassionately and be excused for saying some of the things I do say—that in our work of industrial development, this 9.2 miles of water presents not only a physical barrier, but a psychological barrier to industries that we are trying to interest in coming to Prince Edward Island. I cannot tell you the number of times that I have tried to impress upon prospective industrialists the fact that there is no delay or that there is little if any delay by virtue of the fact that for the 9 miles the road and the rails are on water instead of on land. But be that as it may, over the last two years we have lost three industries that with the causeway we would have had in Prince Edward Island with a total investment of somewhere between $30 and $40 million. This, you can well appreciate, would have given a tremendous boost to the economy of this province.

We are prepared to document what I have just said about these three industries in confidence to this Committee, but because this is a public hearing, we have to respect the confidence of these industries and we cannot divulge their names. However, as I said, we are prepared to divulge names and all the

[*Interpretation*]

commerciale de la province. Cette collectivité dans son ensemble en a assez d'être toujours accusée de rechercher des dons, à tel point que les membres de la collectivité industrielle et commerciale ont récemment présenté un mémoire, à titre privé, au gouvernement fédéral pour exprimer sa préoccupation quant aux retards qu'accuse la construction de la chaussée sur le détroit de Northumberland.

Pour citer ce qu'on disait dans ce mémoire:

> «Construisez la chaussée et nous nous occuperons de la disparité.»

Notre corporation, de concert avec la collectivité industrielle a préparé une étude des possibilités financières quant à la viabilité de la chaussée du détroit de Northumberland.

Cette étude a été préparée selon la façon qu'un homme d'affaires envisagerait un tel investissement s'il devait se servir de ses propres fonds dans une chaussée. Est-ce qu'il le ferait? On l'a fait, et je voudrais insister un peu sur ce point, selon des principes sains des affaires; l'étude n'a pas été fondée, pour reprendre l'expression du premier ministre ce matin, sur la façon des bureaucrates d'envisager les choses. Nous nous proposons d'envoyer cette étude à votre Comité, messieurs, de même qu'un mémoire officiel que nous sommes en train de préparer à l'heure actuelle.

Je voudrais toutefois mentionner en rapport avec la chaussée de Northumberland, et peut-être parce que je ne suis pas de l'Île je peux être un peu plus objectif et on me pardonnera de dire certaines choses, mais dans notre travail d'expansion industrielle, les 9.2 milles de mer présentent non seulement un obstacle physique, mais un obstacle psychologique pour les industries que nous essayons d'attirer à l'Île. Je ne saurais vous dire combien de fois j'ai essayé de convaincre des industriels du fait qu'il y a très peu de retard, si retard il y a, du fait que sur 9 milles la route et la voie ferrée se trouvent sur l'eau et non pas sur la terre ferme. Quoiqu'il en soit, depuis deux ans, nous avons perdu trois industries que nous aurions attirées à l'Île du Prince-Édouard si la chaussée avait été aménagée grâce à des immobilisations de 30 ou 40 millions de dollars. Vous comprendrez facilement que cela aurait rehaussé énormément l'économie de la province.

Nous sommes prêts à prouver ce que je viens d'avancer au sujet de ces trois industries confidentiellement. Mais comme il s'agit d'une audience publique, nous ne pouvons pas révéler des noms. Mais comme je l'ai dit, nous sommes prêts à donner des noms et à vous donner tous les détails comfidentielle-

[*Texte*]

particulars in confidence to this Committee and this will be contained in the brief that we will be forwarding.

Finally, I should say that in addition to this psychological barrier, we also run up against people at a fairly senior level in Ottawa who are completely unaware of the service that is provided at the moment across the Northumberland Strait.

Just to cite an example, we had one senior member of the Department of Industry in Ottawa—I happened to have been a member of this Department before I came down here—tell an electronic industry that was prepared to come in here that during the summer there were three crossings a day each way and in the winter there were crossings on alternate days—on Mondays, Wednesdays and Fridays they crossed from Cape Tormentine and on the other three days the ferry ran from Prince Edward Island.

It is very difficult for us to combat this because, first of all, we do not have the time and we do not have the money to spend a lot of time in Ottawa fighting against this type of—for want of better words I will call it—false propaganda.

I would also like to make a few brief remarks about the air service and there are three points I would like to bring out. First of all, if an industry is going to locate in Prince Edward Island, the head office of that industry, no matter where it is, wants to have easy accessibility to their branch plant or their subsidiary in this province. They cannot get that now. This was one of the points thrown at us recently by an industry with which we are negotiating, the fact that it took them a day and a half to get from their head office to Charlottetown, unless they chartered an aircraft.

Secondly, put yourself in the position of an industrialist who gets off a jet and comes over to this province in a DC-3, an aircraft that has not been made since 1942. It does not create exactly a good impression. It may be a safe aircraft, but nevertheless you are going back to the DC-3 age.

In closing, gentlemen, I would like to say, that I did not have a formal brief to present as this is in the process of being prepared and will be forwarded to you which will encompass all the points that were raised in the brief that was presented recently by the members of our industrial and business community to the federal government.

I have deliberately stayed away from covering any other points about transportation because I felt that you had heard from a variety of people today who were able to

[*Interprétation*]

ment. Tout cela sera compris dans le mémoire que nous vous enverrons, d'ailleurs.

Enfin, je devrais peut-être dire qu'en plus de cet obstacle psychologique, nous devons aussi confronter certains hauts fonctionnaires d'Ottawa qui ne sont pas du tout conscients du service assuré à l'heure actuelle, pour traverser le détroit de Northumberland.

Pour vous donner un seul exemple, il y a un haut fonctionnaire du ministère de l'Industrie à Ottawa, et je faisais partie du même ministère avant de venir ici, qui a dit à une industrie de l'électronique qui était prête à venir s'installer ici, qu'au cours de l'été il y avait trois traversées par jour aller-retour et qu'en hiver, il y avait un traversier à tous les deux jours, c'est-à-dire que le lundi, le mercredi et le vendredi il traversait de Cape Tormentine vers l'Île, et que les autres jours, le traversier faisait le trajet inverse.

Il est très difficile pour nous de lutter contre ce genre de choses, car tout d'abord, on n'a pas le temps ni les fonds voulus pour passer beaucoup de temps à Ottawa et lutter contre cette fausse propagande, pour employer une expression à défaut de mieux.

J'aimerais aussi vous parler brièvement des services aériens au sujet desquels je voudrais faire ressortir trois points. Tout d'abord, si une industrie doit venir s'établir à l'Île-du-Prince-Édouard, le siège social de cette industrie, peu importe où il est situé, voudra sûrement avoir un accès rapide à sa filiale dans cette province, ce qui est impossible à l'heure actuelle. C'est un des points qui a été soulevé récemment par une industrie avec laquelle nous négocions, le fait qu'il leur fallait une journée et demi pour se rendre de leur siège social à Charlottetown, à moins de noliser un avion.

Deuxièmement, mettez-vous à la place de l'industriel qui descend d'un réacté et qui se rend dans cette province par un DC-3, un avion qui n'est plus construit depuis 1932. Cela ne donne pas la meilleure impression au monde. C'est peut-être un avion très sûr, mais néanmoins c'est un retour à l'ère du DC-3.

J'aimerais dire, en guise de conclusion, que je n'ai pas de mémoire officiel à vous présenter. On est en voie de le préparer. Mais, nous vous l'enverrons et il couvrira tous les points qui ont été soulevés dans le mémoire présenté récemment par les membres de notre collectivité industrielle et commerciale au gouvernement fédéral.

Je me suis délibérément abstenu de discuter les autres points relatifs au transport, car j'ai l'impression que vous avez entendu plusieurs autres personnes qui sont plus compé-

[*Text*]

cover this subject a lot better than I could. However, I will be willing to answer any questions that you would like to direct to me.

The Chairman: Thank you very much.

Mr. Nesbitt: On a point of order.

The Chairman: Yes, Mr. Nesbitt.

Mr. Nesbitt: I wonder, in view of one of the observations that our present witness has just made concerning the aircraft industry, do you know, Mr. Chairman, if Eastern Provincial Airlines has a representative here this afternoon?

The Chairman: I called him back at the opening of our meeting this afternoon and I will do so again. I think we will have time to hear their brief...

Mr. Nesbitt: They intend to come, do they?

The Chairman: If they are here, you can rest assured that we will hear them.

Mr. Perrault: Mr. Chairman, if we can be given examples of industries that were deterred from investing in Prince Edward Island because of the water barrier, I think they should be given serious consideration. Perhaps Mr. Bergasse can tell us whether these industries subsequently invested in the Maritimes or any other area in Canada to his knowledge.

Mr. Bergasse: Yes, two of them went to Montreal, and one went to Toronto.

Mr. Perrault: That is very interesting. I hope we can get that material as soon as possible, Mr. Chairman. Thank you.

Mr. Bergasse: We did a very sophisticated feasibility study for one of those industries to prove to them why they should come to P.E.I.

Mr. Perrault: The difficulty was the transportation?

Mr. Bergasse: The decision had been made to locate here and the day that this decision was made was also the day the announcement was made from Ottawa that the whole causeway was being re-evaluated.

Mr. Perrault: Yow many jobs would have been represented by these industries? Is there any estimate?

Mr. Bergasse: I would say somewhere in the neighbourhood of 200.

[*Interpretation*]

tentes que moi pour traiter de ce sujet. Mais je serai tout à fait disposé à répondre à toutes les questions que vous voudriez bien me poser.

Le président: Merci beaucoup.

M. Nesbitt: J'en appelle au règlement.

Le président: Oui, monsieur Nesbitt?

M. Nesbitt: Je me demandais si, vu les remarques que le témoin vient d'exprimer au sujet de l'industrie de l'aviation vous saviez, monsieur le président si *Eastern Provincial Airlines* est représenté ici cet après-midi?

Le président: Je les avais rappelés au début de la séance, cet après-midi et je le ferai de nouveau. Je crois que nous pourrons entendre leur mémoire...

M. Nesbitt: Ils ont l'intention de venir, n'est-ce pas?

Le président: S'ils sont ici, vous pouvez être sûrs que nous les entendrons.

M. Perrault: Monsieur le président, si on pouvait nous donner des exemples des industries qui n'ont pas voulu s'installer à l'Île-du-Prince-Édouard en raison de l'obstacle que constitue l'eau, je crois qu'il faudrait étudier la chose sérieusement. Est-ce que M. Bergasse pourrait nous dire si, à sa connaissance, les industries en cause ont fait des placements dans les Maritimes par la suite, ou à d'autres endroits au Canada.

M. Bergasse: Oui, deux sont allées à Montréal et une troisième à Toronto.

M. Perrault: C'est très intéressant. J'espère que nous pourrons avoir ces détails le plus tôt possible. Merci.

M. Bergasse: En ce qui concerne une des industries, nous avons fait une étude assez détaillée des possibilités pour leur montrer qu'elles devaient venir s'installer dans l'Île.

M. Perrault: Est-ce que c'était les transports qui constituaient la difficulté?

M. Bergasse: Ils avaient décidé de s'établir ici mais on a annoncé à Ottawa, la journée même, que toute la question de la chaussée était remise en question.

M. Perrault: Combien d'emplois ces industries auraient-elles créés? Avez-vous une idée?

M. Bergasse: Je dirais environ 200.

[*Texte*]

Mr. Mahoney: Perhaps, just taking off from Mr. Perrault's question, I can get mine in. I hark back to the rather noble slogan that you presented in such ringing terms: "Give us the causeway and we will take care of the disparity." The Provinces of New Brunswick and Nova Scotia do not need the causeway from the same point of view that you do and yet they still have their problems in this area. What is peculiar about you or what is lacking in their effort that makes you feel that a land bridge—a land connection—would take care of all your problems?

Mr. Bergasse: That is a very good question. First of all, we feel we have a province—this has quite a bearing on an industry wishing to locate—that is a good place for an industry to come and it is a good place for people to live. We can offer them a great deal in the way of social amenities—I am talking about their executives. We can offer them a labour force, while it is relatively unskilled at the moment, that is readily trainable and easily adaptable.

Mr. Pringle: May I ask a supplementary?

Mr. Mahoney: Perhaps you can, although I might ask it myself.

The Chairman: You can finish, Mr. Mahoney.

Mr. Mahoney: Thank you. Do you feel that the other two provinces—Nova Scotia and New Brunswick—do not share many of these amenities of which you spoke?

Mr. Bergasse: Oh, I am sure they do.

Mr. Mahoney: This really gets back then to the question Mr. Perrault raised with you. Why did the industries that decided not to locate here end up in Toronto and Montreal, rather than in New Brunswick or Nova Scotia?

Mr. Bergasse: If I told you the reason for one of them, I would be telling you what the industry was. There are industries of that type in Nova Scotia and New Brunswick. This is one particular case.

Mr. Mahoney: You and your organization sincerely and firmly subscribe to this very brief epigram that this...

Mr. Bergasse: We are in the promotion business.

Mr. Mahoney: Thank you, sir.

[*Interprétation*]

M. Mahoney: Pour faire suite aux questions de M. Perrault, je voudrais revenir au slogan plutôt grandiose que vous avez lancé avec tant de force: «Construisez la chaussée, et nous prendrons soin des disparités». Les provinces du Nouveau-Brunswick et de la Nouvelle-Écosse n'ont pas besoin de la chaussée du même point de vue que vous, mais ils ont tout de même des problèmes dans ce domaine. Qu'est-ce que vous avez de particulier ou qu'est-ce qui manque à leurs propres efforts pour vous permettre de croire qu'un lien avec la terre ferme vous permettrait de résoudre tous vos problèmes?

M. Bergasse: C'est une question très intéressante. Tout d'abord, nous croyons que notre province, qui influe beaucoup sur le désir d'une industrie de s'y établir, est une bonne place pour installer une industrie et où il fait bon vivre aussi. Nous pouvons leur offrir beaucoup à l'heure actuelle, sous forme d'avantages sociaux, et je parle maintenant des directeurs d'entreprise. Nous pouvons leur offrir de la main-d'œuvre, même si elle n'est pas spécialisée à l'heure actuelle, qu'on peut facilement former et qui s'adapte bien.

M. Pringle: Puis-je poser une question complémentaire?

M. Mahoney: Peut-être que oui, sauf je pourrais en poser une moi-même.

Le président: Terminez d'abord, monsieur Mahoney.

M. Mahoney: Merci. Croyez-vous que les deux autres provinces, le Nouveau-Brunswick et la Nouvelle-Écosse n'offrent pas les mêmes avantages sociaux que vous mentionnez?

M. Bergasse: Oh, je suis sûr qu'ils les ont.

M. Mahoney: Nous revenons donc à la question soulevée tout à l'heure par M. Perrault. Pourquoi alors les industries qui ont décidé de ne pas s'établir ici se sont-elles établies à Toronto et à Montréal plutôt qu'au Nouveau-Brunswick ou en Nouvelle-Écosse?

M. Bergasse: Si je vous le disais au sujet d'une industrie, je vous dirais de quelle industrie il s'agissait. Il y a déjà des industries de ce genre au Nouveau-Brunswick et en Nouvelle-Écosse. C'est un cas en particulier.

M. Mahoney: Votre organisme appuie sincèrement et fermement le slogan de...

M. Bergasse: Nous faisons de la promotion.

M. Mahoney: Merci, monsieur.

[*Text*]

Mr. Pringle: I would like to ask my supplementary question now, which, I think, Mr. Mahoney, really is a supplementary. You were asked about what was in Prince Edward Island that may not be in the other two provinces. Is it possible that there is more fertile land and more basis for agricultural production as a primary industry to the food industry on Prince Edward Island than possibly in the other two provinces?

Mr. Bergasse: That is very true, Mr. Pringle. I think we have more potential for development in the field to which you referred than either Nova Scotia or New Brunswick.

Mr. Allmand: I have a further supplementary to Mr. Mahoney's question. What is even more interesting, Mr. Bergasse, is that your submission seems to contradict that of the Prince Edward Island Government presented this morning. I have before me the brief which was presented by Premier Campbell and on page 8 of the brief there are three recommendations and one of them is

> That immediate steps be taken to extend the Maritime Freight Rates Subsidy to other forms of transport.

He also argued that the present subsidies should remain. Your corporation is a Crown corporation of the Prince Edward Island Government. Is there some contradiction there?

Mr. Bergasse: There is no contradiction there. You will recollect sir, that I said during my talk that I was not prepared to touch on anything that had already been discussed by previous speakers.

Mr. Allmand: But if we recall the slogan that...

Mr. Bergasse: I did not say "forget the rest". I said, "Give us the causeway and we will take care of the disparity". I did not say that you had to remove subsidies.

Mr. Allmand: Oh, you are not saying...

Mr. Bergasse: No, I never said that.

Mr. Allmand: I see; I think possibly Mr. Mahoney misunderstood you as I did. I thought you were suggesting that we remove subsidies.

Mr. Mahoney: The subsidies are there to take care of disparities.

[*Interpretation*]

M. Pringle: Ma question supplémentaire, et je crois, monsieur Mahoney, qu'il s'agit vraiment d'une question supplémentaire. On va vous demander ce qu'on trouve dans l'Île du Prince-Édouard qui ne se trouve pas dans les deux autres provinces des Maritimes, soit le Nouveau-Brunswick et la Nouvelle-Écosse. Serait-il possible qu'on y trouve un sol plus fertile et une meilleure base pour la production agricole comme industrie primaire de l'industrie de l'alimentation dans l'Île du Prince-Édouard, que dans les deux autres provinces?

M. Bergasse: C'est très vrai, monsieur Pringle. Je crois que nous avons beaucoup plus de possibilités d'expansion dans le domaine que vous avez mentionné que le Nouveau-Brunswick ou la Nouvelle-Écosse.

M. Allmand: Une autre question supplémentaire à celle posée par M. Mahoney. Ce qui est encore plus intéressant, monsieur Bergasse, c'est que votre mémoire semble contredire celui que le gouvernement de l'Île-du-Prince-Édouard, présenté ce matin par le premier ministre, M. Campbell. Je l'ai devant moi, et à la page 8 du mémoire il y a trois recommandations dont l'une est «qu'on prenne des mesures immédiatement pour étendre la Loi sur les taux de transport des marchandises dans les provinces Maritimes aux autres modes de transport. Il demande aussi que les subventions actuelles soient maintenues. Votre société est une société de la Couronne, si vous voulez, du gouvernement de l'Île-du-Prince-Édouard. Y a-t-il donc contradiction ici?

M. Bergasse: Non, il n'y a pas de contradiction. Vous vous souviendrez que j'ai dit au cours de mon exposé que je ne voulais rien discuter de ce qui avait déjà été discuté par les autres.

M. Allmand: Mais si on reprend le slogan ...

M. Bergasse: Je n'ai pas dit d'oublier le restant. Mais j'ai dit: «Construisez la chaussée, et nous nous occuperons des disparités». Je n'ai pas dit qu'il fallait retirer les subventions.

M. Allmand: Oh, vous n'avez pas dit ...

M. Bergasse: Non, je n'ai jamais dit ça.

M. Allmand: Je vois. Je crois que M. Mahoney nous a peut-être mal compris, comme moi du reste. J'avais compris que vous vouliez qu'on retire les subventions.

M. Mahoney: Les subventions sont destinées à compenser les disparités.

[*Texte*]

The Chairman: One at a time, please.

Mr. Bergasse: Not altogether.

Mr. Allmand: To make sure I understand you, when you said, "Give us the causeway and we will take care of the disparity", you were not referring to the elimination of the subsidies?

Mr. Bergasse: No, I was not. I was saying, give us the causeway so we can raise our standard of living. Maybe I phrased it poorly.

Mr. Perrault: I specifically asked the Premier today a question along those lines and he said that the causeway would reduce the need for subsidies. So I do not think there is any conflict in anything...

Mr. Bergasse: I do not think there is any conflict. I think, that given the causeway and given a fighting chance to get these industries we can control the disparities.

Mr. Perrault: That was my understanding.

Mr. Allmand: That is good, now I understand it more clearly.

Mr. McGrath: Are you suggesting, sir, that if the federal government undertakes the building of the causeway, this would eliminate the need for regional development such as the vast sums envisaged in the FRED program for the Island?

Mr. Bergasse: I am not suggesting that, sir. I am saying that my field, the corporation's field, is in the area of industrial development. This, of course, is where we have a fighting chance to attract industry. It makes it very difficult without a causeway to attract other industries, over and above agricultural-based industry. Now one of these industries which we were talking to is in the electronics field.

Mr. McGrath: The conclusion then is that your job is much more difficult because of the Island's insularity?

Mr. Bergasse: Mainly, sir, it is an accident of geography, but it is more difficult because of this lack of permanent link.

The Chairman: Are there any other questions, gentlemen? Mr. Perrault?

Mr. Perrault: Mr. Chairman, we were informed earlier this afternoon by a speaker for the Charlottetown Board of Trade that a tunnel is vastly preferable to a causeway

[*Interprétation*]

Le président: Un à la fois, s'il vous plaît.

M. Bergasse: Pas tous ensemble.

M. Allmand: Alors, si j'ai bien compris, quand vous dites: «Construisez la chaussée et nous nous occuperons des disparités» vous ne vouliez pas parler de retirer les subventions?

M. Bergasse: Non. J'ai dit: Construisez la chaussée afin de nous permettre de hausser notre niveau de vie. Peut-être que je ne me suis pas très bien exprimé.

M. Perrault: J'ai précisément demandé au premier ministre ce matin une question dans ce sens et il m'a dit que la chaussée réduirait la nécessité des subventions. Je ne crois donc pas qu'il y ait contradiction du tout.

M. Bergasse: Je ne crois pas qu'il y ait contradiction du tout. Je crois que si nous avions la chaussée et une chance véritable d'attirer ces industries, nous pourrons alors réduire les disparités.

M. Perrault: C'est ce que j'avais compris.

M. Allmand: Très bien. Je comprends mieux maintenant.

M. McGrath: Est-ce que vous suggérez, que si le gouvernement fédéral entreprend la construction de la chaussée, on éliminerait la nécessité de l'expansion régionale comme les vastes sommes que le programme FODER prévoit pour l'Île.

M. Bergasse: Pas du tout, monsieur. Ce que je dis, c'est que mon domaine, le domaine d'activité de notre corporation, est celui de l'expansion industrielle. Si nous avons, évidemment une bonne chance d'attirer les industries. C'est très difficile, évidemment, sans la chaussée, autres que les industries à base agricole. L'une des industries avec lesquelles nous avons eu des entretiens était du domaine de l'électronique.

M. McGrath: En d'autres termes, votre tâche est d'autant plus difficile en raison du caractère insulaire de l'Île.

M. Bergasse: C'est peut-être un accident géographique, mais c'est beaucoup plus difficile en raison de ce manque de lieux permanents.

Le président: Avez-vous d'autres questions, messieurs? Monsieur Perrault?

M. Perrault: Monsieur le président, on nous a dit cet après-midi par le représentant de la Chambre de Commerce de Charlottetown, qu'un tunnel serait beaucoup plus avantageux

[*Text*]

crossing. He invoked the image of ice crashing around the causeway making it impassable. I wonder, because you are such an advocate of the crossing, whether or not the Commission has adopted any policy with respect to the actual type of crossing that should be built?

Mr. Bergasse: No, we have not.

Mr. Perrault: You believe that is a policy matter?

Mr. Bergasse: We are not experts in that field and we do not claim to be experts.

Mr. Perrault: But you want an all-weather crossing of some sort?

Mr. Bergasse: We want an all-weather crossing.

Mr. Corbin: I have a supplementary question arising out of the information given by the witness, Mr. Chairman. Out of curiosity, is it not true, or would it be your experience that a good many of these electronics firms wishing to establish in the Maritimes come here mainly because of the cheaper labour? That is my question.

Mr. Bergasse: Do they come because of cheaper labour?

Mr. Corbin: Cheaper labour.

Mr. Bergasse: I think in the beginning that may be one of the factors they consider.

Mr. Corbin: They start from there in many cases, do they not?

Mr. Bergasse: That is one of the things they are looking at, yes, but they realize this is not going to last. If you are going to have productivity, it does not go along with paying a man a low wage.

Mr. Perrault: In the case of New Brunswick we had companies that were, I think, around Drummondville or Granby which moved into New Brunswick. I think one of their main reasons for moving was that they could get labour at a much cheaper cost.

Mr. Bergasse: They look at this. I think the wage scale runs about 15 per cent below the national average.

Mr. Corbin: Thank you, sir.

The Chairman: Are there any other questions, gentlemen. I would like to thank you very much for your brief.

[*Interpretation*]

qu'une chaussée. Il a évoqué l'image des glaces qui heurtent la chaussée et rendent la traversée impossible. Je me demande si, puisque vous êtes tellement en faveur de la traversée, si la Commission a adopté une politique quant au genre de traversée qu'il faudrait construire?

M. Bergasse: Non.

M. Perrault: Vous êtes d'avis que c'est une question de politique?

M. Bergasse: Nous ne sommes pas des spécialistes dans ce domaine et nous ne prétendons pas l'être.

M. Perrault: Oui, mais, est-ce que vous voulez une traversée en tous-temps?

M. Bergasse: Oui.

M. Corbin: J'ai une question complémentaire au sujet des remarques du témoin, monsieur le président. Par curiosité, est-il vrai, ou savez-vous par expérience, qu'un bon nombre de ces sociétés du domaine de l'électronique, disons ici désirent s'établir dans les Maritimes, surtout en raison de la main-d'œuvre moins coûteuse? C'est ma question.

M. Bergasse: Est-ce qu'elles viennent en raison de la main-d'œuvre moins coûteuse?

M. Corbin: La main-d'œuvre moins coûteuse, oui.

M. Bergasse: C'est peut-être un des facteurs qui les attirent d'abord.

M. Corbin: Ils partent de là dans bien des cas, n'est-ce pas?

M. Bergasse: C'est un des facteurs qu'ils étudient oui, mais ils savent aussi que cette situation ne durera pas. Si vous visez à avoir de la productivité, on ne l'obtient pas en versant des salaires inférieurs.

M. Perrault: Au Nouveau-Brunswick, nous avions des industries qui étaient établies dans la région de Drummondville ou de Grandby, qui sont déménagées au Nouveau-Brunswick, et une des principales raisons de leur déplacement, c'est qu'ils pouvaient obtenir leur main-d'œuvre à un salaire très inférieur.

M. Bergasse: Ils le prennent en considération. L'échelle des traitements est d'environ 15 p. 100 inférieure à la moyenne nationale.

M. Corbin: Merci, monsieur.

Le président: D'autres questions, messieurs? Je voudrais vous remercier de votre mémoire.

[*Texte*]

Mr. Bergasse: Thank you, sir.

The Chairman: Gentlemen, I want to call once again the Eastern Provincial Airways.

An hon. Member: Mr. Chairman, I suggest that we ask them to appear before the Committee in Ottawa.

Mr. Perrault: I move:

That the Eastern Provincial Airways be requested to appear before this Committee at Ottawa on a date to be determined.

Motion agreed to.

Mr. Nesbitt: I just want to add one thing. I thoroughly agree with Mr. Perrault but I just want to say that perhaps it would be best, if they decline to accept, that they be instructed to appear.

The Chairman: Are there any other briefs to be presented? I know that there was a gentleman here this morning, but I do not see him now. If there are no other briefs this completes our hearing in Charlottetown. Thank you, everyone.

[*Interprétation*]

M. Bergasse: Merci, monsieur.

Le président: Messieurs, une fois de plus, je voudrais appeler la *Eastern Provincial Airways.*

Une voix: On devrait leur demander de comparaître à Ottawa.

M. Perrault: Je propose:

qu'on demande à la *Eastern Provincial Airways* de comparaître devant le Comité à Ottawa à une date ultérieure.

La proposition est adoptée.

M. Nesbitt: Je voudrais simplement ajouter une chose. Je suis d'accord avec la proposition de M. Perrault. Je dis simplement que s'ils refusent d'accepter, il serait préférable quo'n leur ordonne de comparaître.

Le président: Est-ce qu'il y a d'autres mémoires à présenter? Il y avait quelqu'un ici ce matin, mais je ne le vois pas cet après-midi. S'il n'y a pas d'autres soumissions, messieurs, nous mettrons donc fin à notre audience à Charlottetown. Merci beaucoup, messieurs.

APPENDIX "Y"

JENKINS BROTHERS LIMITED
CANNERS

LOBSTERS, LOBSTER PASTE,
CHICKEN, BEEF, CLAMS,
QUAHAUGS, STRAWBERRIES, ETC.

February 19th, 1968.

SUMMERSIDE
PRINCE EDWARD ISLAND
CANADA

Standing Committee on Transport and Communication,
House of Commons,
Ottawa, Ontario.

1. This submission is made by Jenkins Brothers Limited who are one of the larger shippers of L.C.L. freight by Canadian National Railways from Summerside, P.E.I.

2. Since the implementation of Tariff Schedule No. 100 on September 5th, 1967 shipping costs have increased anywhere from 33 per cent to 160 per cent. To substantiate this statement attached is Schedule One which outlines a cost comparison on actual shipments. These charges can be verified by freight bills that I have in my possession.

3. Attached to the Brief is Schedule Two which outlines the new freight schedule on 300, 500, 1,000, 2,000 and 5,000 pounds shipments as compared to the old rate structure. These figures have been supplied to me by the Canadian National Railways. A quick comparison indicates a direct freight increase from 60 to 160 per cent depending on the freight weight classification that would apply on individual shipments.

4. As the Maritimes have not a heavy concentration of population like Ontario and Quebec customers cannot handle large shipments which means a good number of shipments are in the 300 pounds minimum category. As a result we are faced with an extremely high delivery cost.

5. Even though the old L.C.L. freight rates are still available it is impossible for us to take advantage of it as many of our customers have not the vehicles to pick up shipments from the freight shed and I refer to specifically to the large chain stores.

APPENDICE «Y»

JENKINS BROTHERS LIMITED

CONSERVERIE

le 19 février 1968

Summerside (Î.-P.-É.)

Comité permanent des transports
et des communications
Chambre des communes
Ottawa (Ont.)

1. Le présent mémoire est soumis par *Jenkins Brothers Limited*, qui comptent parmi les plus importants expéditeurs de marchandises par chargements de détail acheminés par les chemins de fer Nationaux du Canada à partir de Summerside (Î.-P.-É.).

2. Depuis la mise en vigueur du tarif marchandises n° 100 le 5 septembre 1967, les frais d'expédition ont augmenté de 33 à 160 p. 100. Ci-joint, à l'appui de cette déclaration, la Liste n° 1 qui établit une comparaison des frais effectifs. Ces frais peuvent être vérifiés au moyen des factures d'expédition que j'ai en ma possession.

3. Jointe au mémoire se trouve la Liste n° 2 qui énonce le nouveau tarif marchandises pour les charges de 300, 500, 1,000, 2,000 et 5,000 livres, comparativement à l'ancien tarif. Ces chiffres m'on été fournis par les chemins de fer Nationaux du Canada. Une comparaison rapide révèle une augmentation directe des frais d'expédition allant de 60 à 160 p. 100, selon la classification de poids du tarif marchandises applicable aux diverses expéditions.

4. Étant donné que les provinces Maritimes n'ont pas d'aussi fortes concentrations de population que l'Ontario et le Québec, les clients ne peuvent écouler de fortes expéditions, ce qui signifie qu'il y a un grand nombre d'expéditions de la classe minimum de 300 livres. Aussi, les frais de livraison sont-ils extrêmement élevés.

5. Même si les anciens taux pour chargements de détail sont encore disponibles, il nous est impossible d'en tirer parti, car beaucoup de nos clients, et surtout les grands magasins à succursales multiples, n'ont pas les véhicules nécessaires pour prendre livrai-

6. The freight costs is an item that figures into our cost of doing business as all shipments are on a prepaid basis. Last year freight costs were slightly over $7,000.00. A matter of estimation it is calculated our cost will soar to approximately $12,000.00 on our next year's operation. We do not feel we can absorb this extra burden and therefore we will have to pass it on to the consumer this in effect will increase the living cost in the Maritimes approximately 10 per cent if all Manufacturers fall in line.

7. The Provinces of Prince Edward Island, Nova Scotia and New Brunswick are spending large sums of money to attract new industries. The new freight schedule now in effect will be a hindrance and in fact discourage expansion in the Atlantic provinces.

8. It is our recommendation that the Canadian National Railways give careful consideration to revert to the old freight rate schedule that was in effect prior to September 5th, 1967.

Respectfully submitted

J. R. Phaneuf General Manager
Jenkins Brothers Limited

son des expéditions aux hangars à marchandises.

6. Le coût du transport compte parmi les frais commerciaux, car toutes les expéditions sont payées d'avance. L'an dernier, les frais d'expédition dépassaient à peine $7,000. Nous estimons que l'an prochain nos frais atteindront environ $12,000. Nous ne sommes pas en mesure d'absorber ce supplément de frais; il nous faudra donc nous faire rembourser par le client, ce qui accroîtra le coût de la vie dans les provinces Maritimes d'environ 10 p. 100 si tous les fabricants en font autant.

7. Les provinces de l'Île-du-Prince-Édouard, de la Nouvelle-Écosse et du Nouveau-Brunswick dépensent de fortes sommes d'argent afin d'attirer l'industrie. Les nouveaux tarifs marchandises maintenant en vigueur vont contrecarrer leurs efforts et même décourager l'expansion dans les provinces atlantiques.

8. Nous recommandons que les chemins de fer Nationaux du Canada songent soigneusement à revenir à l'ancien tarif marchandises qui était en vigueur avant le 5 septembre 1967.

Respectueusement soumis,

J.-R. Phaneuf, Directeur général
Jenkins Brothers Limited

SCHEDULE ONE

COST COMPARISON—FREIGHT RATES

	Old	Lbs.	Cost	New Rate	Cost	Increases	No. Cases	Cost per Case		
								New	Old	Increase
	Rate		$		$	%		c.	c.	c.
Truro, N.S.	114	722	823	168	1,215	47	45	27	18	9
Halifax, N.S.	125	310	398	204	635	60	20	32	20	12
Tracadie, N.B.	167	375	626	222	835	33	25	33	25	8
Yarmouth, N.S.	172	602	1,035	242	1,460	41	38	38	27	9
Sydney, N.S.	156	280	476	256	768	61	20	38	24	14
Stellarton, N.S.	121	895	1,083	168	1,505	39	55	27	20	7
Caraquet, N.B.	162	1,010	1,686	191	1,930	14½	55	35	30	5
Newcastle, N.B.	121	728	880	168	1,225	39	27	45	33	12
Amherst, N.S.	92	455	418	141	645	54	30	22	14	8
Saint John, N.B.	121	435	536	204	890	65	30	29	17	12
Digby, N.S.	180	283	504	283	720	40	20	36	25	11
Fredericton, N.B.	180	101	180	345 120 pc. chge	465	160	7	66	25	41
Shelbourne, N.S.	156	190	296	490 220 "	" 710	140	12	59	24	35
Bridgewater, N.S.	140	290	406	min.	665	62	20	33	20	13
Fortune Lake, Nfld.	144	550	1,056	321	1,765	67	22	80	48	
Grand Falls, Nfld.	193	290	560	340	1,020	80	15	68	37	31
Port Aux Basque, Nfld.	154	420	647	280	1,175	80	15	78	43	35
Marystown, Nfld.	144	520	748	332	1,725	130	28	62	27	35
Ramea, Nfld.	187	550	1,028	298	1,639	60	25	65	41	24
Lewisporte, Nfld.	197	1,650	3,250	303	5,000	54	75	66	43	25
Middleton, N.S.	148	858	866	210	1,228	42	40	30	21	9
Glace Bay, N.S.	160	1,290	2,064	231	2,980	44	70	42	29	13

LISTE N° 1

COMPARAISON DES COÛTS TARIF MARCHANDISES

	Ancien tarif	liv.	coût	Nouveau tarif	coût	Augmentation	Nombre de caisses	Coût la caisse		Augmentation
								Nouveau	Ancien	
			$		$	%		c.	c.	c.
Truro, N.S.	114	722	823	168	1,215	47	45	27	18	9
Halifax, N.S.	125	310	398	204	635	60	20	32	20	12
Tracadie, N.B.	167	375	626	222	835	33	25	33	25	8
Yarmouth, N.S.	172	602	1,035	242	1,460	41	38	38	27	9
Sydney, N.S.	156	280	476	256	768	61	20	38	24	14
Stellarton, N.S.	121	895	1,083	168	1,505	39	55	27	20	7
Caraquet, N.B.	162	1,010	1,686	191	1,930	14½	55	35	30	5
Newcastle, N.B.	121	728	880	168	1,225	39	27	45	33	12
Amherst, N.S.	92	455	418	141	645	54	30	22	14	8
Saint John, N.B.	121	435	536	204	890	65	30	29	17	12
Digby, N.S.	180	283	504	283	720	40	20	36	25	11
Fredericton, N.B.	180	101	180	345 120 pc. chge	465	160	7	66	25	41
Shelbourne, N.S.	156	190	296	490 220 " "	710	140	12	59	24	35
Bridgewater, N.S.	140	290	406	min.	665	62	20	33	20	13
Fortune Lake, Nfld.	144	550	1,056	321	1,765	67	22	80	48	32
Grand Falls, Nfld.	193	290	560	340	1,020	80	15	68	37	31
Port Aux Basque, Nfld.	154	420	647	280	1,175	80	15	78	43	35
Marystown, Nfld.	144	520	748	332	1,725	130	28	62	27	35
Ramea, Nfld.	187	550	1,028	298	1,639	60	25	65	41	24
Lewisporte, Nfld.	197	1,650	3,250	303	5,000	54	75	66	43	25
Middleton, N.S.	148	858	866	210	1,228	42	40	30	21	9
Glace Bay, N.S.	160	1,290	2,064	231	2,980	44	70	42	29	13

SCHEDULE TWO

NEW FREIGHT SCHEDULE NO. 100

	Old Rate	300 lb.	500 lb.	1000 lb.	2000 lb.	5000 lb.
Halifax, N.S.	125	204	194	170	158	135
Saint John, N.B.	121	204	194	170	158	135
Moncton, N.B.	106	157	151	135	124	107
Charlottetown, P.E.I.	68	141	134	120	110	94
Tracadie, N.B.	167	222	210	191	177	152
Stellarton, N.S.	121	177	168	150	138	119
Sydney, N.S.	156	256	242	221	208	179
Newcastle, N.B.	121	177	168	150	138	119
Yarmouth, N.S.	172	256	242	221	208	179
Truro, N.S.	114	177	168	150	138	119
Amherst, N.S.	92	141	134	120	110	94
Glace Bay, N.S.	181	268	254	231	219	185
Bathurst, N.B.	125	204	194	170	158	135
Fredericton, N.B.	148	204	194	170	158	135
Campbellton, N.B.	140	222	210	191	177	152
Shelburne, N.S.	156	256	242	221	208	179
Hamilton, Ontario	212	377	372	368	364	341
Bridgewater, N.S.	140	222	210	191	177	152
Fortune Lake, Newfoundland	144	340	321	293	278	256
Grand Bank, Newfoundland	193	340	321	293	278	256
Port Aux Basque, Newfoundland	154	280	265	242	230	210
Marystown, Newfoundland	144	352	332	303	288	264
Ramea, Newfoundland	187	316	298	274	260	238
Lewisporte, Newfoundland	197	352	332	303	288	264
Middleton, N.S.	148	222	210	191	177	152
Gander, Newfoundland	201	364	343	314	298	274
Bishop Falls, Newfoundland	181	352	332	303	288	264

LISTE Nº 2

NOUVEAU TARIF MARCHANDISES Nº 100

	Ancien tarif	300 liv.	500 liv.	1,000 liv.	2,000 liv.	5,000 liv.
Halifax (N.-É.)	125	204	194	170	158	135
Saint John (N.-B.)	121	204	194	170	158	135
Moncton (N.-B.)	106	157	151	135	124	107
Charlottetown (I.P.-É.)	68	141	134	120	110	94
Tracadie (N.-B.)	167	222	210	191	177	152
Stellarton (N.-É.)	121	177	168	150	138	119
Sydney (N.-É.)	156	256	242	221	208	179
Newcastle (N.-B.)	121	177	168	150	138	119
Yarmouth (N.-É.)	172	256	242	221	208	179
Truro (N.-É.)	114	177	168	150	138	119
Amherst (N.-É.)	92	141	134	120	110	94
Glace Bay (N.-É.)	181	268	254	231	219	185
Bathurst (N.B.)	125	204	194	170	158	135
Fredericton (N.-B.)	148	204	194	170	158	135
Campbellton (N.-B.)	140	222	210	191	177	152
Shelburne (N.-É.)	156	256	242	221	208	179
Hamilton (Ontario)	212	377	372	368	364	341
Bridgewater (N.-É.)	140	222	210	191	177	152
Fortune Lake, (T.-N.)	144	340	321	293	278	256
Grand Bank (T.-N.)	193	340	321	293	278	256
Port Aux Basque (T.-N.)	154	280	265	242	230	210
Marystown (T.-N.)	144	352	332	303	288	264
Ramea (T.-N.)	187	316	298	274	260	238
Lewisporte (T.-N.)	197	352	332	303	288	264
Middleton (N.-É.)	148	222	210	191	177	152
Gander (T.-N.)	201	364	343	314	298	274
Bishop Falls (T.-N.)	181	352	332	303	288	264

APPENDIX "Z"

Second Brief on Transportation

Further to the brief I have submitted, I would like to say I had written to most of the Governors of the New England States when I prepared the brief that I have read here. I also submitted to them a copy with a letter covering my ideas.

I would like to go into the project on the Causeway, crossing the Northumberland Straits. I made quite a study of this, taking everything into consideration, as I did on the Causeway that crosses the Petitcodiac River which is now almost completed. This was in the early fifties. This Causeway will be one of the greatest uplifts to that section of the country. I wrote an article in the Moncton papers outlining my proposals. I will attach a copy of that article to the other letters I am giving you. I also spoke before the Board of Trade in Amherst on this subject. I was quite confident that it was feasable and I asked my great friend Mr. Neil Matheson who was a member of parliament at that time to bring it up in the house, which he did. It soon became an interesting subject. I was extremely pleased when a start was made on the approaches, although I was not pleased with the design. A Causeway, a bridge, an Island and a tunnel, I do not see or understand such a plan. I have not changed my mind on my plan, that concrete structure solid across with a lock for summer shipping is sound. These concrete casements could be made on the beach and floated out. There would have to be a canopy enclosure to protest the roadway from ice. It would be similar to the old fashioned covered bridges. Another great thing in this construction 95 per cent of all materials used would be purchased here in the Provinces. The proof of my plan being sound is the construction of the Canso Causeway and you know what this Causeway has done for Cape Breton and the surrounding country.

The Causeway to Prince Edward Island will be an asset to all Canada and Canada owes this to the people of the Maritimes and a great deal more. We have given Canada and the world some of the greatest men and women in all walks of life.

APPENDICE «Z»

Second mémoire sur les transports

Pour faire suite au mémoire que j'ai déjà présenté, je désirerais signaler qu'avant de préparer le mémoire dont j'ai donné lecture ici, j'avais communiqué avec la plupart des gouverneurs des États de la Nouvelle-Angleterre. En outre, je leur avais transmis le texte de mon mémoire, ainsi qu'une lettre relative à mes propositions.

J'aimerais débattre le projet de la chaussée à travers le détroit de Northumberland. J'ai fait une étude approfondie de ce projet en tenant compte de tous les aspects de la question; j'en avais fait autant en ce qui concerne la chaussée qui traverse la rivière Peticodiac et qui est maintenant presque terminée. Cela se passait au début des années 50. Cette chaussée sera l'un des plus grands avantages que cette région du pays ait jamais obtenus. J'ai écrit un article dans les journaux de Moncton concernant mes propositions. Je vais joindre une copie de cet article aux lettres dont je vais vous remettre le texte. J'ai aussi porté la parole devant le *Board of Trade* à ce sujet. J'étais convaincu de la faisabilité du projet. J'ai demandé à mon excellent ami, M. Neil Matheson, qui était député à l'époque, de soulever la question à la Chambre, et c'est ce qu'il a fait. La question a eu tôt fait de susciter beaucoup d'intérêt. J'ai été fort heureux lorsqu'on a commencé à aménager les abords, bien que la conception du projet ne m'ait guère plu. Je ne vois pas l'utilité d'aménager une chaussée, un pont, une île et un tunnel. A mon avis, une structure en béton massif munie d'une écluse pour la navigation en été est une saine proposition. Cette structure de béton pourrait être construite sur le rivage puis transportée par flottage jusqu'à pied d'œuvre. Il faudrait un toit pour protéger la route contre la glace. Cela ressemblerait aux anciens ponts couverts. Un autre avantage que présenterait une telle structure, c'est que 95 p. 100 de tous les matériaux pourraient être achetés ici même dans les provinces Maritimes. La construction de la chaussée de Canso constitue la preuve que mon plan est rationnel; tout le monde sait ce que cette chaussée a valu à l'île du Cap-Breton et à la région avoisinante.

La chaussée reliant l'Île du Prince-Édouard au continent sera un actif pour le Canada tout entier; c'est une dette dont le Canada est redevable aux gens des provinces Maritimes. Il leur doit même beaucoup plus que cela. Nous avons donné au Canada et au monde

Gentlemen, when you think the smallest Province in Canada Prince Edward Island, in this great country led second to the largest park in the world in Alberta as a Tourist attraction. The Causeway must be built. These ships can be utilized on other parts of the Island, to a great advantage. Woodisland Ferry is developing very rapidly. It needs two more boats there now. To build this Causeway you can deduct the one hundred and fifty million dollars that is wasted on the C.B.C. This is a scandulous waste. It should be turned over to private enterprise and let it pay its own way. The Government should not be in the show business. Many of the programs are a disgrace and indecent. Urban Renewal is a public monster, in a country like Canada, where we have beautiful virgin land to build on. Purchasing land at an extravagent price because certain people with money want the public to hug the centre of the city. Other properties have been left to waste. 90 per cent of these properties have been condemned by the Health Department, are owned by the richest people in the country. Too much emphasis is placed on house building. Any man that wants a fifteen thousand home or more should'nt be asking for favors. I am thinking about the man with a family who earns less than one hundred a week. I am sure that comfortable homes could be built for these people. Fortunes have been made out of this national housing. A ten thousand dollar home deducting all taxes could be built for approximately seventy two hundred dollars. The other people I am not worrying about. If they want to call the tune they can pay for it.

The railway should not be paying taxes to the municipalities. Municipalities contribute very little to it. The backbone of the railway and the country at large are farmers, fishermen, lumbermen, miners and all producers of raw materials and they are the last to be considered. Why should a miner contribute to a railway that pay taxes to a city and that tax used to illuminate a city. A city is fortunate to have a railway running through it. It has all the convenience at no cost, whereby the farmer must haul his produce to a railway station at his own expense. They are building so close to the railway tracks now they are asking the railway to move their tracks. There is only one way to remedy traffic problems entier certains des plus grands hommes et des plus grandes femmes dans tous les sentiers de la vie.

Messieurs, n'oubliez pas que la plus petite province du Canada, l'Île du Prince-Édouard, est venue au deuxième rang comme attraction pour les touristes; elle n'a été dépassée que par le plus grand parc du monde, en Alberta. Il faut aménager cette chaussée. Les transbordeurs pourront être utilisés fort avantageusement à d'autres endroits de l'île. Le transbordeur de Wood Island prend un rapide essor; il faudrait y ajouter un second navire dès maintenant. Consacrons à l'aménagement de la chaussée les 150 millions de dollars qui sont gaspillés par Radio-Canada. C'est là un gaspillage scandaleux. Cette société devrait être exploitée par l'entreprise privée afin qu'elle fasse ses propres frais. Le gouvernement ne devrait pas participer au monde des spectacles. Beaucoup des émissions sont disgracieuses et indécentes. Le réaménagement urbain est un scandale public dan un pays comme le Canada qui possède tant de terrains vierges où bâtir. On achète des terrains à des prix exorbitants parce que certains richards veulent que les gens habitent au centre des villes. En revanche, d'autres propriétés ne sont pas utilisées du tout. Quatre-vingt-dix p. 100 de ces vieilles propriétés, qui appartiennent aux gens les plus riches du pays, ont été condamnées par le bureau d'hygiène publique. On accorde trop d'importance à la construction des maisons. Tout homme qui veut une maison coûtant $15,000 ou plus ne devrait pas demander de faveurs. Je songe au père de famille qui gagne moins de $100 par semaine. Je suis certain qu'on pourrait construire des maisons confortables pour ces gens. Des fortunes ont été édifiées grâce à ces logements sociaux. Une maison de $10,000 pourrait être construite pour environ $7,200 si toutes les taxes étaient supprimées. Je ne me préoccupe pas outre mesure des autres gens. S'ils veulent des habitations, il peuvent les payer eux-mêmes.

Les chemins de fer ne devraient pas payer d'impôts aux municipalités, car ces dernières ne contribuent pour rien aux chemins de fer. L'armature des chemins de fer et du pays en général, ce sont les agriculteurs, les pêcheurs, les exploitants forestiers, les mineurs et tous les producteurs de matières premières, et ce sont eux pour lesquels on a le moins d'égards. Pourquoi un mineur devrait-il contribuer à un chemin de fer qui verse à une municipalité des impôts lesquels servent à l'éclairage de la ville? Une ville est chanceuse qu'un chemin de fer la traverse. Elle en profite gratuitement de toutes sortes de façons, tandis que l'agriculteur doit livrer ses produits à la gare à ses propres frais. On construit des

lems of trains and other conveyance, that is underpasses and overpasses.

My final subject is interest rates. If something is not done and interest is not pegged we will have a third world war.

There is no reason why the United States and Canada could not peg interest rates. They are both self supporting nations with all the commodities of life. In the thirties Canada established the greatest banking system in the world. The United States copied it, but it is starting to break up.

Thank you Gentlemen,
Major D. A. Macdonald

habitations si près des voies de chemin de fer qu'on demande maintenant aux compagnies de chemin de fer de déplacer leurs voies. Il n'y a qu'un moyen de régler les problèmes que pose la circulation des trains et des autres véhicules: c'est d'aménager des passages supérieurs et des passages inférieurs.

Mon dernier sujet a trait aux taux d'intérêt. Si l'on ne prend pas des mesures afin d'empêcher les taux d'intérêt de monter davantage, la troisième guerre mondiale va éclater.

Rien n'empêche les États-Unis et le Canada de fixer les taux d'intérêt. Ce sont deux nations indépendantes et autonomes qui possèdent tout ce qu'il faut pour vivre. Dans les années 30, le Canada a jeté les assises du plus grand régime bancaire au monde. Les États-Unis l'ont calqué, mais il commence à présenter des failles.

Merci, messieurs.

Le major D.A. Macdonald.

APPENDIX «A-1»

NORTHUMBERLAND STRAIT CROSSING FINANCIAL FEASIBILITY

Industrial Enterprises Incorporated

SUMMARY

1. *Capital Costs*

The Capital costs necessary to provide a Fixed Crossing are *LESS* than those required to provide a Ferry Service. Over 60 years this saving is estimated to be $25.26 million.

2. *Operating Results*

The Fixed Crossing starts to produce operating profits from the day it is opened whereas the Ferry Service operates at an everincreasing deficit.

3. *Cash Flow*

The Fixed Crossing, if constructed for opening in 1976, could require subventions for the first 30 years, totalling $300 million. These monies could be repaid to the Treasury in full during the subsequent 25 years. By 2030 profits could constitute a total of $411 million to Federal Funds which is $111 million more than the subventions.

The Ferry System has historically operated at an ever-increasing deficit. If this continues into the future, Government Subventions

APPENDICE «A-1»

CHAUSSÉE DU DÉTROIT DE NORTHUMBERLAND POSSIBILITÉS FINANCIÈRES

Industrial Enterprises Incorporated

SOMMAIRE

1. *Coût des immobilisations*

Le coût des immobilisations nécessaires à l'établissement d'une chaussée est *MOINDRE* que celui qu'exige le service passeur. Sur la période de soixante ans, l'économie prévue serait de 25.26 millions de dollars.

2. *Bénéfices d'exploitation*

La chaussée commence à rapporter dès le premier jour de sa mise en service, alors que le service passeur accroît constamment le déficit.

3. *Flux de fonds*

Si la chaussée était construite et mise en service en 1976, elle pourrait exiger des subventions durant les trente premières années, soit un montant global de 300 millions de dollars. Cette somme pourrait être remboursée entièrement au cours des vingt-cinq années subséquentes. Dès l'an 2030, les bénéfices versés au fonds fédéral pourraient s'établir à 411 millions de dollars, soit 111 millions de plus que les subventions prévues.

Le service passeur a fonctionné de tout temps en accumulant déficit sur déficit. Si la situation devait se prolonger indéfiniment, les

over the 30 years period 1976-2005 could total $587 million and by 2030 could be as astronomical.

4. *Conclusion*

The proper business decision would be to replace an asset that operates at a deficit with one that produces a profit. When this can be done at less capital cost and at the same time provide superior and more efficient service, there is really only one conclusion—the quicker it is done the better!

STATISTICAL STANDARDS

1. The background data for the attached Schedules has been obtained from various studies already made by government agencies and private consultants. These include:

(i) Projected capital requirements for Ferry Service, timing, number and cost of vessels required.

(ii) Traffic projections for a fixed crossing 1976-2030.

(iii) Toll charges based on present rates and escalated at 1.8 per cent per annum.

(iv) Fixed crossing operating costs.

(v) Ferry deficits, historical.

(vi) Capital costs Fixed Crossing.

2. All calculations have been made on a uniform basis and projected using an escalation factor of 1.8 per cent.

3. Capital amortizations have been calculated at 7½ per cent per annum or on a 30-year term.

4. No provision has been made for construction financing charges as this information was not available in time to be included in this study.

5. Capital costs to provide terminal facilities for an expanded ferry service have not been included so they were unavailable to us.

Schedule "A"

Northumberland Strait Crossing

Capital Costs:

Construction Costs $160.0 million; Escalation Costs $17.0 million; total: $177.0 million.

subventions gouvernementales sur la période de trente ans, 1976-2005, pourraient s'élever à 587 millions de dollars, et dès 2030, le montant serait astronomique.

4. *Conclusion*

La saine décision qui s'impose sur le plan des affaires est de remplacer un avoir producteur de déficits par un actif producteur de bénéfices. Quand le remplacement peut s'opérer à un moindre coût des immobilisations et offrir en même temps un service supérieur et plus efficace, une seule conclusions s'impose: Le plus tôt la chose se fera, le mieux ce sera.

NORMES STATISTIQUES

1. Les données fondamentales servant à la rédaction des annexes ci-jointes proviennent de plusieurs études faites par des agents gouvernementaux et par des experts-conseils particuliers. Elles comprennent les suivantes, soit:

(i) Projection des besoins de capital du service passeur; échelonnement dans le temps, nombre et coût des vaisseaux nécessaires.

(ii) Projection de la circulation sur une chaussée, 1976-2030.

(iii) Taxe péagère établie d'après les tarifs actuels, mobilité calculée au taux de 1.8 p. 100 par année.

(iv) Frais fixes d'exploitation d'une chaussée.

(v) Déficits du service passeur—historique.

(vi) Coût des immobilisations d'une chaussée.

2. Tous les calculs ont été établis sur une base uniforme et les projections ont fait appel au facteur de mobilité de 1.8 p. 100.

3. L'amortissement du capital a été calculé au taux de 7.5 p. 100, ou sur une période de 30 ans.

4. Le coût du financement de la construction n'a pas été calculé, faute d'informations en temps utile pour le faire figurer dans cette étude.

5. Le coût des immobilisations nécessaires à l'agrandissement des installations de terminus d'un service passeur ne figure pas, faute d'avoir pu consulter les données.

Annexe «A»

Chaussée du détroit de Northumberland

Coût des immobilisations

Coût de la construction—160 millions de dollars; Coût de la mobilité—17 millions de dollars; Total: 177 millions de dollars.

Annual Amortization Costs:

Amortization $177 million over 30 years at 7½ per cent=$14.69 million per year
Ferries are also amortized at the same rate over the same term.

Annual Operating Costs:

We are informed that DOT have researched the project and determined the cost of operations at $800,000 per year.

Coût annuel de l'amortissement

Amortissement de 177 millions de dollars réparti sur 30 ans au taux de 7.5 p. 100= 14.69 millions de dollars par année.
Les bateaux passeurs sont amortis aussi au même taux; l'amortissement est réparti sur la même période.

Coût annuel de l'exploitation

On nous informe que le ministère des Transports a étudié le projet et en a déterminé le coût d'exploitation à 800,000 dollars par année.

Schedule B

ANNUAL AMORTIZATION COSTS OF FERRIES

(millions of dollars)

Year	Capital	Amortization	Annual Cost
1976	33.6	2.79	2.79
1977	15.0	1.24	4.03
1978	5.0	.41	4.44
1979			4.44
1980			4.45
1981			4.45
1982			4.45
1983			4.45
1984	5.6	4.5	4.90
1985			4.90
1986			4.90
1987			4.90
1988			4.90
1989	6.2	.51	5.41
1990			5.41
1991			5.41
1992	6.5	.54	5.95
1993			5.95
1994			5.95
1995			5.95
1996			5.95
1997			5.95
1998	22.2	2.35	5.79
1999	7.5	.62	9.41
2000			9.41
2001	7.6	.62	10.03
2002	7.6	.62	10.66
2003			40.66
2004			10.67
2005			10.67
2006			7.88
2007	2.70	2.25	8.88
2008	8.5	.80	9.27
2009	8.5	.80	9.87
2010			9.87
2011			9.87
2012			9.87
2013			9.87
2014	9.2	.76	10.25
2015			10.15
2016	9.2	.77	10.95
2017			10.95
2018			10.95
2019	9.5	.79	11.22
2020			11.22

Annexe B

COÛT ANNUEL DE L'AMORTISSEMENT DES SERVICES PASSEURS

(en milliers de dollars)

Année	Immobilisations	Amortissement	Coût annuel
1976	33.6	2.79	2.79
1977	15.0	1.24	4.03
1978	5.0	.41	4.44
1979			4.44
1980			4.45
1981			4.45
1982			4.45
1983			4.45
1984	5.6	4.5	4.90
1985			4.90
1986			4.90
1987			4.90
1988			4.90
1989	6.2	.51	5.41
1990			5.41
1991			5.41
1992	6.5	.54	5.95
1993			5.95
1994			5.95
1995			5.95
1996			5.95
1997			5.95
1998	22.2	2.35	5.79
1999	7.5	.62	9.41
2000			9.41
2001	7.6	.62	10.03
2002	7.6	.62	10.66
2003			40.66
2004			10.67
2005			10.67
2006			7.88
2007	2.70	2.25	8.88
2008	8.5	.80	9.27
2009	8.5	.80	9.87
2010			9.87
2011			9.87
2012			9.87
2013			9.87
2014	9.2	.76	10.25
2015			10.15
2016	9.2	.77	10.95
2017			10.95
2018			10.95
2019	9.5	.79	11.22
2020			11.22

ANNUAL AMORTIZATION COSTS OF FERRIES
(millions of dollars)

Year	Capital	Amortization	Annual Cost
2021			11.22
2022	10.0	.83	11.51
2023	10.0	.83	12.34
2024			12.34
2025			12.34
2026			12.34
2027			12.34
2028	45.00	3.73	13.73
2029	11.0	.91	13.52
2030			13.52
			465.96

1. Capital costs have been established for us in terms of 1968 dollars. These have been adjusted by the 1.8% escalation factor.

2. Amortization has been calculated at 7½% per annum over 30 years.

3. Amortization of new terminal facilities required with the increase in the number of boats has not been included in the above figures.

COÛT ANNUEL DE L'AMORTISSEMENT DES SERVICES PASSEURS
(en milliers de dollars)

Année	Immobilisations	Amortissement	Coût annuel
2021			11.22
2022	10.0	.83	11.51
2023	10.0	.83	12.34
2024			12.34
2025			12.34
2026			12.34
2027			12.34
2028	45.00	3.73	13.73
2029	11.0	.91	13.52
2030			13.52
			465.96

1. Le coût des immobilisations a été établi pour nous en dollars de 1968; ils ont été rajustés en faisant appel au facteur de mobilité de 1.8 p. 100.

2. L'amortissement est calculé au taux de 7.5 p. 100 par année, réparti sur 30 ans.

3. L'amortissement des nouvelles installations terminales qu'exigera l'augmentation numérique des bateaux passeurs n'est pas compris dans les chiffres précités.

Schedule D

NORTHUMBERLAND STRAIT FERRIES

CASH OPERATING DEFICITS

(In Millions of Dollars)

Year	Ferries	Terminals	Total	No. of Boats
1956	1.50			
1957	2.03			
1958	1.98			
1959	2.56			
1960	2.62			
1961	2.99			
1962	3.27			
1963	3.35			
1964	3.98			
1965	4.21			
1966	4.79			
1967	4.55	5 yr.		
1968	4.79	average		
1969 (Est.)	5.42	.66 (1.8%)		4
		Projections		
1970	5.5	.9	6.4	4
1980	8.5	1.2	9.7	6
1990	11.5	1.6	13.1	8
2000	14.5	2.0	16.5	9
2010	17.5	2.3	19.8	10
2020	20.5	2.8	23.3	12
2030	23.5	3.4	26.9	13

Notes: 1. Ferry cash deficits are an arithmetic projection.

2. Terminal costs which were supplied to us in terms of 1968 dollars have been adjusted by the 1.8% factor.

3. Number of ferries have been derived from the capital cost projections supplied to us.

Annexe D

SERVICES PASSEURS DU DÉTROIT DE NORTHUMBERLAND

DÉFICIT D'EXPLOITATION EN ESPÈCES

(en millions de dollars)

Année	Bateaux	Terminus	Total	Nombre de bateaux
1956	1.50			
1957	2.03			
1958	1.98			
1959	2.56			
1960	2.62			
1961	2.99			
1962	3.27			
1963	3.35			
1964	3.98			
1965	4.21			
1966	4.79			
1967	4.55	Moyenne		
1968	4.79	de 5 ans		
1969 (Est.)	5.42	.66 (1.8%)		4
		Projections		
1970	5.5	.9	6.4	4
1980	8.5	1.2	9.7	6
1990	11.5	1.6	13.1	8
2000	14.5	2.0	16.5	9
2010	17.5	2.3	19.8	10
2020	20.5	2.8	23.3	12
2030	23.5	3.4	26.9	13

Remarques

1. Les déficits en espèces des services passeurs sont exprimés en projections arithmétiques.

2. Les coûts des terminus qui nous ont été fournis en dollars de 1968 ont été rajustés en faisant appel au facteur 1.8 p. 100.

3. Le calcul du nombre de bateaux passeurs s'appuie sur les projections qui nous ont été fournies à l'égard du coût en immobilisations.

PRESENTATION OF D. S. BARTLETT
TO THE
HONOURABLE JEAN MARCHAND

MEETIN GON TUESDAY,
FEBRUARY 18, 1969—9:15 A.M.

PROCESSED FOOD

The processed food industry on Prince Edward Island is one of the Province's leading exporters. Of gross sales approximating $20 million, $5 million is exported to offshore countries. The balance ($15 million) is sold on the Canadian market from Halifax to Winnipeg.

The growth of the domestic segment of the industry is limited by its ability to obtain efficient and reliable transportation services to major Canadian cities at comparative transportation rates. In addition, the development of reservoir of experienced, semi-skilled and unskilled labour is essential. The industry is also dependent upon delivery of goods and materials from off-Island sources. One of the major costs to secondary industry in Prince Edward Island is the need to carry unusually large inventories of materials and supplies because of the present unreliable transportation service.

The processed fruit and vegetable industry in Canada represents an annual volume of $1 billion. This industry is dependent on the availability of an abundant supply of good quality fresh fruits and vegetables. The Island climatic and soil conditions are ideal for the production of a large range of these fruits and vegetables in Prince Edward Island. It is quite apparent that the share of the industry presently supplied from Prince Edward Island is infinitesimally small. The basic factors do exist, however, to support a substantial expansion of secondary industry in this field.

The construction of a permanent dry crossing would result in:

1. A more rapid and reliable transportation facility between major Canadian cities and Prince Edward Island.

2. An improvement in labour orientation and exposure of Maritimes to wider horizons.

3. The residual scales which would remain following the construction period.

4. Greater ability of labour between Mainland New Brunswick and Prince

MÉMOIRE DE D. S. BARTLETT
PRÉSENTÉ À L'HONORABLE
JEAN MARCHAND

SÉANCE DU MARDI
18 FÉVRIER 1969— 9 h 15

ALIMENTS TRANSFORMÉS

L'industrie des aliments transformés de l'Île-du-Prince-Édouard est une des principales industries exportatrices de la province. Sur l'ensemble des ventes pour une valeur d'environ 20 millions de dollars, 5 millions intéressent les pays d'outre-mer. La différence, 15 millions, provient des ventes sur les marchés canadiens échelonnés depuis Halifax jusqu'à Winnipeg.

La croissance du secteur domestique de cette industrie se limite aux possibilités d'assurer à des taux concurrentiels des services de transport efficaces et sûrs avec les principales villes canadiennes. Au surplus, il est essentiel de former une réserve de main-d'œuvre expérimentée, semi-spécialisée et experte. L'industrie dépend aussi de la livraison de fournitures et de matériel en provenance de l'extérieur. Un des principaux éléments des frais de l'industrie secondaire dans l'Île-du-Prince-Édouard est l'obligation de porter des inventaires de matériel et de fournitures exceptionnellement importants, à cause de l'état incertain du service de transport.

L'industrie des fruits et légumes transformés au Canada représente une valeur annuelle d'un milliard de dollars. Elle est dépendante de la possibilité d'obtenir un abondant approvisionnement de fruits et de légumes frais de bonne qualité. Le climat et le sol de l'île se prêtent idéalement à la production d'une grande variété de fruits et de légumes. Manifestement, la place qu'occupe présentement l'Île-du-Prince-Édouard dans ce secteur est infiniment petite. Néanmoins, l'île est dotée des conditions essentielles à une expansion notable de l'industrie secondaire dans ce secteur.

La construction d'un chaussée pourrait avoir pour résultat:

1. D'établir un service de transport amélioré en rapidité et en sûreté entre les principales villes canadiennes et l'Île-du-Prince-Édouard.

2. D'améliorer l'orientation de la main-d'œuvre et l'élargissement des horizons des Maritimes.

3. De laisser une différence favorable après la période de construction.

4. De faciliter la mobilité de la main-d'œuvre continentale du Nouveau-Bruns-

Edward Island to better accommodate the cyclical requirements of the processed food industry.

The net result would be a substantial expansion of secondary industry and proportionately greater employment and development of industrially oriented skills in the Prince Edward Island labour force.

wick à destination de l'Île-du-Prince-Édouard et de répondre davantage aux besoins cycliques de l'industrie des aliments transformés.

Il en résulterait pour l'Île-du-Prince-Édouard une nette expansion de l'industrie secondaire avec une amélioration proportionnelle de l'emploi et de la formation de la main-d'œuvre douée pour l'industrie.

PRESENTATION OF D. E. MORRISON TO THE HONOURABLE JEAN MARCHAND

MEETING ON TUESDAY, FEBRUARY 18, 1969—9:15 a.m.

INDUSTRIAL GROWTH

Industrial Enterprises Incorporated a Crown Corporation, promoting the development of new and existing industry on Prince Edward Island has been in operation for approximately three years. To date, this group of businessmen has not been able to attract a single new industry to our Province, whereas our neighbours Nova Scotia and New Brunswick have attracted many new industries during the same period. They have offered no better financing, tax arrangements and/or other incentives than does Prince Edward Island.

Mr. Minister, we can cite several examples where we have lost a new industry to our neighbours due to the lack of a crossing.

How can our Province keep pace with the economic growth of the rest of the Maritimes when it cannot provide competitive transportation costs to and from the markets?

Give us the crossing and we'll take care of our regional disparity.

MÉMOIRE DE D. E. MORRISON PRÉSENTÉ À L'HONORABLE JEAN MARCHAND

SÉANCE DU MARDI 18 FÉVRIER 1969—9 h. 15

CROISSANCE INDUSTRIELLE

La Société d'entreprises industrielles, société de la Couronne de stimulation et de développement d'industries établies et nouvelles dans l'Île-du-Prince-Édouard, exerce son activité depuis trois ans environ. Néanmoins, ce groupe d'hommes d'affaires n'a pas réussi jusqu'ici à attirer une seule industrie dans la province. Au contraire, les provinces voisines de la Nouvelle-Écosse et du Nouveau-Brunswick en ont attiré plusieurs durant la même période. Pourtant elles n'offraient pas de meilleurs avantages que l'Île-du-Prince-Édouard en matière de financement, de taxes et d'autres encouragements.

Nous pouvons citer plusieurs cas où nous avons perdu de nouvelles industries à l'avantage des provinces voisines, faute d'une chaussée.

Comment notre province peut-elle marcher d'un pas égal avec les autres provinces Maritimes sur la voie de la croissance économique, alors qu'elle ne peut offrir des moyens de transport à des tarifs concurrentiels?

Donnez-nous une chaussée et nous nous chargerons de notre disparité régionale.

PRESENTATION OF J. A. SIMMONDS AND L. W. MACLEOD TO THE HONOURABLE JEAN MARCHAND

MEETING ON TUESDAY, FEBRUARY 18, 1969—9:15 a.m.

DAIRY AND LIVESTOCK PRODUCTS

A major effort in the elimination of regional disparity can be made through encouraging the region to become self-sufficient in its annual food requirements.

MÉMOIRE DE J. A. SIMMONDS ET L. W. MACLEOD PRÉSENTÉ À L'HONORABLE JEAN MARCHAND

SÉANCE DU MARDI 18 FÉVRIER 1969—9 h. 15

PRODUITS LAITIERS ET AUTRES PRODUITS D'ORIGINE ANIMALE

Une des principales mesures aptes à corriger la disparité régionale consisterait à encourager l'autarcie à longueur d'année dans le domaine des besoins alimentaires de la région.

The Atlantic region produces less than half of its annual requirements of meat and dairy products.

The deficiency is being supplied from outside the region at an annual cost in excess of one hundred million dollars.

A great deal of the deficiency in the Atlantic area could be and should be produced in Prince Edward Island which has the best agricultural soil in the Atlantic provinces.

Prince Edward Island has large acreages of land not presently being used for agriculture. This land is ideal for producing grains which can be used for livestock feeds.

Through the implementation of the Comprehensive Development Plan it is anticipated that both the livestock and dairy industries will receive the necessary encouragement and assistance to greatly increase their production.

Owing to the highly perishable nature of these products and consequently the need for them to arrive at the market place at the peak of quality it is absolutely necessary that they be transported economically and without delay.

In the past mainland customers have been reluctant to buy with regularity products produced and processed in Prince Edward Island due to our inability to guarantee delivery and schedule resulting in the loss of many millions of dollars annually to the province.

The future growth of the livestock and dairy industries of Prince Edward Island are dependent on the completion of the Causeway.

La région de l'Atlantique produit moins de la moitié de la viande et des produits laitiers dont elle a besoin annuellement.

La différence est comblée par les arrivages en provenance de l'extérieur au coût annuel de plus de 100 millions de dollars.

Une forte proportion des produits déficitaires dans la région de l'Atlantique pourrait et devrait se produire dans l'Île-du-Prince-Édouard qui de toutes les provinces de l'Atlantique possède les meilleurs terres agricoles.

L'Île-du-Prince-Édouard compte de grandes étendues de terres qui ne servent pas à l'agriculture, mais qui conviennent idéalement à la production de céréales propres à l'alimentation du bétail.

L'application du Plan d'aménagement intégral laisse prévoir que l'élevage et l'industrie laitière bénéficieront de l'encouragement et de l'aide nécessaires pour accroître fortement leur production.

En raison de la nature manifestement périssable de ces produits, ils doivent arriver sur le marché dans l'excellence de leur qualité; il est donc absolument nécessaire de leur assurer des moyens de transport économiques et rapides.

Dans le passé, les consommateurs sur la terre ferme se sont montrés peu disposés à acheter régulièrement les denrées produites et conditionnées dans l'Île du Prince-Édouard à cause de notre impossibilité d'en assurer la livraison selon les programmes. Il en est résulté pour la province la perte de plusieurs millions de dollars annuellement.

Le développement de l'élevage et de l'industrie laitière dans l'Île-du-Prince-Édouard dépend de la construction de la chaussée.

ALBERTO J. BACARDI
BACARDI BUILDING
2100 Biscayne Boulevard
Miami, Florida 33137

January 27, 1969

The Honorable Alexander B. Campbell
Premier Prince Edward Island
P. O. Box 2000
Charlottetown, P.E.I., Canada

Dear Mr. Premier:

I was very honored to receive your letter of December 31st 1968.

We are still looking for a solution to the problem you explained to us in regard to the returning empty vessels from Puerto Rico and the Caribbean to P.E.I. There should be some

ALBERTO J. BACARDI
IMMEUBLE BACARDI
2100, boulevard Biscayne
Miami, Floride 33137

Le 27 janvier 1969

A l'honorable Alexander B. Campbell
Premier ministre de l'Île du Prince-Édouard
Case postale 2000
Charlottetown (Î. P.-É.)
CANADA

Monsieur le premier ministre,

J'ai l'honneur d'accuser réception de votre lettre du 31 décembre 1968.

Nous recherchons encore une solution au problème que vous nous avez exposé au sujet du retour à vide des vaisseaux de Puerto Rico et des Caraïbes à destination de l'Île du Prin-

commodity which could be shipped from these areas to the Atlantic provinces.

Mr. José M. Bosch, Chairman of the Bacardi Companies, has informed me of your kind letter of November 26, 1968, and wishes me to express the opinion of the committee in charge of the new Canadian organization.

Mr. Premier, it is the opinion of our transportation experts that the transportation facilities between Nassau, Bahamas and P.E.I. and the mainland are not the best suited for our industry. After computing our transportation costs to the various Liquor Boards in Canada, we found that the cost per case of BACARDI Rum to Ontario and West Canada are greater than desired. One of the main objectives of establishing a BACARDI Plant in Canada is to lower the price of BACARDI Rum to the consumer. Because of these factors, the Committee has considered that the BACARDI Rum Plant would be of more benefit to the Canadian consumers if placed somewhere nearer to our raw materials and future markets.

I do believe that if BACARDI Rum increases its sales volume by becoming more competitive pricewise, it will benefit P.E.I. as well as other provinces since the Liquor Commission is one of the basic sources of revenue.

Mr. Premier, we are most grateful for all of your kind attentions. Bacardi & Co. of Canada Ltd. will be 25% owned by Canadians. We are proud of this fact and highly optimistic about the future of your great nation.

Respectfully yours,

J. Alberto Bacardi

ce-Édouard. Il devrait y avoir un produit que l'on pourrait expédier de ces régions à destination des provinces de l'Atlantique.

M. José M. Bosch, président des Sociétés Bacardi, m'a informé de votre aimable lettre du 26 novembre 1968. Il me charge de vous communiquer l'avis du Comité chargé de la nouvelle organisation canadienne.

Nos experts en transport, monsieur le premier ministre, sont d'avis que les moyens de transport entre Nassau, Bahamas, et l'Île du Prince-Édouard, et entre votre province et la terre ferme, ne se prêtent pas des mieux à notre industrie. Après avoir calculé nos frais de transport à destination des diverses régies de l'alcool au Canada, nous constatons que le coût par caisse de rhum BACARDI à l'Ontario et à l'ouest du Canada nous paraît excessif. Une des principales raisons motivant l'établissement d'une distillerie BACARDI au Canada est de comprimer le prix du rhum BACARDI au niveau du consommateur. Compte tenu de ces facteurs, le Comité est d'avis que la distillerie de rhum BACARDI desservirait mieux les consommateurs canadiens si elle était implantée à un endroit plus rapproché de nos matières premières et des marchés éventuels.

Je suis d'avis que dans l'éventualité de l'accroissement du volume des ventes de rhum BACARDI, par l'amélioration de sa situation concurrentielle au niveau des prix, l'Île du Prince-Édouard y trouvera son avantage, vu que la régie de l'alcool est une de ses principales sources de revenu.

Nous vous sommes reconnaissants, monsieur le premier ministre, de toutes vos amabilités à notre égard. La société Bacardi et compagnie du Canada Limitée sera la propriété de Canadiens dans la proportion de 25 p. 100. Nous en sommes fiers et nous augurons des mieux de l'avenir de votre grande nation.

Je vous prie d'agréer, monsieur le premier ministre, l'assurance de mon respectueux dévouement.

J. Alberto Bacardi

Government
Publications

OFFICIAL BILINGUAL ISSUE

HOUSE OF COMMONS

First Session

Twenty-eighth Parliament, 1968-69

FASCICULE BILINGUE OFFICIEL

CHAMBRE DES COMMUNES

Première session de la

vingt-huitième législature, 1968-1969

STANDING COMMITTEE

ON

TRANSPORT AND COMMUNICATIONS

COMITÉ PERMANENT

DES

TRANSPORTS ET DES COMMUNICATIONS

Chairman H.-Pit Lessard *Président*

MINUTES OF PROCEEDINGS AND EVIDENCE

PROCÈS-VERBAUX ET TÉMOIGNAGES

No. 17

MARCH 13, 1969

LE 13 MARS 1969

Respecting

Transportation problems of the Atlantic Provinces.

Concernant

Problèmes de transport dans les provinces de l'Atlantique.

WITNESSES—TÉMOINS

(See Minutes of Proceedings) *(Voir procès-verbaux)*

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L'Imprimeur de la Reine, Ottawa, 1969

29965—1

STANDING COMMITTEE ON TRANSPORT AND COMMUNICATIONS

Chairman: Mr. H.-Pit Lessard
Vice-Chairman: Mr. Pat Mahoney
and Messrs.

Breau,
Corbin,
[4] Givens,
Godin,
Horner,
[1] McCleave,
McGrath,
[5] McQuaid,
[2] Peddle,
Perrault,
Portelance,
Pringle,
Rock,
Rose,
Skoberg,
Thomas (*Moncton*),
Trudel,
Turner (*London East*),

Le secrétaire du Comité
Robert Normand
Clerk of the Committee

Pursuant to Standing Order 65 (4) (*b*) notice was given of changes in the membership of the Standing Committee on Transport and Communications.

[1] Replaced Mr. Nesbitt, on March 7, 1969.
[2] Replaced Mr. Carter, on March 7, 1969.
[3] Mr. MacDonald (*Egmont*) replaced Mr. Nowlan, on March 7, 1969.
[4] Replaced Mr. Allmand on March 7, 1969.
[5] Replaced Mr. MacDonald (*Egmont*) on March 13, 1969.

COMITÉ PERMANENT DES TRANSPORTS ET DES COMMUNICATIONS

Président: M. H.-Pit Lessard
Vice-président: M. Pat Mahoney
et MM.

Suivant l'article 65 (4) (*b*) du Règlement, avis fut donné de modifications dans la composition du Comité permanent des transports et des communications.

[1] Remplace M. Nesbitt, le 7 mars 1969.
[2] Remplace M. Carter, le 7 mars 1969.
[3] M. MacDonald (*Egmont*) replaced M. Nowlan, le 7 mars 1969.
[4] Remplace M. Allmand, le 7 mars 1969.
[5] Remplace M. MacDonald (*Egmont*), le 13 mars 1969.

ORDER OF REFERENCE

HOUSE OF COMMONS

THURSDAY, February 20, 1969.

Ordered,—That Votes 1, 3, 5, 10, 15, 20, 25, 30, 35, 40, L150, L155, L160 and L165 relating to the Department of Transport;

Vote 45 relating to the Canadian National Railways;

Votes 50, 55, 60 and 65 relating to the Canadian Transport Commission;

Votes 70, 75, 77, 80 and L180 relating to the National Harbours Board; and

Votes 85, 90 and L185 relating to the St. Lawrence Seaway Authority be referred to the Standing Committee on Transport and Communications.

ATTEST:

ORDRE DE RENVOI

CHAMBRE DES COMMUNES

Le JEUDI 20 février 1969

Il est ordonné,—Que les crédits n°s 1, 3, 5, 10, 15, 20, 25, 30, 35, 40, L150, L155, L160 et L165 concernant le ministère des Transports;

Le crédit n° 45 concernant les Chemins de fer nationaux du Canada;

Les crédits n°s 50, 55, 60 et 65 concernant la Commission canadienne des transports;

Les crédits n°s 70, 75, 77, 80 et L180 concernant le Conseil des ports nationaux;

Les crédits n°s 85, 90 et L185 concernant l'Administration de la voie maritime du Saint-Laurent soient renvoyés au comité permanent des transports et des communications.

ATTESTÉ:

Le Greffier de la Chambre des communes

ALISTAIR FRASER

The Clerk of the House of Commons

23965—1½

MINUTES OF PROCEEDINGS

THURSDAY, March 13, 1969.
(30)

[*Text*]

The Standing Committee on Transport and Communications met this day at 9:35 a.m., the Chairman, Mr. H.-Pit Lessard, presided.

Members present: Messrs. Breau, Corbin, Givens, Horner, Lessard (*La Salle*), Mahoney, McCleave, McQuaid, McGrath, Perrault, Portelance, Pringle, Rock, Rose, Skoberg, Trudel, Turner (*London East*). (17)

Also present: Mr. Marshall, M.P.

Witnesses: From the Canadian Transport Commission: The Honourable J. W. Pickersgill, President and Mr. Pierre Taschereau, Vice-President. *From Eastern Provincial Airways (1963) Limited:* Mr. A. J. Lewington, President; Mr. K. Millar, Executive Vice-President and Mr. W. F. Gaudet, Vice-President, Marketing.

After discussion of a point of order concerning a government announcement in respect to the causeway between the Province of Prince Edward Island and the Province of New Brunswick, it was

Agreed,—That the Chairman be authorized to get the assurance from the Minister of Transport that no further announcements of government policies in the Atlantic Provinces be made until such time as the Standing Committee on Transport and Communications has studied the evidence adduced during its recent trip to the Maritimes.

After further discussion, it was

Agreed,—That the Chairman be authorized to communicate to the Minister of Transport the wishes of the Committee to extend the freeze of the Maritime Freight Rates for a few months to allow the committee to prepare a report which will be tabled in the House as soon as possible.

PROCÈS-VERBAL

Le JEUDI 13 mars 1969.
(30)

[*Traduction*]

Le Comité permanent des transports et des communications se réunit ce matin à 9 h. 35, sous la présidence de M. H.-Pit Lessard.

Présents: MM. Breau, Corbin, Givens, Horner, Lessard (*La Salle*), Mahoney, McCleave, McQuaid, McGrath, Perrault, Portelance, Pringle, Rock, Rose, Skoberg, Trudel, Turner (*London-Est*)—(17).

De même que: M. Marshall, député.

Témoins: De la Commission canadienne des transports: L'honorable J. W. Pickersgill, président, et M. Pierre Taschereau, vice-président. De l'*Eastern Provincial Airways (1963) Limited:* M. A. J. Lewington, président; M. K. Millar, vice-président exécutif; M. W. F. Gaudet vice-président à la commercialisation.

Après débat sur une question de Règlement relative à une annonce faite par le gouvernement au sujet de la chaussée entre la province de l'Île-du-Prince-Édouard et celle du Nouveau-Brunswick.

Il est convenu—Que le président soit autorisé à obtenir du ministre des Transports l'assurance que l'on ne fera plus d'annonces relatives à la politique du gouvernement dans les provinces de l'Atlantique jusqu'à ce que le Comité permanent des transports et des communications ait étudié les témoignages qui lui ont été présentés lors de son récent séjour dans les Maritimes.

Après d'autres débats,

Il est convenu—Que le président soit autorisé à communiquer au ministre des Transports le désir du Comité que l'on prolonge le gel du tarif de transport des marchandises dans les Maritimes pendant quelques mois afin de permettre au Comité de préparer un rapport qui sera déposé à la Chambre aussitôt que possible.

The Chairman then introduced the Honourable J. W. Pickersgill and Mr. Pierre Taschereau from the Canadian Transport Commission who were questioned by Members of the Committee.

Mr. Pickersgill agreed to supply additional information to the Committee concerning regional carriers in the Atlantic Provinces.

After questioning, the witnesses were excused and the Chairman thanked them for the evidence given.

Then on motion of Mr. McGrath,

Agreed,—That this Committee regrets the decision taken by the Government last week, not to proceed with the Prince Edward Island Causeway, before this Committee had an opportunity to study the evidence it has heard on this matter and to make a recommendation to Parliament.

After debate, the question was put, and by a show of hands, resulted in a tie: YEAS 7 NAYS 7.

The Chairman, using his casting vote, voted against the motion which was resolved in the negative: YEAS 7, NAYS 8.

The Chairman then introduced the President of Eastern Provincial Airways (1963) Limited who made an opening statement and was questioned thereon, assisted by officials of the Company.

After questioning, the witnesses retired and the Chairman thanked them for the evidence given.

The Clerk read the Fourth Report of the Sub-Committee on Agenda and Procedure for the meeting held on March 4, 1969.

Le président présente ensuite l'honorable J. W. Pickersgill et M. Pierre Taschereau, de la Commission canadienne des transports, qui répondent aux questions des membres du Comité.

M. Pickersgill convient de fournir au Comité des renseignements supplémentaires au sujet des compagnies de transports régionales des provinces de l'Atlantique.

L'interrogatoire terminé, on permet aux témoins de se retirer, et le président les remercie de leurs témoignages.

Puis, sur la proposition de M. McGrath,

Il est convenu—Que le Comité regrette la décision du gouvernement, prise la semaine dernière, de ne pas donner suite ou projet de la chaussée de l'Île-du-Prince-Édouard jusqu'à ce que le Comité ait eu l'occasion d'étudier les témoignages qu'il a reçus à cet égard et de présenter une recommandation au Parlement.

Après débat, la question est mise aux voix, et le vote à main levée résulte dans un nombre égal de voix (7-7) en faveur de la motion et contre la motion.

Le président, donnant sa voix prépondérante, votre contre la motion, qui est rejetée par 8 voix contre 7.

Le président présente ensuite le président de l'*Eastern Provincial Airways (1963) Limited,* qui fait une déclaration préliminaire et répond, avec l'aide des représentants de la compagnie à des questions.

L'interrogatoire terminé, les témoins se retirent, et le président les remercie de leurs témoignages.

Le secrétaire donne lecture du quatrième rapport du sous-comité du programme et de la procédure, préparé lors de la réunion du 4 mars 1969.

TUESDAY, March 4, 1969.

FOURTH REPORT

The Subcommittee on Agenda and Procedure of the Standing Committee on

LE MARDI 4 mars 1969.

QUATRIÈME RAPPORT

Le sous-comité du programme et de la procédure du Comité permanent des trans-

Transport and Communications met at 3:30 p.m. this afternoon. The Chairman, Mr. H.-Pit Lessard, presided.

Members present: Messrs. Allmand, Lessard (*LaSalle*), Mahoney, Nesbitt and Skoberg.

Also present: Mr. Horner, M.P.

Your Subcommittee met to plan further meetings to hear additional evidence pertaining to the transportation problems in the Atlantic Provinces.

After discussion, it was agreed that the following persons and companies be requested to appear before the Standing Committee on Transport and Communications, on Thursday, March 13, 1969.

1. The Honourable J. W. Pickersgill, President of the Canadian Transport Commission.
2. Eastern Provincial Airways (1963) Limited.
3. A delegation from "Les Iles-de-la-Madeleine".
4. The Canadian National Railway.

Should officials of the Canadian National Railway not be able to appear before the Committee on the above-mentioned date, arrangements will be made for them to appear on Tuesday, March 18, 1969.

It was agreed that the Committee Clerk inquire as to the possibility of having the Minutes of Proceedings and Evidence adduced during the tour of the Atlantic Provinces, printed as soon as possible.

At 4:30 p.m., the Subcommittee adjourned.

Respectfully submitted,

ports et des communications se réunit cet après-midi à 3 h. 30, sous la présidence de M. H.-Pit Lessard.

Présents: MM. Allmand, Lessard (*La Salle*), Mahoney, Nesbitt et Skoberg.

De même que: M. Horner, député.

Le sous-comité se réunit pour organiser d'autres séances en vue d'entendre des témoignages supplémentaires relatifs aux problèmes des transports dans les provinces de l'Atlantique.

Après débat, il est convenu que l'on demande aux personnes et compagnies suivantes de comparaître devant le Comité permanent des transports et des communications le jeudi 13 mars 1969:

1. L'honorable J. W. Pickersgill, président de la Commission canadienne des transports.
2. L'*Eastern Provincial Airways (1963) Limited.*
3. Une délégation des îles de la Madeleine.
4. Les Chemins de fer nationaux du Canada.

Au cas où les représentants des Chemins de fer nationaux du Canada ne pourraient comparaître devant le Comité à la date susmentionnée, on prendrait des dispositions en vue d'entendre leurs témoignages le mardi 18 mars 1969.

Il est convenu que le secrétaire du Comité s'informe de la possibilité de faire imprimer aussitôt que possible les procès-verbaux et témoignages relatifs au voyage dans les provinces de l'Atlantique.

A 4 h. 30 de l'après-midi, le sous-comité lève la séance.

Respectueusement soumis,

Le président

H.-PIT LESSARD

Chairman

Then on motion of Mr. McGrath, it was

Resolved,—That the names of Messrs. Trudel and Horner be substituted for those of Messrs. Allmand and Nesbitt on the Sub-Committee on Agenda and Procedure for this day's meeting only.

Then on motion of Mr. Mahoney, it was

Resolved,—That the briefs received during the second session of the 27th Parliament concerning transportation problems of the Atlantic Provinces and printed in Issue No. 15, 1967-68 of the Minutes of Proceedings and Evidence of the Standing Committee on Transport and Communications, be appended to the evidence adduced during the recent trip of the Committee to the Atlantic Provinces, i.e., to *Issue No. 16.*

At 1:30 p.m., the Committee adjourned to the call of the Chair.

Puis, sur la proposition de M. McGrath,

Il est décidé—Que MM. Trudel et Horner remplacent MM. Allmand et Nesbitt à la réunion de ce jour seulement du sous-comité du programme et de la procédure.

Puis, sur la proposition de M. Mahoney,

Il est décidé—Que les mémoires relatifs aux problèmes des transports dans les provinces de l'Atlantique reçus au cours de la deuxième session de la 27e législature, et imprimés dans le Fascicule n° 15 (1967-1968) des Procès-verbaux et témoignages du Comité permanent des transports et des communications, soient imprimés en appendice aux témoignages reçus lors du récent voyage du Comité dans les provinces de l'Atlantique, c'est-à-dire au *Fascicule n° 16.*

A 1 h. 30 de l'après-midi, le Comité s'ajourne jusqu'à nouvelle convocation du président.

Le secrétaire du Comité
Robert Normand
Clerk of the Committee

[*Texte*]

EVIDENCE

(*Recorded by Electronic Apparatus*)

Thursday, March 13, 1969

• 0937

The Chairman: Gentlemen, we have an order here allowing us to sit without the 11-member forum, and I believe several committees are sitting this morning. I think we should start.

As you know, we have with us this morning, from the Canadian Transport Commission, The Honourable J. W. Pickersgill and also Mr. Pierre Taschereau, Vice-President. Mr. Rose?

Mr. Rose: Before we start, Mr. Chairman, I wish to raise a question of privilege. It concerns the future of this particular Committee.

As you know, we were nine days in the Maritimes and we worked very diligently. You said so publicly on TV, so I assume it is true.

The Chairman: You still trust me.

Mr. Rose: Anyhow, I was shocked by the announcement by the government relative to the causeway, one of the principal items central to our discussions in the Maritimes.

I do not propose to discuss at this moment the merits or the demerits of the government's decision, or those of the causeway, but I am concerned if the effort that we are putting in, and have been putting in, on this Committee is just window-dressing—if it is just a sham—and these things have all been decided. If that is so, I really do not want to be part of it. I have other things to do.

I would like to have your assurance, Mr. Chairman, if you can give it, that what recommendations we might make, after listening to all these representations, are going to be considered, and are relevant, and that we are not wasting our time.

I think this might be said for other committees, as well, but I am here this morning and I wanted to raise it right at the beginning.

The Chairman: I think you have a good point, Mr. Rose.

[*Interprétation*]

TÉMOIGNAGES

(*Enregistrement électronique*)

Le jeudi 13 mars 1969

Le président: Messieurs, nous avons un règlement qui nous permet de siéger sans le quorum nécessaire de 11 membres. Il y a plusieurs comités qui siègent ce matin et nous pourrions peut être commencer. Comme vous le savez ce matin, nous avons l'honorable J. W. Pickersgill, président de la Commission canadienne des transports, ainsi que Pierre Taschereau, vice-président. Monsieur Rose?

M. Rose: Avant de commencer, monsieur le président, j'aimerais soulever une question de privilège. Il s'agit de l'avenir de notre comité. Comme vous le savez, nous avons passé neuf jours dans les Maritimes, et nous avons travaillé ferme. Vous l'avez dit publiquement à la télévision d'ailleurs, et je présume alors que c'est vrai.

Le président: Vous avez toujours confiance en moi.

M. Rose: De toute façon, j'ai été plutôt surpris de l'annonce qu'a faite le gouvernement au sujet de l'une des questions importantes de nos discussions dans les Maritimes, la chaussée. Je ne me propose pas de discuter aujourd'hui de la valeur ou du bien fondé de la décision du gouvernement, ni de la valeur de la chaussée non plus. Mais je me demande si les efforts que nous avons faits jusqu'ici au Comité ne sont que pour la galerie, ne sont qu'une farce et que toutes ces choses ont déjà été décidées. S'il en est ainsi, je ne veux pas prendre part à cela car j'ai bien d'autres choses à faire. Je voudrais donc avoir votre assurance, monsieur le président, si vous êtes en mesure de nous la donner, que le genre de recommandations que nous pourrions formuler ici, après avoir écouté toutes les présentations, seront étudiées, qu'elles soient pertinentes et que nous ne perdions pas notre temps tout simplement. Et je crois que nous pourrions peut-être dire la même chose d'autres Comités mais je suis ici ce matin, et je voulais soulever la question en commençant.

Le président: Vous avez là une bonne question, monsieur Rose.

[*Text*]

Mr. McGrath: Mr. Chairman, may I speak briefly to that?

The Chairman: Mr. McGrath?

Mr. McGrath: I, too, was interested in raising the same subject as my colleague this morning, because, as you know, we had very extensive and exhaustive hearings and investigations in the Maritimes and in Newfoundland. This was one of the principal subjects under discussion.

I think it will be generally agreed that the most controversial matters that we had on our agenda for study were the Maritime Freight Rates Act (MFRA) and the freeze, the causeway to Prince Edward Island and the passenger rail service in Newfoundland.

It is a matter of great regret to me that the

• 0940

government made their decision and their announcement in the House last week before the Committee has had a chance to study the evidence it heard in Prince Edward Island and to make its recommendations. All we heard about on the Island was the causeway.

I feel, as does Mr. Rose, that I do not want to waste my time on this Committee if this is how things are going to be done, and we are just here for window-dressing.

We have several other important items to study, on which we hope to make recommendations, and I would like you to get some assurance from the government, Mr. Chairman, if this is a proper suggestion, that they will not take any other decisions on any other matters which this Committee is studying at the present time and on which we may make recommendations.

The Chairman: What exactly is it you want me to do?

Mr. McGrath: If there is agreement, I would ask you to speak to the government on this—to the Minister of Transport especially and other ministers involved—and get their assurance that no other such decisions will be made until the Committee has had a chance to make its recommendations; and that the Committee regrets that the government made this decision last week before the Committee had an opportunity to weigh the evidence it heard about the causeway and to make a recommendation thereon.

Mr. McCleave: If I may raise another point, Mr. Chairman, there is the rapidly approaching date of March 23, and the question of possible extension of the Maritime Freight

[*Interpretation*]

M. McGrath: J'aimerais parler brièvement de cette question de privilège.

Le président: Monsieur McGrath?

M. McGrath: Moi aussi, je voulais soulever la même question que mon collègue ce matin, car, comme vous le savez, nous avons eu un voyage et des séances très épuisantes, très complètes dans les Maritimes. C'était l'une des principales questions à l'étude à ce moment-là. Je crois que tous seront probablement d'accord que l'une des questions les plus controversées que nous avions à notre programme de travail était la Loi sur les taux de transport des marchandises dans les provinces Maritimes, le gel des tarifs de transports des marchandises ainsi que la chaussée vers l'Île-du-Prince-Édouard et le service voyageurs à Terre-Neuve. Je trouve très regrettable le fait que le gouvernement ait pris sa décision et l'ait annoncée à la Chambre la semaine dernière avant que le Comité ait eu l'occasion d'étudier les témoignages qu'il a entendus à l'Île-du-Prince-Édouard, et de présenter ses recommandations. Tout ce dont on a entendu parler là-bas, c'est de la chaussée.

Tout comme monsieur Rose, je ne voudrais pas perdre mon temps ici au Comité, si c'est la façon dont se passent les choses et si nous ne servons que de parures. Nous avons d'autre part plusieurs autres questions importantes à étudier et sur lesquelles nous allons formuler des recommandations. J'aimerais donc avoir une assurance de la part du gouvernement, par votre entremise, monsieur le président, si c'est une suggestion pertinente, qu'aucune autre décision ne sera prise sur les autres questions étudiées par notre Comité à l'heure actuelle et sur lesquelles nous pourrions formuler des recommandations.

Le président: Que voulez-vous exactement que je fasse?

M. McGrath: Si tout le monde est d'accord, je vous demanderais de parler au gouvernement et surtout au ministre des Transports et à d'autres ministres pour obtenir leur assurance qu'aucune autre décision de ce genre ne sera annoncée avant que le Comité n'ait eu l'occasion de formuler ses recommandations et que le Comité regrette que le gouvernement ait pris cette décision la semaine dernière avant que notre Comité ait eu l'occasion d'évaluer les témoignages entendus dans les Maritimes au sujet de la chaussée et de faire les recommandations à ce sujet.

M. McCleave: J'ai un autre point, aussi, monsieur le président, et c'est la date du 23 mars qui approche très vite maintenant et la possibilité de prolonger la Loi sur les taux de

[*Texte*]

Rates Act until the Committee has had a chance really to go into a long-term study and make recommendations.

As you know, I am here this morning simply because Mr. Nesbitt is away. I presume that the Committee would want the people who really did the work in the Maritimes to be part of that discussion and to draw up the recommendations, but is it the feeling of the members of the Committee who are here this morning that some statement or recommendation should be made now with regard to the March 23 date and the operations of the Maritime Freight Rates Act?

I realize that the Atlantic Premiers have made somewhat broader suggestions. They would like to have the rebates extended to all modes of carriage, not just to railways. But I presume that the remedy that the Committee might want to suggest would simply be to continue as at present until it had a chance to examine the over-all situation.

Mr. Breau: Mr. Chairman, relative to the causeway, I do not think this Committee was sent to the Maritimes to decide on, or to study the feasibility of, the Causeway. Everybody here knows that the decision not to go ahead with the causeway was not made from a transportation point of view. Everybody knows that.

Mr. McGrath: The Committee had a reference from Parliament to study transportation in the Atlantic Provinces.

An hon. Member: That is right.

The Chairman: Order.

Mr. Breau: And the reason for not going ahead with the causeway now is a question of money it is a question of the cost of it. No one has said, from the transportation point of view that we do not need the causeway, therefore we can still make recommendations about the causeway when finances permit, and we might well go ahead with it. It would be a question of priority at that time; and we know that.

Mr. Skoberg: Mr. Chairman, I think, actually, we are probably all disappointed that the announcement was made by the government on the causeway, whether we agree with the economics of it or not. At least they

[*Interprétation*]

transport des marchandises dans les provinces maritimes jusqu'à ce que le Comité ait vraiment eu le temps d'en faire une étude à long terme et d'en arriver à une recommendation. Comme vous le savez, je suis ici ce matin parce que M. Nesbitt est absent. Je présume que le Comité voudrait que ceux qui ont vraiment travaillé dans les Maritimes prennent part à la discussion et rédigent les recommandations, mais est-ce que les membres du Comité qui sont ici ce matin trouvent qu'on devrait faire maintenant une déclaration ou formuler une recommandation au sujet de la date du 23 mars et de l'application de la Loi sur les taux de transport des marchandises dans les provinces maritimes.

Je constate que les premiers ministres des provinces atlantiques ont peut-être formuler de plus grandes suggestions. Ils voudraient que les abattements soient étendus non seulement aux chemins de fer, mais aux autres modes de transport. Mais j'imagine que le remède que le Comité voudrait proposer serait de continuer comme à présent jusqu'à ce qu'on ait eu le temps d'évaluer l'ensemble de la situation.

M. Breau: Au sujet de la chaussée, monsieur le président, je ne crois pas que le présent Comité ait fait la tournée dans les Maritimes pour décider si on devait ou non avoir la chaussée ou en étudier la praticabilité. Tout le monde ici sait que la décision de ne pas construire la chaussée n'a pas été prise du point de vue des transports. Tout le monde le sait.

M. McGrath: Le Comité était mandaté par le gouvernement pour étudier le problème du transport dans les provinces atlantiques.

Une voix: Oui, c'est exact.

Le président: A l'ordre.

M. Breau: Mais la raison pour laquelle on ne procède à la construction de la chaussée est une question d'argent tout simplement, en raison du coût. Personne n'a dit que c'était du point de vue des transports que nous n'avons pas besoin de la chaussée. Et par conséquent, nous pouvons toujours formuler des recommendations au sujet de la chaussée lorsque les finances le permettront, nous pourrions alors construire la chaussée. Ce serait une question de priorité à ce moment-là, et nous le savons.

M. Skoberg: Monsieur le président, je crois que nous sommes tous déçus du fait que l'annonce a été faite par le gouvernement au sujet de la chaussée, que nous soyons d'accord ou non avec l'économie du gouverne-

[*Text*]

could have waited until our report had been submitted and had given it consideration.

In relation to the MFRA rates could we have some clarification of the time involved in geting this Bill into the House, if the Bill is necessary to retain the freeze on these particular rates; and, if the extension is to be brought about, just what time is necessary there. I presume the President of he CTC could answer that when we get into the question period, unless you have the answer now, Mr. Chairman.

The Chairman: No, I have not. I did talk it

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over with the Minister and he told me he would give the House an answer very shortly. I could speak to the Minister again today, if that is the wish of the Committee.

Mr. Skoberg: Again, Mr. Chairman, with all respect, if the Minister is going to make an announcement to the House on his intention then I presume we might as well disband this Committee. There was no useful purpose in our going to the Maritimes at all if announcements are going to be made in the House without any recommendations from this Committee.

It is really a waste of the taxpayers' money to send us around the country when announcements are being made in the House without any consideration being given to what recommendations we may make.

The Chairman: If you and the Committee will allow me, I will ask Mr. Pickersgill. Perhaps he could give us an answer on that.

The Honourable J. W. Pickersgill (President, Canadian Transport Commission): This is not really just a question of the situation. The freeze and the Maritime Freight Rates Act are very often confused. The freeze has absolutely nothing to do with the Maritime Freight Rates Act. The freeze is a freeze of the ordinary rates charged by the railway—class rates and non-competitive commodity rates. By law it will expire on March 23, unless some arrangement is made about it.

If the Committee wished to make any recommendation on that narrow question that could be effective, bearing in mind the date, I assume it would have to make it very quickly.

[*Interpretation*]

ment. On aurait pu au moins attendre notre rapport afin de l'étudier avant. Au sujet des tarifs en vertu de la Loi sur les taux de transport des marchandises dans les provinces maritimes, pourrions-nous avoir quelque éclaircissement au sujet du temps en cause pour présenter ce projet de loi à la Chambre, si ce projet de loi est nécessaire pour maintenir le gel sur ces taux particuliers, et si on doit prolonger le délai, quel serait le temps en cause à cet égard? Je présume que le président de la Commission canadienne des transports pourrait peut-être nous répondre à ce sujet-là, pendant la période de questions, à moins que vous ayez la réponse vous même, monsieur le président.

Le président: Non, je ne l'ai pas. J'en ai parlé au ministre et il m'a dit qu'il aurait une réponse sous peu. Je pourrais peut-être lui parler encore aujourd'hui, si c'est le désir du Comité.

M. Skoberg: Encore une fois, monsieur le président, sauf votre respect, si le ministre doit faire une annonce à la Chambre au sujet de ses intentions, nous pourrions peut-être tout simplement annuler le Comité. Encore une fois, il n'a pas été utile pour nous de nous rendre dans les Maritimes du tout si on doit faire une annonce à la Chambre sans recevoir les recommandations de notre Comité. C'est tout simplement gaspiller l'argent des contribuables du pays que de nous envoyer promener dans le pays sans tenir compte de nos recommandations.

Le président: Si vous et le Comité me le permettez, je demanderais peut-être à M. Pickersgill, il nous donnera peut-être la réponse à ce sujet.

L'hon. J. W. Pickersgill (Président de la Commission Canadienne des Transports): Ce n'est pas tout simplement une question de la situation. Le gel et la Loi sur les taux de transport des marchandises dans les provinces maritimes font souvent l'objet de confusion. Le gel n'a rien à voir avec cette Loi. Le gel se trouve à être un gel des taux ordinaires chargés par les chemins de fer sur les taux de classe et de catégorie non-concurrentiels. Si on tient compte de la Loi, ces taux se termineront le 23 mars à moins qu'on prenne des dispositions à ce sujet.

Si le Comité voulait formuler, sur cette question épineuse, une recommandation qui soit efficace, étant donné la date, il devrait le faire très rapidement. Mais en ce qui concerne la Loi sur les taux de transport des

[*Texte*]

So far as the Maritime Freight Rates Act is concerned it was enacted in 1927; was amended in 1957; and is a continuing statute until Parliament changes it. Therefore, the two things are in entirely different categories.

Mr. Skoberg: Mr. Chairman, further to my question, perhaps Mr. Pickersgill could suggest to this Committee what is immediately necessary now to extend the freeze?

Mr. Pickersgill: All I can say is that I have seen the letter from Premier Robichaud on behalf of the four premiers, and Mr. Hellyer's reply to it. That letter is a public document, and, in fact, I think it was brought before your Committee in Fredericton.

The Chairman: No, we did not see that.

Mr. Pickersgill: In any case, I believe it has been made public. It certainly was the other day in one of the Atlantic briefs in which they said they would like the freeze continued until the government's broad policy is brought down.

There are two ways in which it could be continued. One is by legislation and the other is by an agreement with the railways. If the railways undertook not to raise the rates it would not be necessary to legislate.

I am just trying to be a little helpful to the Committee with the background, because it is not really our business at all; it is the government's business.

The Chairman: But I believe, a bill will still have to be presented in the House?

Mr. Pickersgill: Not necessarily; eventually there would have to be some provision if there was compensation to be given to the railways.

Mr. Rose: I wish to ask Mr. Pickersgill, through you, Mr. Chairman, if it would be suitable if a recommendation from this Committee to the House were tabled?

Mr. Pickersgill: I really do not think there in any point in asking me to go beyond what I ought to. I am not even a Member of Parliament.

Mr. Rose: You are still very agile, though, sir.

[*Interprétation*]

marchandises des provinces maritimes, elle a été mise en vigueur en 1927, elle a été modifié en 1957, c'est une loi continue et permanente jusqu'à ce que le Parlement la change. En conséquence, les deux choses sont tout à fait différentes.

M. Skoberg: Monsieur le président, pour faire suite à ma question, peut-être M. Pickersgill pourrait-il suggérer au Comité ce qui est nécessaire immédiatement afin de prolonger ce gel?

M. Pickersgill: Tout ce que je peux dire c'est que j'ai vu la lettre du premier ministre Robichaud au nom des quatres premiers ministres, et la réponse de M. Hellyer. Cette lettre est un document public, de fait, et je sais qu'elle a été portée à l'attention de votre Comité à Fredericton.

Le président: Non, nous n'avons pas vu cette lettre.

M. Pickersgill: De toute façon, je crois qu'elle a été rendue publique. Elle l'a certainement été l'autre jour dans l'un des mémoires des provinces atlantiques, où l'on disait qu'on voudrait que le gel soit prolongé jusqu'à ce qu'on fasse la déclaration au sujet de la politique du gouvernement. Il y a deux façons de procéder. Tout d'abord, par une mesure législative et deuxièmement par entente avec les chemins de fer. Si les chemins de fer décidaient de ne pas augmenter les taux, ce ne serait pas nécessaire d'avoir une mesure législative à cet égard.

J'essaie tout simplement d'aider le Comité et vous donner l'historique de la chose, car ce n'est vraiment pas à nous, c'est au gouvernement de décider quoi faire.

Le président: Et je crois qu'il faudrait tout de même présenter un projet de loi à la Chambre.

M. Pickersgill: Pas nécessairement. A la longue, il faudrait certainement quelque disposition s'il y avait une rénumération à accorder.

M. Rose: J'allais demander à M. Pickersgill, par votre entremise, monsieur le président, s'il serait convenable qu'une recommandation de ce Comité à la Chambre soit déposée.

M. Pickersgill: Je crois que vous me demandez d'aller au-delà de ce que je devrais faire, car je ne suis même pas député.

M. Rose: Vous êtes toujours aussi actif quand même.

[*Text*]

Mr. McGrath: Mr. Chairman, I understood that the steering committee had agreed to make an interim report, bearing in mind this March 23 date?

The Chairman: We did have a steering committee meeting, but it was understood that the Committee would be making an interim report.

Mr. McGrath: It is something we could do very quickly, because as I sense it there seems to be a consensus of the Committee on this.

The Chairman: Mr. McGrath, if you will allow me, we intend to sit next week to prepare our interim report. That report can be prepared only by myself and by the Committee, with your suggestions.

Mr. Horner: I have just one question, Mr. Chairman. I would like to follow up Mr. Pickersgill's suggestion. If there was unanimous

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agreement by the railroads not to increase freight rates after March 23 that would give the government a limited time, say, two more months, in which rates would not go up and no act would be really necessary. That would give the government and this Committee more time to make a detailed study and to report on the subject.

Mr. Pickersgill, to your knowledge, has there been any consultation along these lines, through the Canadian Transport Commission or otherwise, to ascertain the railroads' feelings in this?

Mr. Pickersgill: Mr. Horner, I think you will appreciate the position I would put myself in by answering that question.

I am not the spokesman for the government. That question should be addressed to the Minister of Transport.

Perhaps you can read certain inferences in my answer, but I do not think I ought to presume above my station.

Mr. Horner: Have the railroads contacted you on holding the line on freight rate increases and what your Commission would do about the compensatory factor that enters into all freight rate settings?

Mr. Pickersgill: I think I can say that there has been no approach made by the railways to the Commission as such.

[*Interpretation*]

M. McGrath: Monsieur le président, j'avais compris que le comité de direction devait rédiger un rapport intérimaire en tenant compte de cette date limite du 23 mars.

Le président: Oui, nous avons eu une réunion du comité de direction mais il était entendu que le Comité rédigerait un rapport intérimaire.

M. McGrath: Il faudrait le faire assez rapidement car si j'ai bien compris, les membres du Comité sont d'accord.

Le président: Monsieur McGrath, si vous voulez bien me permettre, nous avons l'intention de siéger la semaine prochaine pour préparer notre rapport intérimaire. Ce rapport ne peut être rédigé que par moi-même et le Comité, à la lumière de vos suggestions.

M. Horner: Une dernière question, monsieur le président, juste pour faire suite à la suggestion de M. Pickersgill. S'il y avait consentement unanime de la part des chemins de fer de ne pas augmenter les taux de transport des marchandises passé le 23 mars, cela donnerait au gouvernement un temps défini, mettons deux mois, pendant lesquels les taux ne seraient pas augmentés, et aucune loi ne serait nécessaire. Cela donnerait au gouvernement et à notre Comité plus de temps pour faire une étude détaillée et un rapport sur le sujet. J'aimerais demander à M. Pickersgill, s'il y a eu consultation à cet égard, à sa connaissance, grâce à la Commission canadienne des transports ou autrement, pour essayer de déterminer ce que pensent les chemins de fer à ce sujet.

M. Pickersgill: Monsieur Horner, je crois que vous comprendrez facilement la situation dans laquelle je me trouverais si je répondais à cette question.

Je ne suis pas le porte-parole du gouvernement. Cette question devrait être adressée au ministre des Transports. Vous pourriez peut-être conclure certaines choses d'après la réponse que je vous donnerais, mais tout de même, je ne pense pas que je devrais présumer au-dessus de ma position.

M. Horner: Est-ce que les chemins de fer se sont mis en communication avec vous à l'égard d'un gel des tarifs de transport des marchandises, et que ferait votre Commission au sujet de la compensation dont il faut tenir compte dans toute réduction des tarifs?

M. Pickersgill: Je crois que je puis dire que les chemins de fer n'en ont pas encore touché mot à la Commission en tant que telle.

[*Texte*]

Mr. McCleave: We have a problem, Mr. Chairman. If the report is going to be drawn up next week then we are getting very close to the deadline. We also have the problem raised by many members, that if the government suddenly comes out and acts now it may, because of this causeway incident, be afraid that it would be treading on the toes of members. However, I think there is a general consensus that we want the freeze continued in some way and perhaps this could be communicated to the Minister of Transport now, even in advance of the drafting of an interim report by the Committee.

In this way members would not feel that there had been any trampling on the privileges of the Committee if he should decide to take action before that report can be presented. I hope that is the consensus.

The Chairman: If the committee agrees, we may have a steering committee meeting after this meeting today. We could consult the Minister and we could report back to the Committee tomorrow or the day after, if it is the wish of the Committee.

Mr. McCleave: Could I ask Mr. Pickersgill a question on the legal basis of this. If the railways themselves took the step of, say, agreeing to continue the freeze for two more months, are there not still public funds involved to make up the difference and in that sense there probably would not have to be legislation.

The Chairman: As I told you a minute ago, there has to be a bill presented to the government...

Mr. McCleave: Or could it just be a gentlemen's agreement on the part of the railways?

Mr. Pickersgill: I think if the government followed the provisions of the National Transportation Act and the government of course should follow them unless the Act itself is amended in some way; it would be very improper for it not to—this would constitute, even if there was an agreement, an imposed obligation. Of course Parliament is sovereign and could decide in this particular case that it should not follow the Act, but I would not want to express any opinion about that. But, obviously, if there is to be compensation to the railways for continuing the freeze Parliament has to provide the compensation—the government cannot.

[*Interprétation*]

M. McCleave: Nous avons un problème, monsieur le président. Si nous déposons notre rapport la semaine prochaine, nous en serons pratiquement à la date limite. Plusieurs membres l'on mentionné, si le gouvernement agit dès maintenant, il peut, en raison de cette affaire de la chaussée, craindre de géner les membres du Comité. Mais, je crois qu'on est d'accord pour continuer le gel, et on pourrait peut-être le communiquer au ministre des Transports dès maintenant, même avant que nous rédigions un rapport intérimaire.

De cette façon, les membres du Comité n'auraient pas le sentiment qu'on a nui aux privilèges du Comité, s'il décidait d'agir avant qu'on présente ce rapport. J'espère que c'est ce que pensent les autres membres du Comité à ce sujet.

Le président: Si le Comité est d'accord, nous pourrions peut-être convoquer une séance du comité directeur après la séance d'aujourd'hui, et nous pourrions alors consulter le ministre et ensuite faire rapport au Comité, demain ou après-demain, si c'est le désir des membres du Comité.

M. McCleave: Puis-je poser à M. Pickersgill une question portant sur le point de vue juridique de cette affaire? Si les chemins de fer devaient prendre eux-mêmes l'initiative de continuer le gel encore deux mois, est-ce qu'il ne s'agirait pas encore de fonds publics, pour combler la différence, et, en ce sens, il ne serait probablement pas nécessaire d'avoir une mesure législative.

Le président: Comme je viens de vous le dire, il y a une minute, il faudrait présenter un projet de loi au gouvernement...

M. McCleave: Ou ne pourrait-il y avoir qu'une entente de la part des chemins de fer?

M. Pickersgill: Si le gouvernement devait suivre les dispositions de la Loi nationale sur les transports, et le gouvernement, évidemment, devrait les suivre, à moins qu'on modifie la Loi d'une certaine façon, ce ne serait pas bon qu'il fasse autrement, et cela constituerait, même avec une entente, une obligation, un engagement de sa part. Bien sûr, le Parlement est souverain et peut décider que, dans ce cas particulier, il ne doit pas se conformer à la loi, mais je ne voudrais pas exprimer une opinion à ce sujet. Évidemment, s'il doit y avoir une compensation versée aux chemins de fer pour continuer le gel, il faut que le Parlement leur rende cette compensation que le gouvernement ne peut leur accorder.

[*Text*]

Mr. McCleave: Otherwise we might find ourselves in one of these $1 item fields too, and I suppose we could do that.

Mr. Pickersgill: I doubt if $1 would satisfy the railways.

Mr. Horner: I would like to pursue a somewhat different line of questioning, if it is in order, Mr. Chairman.

Mr. Pickersgill, what trucking rates does your Commission examine, if any?

Mr. Pickersgill: None, because Part III has not yet been proclaimed.

Mr. Horner: Has there been any action motivated through your Commission to proclaim Part III of the National Transportation Act?

Mr. Pickersgill: There has been some discussion with interested parties, there has been some discussion on an informal basis, with the agreement of provincial governments, with provincial officials and in one or two cases, I believe, even with provincial ministers, with the approval of the Minister of Transport—and we have had some informal discussions with the Minister of Transport. But there has been no formal recommendation yet because we have felt that the undertaking of this would be a very formidable task and that we would want to be sure before Part III is proclaimed that we can perform efficiently the functions required after it is proclaimed.

Mr. Horner: Just on that question I would like to explain, Mr. Chairman, that there was a great deal of demand for the Maritime Freight Rates Act to be made applicable to the trucking industry as well as to the railroads, and that is the purport of my question.

If it is going to be made applicable to the trucking industry in the Maritimes than I ask you, Mr. Pickersgill, can the trucking industry be policed—that is a poor word, but for the want of a better one I will use it for now—and would it be fair to have one set of rates on the railroads examined thoroughly by your Commission and the other examined by no over-all transportation authority?

Mr. Rose: Mr. Chairman, on a point of order, I think that the line of questioning being pursued by Mr. Horner is a very important one, but I was under the impres-

[*Interpretation*]

M. McCleave: En d'autres termes, nous pouvons nous retrouver avec un de ces votes à un dollar, et je suppose que nous pourrions le faire.

M. Pickersgill: Je doute qu'un dollar satisfasse les chemins de fer.

M. Horner: J'aimerais maintenant passer à d'autres questions, monsieur le président, si cela est conforme au Règlement. Monsieur Pickersgill, quant au camionnage, quels taux la Commission examine-t-elle, si elle en examine?

M. Pickersgill: Aucun, car la partie III n'a pas encore été promulguée.

M. Horner: Est-ce qu'il y a eu une mesure motivée par votre Commission pour la promulgation de la partie III de la Loi nationale sur les transports?

M. Pickersgill: Il y a eu une certaine discussion avec les parties intéressées. Il y a eu une certaine discussion officieuse avec les gouvernements provinciaux, les fonctionnaires provinciaux, et dans un ou deux cas, je crois, même avec les ministres provinciaux, avec l'approbation du ministre des Transports. Et nous avons eu certaines discussions officieuses avec le ministre des Transports. Toutefois, il n'y a pas eu de recommandations officielles à ce sujet, car nous croyons que ce serait une tâche énorme que d'entreprendre la mise en vigueur de cette partie. Et nous voulons nous assurer, avant que la partie III soit promulguée, que nous pouvons travailler efficacement, après la promulgation.

M. Horner: Sur cette question, j'aimerais vous expliquer, monsieur le président, qu'il y a eu une forte demande pour que la Loi sur les taux de transport des marchandises dans les provinces Maritimes s'applique aux camions, ainsi qu'aux chemins de fer, et c'est la raison pour laquelle je pose la question.

Si on doit faire appliquer cette Loi à l'industrie du camionnage dans les Maritimes, alors, voici la question que je vous pose, monsieur Pickersgill: est-ce que l'industrie du camionnage peut être surveillée—l'expression n'est peut-être pas très heureuse, mais je l'emploierai quand même—est-ce que l'on pourrait surveiller cette industrie? Est-ce qu'il serait juste d'avoir un examen complet des tarifs de transport des chemins de fer par votre Commission, alors que les autres tarifs ne seraient pas examinés?

M. Rose: Monsieur le président, j'invoque le Règlement. Je crois que les questions posées par M. Horner sont très importantes, mais j'avais l'impression qu'il s'agissait sur-

[*Texte*]

sion that we were dealing with a question of privilege originally and then our discussion expanded and dealt with the matter of making an interim report through the steering committee to the Minister. I just wonder if Mr. Horner, for the sake of order, might hold his question. I imagine that Mr. Pickersgill has a presentation to make and then we are going to get on with the regular order of business. If this is not the case, then I will withdraw the point of order.

The Chairman: I thought the understanding I had a few minutes ago was that the steering committee would meet after this meeting today and that we would have an answer from the Minister this afternoon. I thought that would clear up your question, Mr. Rose.

Mr. Rose: Well, Mr. Chairman, that is fine if we have arrived at this consensus. I just felt that we were going off in all directions on various matters and perhaps that you might have an agenda or we might be going to proceed in another way.

The Chairman: No. If you remember, Mr. Rose, we were asked during our tour of the Maritimes the other day to have Mr. Pickersgill appear to answer some questions that were put by the Committee. Mr. Pickersgill does not have a brief to present. He is here to answer questions from members of this Committee.

Mr. Rose: Thank you.

Mr. Horner: Could Mr. Pickersgill answer my question with regard to rate setting on trucks or rate setting on railroads in the Maritimes?

Mr. Pickersgill: I think probably I really ought to say that even though I am no longer a minister it would still be dangerous for me to answer a hypothetical question. However, I want to be as helpful to the Committee as I can and, obviously, there would have to be some mechanism—and there is—for paying MFRA assistance to the railways. There is no mechanism now existent for paying MFRA or any other kind of assistance to any other mode of transport and there would have to be some kind of legal provision made for doing that—and whether it would be done through the Canadian Transport Commission or in some other way would be a matter for the government to propose and Parliament to decide, I would think.

[*Interprétation*]

tout de questions de privilège tout d'abord et ensuite que la discussion s'est étendue au sujet de la question d'un rapport préliminaire à porter à l'attention du ministre. Et je me demandais tout simplement si M. Horner pourrait tout simplement attendre pour poser ses questions. J'imagine que M. Pickersgill a un exposé à nous faire et que nous allons poursuivre le marche normale de nos affaires. Si tel n'est pas le cas, je vais retirer alors mon appel au Règlement.

Le président: Je croyais qu'en vous donnant l'assurance qu'il y aurait une séance du comité directeur après notre séance d'aujourd'hui, nous aurions une réponse du ministre cet après-midi; je croyais que cela éclaircirait la situation, monsieur Rose.

M. Rose: Très bien, monsieur le président, si c'est là l'assentiment du Comité. Je croyais tout simplement que nous étudiions différentes questions et que vous aviez peut-être un ordre du jour, ou que nous allions procéder d'une autre façon.

Le président: Non. Si vous vous en souvenez bien, monsieur Rose, on nous a demandé, au cours de notre tournée des Maritimes, l'autre jour, si M. Pickersgill serait présent pour répondre à certaines questions posées par le Comité. M. Pickersgill n'a aucun mémoire à nous présenter. Il est ici tout simplement pour répondre aux questions que pourraient lui poser les membres de notre Comité.

M. Rose: Merci.

M. Horner: Est-ce que M. Pickersgill pourrait répondre à ma question au sujet des tarifs de transport pour les camions et les chemins de fer dans les Maritimes?

M. Pickersgill: Je crois que je devrais probablement dire que même si je ne suis plus ministre, il serait quand même dangereux que je réponde à une question hypothétique. Mais je veux être aussi utile et aider le Comité dans la mesure du possible. Évidemment, il faudrait qu'il y ait un mécanisme. Il y en a un qui existe pour accorder aux chemins de fer les subventions prévues par la Loi sur les taux de transport des marchandises dans les Maritimes. Toutefois, ce mécanisme n'existe pas, en vertu de cette Loi, pour tout autre mode de transport. Il devrait donc y avoir une disposition de la loi pour le faire, que cela se fasse par l'entremise de la Commission canadienne des transports ou autrement. C'est au gouvernement de proposer et au Parlement de décider de cette méthode.

[*Text*]

Mr. Horner: But you believe that a mechanism could be developed and without your body having any authority over truck rates you believe that it would still...

Mr. Pickersgill: Well, it certainly could be done theoretically. Now whether it would be considered by Parliament equitable to do it without having a kind of parity of treatment in other respects between the modes is a question that would have to be decided.

Mr. Horner: My question leads up to this, Mr. Pickersgill. It has long been my belief that the trucks charge as much as the railroads. In other words, the railroads are the price-setters in setting the freight rates and the trucks stay just a little bit below if possible. If it was theoretically and practically possible to pay the subsidy to the trucking industry would not the trucks just absorb that as profit and keep their rates just about where they are now in respect of the shipper?

The reason for that question, Mr. Chairman and Mr. Pickersgill is that there was a great deal of concern in the Maritimes should the Maritime Freight Rates Act subsidy, if one could put it that way, be paid to the transportation industry the trucks and the railroads and so on, or should it go to the actual shipper?

What I am saying is if we make it applicable to the trucking industry are we merely helping the trucking industry and not the shipper, and really the purport of the Maritime Freight Rates Act should be to help the shipper. He should be the net benefitter, as I see it not necessarily the transportation industry. You understand the reasoning and could you comment on that, Mr. Pickersgill?

Mr. Pickersgill: I think you have flattered me, Mr. Horner. It is not the business of the Canadian Transport Commission to make policy and the questions you have raised are very important and I think very, very difficult questions. It seems to me that only the Minister of Transport could propose such change to be made. He could make a proposal of that kind with the full authority of the government, and then it would have to be debated in parliament. I think it would be really a piece of impertinence on my part to try to anticipate what the conclusions of that

[*Interpretation*]

M. Horner: Mais vous croyez qu'un mécanisme pourrait être fondé, et sans que votre Commission ne soit chargée de la surveillance des tarifs de transport des camions. . .

M. Pickersgill: On pourrait le faire, en théorie. Maintenant, est-ce que le Parlement estimerait qu'il est équitable de le faire sans avoir égalité de traitement parmi les autres modes de transport? Voilà une question qui devrait être décidée.

M. Horner: La raison pour laquelle j'ai posé ma question, monsieur Pickersgill, c'est la suivante: j'ai cru depuis longtemps que les camions exigent des tarifs aussi élevés que les chemins de fer. En d'autres termes, les chemins de fer établissent les tarifs de transport de marchandises et les camions se tiennent juste un peu plus bas. Alors, s'il était possible, en théorie, et du point de vue pratique, de verser la subvention à l'industrie du camionnage, est-ce que l'industrie du camionnage n'absorberait pas cela tout simplement comme un profit et ne maintiendrait pas les tarifs à leur niveau actuel à l'égard de l'expéditeur?

La raison pour laquelle je vous pose cette question, monsieur le président, et monsieur Pickersgill, c'est qu'on s'est beaucoup préoccupé dans les Maritimes, à savoir si la subvention sur les taux de transport des marchandises dans les province Maritimes doit être versée à tous les modes de transport, soit camions ou chemins de fer, ou est-ce qu'on devrait la verser à l'expéditeur?

Et alors, ce que je dis c'est que si nous l'appliquons à l'industrie du camionnage, est-ce que nous aidons tout simplement l'industrie du camionnage et non l'expéditeur, et vraiment la Loi sur les taux de transport des marchandises dans les provinces Maritimes est destinée à aider l'expéditeur. A mon avis, il doit être le principal bénéficiaire et non pas nécessairement l'industrie des transports. Vous comprendrez alors mon raisonnement. Pourriez-vous, monsieur Pickersgill, nous donner un commentaire à ce sujet?

M. Pickersgill: Vous me flattez, monsieur Horner. Ce n'est pas à la Commission canadienne des transports d'établir la politique et les questions que vous venez de soulever sont très importantes, et, à mon sens, très difficiles aussi, très complexes. Il me semble que seul le ministre des Transports, si changement il doit y avoir, peut formuler une proposition qui recevrait l'autorisation du gouvernement et qui serait alors discutée par le Parlement. Ce serait probablement impertinent de ma part d'essayer d'anticiper ce que seraient les conclusions, ou de même de m'immiscer pour

[*Texte*]

would be or even to try to smuggle myself in to take part in the debate.

Mr. Horner: I think, Mr. Pickersgill, you are flattering me by suggesting that my questions are difficult and cannot be answered...

Mr. Pickersgill: No, no.

Mr. Horner: ...and I appreciate this.

Mr. Pickersgill: All I am saying is that you can answer but I cannot.

Mr. Horner: No, what I am saying is that we have to have from you all the advice possible in order to reach a decision. Should the subsidy go to the shipper or to the transportation industry? You say you cannot police the trucking industry? You say it is theoretically possible, you think, to pay them but a new mechanism would have to be set up. You did not convince me, sir, that in passing this subsidy on to the trucking industry there would actually be a reduction in freight rates to the shipper. Could you comment on that aspect?

Mr. Pickersgill: No, I really could not, because it seems to me that under our system of parliamentary government an official like me may have a duty to advise the minister but he should not try to substitute himself for the minister, and I would not wish to do that and I know, Mr. Horner, you would not want to put me in that kind of position.

Mr. Horner: I agree, Mr. Pickersgill. I would not like to but I also feel it is your duty before this committee to advise us, all the while not jeopardizing the minister's authority. Along this same line of questioning, could you give the committee—and this falls fully within the purport of your duties—or could you review to the committee what is meant by "compensatory rates" and "variable costs". This was all gone over about two years ago but I want the committee to fully know the definitions of those terms so that we can better ascertain for our own information the trucking rates and what-have-you.

Mr. Pickersgill: If I might, Mr. Taschereau is learned and I am not. I do not know that

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he can substitute himself for parliament but I would rather let him have a crack at the question than to try, myself.

[*Interprétation*]

participer au débat.

M. Horner: Je crois, monsieur Pickersgill, que vous me flattez, moi, à mon tour maintenant en me suggérant que mes questions sont complexes et que vous ne pouvez pas y répondre . .

M. Pickersgill: Non, non.

M. Horner: ... et je l'apprécie.

M. Pickersgill: Tout ce que je dis c'est vous pouvez y répondre, mais moi non.

M. Horner: Non, je veux dire que ce qu'il nous faut, donc que vous nous donniez tous les avis et conseils pour en arriver à une décision. Est-ce que les subventions doivent aller à l'expéditeur ou à l'industrie des transports? Vous dites que vous ne pouvez exercer la surveillance de l'industrie du camionnage. Vous dites qu'il est possible, sur le plan théorique, de le leur payer, mais il faudrait de nouveaux rouages. Mais je ne suis pas encore convaincus, monsieur, qu'en cédant cette subvention à l'industrie du camionnage il y aurait une diminution du tarif-marchandises à l'expéditeur. Vous comprenez? Pourriez-vous commenter là-dessus?

M. Pickersgill: Non, je ne saurais vraiment le faire, parce qu'il me semble qu'en vertu de notre système de gouvernement parlementaire, un haut fonctionnaire, comme moi, se doit de conseiller le ministre, mais non pas de se substituer au ministre, et, je ne voudrais pas le faire et je sais, monsieur Horner, que vous ne voudriez pas que je me trouve dans une telle situation.

M. Horner: J'en conviens, monsieur Pickersgill, mais je suis aussi d'avis que vous vous devez, en ce Comité, de nous conseiller sans mettre en danger, disons, l'autorité du ministre. Suivant la même ligne de question, pourriez-vous donner au Comité, si cela relève vraiment de vos fonctions, pourriez-vous donner au Comité ou pourriez-vous nous dire ce qu'on entend par «taux compensatoires» et «coûts variables»? Cela a été examiné il y a environ deux ans, mais je voudrais que le Comité sache vraiment quelles sont les définitions de ces termes pour que nous puissions mieux savoir ce qu'il en est des taux pour le camionnage.

M. Pickersgill: Je pense que M. Taschereau est qualifié. Moi, je ne le suis pas. Je ne sais pas s'il peut se substituer au Parlement mais je préférerais le voir essayer de répondre à cette question.

[*Text*]

Mr. Taschereau: The president has given me a qualification that I do not possess, unfortunately. In the National Transportation Act provisions have been made for defining what are compensatory rates.

The question of variable costs is one that is quite involved. It has given rise to public hearings recently and a judgment is expected soon by The Railway Transport Committee on that question defining the guiding principles in the matter of railway costing. That is still a matter before the commission and I hope it will be resolved very soon.

Mr. Horner: I am none the wiser, Mr. Chairman. I have a few more questions but I will ask one more now and then pass. I would like Mr. Pickersgill to look at Clause 3 of Section 16, page 10 of the National Transportation Act. I felt this clause had a great effect on the Maritimes by limiting the Maritime people as far as putting them in a position where they could have a fair hearing before your board. I ask you, Mr. Pickersgill and Mr. Taschereau, just to consider this point I am going to make. Looking at sub-clause (i)—I will read the first part:

> (3) In conducting an investigation under this section, the Commission shall have regard to all considerations that appear to it to be relevant, including, without limiting the generality of the foregoing,
>
> (a) whether the tolls or conditions specified for the carriage of traffic under the rate so established are such as to create...

This is dealing, Mr. Chairman, with a carrier appearing before the Canadian Transport Commission to ascertain whether a rate is in the public interest. Looking at sub-clause (i) it goes on to say:

> (i) an unfair disadvantage beyond...

and I want you to pay particular attention to that word "beyond"

> ...any disadvantage that may be deemed to be inherent in the location or volume of the traffic, the scale of operation connected therewith or the type of traffic or service involved,

Because of the particular location of the Maritimes, because of the volume of traffic being perhaps not as heavy as it should, I believe with the word "beyond" in there you pretty well limit the Maritime area from

[*Interpretation*]

M. Taschereau: Le président m'a présenté certaines qualifications que je ne possède pas, malheureusement. Dans la Loi nationale des transports, on a pris des dispositions aux fins de définir ce que sont les taux compensatoires.

La question de «coûts variables» en est une forte complexe. Elle a donné lieu à des audiences publiques et un jugement devrait être rendu par le Comité des transports ferroviaires sur cette question, aux fins de définir quels sont les principes pour nous guider pour ce qui est des coûts pour les chemins de fer. La Commission est toujours saisie de la question et nous espérons pouvoir la résoudre d'ici peu.

M. Horner: Je n'en sais pas plus qu'avant, monsieur le président. J'aurais quelques autres questions. Je vais en poser une autre maintenant et ensuite céder mon tour. Je voudrais que M. Pickersgill examine le paragraphe 3 de l'article 16, page 10, de la Loi nationale des transports, j'ai trouvé que ce paragraphe avait de très grands effets pour les Maritimes, en limitant les gens des Maritimes, en les empêchant d'être dans une situation où ils pourraient avoir une audience juste, équitable devant votre Commission. Je vous demande donc, monsieur Pickersgill et monsieur Taschereau, je voudrais donc étudier ce point, l'alinéa (i):

> (3) Lorsqu'elle fait une enquête en vertu du présent article, la Commission doit tenir compte de tous les facteurs qui lui semblent pertinents et notamment, sans limiter la portée générale de ce qui précède, voir
>
> *a*) si les taxes ou conditions spécifiées pour le transport de marchandises au taux ainsi établi sont telles qu'elles entraînent...

Et là, monsieur le président, il s'agit d'un transporteur qui comparaît à la Commission canadienne des transports afin de voir si le tarif est dans l'intérêt public. Ensuite on dit:

> (i) un désavantage injuste excédant...

et je veux vous souligner le mot «excédant»

> ... celui qui peut être considéré comme inhérent au lieu ou volume du trafic, à l'échelle des opérations y afférentes ou au genre de trafic ou de service en question.

Vu l'emplacement des Maritimes, vu le volume du trafic qui n'est pas aussi considérable qu'il devrait l'être, je pense que l'expression «excédant» se trouve à limiter la région des Maritimes et l'empêche vraiment

[*Texte*]

appearing and getting a fair hearing before your Commission. I want to make this suggestion to you, Mr. Pickersgill and if you do not want to comment on it now I would fully appreciate your position. I would like you to study Clause 16, though, because I firmly believe that if the word "beyond" were taken out would not the Maritime shippers have a fairer opportunity to appeal a rate before your Commission? I would appreciate it if, rather than give me a quick answer you were to study the point I am making.

Mr. Pickersgill: I do not mind giving you a quick answer to that. It will not be quite as brief as some quick answers are. The law was modified in 1927 by the Maritime Freight Rates Act. That Act is still in force and the purpose of that Act is precisely to alleviate, if not to cure, that disadvantage of geography. That was the whole purpose of the Act. That Act is still in force and, as it is an act of parliament dealing specifically with the point, it overrides this other provision which relates to the whole of Canada.

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It has been suggested, and that is one reason why, if I may go back to a little bit of history, we did not deal with this problem in the National Transportation Act because Mr. MacPherson had said in his report that it had not been studied adequately and the government of that time thought it had not been studied adequately. It has been studied a great deal since.

As I think you all know, the Atlantic Premiers made a presentation to the Minister of Transport only this week that they made public, and you people are making a study of this same problem yourselves. I think it was always anticipated that whatever would be done to amend or to replace the Maritime Freight Rates Act would obviously be for the same purposes as the Maritime Freight Rates Act, namely to overcome part of that geographical disadvantage. And if I may be so presumptuous as to make this suggestion, it seems to me that having regard to the principles of Maritime Freight Rates Act that would be the proper way to do it—to continue the special kind of provision that the Duncan Commission recommended in 1927 but to bring it up-to-date.

[*Interprétation*]

d'avoir une audience juste et équitable. Je me rends compte de votre situation. Je voudrais que vous étudiez cette question parce que je crois sincèrement que si on enlevait l'expression «excédant», si on enlevait simplement cette expression, étudiant attentivement cet article 16. Alors, est-ce que l'expéditeur des Maritimes n'aurait pas vraiment l'occasion de faire appel d'un taux à votre Commission? Évidemment, je comprendrais si vous ne répondriez pas immédiatement, mais que vous étudiiez ce point pour voir ce qu'il en est.

M. Pickersgill: Je puis répondre rapidement à cette question. Ce ne serait pas peut-être aussi bref que certaines réponses données assez rapidement. La Loi a été modifiée en 1927 par la Loi sur les taux de transport des marchandises dans les Maritimes. Cette Loi est toujours en vigueur et, son but est exactement pour alléger, sinon obtenir ou faire disparaître le désavantage sur le plan géographique. Et, c'était là le but de cette Loi qui est toujours en vigueur et comme c'est une Loi du Parlement qui traite essentiellement de ce point, donc, elle outrepasse cette autre disposition, en autant où cela a trait à l'ensemble du Canada.

Eh bien, on a dit et c'est une des raisons pour lesquelles, si on me permet de refaire un peu l'histoire, c'est une des raisons pour lesquelles nous n'avons pas étudier ce problème dans la Loi nationale sur les transports parce que M. MacPherson l'avait dit dans son rapport, que cela n'avait pas été étudié de façon adéquate et le gouvernement d'alors croyait que cela n'avait pas été fait, mais cela a beaucoup été étudié depuis.

Vous savez tous, je pense, que les premiers ministres de l'Atlantique en ont fait un compte-rendu au ministre des Transports, et qui n'a été rendu public que cette semaine. Et vous étudiez vous-même ce même problème. Je pense que l'on a toujours prévu que, tout ce qui sera fait en vue de modifier ou de remplacer la Loi sur les taux de transport des marchandises dans les provinces Maritimes servirait, de toute évidence, sera fait aux mêmes fins que la Loi, soit aux fins de surmonter une partie des désavantages géographiques. Si je puis me permettre de faire une suggestion, il me semble qu'en tenant compte des principes de la Loi sur les taux de transport des marchandises dans les provinces Maritimes, ce serait la vraie façon de procéder, pour maintenir la sorte de dispositions spéciales que la Commission Duncan a recommandées en 1927, mais les mettre à jour.

[*Text*]

Mr. Horner: In this same transportation act it states that the Maritime Freight Rates Act is going to be limited to two years extension.

Mr. Pickersgill: Oh no. What is continued until March 23 is not the Maritime Freight Rates Act in which there is no change; it is the freeze that was put on rates when you were a supporter of the government.

Mr. Horner: In 1959.

Mr. Pickersgill: And that freeze was removed for all the rest of Canada when, on March 23, 1967, it was retained for two more years in respect of the Atlantic regions. That is what expires and that is all that expires on March 23.

Mr. Horner: You are suggesting no carrier within the Maritime freight rates area can appeal before your Commission with regard to a rate that they feel is too high even under the Maritime Freight Rates Act.

Mr. Pickersgill: You mean "shipper", do you not?

Mr. Horner: Shipper, yes.

Mr. Pickersgill: Oh no, this is of general application to the whole of Canada—

Mr. Horner: This is what I thought.

Mr. Pickersgill: —and they can appeal.

Mr. Horner: That is what I thought. Now what you are saying to me is that the Maritime Freight Rates Act does enough for the Maritimes, that the word "beyond" should remain in there because they do not need to apply—

Mr. Pickersgill: I think what happens, Mr. Horner, is that the rates are set and then the rate in respect of outbound traffic from the Atlantic region is reduced by 30 per cent. That is the way it is done—and the reduction by that 30 per cent is intended precisely to take account of the geographical disadvantage. Now that is the law as it is now, and a lot of people think it should be changed and improved.

Mr. Horner: All I am saying is that the rate is reduced 30 per cent. So you up the rate that other 30 per cent and then reduce it and then you are back where you should be. You know what I mean—unless the shipper has

[*Interpretation*]

M. Horner: Dans cette même Loi sur les transports, il est stipulé que la Loi sur le taux de transport des marchandises dans les provinces Maritimes ne serait prolongée que pour deux ans.

M. Pickersgill: Non, ce qui est maintenu jusqu'au 23 mars, ce n'est pas la Loi sur les taux de transport des marchandises dans les provinces Maritimes où il n'y a aucune modification, mais c'est le gel imposé sur le tarif lorsque vous appuyez le gouvernement.

M. Horner: En 1959.

M. Pickersgill: Et ce gel a été enlevé pour tout le reste du Canada, quand le 23 mars 1967, il a été maintenu pour deux autres années pour les régions de l'Atlantique. C'est ce qui prend fin, et c'est tout ce qui expire le 23 mars.

M. Horner: Vous dites qu'aucun transbordeur dans la région des Maritimes assujettie au tarif marchandises ne peut faire appel à votre Commission au sujet d'un tarif qui, à leur avis, est trop élevé, même en vertu de la Loi sur les taux de transport des marchandises dans les provinces maritimes.

M. Pickersgill: Vous parlez d'un expéditeur, n'est-ce pas?

M. Horner: Oui.

M. Pickersgill: Non, cela s'applique à l'ensemble du pays.

M. Horner: C'est ce que je croyais.

M. Pickersgill: Et ils peuvent faire appel.

M. Horner: C'est ce que je croyais. Vous me dites que la Loi sur les taux de transport des marchandises dans les provinces maritimes fait suffisamment pour les Maritimes, que l'expression «excédant» devrait y demeurer, parce qu'ils n'ont pas besoin de faire une demande.

M. Pickersgill: Monsieur Horner, je crois que ce qui se produit, c'est que les taux sont fixés et pour ce qui est du trafic extérieur des Maritimes est diminué de 30 p. 100. C'est la manière dont cela se fait et cette diminution de 30 p. 100 vise essentiellement pour tenir compte des désavantages géographiques. C'est la loi telle qu'elle se présente actuellement, et bien des gens croient que cela devrait changer et être amélioré.

M. Horner: Tout ce que je dis, c'est que le taux est diminué dans une proportion de 30 p. 100. Donc vous haussez le taux d'un autre 30 p. 100, vous le réduisez ensuite et vous revenez au point où vous deviez être. Vous savez

[*Texte*]

the right to appear and has a fair and equitable right to appear. But with the word "beyond" in Clause 3 it limits him. I would like you to consider that—it limits the Maritime shipper.

Because of his location, because of the volume of traffic and the scale of operation it limits his ability, in my estimation after a careful study of the Maritime problems and a trip down there, to readily appear before your Commission. I would like you to consider the whole aspect of clause 16 with the word "beyond" removed from that paragraph—in light of the Maritime location, their volume and scale of operation.

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Mr. Pickersgill: Well, I would be very glad to consider it but I suggest that perhaps it would be more appropriate to have it considered by those people who could do something about it.

Mr. Horner: Yes, but with your advice we would be in a better position to do something about it. You understand?

Mr. Pickersgill: I understand.

The Chairman: Mr. Rock?

Mr. Rock: Mr. Pickersgill, what jurisdiction does your commission have over coastal shipping, ferry service and shipping in general, ocean and lake shipping?

Mr. Pickersgill: I think, once again, I would prefer to have Mr. Taschereau give an answer to that question, because it is a question I could not answer.

Mr. Taschereau: In general, sir, I would say that this jurisdiction appears in Subsection 2 of Section 15 of the National Transportation. It is a jurisdiction that mostly relates not to regulation but rather to investigation and examination of economic features of shipping services. It says:

> (2) The Commission may examine into, ascertain and keep records of, and make appropriate reports to the Minister on,
>
> (a) the shipping services between Canadian ports...

and so on.

> (c) the cost of marine insurance,..

[*Interprétation*]

ce que je veux dire, à moins que l'expéditeur ait le droit de comparaître et ait un droit juste et équitable de comparaître, mais l'expression «excédant» vient poser des limites à l'article 3. Je voudrais donc que vous teniez compte de ce fait.

En raison de son emplacement, dû au volume de trafic et l'envergure de son exploitation, cela limite, à mon avis, après avoir étudié attentivement les problèmes des Maritimes et un voyage dans cette région, sa capacité de comparaître devant votre Commission. Je voudrais que vous teniez compte de tout l'aspect de l'article 16, avec la suppression de cette expression «excédant», à la lumière de leur emplacement dans les Maritimes, de leur trafic et de leur échelle d'exploitation.

M. Pickersgill: Je serais très heureux d'en tenir compte, mais je crois qu'il serait peut-être plus approprié que les personnes qui peuvent faire quelque chose à ce sujet en tienne compte.

M. Horner: Mais, en suivant vos conseils, nous pourrions être mieux en mesure de faire quelque chose. Vous comprenez?

M. Pickersgill: Oui, je comprends.

Le président: Monsieur Rock?

M. Rock: Monsieur Pickersgill, quelle compétence a votre Commission en matière de navigation de cabotage, de service de transbordeur et de navigation en général, sur l'océan et sur les lacs?

M. Pickersgill: Je préférerais encore que monsieur Taschereau réponde à votre question, parce que je ne saurais le faire.

M. Taschereau: Règle générale, je dirais que cette compétence figure au paragraphe (2) de l'article 15 de la Loi nationale sur les transports. C'est une compétence qui a trait essentiellement, non pas au règlement mais plutôt aux enquêtes, aux études des caractéristiques économiques des services de navigation.

> (2) La Commission peut procéder à des examens, faire des constatations et tenir des registres ainsi que faire des rapport appropriés au Ministre au sujet
>
> a) des services de navigation, entre ports canadiens...

et ainsi de suite.

> c) du coût de l'assurance maritime...

[*Text*]

(d) the water transportation industry and undertakings and services directly related thereto;

(e) the terms, conditions and usages applying to transportation of goods and passengers by water within, into and from Canada;

and so on and so forth.

Mr. Rock: If a coastal shipper, shipping from some of the ports of Canada to the Caribbean Islands wanted to discontinue that service have you any authority to force him to continue that service?

Mr. Taschereau: In my opinion, no.

Mr. Rock: Now, the reason that I am asking is because of what happened to the Saguenay cruises in the past. I think Mr. Pickersgill remembers that. He told me that there is very little, if any, jurisdiction we have over forcing them to remain in service. There was also a complaint about one firm discontinuing service to the Caribbean and it was found that there was no jurisdiction.

Do you not feel that there should be some jurisdiction to enable you to force shippers to remain in service? First of all, does your commission give them permission to ship, say, between the Caribbean and your ports in Canada?

Mr. Taschereau: The answer is no.

Mr. Rock: Is it the Department of Transport then?

Mr. Taschereau: I could not venture to say whether there has to be a licence, presumably, from the Department of Transport because I do not know.

Mr. Rock: Is it not the same then as air traffic?

Mr. Taschereau: No. If you are talking about commercial air services, these are licenced by the Commission. The former Air Transport Board used to perform that function but—

Mr. Rock: Yes.

Mr. Taschereau: —it is now the function of the Commission.

Mr. Rock: And yet there is no licencing required for shipping into our ports?

Mr. Taschereau: No—not by the Commission at least.

Mr. Rock: I found it sad that there were no regulations or law to force the owners of the

[*Interpretation*]

d) de l'industrie des transports par eau et des entreprises et services qui y sont directement rattachés;

e) des modalités et usages s'appliquant au transport par eau des marchandises et des voyageurs à l'intérieur, à destination ou en provenance du Canada;

et ainsi de suite.

M. Rock: Si un expéditeur de navigation de cabotage, faisant la navette entre quelques ports du Canada et les îles des Caraïbes, désire mettre fin à ce service, est-ce que vous pouvez le forcer à maintenir ce service?

M. Taschereau: A mon avis, non.

M. Rock: En posant cette question, je pense aux croisières du Saguenay dans le passé. Je crois que monsieur Pickersgill, s'en souvient. Il m'a dit que nous avons très peu, s'il en est, de pouvoir pour exiger qu'ils maintiennent ce service. Il y a aussi lu un grief au sujet d'une société qui fait disparaître son service à destination des Caraïbes. On a trouvé que nous n'avions auncun pouvoir dans ce domaine. Ne croyez-vous pas que nous devrions être nantis d'un certain pouvoir pour forcer les expéditeurs à rester en service. Tout d'abord, est-ce que votre Commission leur donne l'autorisation de naviguer, disons, entre les Caraïbes et les ports du Canada?

M. Taschereau: La réponse est négative.

M. Rock: Est-ce alors le ministère des Transports?

M. Taschereau: Je ne pourrais dire s'il faut un permis du ministère des Transports car je n'en sais rien.

M. Rock: Alors, n'est-ce pas la même chose pour la circulation aérienne?

M. Taschereau: Non, si vous parlez des services aériens commerciaux, le permis est délivré par la Commission. L'ancien Comité des transports aériens remplissait ces fonctions avant, mais...

M. Rock: Oui.

M. Taschereau: Cela relève maintenant de la Commission.

M. Rock: Maintenant on n'exige aucun permis de navigation dans nos ports?

M. Taschereau: Non. La Commission ne délivre pas ces permis.

M. Rock: Je trouve malheureux qu'il n'y ait pas de règlements ou de mesures législatives

[*Texte*]

Saguenay ships to continue this beautiful cruise. Then I noticed during our trip that some shippers between the Caribbean and Canadian ports were able to discontinue service at anytime and no one had any jurisdiction to do anything about it. This is reason for my questions.

The Chairman: Mr. Trudel, on supplementary questions?

Mr. Trudel: Mr. Chairman, mine is supplementary to Mr. Horner's line of questioning. I understood from his questioning that the rates were increased 30 per cent and then 30 per cent was deducted, therefore the—

Mr. Horner: I said they could be. I did not say they were.

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Mr. Trudel: I wanted to find out if there was any indication that this was being done.

Mr. Pickersgill: Well I think the answer is that obviously in respect of the Atlantic region it has not been done because the rates are frozen.

Mr. Horner: Only certain types of rates.

Mr. Pickersgill: Well, the rates that are subject to regulations are frozen. The competitive rates are not subject to regulation in any part of Canada.

Mr. Horner: Well, from the point of view of compensatory they are.

Mr. Pickersgill: Well, yes. No one can undercut and try to put someone else out of business. That is true.

The Chairman: Does that answer your question, Mr. Trudel?

Mr. Trudel: Just one more along the same line. I believe that he mentioned also in the declaration that the truckers were able to compete within the freight structures that have been set now. Is that correct? Is my assumption correct? Yet he was asking for a subsidy to be directed to these people and they were able to compete and be below the rates that have been set now.

Mr. Pickersgill: I think perhaps this is only retaining a position taken by the truckers. The position taken by the truckers is that the payment of the 30 per cent rebate to the

[*Interprétation*]

pour forcer le propriétaire des navires qui faisaient les croisières dans le Saguenay, à continuer ce magnifique service. J'ai remarqué au cours de notre voyage que certains expéditeurs qui font la navette entre les ports des Caraïbes et du Canada, peuvent mettre fin à ce service à n'importe quel moment et que personne ne peut les en empêcher. Voilà pourquoi j'ai posé ces questions.

Le président: Monsieur Trudel, une question complémentaire?

M. Trudel: Monsieur le président, ma question entre dans la ligne des questions posées par M. Horner. J'ai cru comprendre à la suite de ses questions, qu'il y a eu une augmentation de 30 p. 100, des taux et ensuite une réduction de 30 p. 100. C'est pourquoi. . . .

M. Horner: J'ai dit qu'ils pourraient être. Je n'ai pas dit qu'ils l'étaient.

M. Trudel: Je voulais savoir sil n'y avait aucune preuve que cela était en voie de se réaliser.

M. Pickersgill: Je pense que la réponse est qu'évidemment pour la région de l'Atlantique, cela ne s'est pas fait, parce que les taux sont gelés.

M. Horner: Seulement certains types de taux.

M. Pickersgill: Les taux qui sont soumis aux règlements, sont gelés. Les taux concurrentiels ne font pas l'objet des règlements en aucune partie du Canada.

M. Horner: Du point de vue des indemnités, il y en a.

M. Pickersgill: Oui, personne ne peut enlever ou essayer de faire disparaître quelqu'un des affaires. C'est vrai.

Le président: Est-ce que cela répond à votre question, monsieur Trudel?

M. Trudel: Une seule autre dans la même ligne. Je pense qu'il a aussi mentionné dans sa déclaration que les camionneurs pouvaient concurrencer dans l'infrastructure du transport qui a été établi. Est-ce juste? Est-ce que mon hypothèse est exacte? Il demandait une subvention pour ces personnes et ils pouvaient concurrencer et être en dessous du tarif, qui est actuellement fixé.

M. Pickersgill: Je pense que ce n'est que retenir une position prise par les camionneurs à l'effet que le paiement de l'escompte de 30 p. 100 qui ne revienne qu'aux chemins de fer,

[*Text*]

railways only is unfair competition and that if the railway rates are to be rebated out of the Treasury by 30 per cent, the rates for other carriers should also be rebated.

Mr. Trudel: Thank you, Mr. Chairman.

The Chairman: Mr. McGrath.

Mr. McGrath: This is a new subject, Mr. Chairman. I have only a few short questions on it. First of all, has the Commission entertained an application or granted authority to increase the rates charged on the ferries between Prince Edward Island and the mainland?

Mr. Pickersgill: Between Prince Edward Island and the mainland? There has been no increase in the rates, to the best of my knowledge—and I checked this yesterday—though there may have been between the Minister of Transport or the Department of Transport and the government of Prince Edward Island some discussion of an informal character about this matter. But there has been no increase in these rates.

Mr. McGrath: My reason for asking is that it would have a bearing, presumably, on our recommendations or on our report because this point was made by the government of Prince Edward Island in their brief, Mr. Chairman, and the Premier expressed a great concern over the fact that a 50 per cent increase, I think, was being contemplated. I wanted to know if this was now being entertained by the Commission and if in fact authority had been granted.

Mr. Pickersgill: These rates, of course, are not set by the Commission; they are set by the Canadian National Railways in consultation with the government, if I remember correctly. They certainly are not set by the Canadian Transport Commission. It does not have the power at all to set these rates but we have been consulted about any proposals and what effect they would have on transport generally. It just so happens that the matter came to my personal attention yesterday and up to the present time, while there has been some discussion about these rates, there has been no decision.

Mr. McGrath: That answer is a little bit confusing, Mr. Chairman, for this reason—and Mr. Pickersgill will correct me if I am wrong. Certainly it used to be the function of the Maritime Transportation Commission to

[*Interpretation*]

soit une concurrence injuste et que si les tarifs provisoires allaient être amortis de 30 p. 100 pour les chemins de fer par le Conseil du Trésor, on devrait faire la même chose pour les autres transporteurs.

M. Trudel: Merci beaucoup, monsieur le président.

Le président: Monsieur McGrath?

M. McGrath: C'est une matière nouvelle, monsieur le président. J'ai quelques questions brèves à poser sur ce nouveau sujet. Tout d'abord, est-ce que la commission a été saisi d'une demande ou a le pouvoir de hausser les taux exigés sur les transbordeurs entre l'Île-du-Prince-Édouard et le continent?

M. Pickersgill: Entre l'Île-du-Prince-Édouard et le continent? Au meilleur de ma connaissance, et je l'ai vérifié hier, il n'y a pas eu de hausse des tarifs, même s'il a pu y avoir entre le ministre des Transports ou le ministère des Transports et le gouvernement de l'Île-du-Prince-Édouard des entretiens officieux à ce sujet, mais il n'y a pas eu d'augmentation de ces tarifs.

M. McGrath: La raison pour laquelle j'ai posé cette question, c'est que cela aurait des répercussions, j'imagine sur les recommandations et le rapport que nous ferons, parce que le gouvernement de l'Île-du-Prince-Édouard en a parlé dans son mémoire, et, monsieur le président, le premier ministre a exprimé son inquiétude devant le fait qu'on envisageait une augmentation de 50 p. 100, je pense. Je voulais savoir si la commission en avait été saisie et si, en fait, on l'avait accordé?

M. Pickersgill: Naturellement, ces tarifs ne sont pas fixés par la commission, ils sont déterminés par les chemins de fer nationaux du Canada de concert avec le gouvernement, si je me souviens bien. Ils n'ont certainement pas été établis par la Commission canadienne des Transports. Elle n'a pas le pouvoir de fixer ces tarifs mais nous avons été consulté au sujet du projet et de ses effets sur le transport en général. Il arrive seulement que la question m'a été signalée hier et jusqu'à présent, alors qu'on étudie ces tarifs, il n'y a pas eu de décision à cet égard.

M. McGrath: Cette réponse peut quelque peu porter à confusion, monsieur le président, pour cette raison, et monsieur Pickersgill me corrigera si je me trompe. Mais habituellement, la Commission des transports mariti-

[*Texte*]

supervise and control rates on federal subsidized ferry services.

Mr. Pickersgill: Yes, but these are not federally subsidized in the ordinary sense, except possibly the Woods Island-Cariboo ferry. These ferries, after all—the one to Newfoundland, the one to Prince Edward Island, and the *Bluenose*—are owned by the government of Canada. You may say that they do not collect as much in revenue as they cost to operate but they are not subsidized in the sense that many other water services are subsidized where a private carrier gets the subsidy.

Mr. McGrath: Just one other question, Mr. Chairman. Has the Commission received an application from Nordair and Eastern Provin-

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cial Airways regarding their announced merger?

Mr. Pickersgill: We have been given informally by representatives of both companies certain information about what they were proposing to do. I understand that the representatives from one of these companies are here to be witnesses this morning and I think it would perhaps be better for them to say what they have told us than for me. If there has been a formal application made to approve the acquisition of the shares of one of these companies by the other, it was made so late yesterday that I was not informed about it.

I do not want to mislead you in any way, Mr. McGrath. I believe there is every probability that such an application will be made but in the formal legal sense, I do not think it has been made yet.

Mr. McGrath: Since we are going to hear EPA, I might conclude by one other brief question, if I may, Mr. Chairman. Has the Commission received any complaints from any source, and more particularly from the government of Prince Edward Island, regarding the service provided by EPA to that province?

Mr. Pickersgill: I believe that from time to time there have been letters from various people. I am not sure that there have not been some representations made. I do not think anything was addressed to me personally but I think there have been some represen-

[*Interprétation*]

mes avait pour fonction d'exercer une surveillance et un contrôle des tarifs sur les services de transbordeurs subventionnés par le gouvernement fédéral.

M. Pickersgill: Il ne s'agit pas de services subventionnés par le gouvernement fédéral de la manière conventionnelle, sauf, peut-être, pour le transbordeur de l'Île Wood Cariboo. Ces transbordeurs après tout, celui à Terre-Neuve, celui de l'Île-du-Prince-Édouard, le *Bluenose* appartiennent au gouvernement du Canada. Vous pouvez dire qu'ils ne perçoivent pas autant de revenus que ce qu'il en coûte pour les exploiter, mais ils ne sont pas subventionnés, en ce sens qu'on bon nombre d'autres services maritimes ne sont pas subventionnés alors qu'un transbordeur privé obtient une subvention.

M. McGrath: Une seule autre question, monsieur le président. Est-ce que la commission a reçu une demande de la *Nordair* et de *Eastern Provincial Airways* quant à leurs projets de fusionnement?

M. Pickersgill: Nous avons reçu officieusement des représentants des deux compagnies, certains renseignements relatifs à leur projet. Je comprends que les représentants d'une de ces sociétés sont ici pour témoigner ce matin, et je pense qu'il serait préférable pour eux de dire ce qu'ils nous ont dit, que pour moi. S'il y a eu une demande faite en bonne et due forme, pour approuver l'achat des actions d'une de ces sociétés par l'autre, cela a été fait si tard hier, que l'on ne m'en a pas encore fait part.

Je ne veux pas vous induire en erreur, monsieur McGrath. Je pense qu'il est très possible qu'une telle demande soit faite, de façon officielle, mais je ne crois que cela ait été fait.

M. McGrath: Vu que nous entendrons les témoins de l'EPA, je pourrais peut-être conclure avec une autre question très brève, monsieur le président. Est-ce que la commission a reçu des plaintes de quelque source que ce soit, et tout particulièrement du gouvernement de l'Île-du-Prince-Édouard, au sujet du service assuré par l'EPA dans cette province?

M. Pickersgill: Je pense que, de temps à autre, nous avons reçu des lettres de différentes personnes. Je ne suis pas sûr qu'on ait fait des instances. Je ne crois pas qu'on m'ait adressé quoi que ce soit personnellement, mais je pense qu'il y a eu des instances mani-

[*Text*]

tations made about some concern as a result of the direct service between Charlottetown, Charlo and Montreal that this has had some effect, that it has caused some inconvenience to certain people wishing connections to Moncton. Certainly I have heard that.

Mr. McGrath: Has the Commission taken a look at it?

Mr. Pickersgill: We are taking a very careful look at it. We take a look at every complaint and we generally ask the carriers to explain these things because, after all, as you know every air carrier is operating under a licence. This is not an area where there is what you might call total free enterprise. They have a licence to operate and the purpose of giving them a licence is to assure the public decent service as far as it is possible to get it. We feel we have a duty, when anything is drawn to our attention or when we notice anything ourselves, to bring it to the attention of the airline, and if there is some validity in it, to do our best to see that they correct it.

The Chairman: Mr. Skoberg.

Mr. Skoberg: Mr. Chairman and Mr. Pickersgill, the Nova Scotia Fish Packers Association suggested that they had been notified by the railway of the discontinuance of shipments of fresh fish in other than leakproof containers. Do the railways have to come before your Commission to put in new regulations under your express traffic association tariff 100 in this regard and are they obligated to give considerable advance notice to these fish packers to change their system?

Mr. Pickersgill: I know for sure, Mr. Chairman, that I could not give an intelligent answer to that question but maybe Mr. Taschereau could.

Mr. Skoberg: Well, then, Mr. Pickersgill and Mr. Chairman I think the question should be: does this express traffic association tariff 100 have in itself any bearing on your Commission? Do you have any jurisdiction over this particular item?

Mr. Taschereau: I must say that I am not cognizant of the particular tariff that you are mentioning. Certainly the matter of rates

[*Interpretation*]

festant une certaine inquiétude à la suite d'un service direct entre Charlottetown, Charlo et Montréal, à savoir que cela aurait eu certains effets et aurait causé à certaines personnes des ennuis relatifs aux correspondances vers Moncton. Sûrement, j'en ai entendu parler.

M. McGrath: Est-ce que la commission a examiné la question?

M. Pickersgill: Nous étudierons très attentivement la question. Nous étudions chaque grief formulé et, règle générale, nous demandons aux transporteurs de nous donner une explication, car, après tout, vous savez, chaque transporteur aérien doit être titulaire d'un permis pour exploiter un service aérien. Il ne s'agit pas d'un secteur où il y a ce que l'on pourrait appeler la libre entreprise. Ils détiennent un permis pour exploiter ces services et le permis est délivré dans le but d'assurer au public un service satisfaisant dans la mesure du possible. Nous croyons que nous avons un devoir à remplir lorsqu'on nous signale quelque chose ou que nous-mêmes nous observions quelque chose, en le portant à l'attention de la ligne aérienne et si la plainte est valable, de voir à ce que la situation soit rectifiée.

Le président: Monsieur Skoberg.

M. Skoberg: Monsieur le président, monsieur Pickersgill, la *Nova Scotia Fish Packers Association* a souligné qu'ils avaient été avisés par la compagnie de chemins de fer de l'interruption des expéditions de poissons frais dans des contenants autres que des cadres étanches. Est-ce que les compagnies de chemins de fer doivent se présenter devant votre commission pour appliquer les nouveaux règlements en vertu de votre tarif 100 de l'association des messageries à cet égard, ou encore est-ce qu'ils sont tenus de donner un préavis assez long à ces fabricants de conserve, en vue de changer leur mode de transport?

M. Pickersgill: Je sais, avec certitude, monsieur le président, que je ne saurais répondre à cette question, mais monsieur Taschereau serait peut-être en mesure de le faire?

M. Skoberg: Alors, monsieur le président, je pense que la question devrait être la suivante: Monsieur le président et monsieur Pickersgill, est-ce que le tarif 100 de l'association des messageries a quelque rapport avec votre commission? Avez-vous quelque pouvoir vis-à-vis de cet article?

M. Taschereau: Je dois vous dire que je ne connais pas le tarif dont vous parlez. Sûrement, cette question des tarifs relève de notre

[*Texte*]

comes under our jurisdiction from the point of view of their being compensatory and from the point of view of the possibility of there being a maximum rate. If this has bene filed

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with the Commission we can very well check and see whether the Commission has to take any action. I would have to find out.

Mr. Skoberg: In other words, you are more concerned at this time with the rates and not with the regulations under the tariff such as a change in the system of shipping produce?

Mr. Taschereau: Well, we might be interested indirectly from the point of view of service to the public. You are talking about some regulations under the tariff.

Mr. Skoberg: This is right, yes Could you possibly look into that? Another question, Mr. Chairman. Mr. Pickersgill, there was some discussion on our trip as to whether or not the Governor in Council without petition may rescind any order, decision, rule or regulation of the Board and I refer specifically to the passenger service in Newfoundland.

Mr. Pickersgill: Again Mr. Taschereau is a lawyer and I am not; I will pass.

Mr. Taschereau: Could I have the question again?

The Chairman: Would you repeat your question Mr. Skoberg?

Mr. Skoberg: May the Governor in Council, in their discretion without petition rescind any order, decision rule or regulation of the Commission.

Mr. Taschereau: It is very clear to me that under Section 53 of the Railway Act the Governor in Council has the power to act of his own motion. I am quoting "of his own motion".

Mr. Skoberg: And further to this, Mr. Pickersgill, I understand the Canadian National has announced, and I have not seen it nor have I seen the news release on it, it will leave the Newfoundland passenger service in operation. Is this correct?

Mr. Pickersgill: I was told sometime yesterday afternoon, and I asked the information officer of the Commission to get from any reliable source he could a story that I had heard had been published in Newfoundland, and I have in front of me the text of a

[*Interprétation*]

compétence du point de vue de la compensation et de la possibilité d'être un tarif maximum. Si cela a été déposé auprès de la commission, nous pouvons le vérifier et voir si la commission doit prendre des mesures. Il faudrait que je vois ce qu'il en est.

M. Skoberg: En d'autres termes, vous êtes plutôt préoccupé en ce moment par les tarifs et non pas par les règlements en vertue de ce tarif, tel qu'une modification du mode de transport des marchandises?

M. Taschereau: Peut-être que nous y serons indirectement intéressés du point de vue de service publique. Vous parlez de certains règlements relevant du tarif.

M. Skoberg: C'est juste. Pourriez-vous étudier cette question, en voici une autre monsieur le président. Monsieur Pickersgill, au cours de notre voyage, nous avons discuté afin de voir si le gouverneur en conseil, sans pétition, peut abroger tout ordre, décision, règlement ou règle, la Commission, et là je me reporte au service voyageurs à Terre-Neuve.

M. Pickersgill: Monsieur Taschereau est avocat et je ne le suis pas. Je cède mon tour.

M. Taschereau: Est-ce que je pourrais entendre la question une fois de plus?

Le président: Pourriez-vous répéter votre question, monsieur Skoberg?

M. Skoberg: Est-ce que le gouverneur en conseil peut à sa discrétion et sans pétition, abroger tout ordre, décision, règle ou règlement de la Commission.

M. Taschereau: Cela me semble très clair qu'en vertu de l'article 53 de la Loi sur les chemins de fer, le gouverneur en conseil a le pouvoir d'agir de son propre gré. Je cite «de son propre mouvement»

M. Skoberg: Pour faire suite à cette question, monsieur le président, monsieur Pickersgill, je crois que les chemins de fer nationaux du Canada ont annoncé et je ne l'ai pas vu ou, je n'ai pas eu des nouvelles à ce sujet, qu'il continuerait le service voyageurs de Terre-Neuve. Est-ce juste?

M. Pickersgill: On m'a dit hier après-midi, et j'ai demandé à l'agent d'information de la Commission d'obtenir des renseignements de source fiable, au sujet de la publication à Terre-Neuve d'un communiqué de la presse canadienne de Saint-Jean (T.-N.) dont j'ai le

[*Text*]

Canadian Press despatch from St. John's, Newfoundland which, if you like, I could read into the record. All I am doing is reading a Canadian Press despatch but if that is agreeable I would be glad to read it.

> The CNR will continue operation of its trans-island passenger train in Newfoundland until some "indefinite" time after April 15, Fabian Kennedy, CN's operations manager, said Tuesday night.
>
> Mr. Kennedy said in an interview it was decided not to abandon the train April 15, the earliest possible date set last year by the Canadian Transport Commission.
>
> The commission ruled the train could be abandoned if the CNR established a satisfactory bus service across the province, but not before April 15. The bus service was started in December.
>
> Mr. Kennedy said reasons for the decision included the CNR's wish to operate the train and its new highway bus service between here

"here" would be St. John's

> and Port aux Baques, on the province's southwestern tip, for at least one full winter to compare services.
>
> "Our winters to not usually end in mid-April," he said.
>
> Mr. Kennedy said passenger volume of the bus service was "far exceeding what we had anticipated."
>
> Some of the bus units probably would be out of service in the next few months for routine adjustments and the railway wanted to ensure it could handle all passenger traffic during that period, he said.

That is the full despatch.

Mr. Skoberg: I would like to ask, would not the CNR be obligated to file with the Canadi-

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an Transport Commission their decision to leave the passenger service on in view of your order that this could be withdrawn on April 15?

Mr. Pickersgill: I would anticipate and I would hope that the Canadian National would give us some indication as well as giving it in a press statement, but so far as I know up to the close of business yesterday we had had no

[*Interpretation*]

texte devant les yeux. Je pourrais bien vous en donner lecture. Tout ce que je fais, c'est de vous donner lecture d'un communiqué de la presse canadienne, mais si vous voulez bien, je vous donnerai lecture avec plaisir.

> Mardi soir, M. Fabian Kennedy, gérant des opérations du CN a déclaré que le CN continuera l'exploitation du service voyageurs dans Terre-Neuve jusqu'à une date indéterminée après le 15 avril.
>
> M. Kennedy a déclaré au cours d'une interview qu'on avait décidé de ne pas abandonner le service le 15 avril, date fixée l'année dernière par la Commission canadienne des transports.
>
> La Commission a décidé que le service ferroviaire pourrait être abandonné à condition que le CN établisse un service d'autobus satisfaisant à travers la province, après le 15 avril. Le service d'autobus a été inauguré en décembre.
>
> M. Kennedy a donné les raisons de la décision et du désir du CN d'exploiter le service voyageurs et le nouveau service d'autobus entre ici

«ici» voudrait dire Saint-Jean,

> et Port-aux-Basques sur la pointe sud-ouest de la province pour au moins un hiver complet afin de pouvoir comparer les services.
>
> Il a déclaré ensuite que nos hivers d'habitude ne prennent pas fin à la mi-avril.
>
> M. Kennedy a dit que la clientèle des services d'autobus dépassait de beaucoup ce qu'ils avaient prévu.
>
> Certains autobus seraient probablement hors de service dans quelques mois pour une mise au point et les compagnies de chemins de fer veulent s'assurer qu'ils pourraient s'occuper du service voyageurs durant cette période.

Tel était le contenue du communiqué.

M. Skoberg: J'aimerais vous demander une question. Le CN ne serait-il pas tenu d'informer la Commission canadienne des transports de sa décision de maintenir un service voyageurs étant donné l'ordonnance suivant laquelle le service pourrait cesser le 15 avril?

M. Pickersgill: J'imagine et j'espère que la compagnie des chemins de fer Nationaux du Canada nous donnera une indication comme il donnera un communiqué de presse. Mais autant que je sache, jusqu'à la fin de la jour-

[*Texte*]

official world from them. But I would imagine they would do that.

Mr. Skoberg: In view of the type of winter that they have had in Newfoundland, and naturally in view of the fact that the bus service as indicated already has to be repaired, is the Canadian Transport Commission now giving consideration to rescinding this order that could be effective April 15? The reason I ask this, is that I do not think this is good enough, a press release or a statement such as made by the Canadian National, because it leaves the Province, it leaves the patrons, it leaves the employees completely in doubt and at any time after April 15, if this order is not rescinded—and you may correct me if I am not right in this respect—they could abandon that passenger service. Is the Commission at this time not considering rescinding the order that could discontinue that passenger service?

Mr. Pickersgill: There is perhaps some misunderstanding about what the actual order of the Commission was. Perhaps it would be useful if Mr. Taschereau, in a moment, were to read the relevant portion of the order to clarify that situation. But the answer to the question as to whether or not there is any consideration at the moment being given to rescinding that decision is that there is not any such consideration being given to it.

I would like, before other questions are asked, if I have your agreement, to have Mr. Taschereau read precisely what the Commission said it would do before April 15, so that we will have the complete picture. I might say, first of all, the Commission in the decision which it gave did not reach a point of finality and I think we ought to see precisely from the document itself what was left "unfinal", if that is a word.

Mr. Skoberg: I do not think it is necessary because we all have document.

Mr. Rose: We have the document here before us.

Mr. Pickersgill: Notwithstanding the fact that the members of the Committee have the document, and in view of the fact that our proceedings are public, could I crave the indulgence of the Committee, even if it is not read, to have the relevant paragraphs inserted in the record, because I have given certain answers that I do not want to be incomplete

[*Interprétation*]

née hier, nous n'avions reçu aucune déclaration officielle de leur part. J'imagine qu'ils vont le faire.

M. Skoberg: Vu le genre d'hiver qu'on a connu à Terre-Neuve cette année, et vu le fait que le service d'autobus tel qu'on l'a déjà indiqué a eu besoin d'une certaine mise au point, est-ce que la Commission canadienne des transports étudie maintenant la possibilité de rescinder l'ordonnance qui pourrait entrer en vigueur le 15 avril? La raison pour laquelle je pose cette question, c'est que je ne crois pas que ce soit suffisant, soit que nous ayons un communiqué ou une déclaration de presse comme l'a fait le CN, car cela laisse la province, les employeurs et tous les employés dans le doute. Et à n'importe quel moment après le 15 avril si l'ordonnance n'est pas abrogée et vous pouvez me reprendre si je suis dans l'erreur, le CN pourrait abandonner le service voyageurs. La Commission n'étudie-t-elle pas la possibilité de modifier l'ordonnance qui pourrait discontinuer le service voyageurs.

M. Pickersgill: Je crois qu'on a peut être mal compris ce qu'était l'ordonnance de la Commission. Ce serait peut-être plus utile si M. Taschereau, vous donnait, dans un instant, lecture de la partie en cause de l'ordonnance afin d'éclaircir la situation. La réponse à la question de savoir si oui ou non on étudie actuellement la possibilité d'abroger cette décision est qu'on n'étudie pas cette possibilité.

J'aimerais avant que l'on pose d'autres questions, si vous y consentez, j'aimerais que monsieur Taschereau vous lise exactement ce que la Commission a dit qu'elle ferait avant le 15 avril, afin que nous ayons le tableau d'ensemble. Tout d'abord, je dois dire que la décision de la Commission n'est pas définitive. Je crois donc que nous devrions voir d'après le document lui-même ce qui a été laissé inachevé, si je peux dire.

M. Skoberg: Je ne crois pas que ce soit nécessaire parce que nous sommes tous en possession du document.

M. Rose: Nous avons le document sous les yeux.

M. Pickersgill: Malgré le fait que les membres du Comité ont le document, et vu le fait que notre compte-rendu est rendu public, est-ce que je pourrais alors demander l'indulgence du Comité, même si on ne le lit pas, de faire insérer, dans le compte rendu, les paragraphes pertinents, car j'ai donné certaines réponses que je voudrais laisser incomplètes.

[*Text*]

and I would like the full picture to be on the record.

Mr. Skoberg: I agree.

The Chairman: It will only take a minute and it would be fair to let Mr. Taschereau read the evidence. Mr. Taschereau.

Mr. Taschereau: As the members know, the decision in the Newfoundland matter takes the form of a judgment as well as an order. I am going to read from the order:

The Railway Transport Committee of the Canadian Transport Commission hereby orders:

1. Subject to the following conditions, the Applicants shall, on April 15, 1969, discontinue passenger train service between St. John's and Port aux Basques, in the Province of Newfoundland, provided by Train Nos. 101 and 102 and coach service on Mixed Train Nos. 203 and 204:

(1) The bus service proposed by the Judgment of Woodard, C., shall be inaugurated and continued as long as a requirement for passenger service continues, and the passenger facilities, including terminals and the shelters mentioned therein, with proper communication links, shall be provided and installed, all to the satisfaction of the Committee.

(2) Until the Applicants are notified by the Committee that the bus service is inaugurated and the passenger facilities are provided and installed to the satisfaction of the Committee, the passenger train service shall continue to be operated in the same manner and as frequently as it was during the comparable period in 1967.

(3) From the date the Applicants are notified that the Committee is satisfied that the bus service is inaugurated and the passenger facilities provided and installed, and until April 15, 1969, it will not be necessary for the Applicants to run their passenger trains except in case of emergencies created by extremes of weather or by any other cause, until full bus service is restored. To meet the requirements of this condition, the Applicants shall keep and maintain ready for operation such passenger train equipment as the Committee shall direct.

[*Interpretation*]

J'aimerais que tous les aspects de la question y figurent.

M. Skoberg: Je suis d'accord.

Le président: Cela ne prendra qu'un instant et il serait juste et équitable de laisser monsieur Taschereau lire les observations.

M. Taschereau: Comme le savent les membres du Comité, la décision sur la situation qui existe à Terre-Neuve prend la forme d'une décision rendue ainsi que d'une ordonnance. Je vais donc vous donner lecture de l'ordonnance:

Le Comité des transports ferroviaires de la Commission canadienne des transports ordonne par les présentes:

1. Sous réserve des conditions suivantes, les demandeurs supprimeront, le 15 avril 1969, le service de transport de voyageurs entre Saint-Jean et Port-aux-Basques, dans la province de Terre-Neuve, effectué par les trains nos 101 et 102, ainsi que les wagons pour voyageurs des trains mixtes nos 203 et 204.

(1) Le service d'autobus proposé par les demandeurs et décrit en détail dans le jugement de Me Woodard, sera inauguré et continué aussi longtemps que durera la demande d'un service de voyageurs, et la compagnie fournira les installations nécessaires aux voyageurs, y compris les terminus et les abris sus-mentionnés, pourvus des moyens de communication qui s'imposent, de façon à satisfaire le Comité.

(2) Jusqu'à ce que le Comité fasse savoir au National-Canadien que le service d'autobus a été inauguré et que les installations ont été mises en service à sa pleine satisfaction, le service de trains de voyageurs continuera à fonctionner de la même manière et aussi fréquemment que durant la période comparable de 1967.

(3) A partir de la date où les demandeurs auront été notifiés de l'inauguration du service d'autobus et de la mise en service des installations destinées aux voyageurs à la pleine satisfaction du Comité, et jusqu'au 15 avril 1969, les demandeurs n'auront à faire fonctionner leurs trains de voyageurs que dans les cas d'urgence créés par les intempéries ou toute autre cause, jusqu'à ce que le service d'autobus soit rétabli intégralement. Afin de remplir cette condition, les demandeurs maintiendront le matériel ferroviaire nécessaire prêt à fonctionner à tout moment selon les directives du Comité.

[*Texte*]

I do not think I have for the purposes of this discussion to read Condition No. 4. I will read Condition No. 5.

> (5) If, prior to April 15, 1969, the Applicants fail or are unable to perform any of the conditions enumerated above, or if at any time before that date the Committee is not satisfied that the bus service is at least as good as the present passenger train service, it may upon notice to the Applicants and to all parties who appeared before it in December 1967, reconvene the hearing to consider whether in the exercise of its general powers under the Railway Act, it should impose further conditions to be met prior to the discontinuance of the passenger train service or direct the adoption of such measures as may be necessary to ensure the adequacy of the bus service.

Mr. Rose: I will be very brief. The first thing that jumps out at me, Mr. Chairman, is the first line of order:

> 1. Subject to the following conditions, the Applicants shall, on April 15, 1969, discontinue passenger train service between St. John's...

I am rather surprised that does not say "may", so that brings up the particular question which occurs later on—I will not go through the matter—of whether the CTC has given the CNR any notice that it should continue its passenger service for an extended period on the grounds that the service was inadequate?

Mr. Taschereau: No, it has not, sir. If I may reply to the point you were raising as to the "shall" I might indicate that this order was rendered under Subsection (7) of Section 314 I which says:

> If the Commission determines that the operation of an uneconomic passenger-train service should be discontinued, the Commission shall by order fix such date or dates for the discontinuance of the operation of the service or parts thereof as to the Commission appears to be in the public interest; but a discontinuance date shall be:
>
> (a) not earlier than thirty days from the date of the order; or
>
> (b) not later than one year from the date of the order.

[*Interprétation*]

Je ne crois pas que pour les fins de cette discussion, je doive vous donner lecture de la condition 4 mais 5.

> (5) Si, avant le 15 avril 1969, les demandeurs n'exécutent pas, ou ne sont pas en mesure d'exécuter, l'une ou l'autre des conditions énumérées ci-dessus, ou si à un moment donné avant cette date, le Comité n'est pas convaincu que le service d'autobus est au moins aussi bon que le service de trains de voyageurs actuel, il pourra, après en avoir notifié les demandeurs et toutes les parties qui ont comparu à ses séances en décembre 1967, se réunir à nouveau en audience, afin d'examiner si, dans l'exercice de l'autorité générale que lui confère la loi sur les Chemins de fer, il devrait imposer de nouvelles conditions avant la suppression du service de trains de voyageurs, ou ordonner l'adoption des mesures éventuellement requises pour assurer le fonctionnement satisfaisant du service d'autobus.

M. Rose: Je serai bref. Ce qui me frappe devantage, monsieur le président, c'est la première ligne de cette ordonnance:

> Sous réserve des conditions suivantes, les demandeurs supprimeront, le 15 avril 1969, le service de transport de voyageurs, entre Saint-Jean...

Je suis surpris de voir qu'on ne dit pas «peut supprimer», ce qui me pousse à demander: Est-ce que la Commission canadienne des transports a averti le National Canadien qu'il devait continuer le service de transports des voyageurs pour une période prolongée parce que le service était inadéquat?

M. Taschereau: Non, monsieur. Si vous me permettez de répondre au point que vous venez de soulever, quant à l'utilisation de «supprimeront», je vous dirai que l'ordonnance a été émise en vertu du paragraphe 7 de l'article 314 I de la loi qui dit:

> (7) Si la Commission décide que l'exploitation d'un service non-rentable de trains de voyageurs doit cesser, elle doit fixer par ordonnance la ou les dates qui lui semblent être d'intérêt public pour l'arrêt de l'exploitation du service ou de parties de celui-ci; mais une date de cessation ne doit tomber
>
> *a*) ni avant le trentième jour qui suit la date de l'ordonnance;
>
> *b*) ni après qu'un an s'est écoulé à compter de la date de l'ordonnance.

[*Text*]

Mr. Rose: Now the converse of that question, sir: Has the CNR been in touch with the CTC on this same question?

Mr. Taschereau: No, it has not. As the President indicated a moment earlier, as of the close of business yesterday there had been no submission in regard to the development indicated in the Canadian Press statement.

Mr. Rose: This is a little bit unusual, is it not?

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Mr. Taschereau: Certainly the CNR indicates that it has new plans and I expect the Commission will hear from them very soon. Under normal circumstances the Committee would continue the review it has been making of the service since December, would investigate the present situation, and would have to come to a final decision about the adequacy of the bus service and the adequacy of the related facilities.

Mr. Rose: The Committee, Mr. Chairman, is continuing its investigation of this service. I would like to ask one other question and I would like to ask the formal status of the resolution passed by the Newfoundland government on the subject of the extension of life of the so-called "Newfie Bullet". Has it any formal status or is it just a public expression of good intention?

Mr. Pickersgill: Perhaps I could attempt to answer that question. I have not even actually seen it in the press, but I was told that there had been some kind of unanimous resolution passed by the House of Assembly—not by the Newfoundland Government, but by the House of Assembly of Newfoundland—with respect to the continuance of this train.

I would assume—and I assume this from my experience as a Minister—that the Clerk of the House or the Speaker would convey that resolution to the Government of Canada and that it would be considered by the Government of Canada like any other representation from so distinguished a body as the House of Assembly of Newfoundland.

Mr. McGrath: May I be permitted a brief observation before I put my supplementary, Mr. Chairman? Actually my supplementary was fairly well covered by Mr. Rose, but if I may be permitted this observation, it seems to me rather strange that the Canadian Transport Commission would have to depend on Canadian Press despatches to learn of a decision relating to what judgment it has made in this particular instance, and also that

[*Interpretation*]

M. Rose: Voici l'inverse de cette question: est-ce que le CN a communiqué avec la Commission à ce sujet?

M. Taschereau: Non, monsieur. Comme l'a dit le président, il y a un moment, à la fin de la journée de travail, hier, il n'y avait pas eu de présentation comme l'indiquait la Presse Canadienne.

M. Rose: C'est un peu inusité, n'est-ce pas?

M. Taschereau: Le CN indique certainement qu'il a de nouveaux projets et j'imagine que la Commission en entendra parler d'ici peu. Dans les circonstances normales, le Comité devrait continuer la révision qu'il fait du service depuis décembre, enquêter sur la situation actuelle et devrait en arriver à une décision ultime sur le service d'autobus pour savoir s'il est adéquat ou non.

M. Rose: Le Comité, monsieur le président, poursuit son étude de la situation. J'aimerais poser une dernière question. J'aimerais savoir ce qu'il en est, exactement, de la résolution adoptée par le gouvernement de Terre-Neuve au sujet du prolongement du service. S'agit-il tout simplement de la manifestation publique d'une bonne intention?

M. Pickersgill: Je pourrais peut-être tenter de répondre à cette question. On m'a dit, je ne l'ai même pas vu dans les journaux, mais on m'a dit qu'il y avait eu une sorte de résolution unanime adoptée par la législature, non pas par le gouvernement, mais par la législature de Terre-Neuve au sujet de la continuation de ce service. Je présume, et je dis que je présume en vertu de mon expérience comme ministre, que le greffier de la Chambre ou l'Orateur transmettra cette résolution au gouvernement du Canada qui l'étudiera comme tout autre suggestion provenant d'un organisme aussi distinguée que l'Assemblée législative de Terre-Neuve.

M. McGrath: Me permetteriez-vous une brève observation, avant ma question supplémentaire, monsieur le président? En fait, ma question supplémentaire a été couverte par monsieur Rose, mais j'aimerais que vous me permettiez cette observation: il me semble plutôt étrange que la Commission canadienne des transports doive dépendre des dépêches de la PRESSE CANADIENNE pour connaître une décision relative à un jugement qu'elle a

[*Texte*]

it would have to depend on hearsay and again press despatches—to learn of a unanimous resolution, moved by a Minister in the Newfoundland government, and passed unanimously by the Newfoundland legislature. It would seem to me that this very important body, the Canadian Transport Commission, has very poor lines of communication with the provinces.

Having said that, Mr. Chairman, my question is this: The resolution, as I understand it, asked for a two year extension, to the fall of 1971 I think, and at the end of that time that the Commission should re-open the hearing in this matter. In view of the hearsay knowledge it has had of this matter—and I certainly respect Mr. Pickersgill's ability to interpret hearsay knowledge, having in mind his reputation as a Minister and his close association with the Premier and government of Newfoundland, so we can assume that his hearsay knowledge is quite accurate in this matter—is the Commission contemplating re-opening hearings in this matter?

Mr. Pickersgill: If I may answer the last part of your question first, as Mr. Taschereau has already said the Commission is continuing to review, as it indicated in its order it would, the adequacy of the service and the other conditions that were laid down in the order. It has not given any formal consideration yet to any other matter.

As to the question of whether the Canadian National Rilways should have advised us rather than making a public statement I suppose that is a matter of opinion and I hope they will advise us in the matter in a formal way.

As for any lines of communication with the House of Assembly of Newfoundland, whatever I might conceivably have in a private capacity, I would think that it would be beneath the dignity of a House of Assembly

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of Newfoundland to pass a resolution to be sent to the Canadian Transport Commission. I think they would send it to the Government of Canada, and I do not see how I could have any official knowledge of that unless the Government of Canada in turn sent it to the Commission.

So far as I am personally aware these two things have not yet happened though they might have, because I do not see every communication that comes in every day. I did observe, if I may say in passing, what Mr. McGrath said about the same resolution. He used the words "I understand". He under-

[*Interprétation*]

rendu, et qu'elle doive se fier aux ouï-dire et aux journaux pour apprendre l'existence d'une résolution unanime présentée par un ministre du gouvernement de Terre-Neuve et adoptée unanimement par l'assemblée législative de cette province. Il me semble que cet organisme important, la Commission canadienne des transports, a de très mauvais contacts avec les provinces.

Ceci étant dit, monsieur le président, voici ma question. La résolution, si j'ai bien compris, demandait un prolongement de 2 ans, jusqu'à l'automne de 1971 et à la fin de cette période, la réouverture de l'enquête. Puisque la Commission a été mise au courant par ouï-dire, et je respecte certainement la capacité qu'a monsieur Pickersgill d'interpréter le ouï-dire en tenant compte de sa réputation comme ministre et de l'association intime qu'il a avec le premier ministre de Terre-Neuve et son gouvernement, nous pouvons donc dire que ce qu'il en sait est assez juste. En conséquence, est-ce que la Commission étudie la possibilité de rouvrir son enquête à ce sujet?

M. Pickersgill: Si je puis répondre à la dernière partie de votre question, d'abord, comme l'a déjà dit monsieur Taschereau, la Commission poursuit son étude, comme elle l'avait indiqué d'ailleurs dans l'ordonnance, afin de savoir si le service adéquat et si les autres conditions établies dans l'ordonnance sont respectées. Elle n'a encore donné aucune considération officielle à aucune autre question. Pour ce qui est de savoir si le CN aurait dû nous prévenir plutôt que de faire une déclaration publique, il s'agit là, je suppose, d'une question d'opinion. J'espère que le CN nous préviendra de façon officielle à ce sujet.

Quant aux lignes de communication avec l'Assemblée législative de Terre-Neuve, quels que soient les contacts que je puisse avoir personnellement, je crois qu'il serait indigne que l'Assemblée législative ait à faire parvenir une copie de ses résolutions à la Commission canadienne des transports. J'ai l'impression que cette résolution serait envoyée au gouvernement du Canada et par conséquent, je ne vois pas comment j'aurais connaissance officielle de ceette question à moins que le gouvernement ne la transmette à la Commission.

En autant que je le sache ces deux faits ne se sont pas produits, mais ils ont pu se produire car je ne suis pas au courant de toutes les communications qui nous arrivent à tous les jours. J'ai remarqué l'expression utilisée par M. McGrath. Il a dit «je crois savoir». Il comprend mieux que moi. Je n'ai jamais rien

[*Text*]

stands more about it than I do. I have never seen anything that purported to be the text of it. I just heard that some kind of resolution had been passed. That is really all I have heard, personally.

Mr. Givens: Mr. Chairman, I would like to raise a supplementary question on this score which I think is basic.

The Chairman: Mr. Givens, I think I will have to limit the supplementary questions because I also have two other members who have been waiting for a long time to speak. I will allow you a very short supplementary, Mr. Givens.

Mr. McGrath: Well, Mr. Chairman, if I may, I am not going to belabour this point. I just want one more brief question, if I may, Mr. Givens. My question is this, Mr. Chairman. Mr. Pickersgill in the light of the unanimous resolution passed by the Newfoundland House of Assembly, in the light of the tremendous public response to this matter in the Province of Newfoundland, and in the light of the fact that Canadian National has already seen fit to extend the service beyond April 15, will the Commission now consider rescinding the order?

Mr. Pickersgill: This matter, of course, is before the Railway Transport Committee of which I am not a member, which is presided over by Mr. Jones, and I am not going to presume to express an opinion in advance of the consideration of the matter by other persons than myself. I think it would be very improper to do that. However, I think I can safely assure you that all those conditions laid down in the order will be complied with before any final decision is reached.

Mr. Pringle: Mr. Chairman, we are discussing several subjects, but seeing we are on the very famous Newfie Bullet now I would like to make a couple of remarks, if I may.

First of all, I would think that for the record we should state that the Committee—and I can say this because I am one of the Committee—is not unanimous in way, shape or form with regard to the discussion that has been taking place recommending continuance and so on of the Newfie Bullet. I am very interested in Mr. McGrath's statement that there has been tremendous public response. I think this is wonderful. I hope he means by this that they are buying tickets on the CNR railroad, because I was hardpressed to find

[*Interpretation*]

vu qui soit censé en être le texte. J'ai tout simplement entendu dire qu'une sorte de résolution avait été adoptée. C'est vraiment tout ce que j'ai entendu dire, personnellement.

M. Givens: Monsieur le président, j'aimerais poser une question supplémentaire à ce sujet; elle est, à mon avis, fondamentale.

Le président: Monsieur Givens, je crois que je vais devoir limiter les questions supplémentaires, car j'ai aussi deux autres membres du Comité qui attendent depuis longtemps de pouvoir poser des questions. Je vais vous laisser poser une question supplémentaire, mais elle doit être très brève, monsieur Givens.

M. McGrath: Excusez-moi, monsieur le président. Je ne veux pas insister trop sur ce point, mais, si vous me le permettez, monsieur Givens, j'ai encore une brève question à poser. Voici ma question, monsieur le président. Monsieur Pickersgill, étant donné la résolution adoptée à l'unanimité par l'Assemblée législative de Terre-Neuve, étant donné la réaction énorme qu'il y a eu de la part du public de Terre-Neuve, et étant donné que le National-Canadien a déjà jugé bon de maintenir le service au-delà du 15 avril, la Commission va-t-elle maintenant envisager d'annuler cette ordonnance?

M. Pickersgill: Bien entendu, cette question est à l'étude par le Comité du transport ferroviaire, dont je ne suis pas membre, et qui est présidé par M. Jones, et je n'ai pas la prétention d'exprimer un avis avant que d'autres que moi n'aient fini d'étudier la question. Il serait très déplacé, je crois, de le faire. Mais je crois pouvoir vous assurer tout de même que l'on respectera toutes les conditions énoncées dans l'ordonnance avant de prendre une décision finale.

M. Pringle: Monsieur le président, j'ai remarqué que nous discutons plusieurs choses, mais étant donné que nous parlons maintenant du célèbre *Newfie Bullet*, j'aimerais faire quelques observations, si vous me le permettez.

Tout d'abord, je crois que, pour le compte rendu, nous devrions dire que le Comité—et je pense le dire, car j'en fais partie—n'est pas unanime quant aux méthodes ou à la forme de la discussion qui a eu lieu pour recommander le maintien du *Newfie Bullet*. Je suis très intéressé par ce qu'a dit M. McGrath, soit, qu'il y a eu une réaction énorme de la part du public. C'est merveilleux. J'espère qu'il veut dire par là qu'on achète des billets pour le chemin de fer du National-Canadien, car j'avais beau chercher, je ne trouvais personne

[*Texte*]

anybody who bought any tickets and I would suggest, Mr. Chairman, that the people of Newfoundland abandoned the railroad long before the CNR abandoned it. If there is this public response, and they are buying lots of tickets on the railroad, and they can start to pay for some of the deficit that we people in western Canada are being asked to put up, to pay for something, which is more or less a way of life and this seems to be a kind of a status that some places in the Maritimes require. They say it is a way or a right of...

Mr. Horner: That is an insult to the people of the Maritimes.

Mr. Pringle: No, I do not think that is. I do not think so. I think that most of the people wanted the Newfie Bullet to stay on was because it was their train. It was not because they particularly rode on it.

Mr. Horner: Seventy thousand people rode on it last year.

Mr. Pringle: Seventy thousand, short distances, Mr. Chairman.

Mr. Horner: How do you know?

Mr. Pringle: Because I enquired. Not too many people rode the full line from St. John's to Port-aux-Basques and I would like to say, if I may, that these gentlemen opposite have had all morning to discuss this. It is now 11 o'clock. I think that we have a right to state our side of the story. That is the point I wanted to put on the record. I certainly want to give the fine people of Newfoundland every credit for the hospitality they extended to us.

The Chairman: Are you finished Mr. Pringle?

Mr. Pringle: All right, I will permit a supplementary.

Mr. Givens: Mr. Chairman, I have been wanting to discuss something basic. I would not interrupt the hon. gentlemen and I would like to put my point and ask my question if I may, Mr. Chairman.

The Chairman: Go ahead. You have the floor, Mr. Givens.

Mr. Givens: What worries me basically, is this Mr. Chairman, through you to Mr. Pickersgill, and there has been a lot of fuss about it. It would seem to me that what the CN

[*Interprétation*]

qui en achetait, et je dirais, monsieur le président, que les Terre-neuviens ont cessé d'utiliser le chemin de fer bien avant que le National Canadien ne l'abandonne. Si le public réagit, qu'il achète beaucoup de billets de chemin de fer, et qu'il commence à payer pour combler une part du déficit que l'on nous demande à nous, de l'Ouest du Canada, de combler, pour assurer les frais de ce qui semble être plus ou moins un mode de vie, une sorte de statut qu'exigent certaines régions des Maritimes. Elles disent que c'est un mode ou un droit...

M. Horner: Ceci est une insulte aux gens des Maritimes.

M. Pringle: Non, je ne le pense pas. Je pense que la plupart des gens voulaient que l'on maintienne le *Newfie Bullet* parce que c'était leur train. Ce n'était pas parce qu'ils l'utilisaient tout particulièrement.

M. Horner: Soixante-dix mille personnes ont pris ce train l'an dernier.

M. Pringle: Soixante-dix mille personnes sur de courtes distances, monsieur le président.

M. Horner: Qu'en savez-vous?

M. Pringle: Je me suis renseigné. Il n'y a pas beaucoup de gens qui aient fait tout le trajet de Saint-Jean à Port-aux-Basques, et permettez-moi de faire remarquer que ces messieurs ont eu toute la matinée pour discuter de cette question. Il est maintenant 11 heures. Je pense que nous avons le droit de donner notre côté de l'histoire. C'est la question que je voulais faire porter au compte rendu. Je tiens à reconnaître l'extrême hospitalité dont ont fait preuve les gens de Terre-Neuve à notre égard.

Le président: Avez-vous fini, monsieur Pringle?

M. Pringle: Entendu, je vais permettre une question supplémentaire.

M. Givens: Monsieur le président, j'essaie de parler d'une question fondamentale. Je ne me permettrais pas d'interrompre les autres, et je voudrais bien qu'on me laisse dire ce que j'ai à dire et poser ma question, si vous me le permettez, monsieur le président.

Le président: Allez-y. Vous avez la parole, monsieur Givens.

M. Givens: Voici ce qui me préoccupe essentiellement. Par votre intermédiaire, monsieur le président, ma question s'adresse à M. Pickersgill. Il y a eu beaucoup de bruit à

[*Text*]

should have done instead of issuing this thing is to apply to your Commission to vary this order or this judgment. The Commission is supposed to be quasijudicial body. Does this mean, sir, that if enough political pressure is put on that an order and a judgment of the Commission can be varied? I say this because if this despatch has any basis in fact, that the Newfie Bullet should continue for the reasons indicated—because of the bus service and so on—then the proceedings which led to this order and judgment should never have taken place in the first place.

Some hon. Members: Hear, hear.

Mr. Pickersgill: I do not think that once this...

Mr. Givens: Excuse me, sir. I say generally, forgetting about the Newfoundland incidence or this problem, that I must draw the implication that if it had not been for the pressure that has been put on—and I compliment the gentlemen opposite for the pressure that they did put on to achieve what they wanted—that this press release would never have taken place. Either we are going to have respect for an order and judgment of the Commission in the future, whether it applies to Newfoundland, Ontario or anywhere else, or I must draw the conclusion that if I yell loud enough and put on enough pressure that I will win my point just as they did. Were there facts in this case which led to this conclusion or were there not? If there were, then the Newfie Bullet should go out of existence on the merits. If not, then what was the reason for the proceedings in the first instance?

Mr. Pickersgill: Perhaps I ought to make some attempt to comment on what Mr. Givens has said. The reason for the decision in the first place was that a perfectly lawful application had been made to a quasi-judicial tribunal. That quasi-judicial tribunal had a duty to consider the enquiry and did consider it to the best of its ability.

Whether or not it was appropriate for the Canadian National Railways, through one of their officers in Newfoundland, to make the kind of statement which, if I may use the word he used, is of rather indefinite character, I am not willing to say. I do not think I am going to cite him for contempt. I hope the Canadian National Railways, if they want any variation in the order, will make a formal application to us. I quite agree with Mr. Givens that that would seem to me to be the

[*Interpretation*]

cet égard. Il me semble que ce qu'aurait dû faire le National-Canadien, plutôt que de faire cette déclaration, c'est de demander à votre Commission de modifier cette ordonnance ou ce jugement. La Commission est censée être un organisme quasi-judiciaire. Cela veut-il dire, monsieur, qu'avec des pressions politiques suffisantes, on peut modifier une ordonnance et un jugement de la Commission. Si cette dépêche, où l'on dit que l'on doit maintenir le *Newfie Bullet* pour les raisons indiquées—le service d'autobus, etc.—a un fondement réel, les audiences qui ont mené à cette ordonnance et à ce jugement n'auraient jamais dû avoir lieu pour commencer.

Des voix: Bravo.

M. Pickersgill: Je ne pense pas qu'une fois que...

M. Givens: Excusez-moi, monsieur. Je dis de façon générale, en laissant de côté l'aspect du problème qui est celui de Terre-Neuve, que je dois en conclure que si ce n'était la pression que l'on a exercée et je félicite mes vis-à-vis de la pression qu'ils ont en effet exercée pour obtenir ce qu'ils voulaient, il n'y aurait jamais eu ce communiqué de presse. Soit nous allons respecter à l'avenir les ordonnances et jugements de la Commission, que cela s'applique à Terre-Neuve, à l'Ontario ou à ailleurs, soit je dois en conclure que si je crie assez fort et que j'exerce suffisamment de pression, j'obtiendrai ce que je veux, tout comme ils l'ont fait. Est-ce qu'il y a un ou non des faits, dans ce cas-là, qui ont mené à cette conclusion? S'il y en a eu, le *Newfie Bullet* devrait être supprimé en conséquence. Sinon, pourquoi alors y a-t-il eu des audiences pour commencer?

M. Pickersgill: Je devrais peut-être essayer de commenter ce qu'a dit M. Givens. La raison de cette décision, au début, c'était qu'une demande officielle avait été faite à un tribunal quasi-judiciaire. Ce tribunal était chargé d'examiner cette enquête, et il l'a fait du mieux qu'il a pu.

Ce n'est pas à moi de dire s'il convenait ou non que les Chemins de fer Nationaux du Canada, par l'entremise de l'un de leurs agents à Terre-Neuve, fassent ce genre de déclaration, qui, si je puis reprendre le terme qu'il a employé, est de caractère plutôt indéfini. Je ne pense pas que je vais le citer en justice pour outrage. J'espère que le National-Canadien, s'il veut faire modifier l'ordonnace, nous présentera une demande officielle. Je suis bien de l'avis de M. Givens: il me

[*Texte*]

appropriate thing for them to do. As to what their motivation may have been, I understand, Mr. Chairman, if I am correctly informed—and it is hearsay—you were going to ask someone from the Canadian National to appear. Therefore, it seems to me it would be more appropriate for him to speak for himself than for me to try and interpret their words.

Mr. Givens: With great respect, Mr. Chairman, I would suggest to the Chairman of the Canadian Transport Commission that this gentleman should be advised as a matter of proper procedure that in the future, if he has anything to say about an order and a judgment—I do not expect you to cite him for contempt—as Mr. Taschereau puts it, on the highest level, that he should make an application to the proper tribunal for a variation of the order and not make a grandstand announcement over the air or through the newspapers about a thing as important as this. We have been wrangling about this for weeks. Some of us were kicked off the Committee on account of this thing. Now you come around and you say that the whole thing was nothing; it was frivolous and vexatious.

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It was a cavalier way of doing it and forgetting about this instance for the moment, I raise this point; I said I thought it was basic because if it happens this time it can happen again and again and again, and bring your Commission under the hatred, ridicule and contempt of people who generally have to deal with it.

Mr. Pickersgill: I might say, Mr. Givens, that I would much rather not merely the Canadian National Railways, but other people who have views to express about our judgments, would also follow the lines laid down by Parliament and make their applications in the appropriate way. This is a free country and I do not think I should reflect on the way in which other people...

Mr. McGrath: Mr. Chairman, I would like to raise a point of order. It concerns the observation just made by Mr. Pickersgill and by Mr. Givens who is now leaving the room—remember what happened the last time you left! It concerns observations made also by Mr. Pringle regarding pressure that was brought on the CNR and pressure he suggested on the Canadian Transport Commission. I do not know how that applies, but perhaps he did not. I was going to make this observation, Mr. Chairman. Canadian National Railways is a Crown corporation owned by the people of Canada and Canadian Transport Commission

[*Interprétation*]

semble que c'est ce qu'ils auraient dû faire. Quant à savoir quel était leur motif, monsieur le président, si ce que l'on m'a dit est exact—ce n'est que du ouï-dire vous aviez l'intention de demander à quelqu'un du National-Canadien de comparaître. Il me semble donc qu'il vaudrait mieux qu'il parle en son propre nom, et non que j'essaie, moi, personnellement, d'interpréter ses paroles.

M. Givens: En toute déférence, monsieur le président, j'aimerais proposer au président de la Commission Canadienne des transports d'informer ce monsieur qu'à l'avenir, s'il a quoi que ce soit à dire sur une ordonnance et un jugement—je ne pense pas que vous allez le citer en justice pour outrage—comme l'a fait M. Taschereau, au niveau le plus élevé, qu'il veuille bien faire une demande au tribunal approprié pour faire modifier l'ordonnance, au lieu de faire une déclaration publique à la radio, à la télévision ou dans les journaux au sujet d'une question aussi importante. Nous nous querellons depuis des semaines à ce sujet. Il y en a parmi nous qui ont été chassés du Comité pour cette raison. Et, maintenant, vous arrivez et vous dites que le tout n'était que frivolités et tracasseries.

Cette façon d'agir était plutôt cavalière, mais oublions cela pour un instant; j'ai déclaré que je trouvais cette question fondamentale, parce que si cela s'est produit une fois il se peut qu'il y ait répétition et votre Commission sera détestée et ridiculisée par ceux qui doivent traiter avec elle.

M. Pickersgill: J'aimerais dire que non seulement le CN, mais tous ceux qui désirent exprimer leur opinion au sujet de nos ordonnances devraient respecter la procédure établie par le Parlement adresser leurs demandes comme prévu. Notre pays est un pays libre et je crois que je ne devrais pas ..

M. McGrath: Monsieur le président, j'en appelle au Règlement. Je songe à la remarque de M. Pickersgill et à celle de M. Givens qui s'apprête à quitter la salle. Souvenez-vous de ce qui s'est produit la dernière fois que vous avez quitté! Je songe également aux remarques de M. Pringle au sujet des pressions qui auraient été exercées sur le CN et la Commission canadienne des transports. Je ne sais pas comment cela s'applique mais peut-être qu'il ne l'a pas fait. Je voulais tout simplement formuler cette observation. Les chemins de fer nationaux du Canada sont une société de la Couronne, propriété du peuple du Canada,

[*Text*]

is a Commission operating under delegated authority from Parliament. I am a member of Parliament and I think it is perfectly right and proper for me to bring whatever pressure I can to bear as a member of Parliament to rescind any decision that I disagree with.

An hon. Member: Hear, hear.

Mr. Pickersgill: I do not disagree with what Mr. McGrath has said in any particular whatever, but there are certain procedures laid down which would bring things before the Commission in a way it would have to deal with them. That was the only observation I was seeking to make. I was not seeking to reflect on anyone. I am a very strong believer in having a free country and I do not want to restrict anyone in any way we can possibly avoid.

Mr. McGrath: I just want to make this point too, Mr. Chairman. I resent the statement made by my good friend, Mr. Pringle, for whom I have great respect...

The Chairman: Order, please!

Mr. McGrath: ...that our train service is being subsidized by the people of British Columbia. That kind of statement does not help at all.

The Chairman: Mr. McCleave, do you have a supplementary question?

Mr. McCleave: I want to ask Mr. Taschereau a question. I am wondering whether the CNR can be considered in contempt? I thought they had a time limit in which to operate. If this is correct, one of the conditions laid down, by continuing the "Newfie Bullet" beyond April 15—were they not given a year or did I misunderstand one of the conditions read earlier, Mr. Taschereau?

Mr. Taschereau: No, the matter of one year comes from Section 3141 of the National Transportation Act which says that the Commission shall fix a date of discontinuance which is:

> (a) not earlier than thirty days from from the date of the order; or
>
> (b) not later than one year...

It does happen that this judgment was rendered on July 3 so that the date of April 15 is well within the year. Another date before July 3 would be within the year of the judgment.

[*Interpretation*]

et la Commission canadienne des transports est une commission qui tient ses pouvoirs du Parlement. Je suis député et je trouve tout à fait honnête d'exercer toutes les pressions voulues à titre de député pour essayer de faire changer une décision avec laquelle je ne suis pas en accord.

Une voix: Bravo!

M. Pickersgill: Je ne suis pas en désaccord avec cela, mais enfin quoiqu'il en soit il y a certaines procédures qui sont établies et qui obligent la Commission à étudier les questions qui lui sont soumises. C'est tout ce que je voulais dire. Je suis un ardent partisan de la liberté au pays et je ne veux pas établir de restrictions pour quiconque.

M. McGrath: Je voulais aussi faire cette observation. Je n'aime pas beaucoup cette déclaration faite par mon bon ami, M. Pringle, que je respecte vraiment...

Le président: A l'ordre, s'il vous plaît.

M. McGrath: ...et selon laquelle notre service ferroviaire est subventionné par la population de la Colombie-Britannique. Une telle déclaration n'aide pas du tout.

Le président: Une question complémentaire, monsieur McCleave?

M. McCleave: J'aimerais la poser à M. Taschereau. Je me demande si le CN peut être accusé de mépris. Je croyais qu'une date-limite avait été fixée. Si cela est exact, en maintenant le service après le 15 avril—le CN n'avait-il pas reçu un avis d'un an, ou ai-je mal compris l'une des conditions dont on a donné lecture plus tôt?

M. Taschereau: Non, le délai d'un an est établi à l'article 314 I de la Loi nationale sur les transports. L'article dit que la date de cessation que fixe la Commission ne doit tomber

> *a*) ni avant le trentième jour qui suit la date de l'ordonnance,
>
> *b*) ni après qu'un an s'est écoulé à compter de la date de l'ordonnance.

Le jugement a été rendu le 3 juillet. La date du 15 avril tombe donc à l'intérieur de cette période d'un an. Toute autre date avant le 3 juillet respecterait également cette obligation.

[*Texte*]

Mr. McCleave: So they still have time to come in and ask that the order of the Commission be varied?

Mr. Taschereau: Definitely and, as a matter of fact, we have indicated that we have to review fully the matter before April 15 and I would take it that the announcement of the CNR would be followed by some submission by CNR which might make it imperative for the Committee to review its decision in this regard.

Mr. McCleave: So there is no question of contempt at the present time. That is really what I wanted to know.

The Chairman: Mr. Mahoney?

Mr. Mahoney: Mr. Taschereau, I take from your last answer that you probably appreciate the point that I was going to raise here. In the order that was made regarding the "Newfie Bullet"—if we can use that expression without offending anyone—the Commission left itself some options open prior to April 15.

It would seem to me that the Applicant—again if the press release is accurate—has in fact admitted that the time limit set was not adequate for the test and in order for the Commission to retain its options the Commission, perhaps on its motion if not that of the CNR, will have to extend that date.

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Mr. Taschereau: If one of the facts referred to in the press statement relating to the retirement of some buses for adjustments is one of the factors that is brought before the commission, certainly it will be taken into account. This might be a fact which was not apparent at the time of the judgment and might have a bearing today.

Mr. Mahoney: On the matter of including truck transport under the Maritime Freight Rates Act, the procedure set out in Section 8 of that Act for the payment of the subsidies to the rail carriers would seem to be the sort of procedure that is necessary to protect the public purse in the payment of this kind of money.

There has been emphasis again today on the thought that these subsidies should benefit the shipper rather than the carrier. I think we can safely assume that there are scores, possibly, of truckers and thousands of shippers. Can you conceive of a situation

[*Interprétation*]

M. McCleave: Ils peuvent toujours demander que cette ordonnance de la Commission soit échangée?

M. Taschereau: Oui et même nous avons indiqué qu'il nous faut réétudier la question avant le 15 avril. J'en conclurais que cette déclaration du National Canadien serait suivie d'une demande du CN qui forcerait alors le comité à réétudier sa décision.

M. McCleave: Donc, il n'est pas question de mépris, en ce moment. C'est ce que je voulais savoir.

Le président: Monsieur Mahoney?

M. Mahoney: J'en conclus, monsieur Taschereau, à la suite de votre dernière réponse que vous comprenez très bien ce point que je désire soulever. Pour ce qui est de l'ordonnance relative au «*Newfie Bullet*», j'espère que cette expression ne blesse personne, la Commission s'est ménagée certaines avenues jusqu'au 15 avril.

Il me semble que le demandeur, si le communiqué de presse est bien précis, a reconnu en réalité que la limite de temps établie n'était pas suffisante pour vraiment mettre à l'essai le nouveau service et que, pour que la Commission puisse maintenir cette possibilité qu'elle a, elle devrait, d'elle-même ou selon la décision du CN, retarder cette date.

M. Taschereau: Dans ce communiqué de presse, on parle du retrait de certains autobus du service pour y apporter certaines modifications. S'il s'agit là de l'un des points qui seront soumis à la Commission, il est évident qu'elle en tiendra compte. Ce fait n'était peut-être pas évident lorsque le jugement a été rendu mais il pourrait avoir son importance maintenant.

M. Mahoney: Parlons maintenant de l'industrie du camionnage et de son inclusion dans les dispositions de la *Loi sur les taux de transport des marchandises dans les Maritimes*. La procédure prévue à l'article 8 de cette loi pour le paiement de subventions aux transporteurs ferroviaires me semble le genre de procédures essentielles pour protéger les deniers publics.

On a signalé une fois de plus, aujourd'hui le fait que la subvention devrait aller à l'expéditeur plutôt qu'au transporteur. Je pense qu'on peut en conclure facilement qu'il y a bon nombre de camionneurs et des milliers d'expéditeurs. Pouvez-vous imaginer une

[*Text*]

whereby practically these subsidy payments could be made direct to shippers?

Mr. Pickersgill: I think it is rather dangerous to speculate about what the government might put before Parliament, but just thinking of some analogies it does seem to me that you might make a payment for the benefit of a shipper and use the carrier as an agent through which it was made, in the same way as the gasoline tax is collected. I think it would be quite impossible for the government of Ontario or any other province to collect its gasoline tax if you and I and everyone else had to go to some tax office and pay the tax every time we filled our tanks.

Since under the British North America Act provinces can only impose direct taxes, the tax is on me; it is not on the station. Therefore, they have to be appointed tax collectors. If you reverse that it is just conceivable that the carriers could be used as agents but the shipper would be protected by his way bill, or something of that sort, so that he knew he was really getting the benefit.

I am just speculating as to one possible method of accomplishing this aim if this is what the government wants to propose to Parliament and if this is what Parliament thinks should be done.

Mr. Mahoney: I would like to move now into the area of air carriage for a moment. The regional air carriers in other parts of the country now seem to be developing a very rational and efficient system. Has the Commission before it at the present time—and I of course stipulate that these are of public record—any applications from regional air carriers to expand service in the Maritime provinces?

Mr. Pickersgill: By the Maritime provinces . . .

Mr. Mahoney: I am sorry; the Atlantic provinces.

Mr. Pickersgill: Offhand I do not recall any application from a regional carrier to expand any service in the Maritime provinces.

One was very recently granted from Charlottetown, Charlo to Montreal. I do not recall any. There may be, and you could perhaps put that question to Mr. Lewington when he comes, but there are, of course, before us the applications for direct service from Montreal to Goose Bay, which is now served by Air Canada, and from Montreal to Churchill Falls, which is not served non-stop by any carrier.

[*Interpretation*]

situation où ces subventions pourraient être versées directement aux expéditeurs.

M. Pickersgill: Je pense qu'il est assez dangereux de spéculer sur ce que le gouvernement peut présenter au Parlement. Mais par analogie, je pense que vous pouvez faire un paiement à l'avantage d'un expéditeur et utiliser le transporteur comme agent, de la même façon qu'on perçoit la taxe sur l'essence. Il serait impossible pour le gouvernement de l'Ontario ou de toute autre province percevoir cette taxe sur l'essence si chacun devait aller à un bureau des impôts pour payer cette taxe chaque fois qu'il achète de l'essence.

Vu qu'en vertu de l'Acte de l'Amérique du Nord Britannique, les provinces peuvent ne percevoir que des impôts directs, c'est à moi à payer l'impôt et non pas à la station-service. Il faut donc qu'ils jouent le rôle de percepteurs d'impôts. Si l'on renverse la situation, les transporteurs pourraient être utilisés comme agents mais l'expéditeur serait protégé par sa feuille de route ou quelque chose du genre, ce qui lui permettrait de savoir si la subvention lui parvient vraiment.

Enfin, je ne puis que spéculer sur une méthode possible de réaliser ces objectifs si c'est là ce que le gouvernement veut proposer au Parlement et si c'est ce que le Parlement croit qu'il faudrait faire.

M. Mahoney: Maintenant, je voudrais parler du transport aérien. Ces transporteurs régionaux semblent mettre au point un système rationnel et efficace. La Commission est-elle saisie en ce moment—et je présume que c'est du domaine public—d'une demande des transporteurs aériens régionaux en vue d'assurer l'expansion de leur service dans les provinces Maritimes?

M. Pickersgill: Par les provinces Maritimes...

M. Mahoney: Je veux dire les provinces de l'Atlantique.

M. Pickersgill: Je ne saurais vous dire comme cela à pied levé s'il y a un transporteur régional qui a demandé d'étendre ses services dans les provinces des Maritimes.

Une demande a été accordée récemment de Charlottetown, Charlo à Montréal. Je ne me souviens pas. Mais nous sommes saisis de demandes pour le service direct de Montréal à Goose Bay, desservi maintenant par Air Canada, et de Montréal à Churchill Falls qui maintenant n'est desservi par aucun transporteur en vol direct.

[*Texte*]

These applications are before us. I think there are three applicants in the case of the Churchill Falls and—perhaps I should not rely on my memory—there are two or three relative to the Goose Bay matter; and, of course, Goose Bay is now served non-stop by Air Canada, which is another complication.

The dates for the hearings of these applications have not yet been set.

Mr. Mahoney: I think Air Canada is the only main line carrier in the region?

Mr. Pickersgill: Yes.

Mr. Mahoney: Are there any applications from Air Canada, other than the one to which you have referred, to abandon service, if you like, and any in favour of a regional air carrier if one is available?

Mr. Pickersgill: Not that I am aware of. I am not really absolutely sure whether Air Canada has to apply to us. They have a different status from other carriers. They have a contract with the government, and in certain respects we do not exercise the same degree of jurisdiction over Air Canada that we do over other airlines.

Mr. Mahoney: Relative to what I might call Class 3 carriers, are there applications for this type of local service presently outstanding in the Atlantic Provinces?

Mr. Pickersgill: I do not think so, though there may be some in northern New Brunswick. Perhaps I had better not try to recollect. I do not think there are any in any other part of the area except northern New Brunswick; but I do think there are some, which, if they are not formal applications, are at least under discussion.

Mr. Mahoney: Rather than having you try to remember, could we ask you, if they are of public record at this time, to provide the Clerk with a very brief summary of the information in that area?

Mr. Breau: Mr. Chairman, if it will help, I know that a licence was granted not long ago—perhaps two months ago—to a certain company...

Mr. Pickersgill: Yes; but I understood that these were ones that were outstanding. If you would like the recently granted ones, we could give you those, too.

Mr. Mahoney: I would appreciate that.

[*Interprétation*]

Nous sommes saisis de ces demandes et je pense qu'il y a trois demandeurs, pour ce qui est de Churchill Falls, et, si je peux me fier à un mémoire, il y en a deux ou trois pour ce qui est de Goose Bay et bien entendu Goose Bay est desservie en vol direct par Air Canada, ce qui constitue une autre complication. On n'a pas encore déterminé la date à laquelle ces demandes seront examinées.

M. Mahoney: Je pense que la société Air Canada est le seul transporteur principal de la région.

M. Pickersgill: Oui.

M. Mahoney: Y a-t-il des demandes de la part d'Air Canada, autres que celles déjà mentionnées, en vue d'abandonner le service, et d'autres demandes qui seraient en faveur d'un transporteur aérien régional s'il y en a de disponible?

M. Pickersgill: Pas à ma connaissance. Je ne suis pas très sûr si Air Canada doit nous adresser la demande. Leur statut est différent de celui des autres transporteurs. Ils ont un contrat avec le gouvernement et à certains égards, nous n'exerçons pas sur Air Canada le même degré d'autorité que sur d'autres lignes aériennes.

M. Mahoney: Pour ce qui est des transporteurs de la catégorie 3, y a-t-il des demandes en suspens pour ce genre de service local, dans les Maritimes?

M. Pickersgill: Je ne le crois pas. Il se peut qu'il y en ait au nord du Nouveau-Brunswick. Il serait peut-être préférable de ne pas essayer de me rappeler. Je ne crois pas qu'il y en ait dans d'autres régions, d'autres parties de la région, sauf au nord du Nouveau-Brunswick; mais je pense qu'il y en a quelques-unes qui, si elles ne sont pas en bonne et due forme, sont du moins sous étude.

M. Mahoney: Plutôt que d'essayer de vous demander de vous rappeler, est-ce qu'on ne pourrait pas vous demander, une fois de plus, si en ce moment le dossier est rendu public afin de permettre au secrétaire du Comité de rédiger un bref résumé de la question?

M. Breau: Si cela peut aider, monsieur le président, je sais qu'un permis fut accordé il n'y a pas longtemps, peut-être deux mois de cela, à une certaine société...

M. Pickersgill: Oui. Mais c'était des permis qui étaient en surplus. Si vous voulez ceux qui ont été accordés récemment, nous pourrions vous en faire part également.

M. Mahoney: Je l'apprécierais beaucoup.

[*Text*]

The Chairman: Mr. Turner?

Mr. Turner (London East): Mr. Pickersgill, when the order was put out by the Commission did the CNR suggest any way by which they could take care of the employees who were going to be laid off because of this order?

Mr. Pickersgill: In the proceedings I believe there was a good deal of discussion that was not in the judgment. I think perhaps I ought to ask Mr. Taschereau to comment on this.

Mr. Taschereau: It seems to me that there was a reference to the question in the notes for judgment of Commissioner Woodward. I am trying to find them. I have found this passage, if I may read it:

> Evidence was adduced by the Railway that 129 full-time employees would be affected, should the application be granted. This effect on employees was strongly attacked by Mr. Thoms and by other Railway Labour leaders at the hearing. The breakdown of employees was 65 equipment department, 38 sleeping and dining car department, 24 running trades and 2 stores department employees. These employees only hold seniority on the Newfoundland Area of the Canadian National, and although some employees affected may be able to retain employment by the exercise of seniority, it still results in 129 Railway employees being forced out of work either directly or indirectly due to the passenger train discontinuance. The Railway answered the strong protests of the Unions by stating that the company policy of preference of employment, on-the-job training, and normal attrition due to deaths and retirements would help to a considerable degree in alleviating the effect of the passenger train discontinuance. In addition, it was pointed out that a recent Railway-Union job security benefit plan would benefit some employees in the non-operating groups. This agreement takes the form of supplemental unemployment insurance payments, severance pay, relocation allowances, retraining and such other measures as may be appropriate in particular circumstances. These benefits would be available in some degree to 105 of the 129 employees...

If I may go on, it still deals with the same subject:

> .. It is estimated that the bus service would create 57 positions and it is the Railway's hope that most of these positions

[*Interpretation*]

Le président: Monsieur Turner?

M. Turner (London-Est): Monsieur Pickersgill, lorsque l'ordonnance fut émise par la Commission, le National Canadien a-t-il fait savoir comment le problème posé par la mise à pied des employés allait être réglé?

M. Pickersgill: Je crois qu'une bonne partie des délibérations ne figurent pas dans le jugement. Je demanderai donc à M. Taschereau d'y répondre.

M. Taschereau: Je pense qu'il en a été question dans le jugement émis par le commissaire Woodward. J'essaie de retrouver ce passage. Le voici. Permettez-moi de vous le lire:

> Le Chemin de fer a fourni la preuve que 129 employés à plein temps seraient affectés si la demande était accordée. M. Thoms et d'autres chefs syndicaux se sont attaqués avec vigueur, à l'audience, à ce problème des employés. Dans le détail, 65 d'entre eux s'occupent du matériel, 38 sont affectés au service des wagons-restaurants et wagons-dortoirs, 24 font partie du personnel sédentaire et deux sont magasiniers. Ces hommes n'ont d'ancienneté que pour la région terre-neuvienne du Canadien-National et bien que certains employés affectés puissent être réengagés grâce à leur ancienneté, il n'en demeure pas moins que 129 employés des Chemins de fer seront mis en chômage directement ou indirectement à cause de l'abandon du service du train-voyageurs. Répliquant aux vigoureuses protestations des syndicats, le Chemin de fer déclare que la politique de la Compagnie en matière de préférence d'emploi, de formation au travail et des remplacements dus aux décès et aux mises à la retraite aiderait grandement à atténuer l'effet de la suspension du service du train-voyageurs. De plus, on a fait remarquer qu'un régime de sécurité d'emploi adopté récemment sera profitable aux groupes sédentaires. Cet arrangement prend la forme de versements supplémentaires d'assurance-chômage, de paye de cessation d'emploi, d'allocations de réinstallation ailleurs, de recyclage et telles autres mesures appropriées en des circonstances particulières. Ces avantages seraient disponibles dans une certaine mesure à 105 des 129 employés.
>
> On estime que le service d'autobus créerait 57 emplois et le Chemin de fer formule la vœu que la plupart de ces

[*Texte*]

could be properly filled from its existing labour pool, not necessarily from the employees affected by the change, but at least from the Railway, leaving these employees' former positions available to some of those displaced by the discontinuance of the rail service.

Mr. Turner (London East): Are you aware of the fact that they have no seniority on other divisions of the Canadian National Railways? It is all right to say to a man that you will pay him severance pay, but if he is 50 years of age where is he going to go to get a job? The man still has to live, and he is a taxpayer and a consumer.

Mr. Taschereau: If you are putting the question to me, sir, these were the findings of one of the Commissioners, and concurred in by the other Commissioners who sat on the case.

Mr. Turner (London East): I talked with quite a few people in Newfoundland, and I understand it will be closer to 200, and possibly more; and also that the buses would take care of approximately 65. Therefore, we have a great many employees on the loose.

Mr. McGrath: The CNR's estimate is about as accurate as their accounting procedures.

Mr. Turner (London East): I think this order does not go far enough. After all, if a man gives his life to a railway, or any corporation, he should be taken into consideration when they make changes. This is supposed to be a society in which we all benefit through changes, and if various employees are going to be forced out of work through no fault of their own I definitely think the order should be given a second look and these employees given greater consideration.

Mr. Horner: Mr. Chairman, I have quite a list of questions. What would you say, Mr. Pickersgill, about the LCL freight rates in the Maritimes? I gathered that by being allowed to increase their LCL freight rates the railroads are, in a way, getting around the purpose and the intent of the Maritime Freight Rates Act. Does the Commission have any jurisdiction over the setting of LCL freight rates?

[*Interprétation*]

emplois puissent être comblés convenablement à même la réserve de main-d'œuvre existante, pas nécessairement par des employés affecté par le changement, mais du moins par des gens du chemin de fer, ce qui mettrait les emplois de ces anciens employés à la disposition de certains des employés déplacés par la suppression du service ferroviaire.

M. Turner (London-Est): Êtes-vous au courant du fait qu'il n'y a pas d'ancienneté dans d'autres services du National Canadien? Est-il juste de dire à un homme qu'on lui versera une allocation de fin de service? Où voulez-vous qu'un homme de 50 ans aille pour chercher du travail? Si c'est le cas, cet homme doit quand même pouvoir vivre, c'est un contribuable et un consommateur.

M. Taschereau: Si c'est à moi que vous posez la question, monsieur, je dirai que ce sont là les conclusions d'un des commissaires et les autres qui ont siégé étaient d'accord avec lui.

M. Turner (London-Est): J'ai parlé à un bon nombre de personnes à Terre-Neuve et je crois que cette mesure touchera près de 200 personnes et peut-être même plus; les services d'autobus embaucheront peut-être 65 d'entre eux. Donc, il y a bon nombre d'employés qui se trouvent en difficulté.

M. McGrath: Les prévisions du National Canadien sont aussi précises que sa comptabilité.

M. Turner (London-Est): Je pense que cette ordonnance laisse trop à désirer. Après tout, si un homme consacre toute une vie au service de sa compagnie de chemins de fer ou à toute autre société, on devrait en tenir compte. Nous vivons soi-disant dans une société où nous tirons profit de tous les changements, et s'il y a des employés qui doivent perdre leur emploi sans qu'ils en soient responsables, je suis convaincu que l'on devrait réétudier cette ordonnace et réserver un meilleur sort à ces employés.

M. Horner: Monsieur le président, j'ai toute une liste de questions ici. Monsieur Pickersgill, qu'auriez-vous à dire au sujet des tarifs des chargements incomplets dans les Maritimes? J'ai entendu qu'en permettant aux chemins de fer d'augmenter leurs tarifs de chargements incomplets ils contournent en quelque sorte les dispositions de la Loi sur le taux de transport des marchandises dans les Maritimes. L'établissement des tarifs de chargement incomplets est-il de votre compétence?

[*Text*]

Mr. Pickersgill: Yes, we certainly have. We have jurisdiction over these rates to the same extent that we have over any other rates.

I am going to count on Mr. Taschereau to correct me if I make any misstatements of law. My understanding is that LCL is a combination of the old express and the less-than-carload freight rates, and that in most parts of Canada there has been a total combination of the two.

In the Atlantic region, as I understand it, the LCL rates have been put in, but because the old rates have not been abrogated, any shipper who prefers to use the old freight rates has a free choice. If it is to his advantage to use the old freight rate rather than the new LCL rate he can do so, and there are certainly some shippers who do.

That is an interim situation, and it is an interim situation pending the submission, which was made only this week, by the Atlantic Premiers, and pending consideration by the government of that submission.

A long-term policy has not yet been enunciated but the present situation is that a shipper has the choice either to ship by the old freight rates—subject to correction, I think the old express rates are gone entirely—or by the new LCL rates. That choice, I gather, exists only in the Atlantic region.

Mr. Horner: Perhaps I could pursue that a little further. We found a great deal of dissatisfaction with these new rates. As I understand it, they are to come into effect very shortly, and you say there is nothing permanent yet established relative to maintaining the old rates?

Mr. Pickersgill: The new LCL rates are in effect and they are lower than the old express

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rates; but in many cases they are perhaps higher than the old freight rates. The express rates are gone but anybody who would have shipped anything by express now ships it LCL. They sometimes may be coincidental, but often they are rather lower, and the goods go in freight cars; they no longer go in express cars on passenger trains, in most cases. But anyone who wants to avail himself of the rates that were in force before the new LCL rates for the shipping of freight may do so.

[*Interpretation*]

M. Pickersgill: Oui, certainement, nous avons compétence pour ce qui est de ces tarifs tout comme pour ce qui est de tous les autres. Et je vais compter sur M. Taschereau pour apporter la rectification d'usage si je cite mal les dispositions de la loi. Si je comprends bien, les tarifs des chargements incomplets représentent un amalgame des tarifs de l'ancienne messagerie et de ceux des chargements incomplets, et dans la plupart des régions du Canada il y a eu un amalgame des deux. Si je ne me trompe pas, dans la région de l'Atlantique, on a introduit les tarifs des chargements incomplets, mais étant donné que les anciens tarifs n'ont pas été abolis, tout expéditeur qui préfère utiliser l'ancien tarif est libre de le faire. S'il trouve que les anciens tarifs lui conviennent mieux que les nouveaux tarifs de chargements incomplets, il peut y avoir recours, et il y a un bon nombre d'expéditeurs qui le font.

C'est une situation provisoire en attendant la présentation qui n'a eu lieu que cette semaine par les premiers ministres des provinces de la région de l'Atlantique, et en attendant que le gouvernement étudie cette présentation. Une politique à long terme n'a pas encore été énoncée. Mais, à l'heure actuelle, un expéditeur a le choix, soit d'expédier des marchandises en vertu de l'ancien tarif, je pense que l'ancien tarif a disparu, ou en vertu des nouveaux tarifs de chargements incomplets. Ce choix n'existe que dans la région de l'Atlantique.

M. Horner: Je vais pousser la question un peu plus loin. Ces nouveaux tarifs ont provoqué beaucoup de mécontentement. Si je comprends bien, ils seront mis en vigueur d'ici peu et vous dites qu'il n'y a rien de permanent qui ait été décidé pour ce qui est de maintenir les anciens tarifs?

M. Pickersgill: Les nouveaux tarifs de chargements incomplets sont en vigueur et sont inférieurs aux anciens tarifs des messageries; mais dans bien des cas, ils peuvent être supérieurs aux anciens tarifs marchandises. Les tarifs messagerie ont disparu, mais quiconque aurait expédié des marchandises par messagerie, le ferait présentement par chargement incomplet. Ce serait pure coincidence, mais bien souvent les tarifs sont plutôt inférieurs, et les marchandises sont expédiées dans des wagons-marchandises; dans la plupart des cas, elles ne sont plus expédiées dans les wagons-messagerie des trains de voyageurs. Mais quiconque désire se prévaloir des tarifs qui étaient en vigueur avant que le nouveau

[*Texte*]

Mr. Horner: May do so for a limited time.

Mr. Pickersgill: There is no limit on the time. Those rates are still in effect and they will still be in effect until they are changed.

Mr. Horner: What would you say would be the effect of reducing the 10 pound per cubic foot rule to 5 pounds per cubic foot density in setting these LCL rates.

Mr. Pickersgill: I think this would have to be very carefully considered. Perhaps I better not speculate. This is a suggestion being made to the government for a new policy and I think it would be rather unfair on my part to try to guess what the government would decide upon.

Mr. Horner: All right. I have another question. What would you say about the containerization program that is going ahead? We already have, as you know, the flour and grain export factor and a special rate in respect of eastern ports. Do you think that in respect of the containerized goods or unit train system there should also be a special rate because these goods are being exported out of eastern ports? Do you think these should have a rate similar to the one that flour and grain for export have?

Mr. Pickersgill: If I may answer your question, Mr. Horner, with a question: Do you think what I think about this really matters?

Mr. Horner: Oh yes, very much so, because any suggestion the Committee makes you can shoot them full of holes. We are studying the transportation industry and the problems in the Maritimes. You are to police these rates and you can lend this Committee a great deal of support, if the idea is right, or you can knock it.

Mr. Pickersgill: I just do not know about it. I just have to plead ignorance. Perhaps I should have done that in the first place.

Mr. Horner: I think you are hiding behind a shield of ignorance but there is quite a bit of knowledge back there.

Mr. Pickersgill: You have not proved all ny ignorance.

[*Interprétation*]

tarif des chargements incomplets soit mis en vigueur pour l'expédition des marchandises, peut le faire.

M. Horner: Pour une période limitée.

M. Pickersgill: Il n'y a pas de limite de temps. Ces tarifs sont toujours en vigueur et le seront jusqu'à ce qu'ils soient changés.

M. Horner: Quelles conséquences entraînerait, à votre avis, la modification de la règle des dix livres par pied cube pour la porter à une densité de cinq livres par pied cube, pour le tarif des chargements incomplets.

M. Pickersgill: Je pense qu'il faudrait étudier cette question très attentivement. Il serait peut-être préférable de ne pas faire de spéculations à ce sujet. C'est une suggestion faite au gouvernement pour établir une nouvelle politique et je crois qu'il serait injuste d'essayer de deviner ce que le gouvernement décidera.

M. Horner: Très bien. J'ai une autre question à poser. Alors que diriez-vous au sujet du système de cadres qu'on établit? Nous avons déjà, comme vous le savez, le facteur d'exportation de la farine et des céréales et un tarif spécial vers les ports de l'Est. Croyez-vous qu'à l'égard du système de cadres ou des trains homogènes, il devrait y avoir aussi un tarif spécial vu que les marchandises sont exportées par les ports de l'Est? Est-ce qu'il faudrait que le tarif soit analogue à celui de la farine et des céréales exportés?

M. Pickersgill: Si on veut bien me permettre de répondre à votre question par une question. Croyez-vous ce que je pense à ce sujet importe vraiment?

M. Horner: Oui, beaucoup, parce que vous pouvez jeter en l'air toutes les propositions du Comité. Nous étudions l'industrie des transports et les problèmes des maritimes. Vous devez exercer la surveillance de ces tarifs et vous pouvez vraiment appuyer le travail de ce Comité si son idée est bonne, ou encore tout jeter en l'air.

M. Pickersgill: Je n'en sais rien. Je plaide mon ignorance totale, c'est d'ailleurs ce que j'aurais du faire dès le début.

M. Horner: Je pense que vous vous cachez derrière le paravent de votre ignorance mais il y a beaucoup de connaissances derrière tout cela.

M. Pickersgill: Vous n'avez pas encore sondé le fond de mon ignorance.

[*Text*]

Mr. Horner: I am going to probe you on another question. Maritime shippers found a great deal of difficulty in shipping goods to the Newfoundland market. They claim that the rate by water from Montreal to Newfoundland was cheaper than the freight cost from the Maritime provinces to Newfoundland. In light of the intent of the Maritime Freight Rates Act do you think, from your position over all freight rates, that this is fair to the Maritime provinces?

Mr. Pickersgill: I am not sure it is even true and not being sure whether it is true or not, I really could not give an intelligent opinion as to whether it is fair.

Mr. Horner: Would you examine whether or not it is true later on?

Mr. Pickersgill: Oh yes, I think it is a very interesting point that ought to be studied.

Mr. Horner: I think this came up two or three times and I would appreciate your studying it.

I have a question on the compensatory aspect of freight going across to Port aux Basques on the southern tip of Newfoundland.

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Somebody dealt with this question earlier this morning. Can you honestly say that because the railroad is part of the government that they can set their own rate whether or not it is compensatory or otherwise and thereby jeopardize the competitive factor? I am talking about the special rate boxcars get on the ferries going across from Sydney or North Sydney to Port aux Basques.

Mr. Pickersgill: The courts decided that under the terms of union of Newfoundland with Canada that the traffic from Port aux Basques to North Sydney was to be treated as though it was rail traffic, and if the rates would be compensatory if it were a railway then they are, I would take it, compensatory by law. We know perfectly well they are not compensatory in fact because you vote huge sums of money to pay the deficit on that ferry.

Mr. Horner: That is a very good point you just made. I want to refer you to the few debates we had over the passage of this National Transportation Act.

Mr. Pickersgill: Not that.

[*Interpretation*]

M. Horner: Je vais le sonder par une autre question. Les expéditeurs des provinces maritimes éprouvent beaucoup de difficulté à expédier des marchandises au marché de Terre-Neuve. Ils prétendent que le tarif maritime de Montréal à Terre-Neuve est moins élevé que le coût de transport des provinces Maritimes à Terre-Neuve. A la lumière de l'intention derrière la Loi sur le transport des marchandises dans les provinces maritimes, croyez-vous, dans votre poste de surveillance sur l'ensemble des tarifs marchandises, que c'est juste pour les provinces maritimes?

M. Pickersgill: Je ne suis même pas sûr que c'est vraiment la situation et n'étant pas sûr si c'est vrai ou non, je ne saurais vous donner une opinion intelligente à cet égard.

M. Horner: Pourriez-vous vous assurer s'il en est ainsi?

M. Pickersgill: Oui, parce que c'est un point des plus intéressants qui devrait être éudié.

M. Horner: Je crois que c'est revenu sur le tapis à deux ou trois reprises et je vous saurais gré d'étudier la question.

Maintenant, je voudrais poser une autre question sur l'aspect compensatoire des marchandises expédiées à Port-aux-Basques, à l'extrémité sud de Terre-Neuve. Quelqu'un a traité de cette question ce matin. Pourriez-vous dire honnêtement que le chemin de fer fait partie du gouvernement, qu'il peut établir ses propres tarifs, qu'ils soient compensatoires ou non, mettant ainsi en danger l'aspect concurrentiel? Je parle de ces tarifs spéciaux pour les wagons-marchandises qui vont de Sydney ou de North Sydney à Port-aux-Basques par le transbordeur.

M. Pickersgill: Les tribunaux ont décidé qu'en vertu des conditions de l'union de Terre-Neuve au Canada que la route de Port-aux-Basques à North Sydney serait considérée comme s'il s'agissait d'une voie ferrée, et que si les tarifs seraient compensatoires, s'il s'agissait d'un chemin de fer alors j'en conclue qu'ils sont compensatoires aux termes de la Loi. Nous savons très bien qu'ils ne le sont pas en fait parce que vous votez de vastes crédits pour combler le déficit de ce transbordeur.

M. Horner: C'est une excellente observation. Je voudrais vous reporter aux quelques débats que nous avons eus sur l'adoption de cette Loi nationale sur les transports.

M. Pickersgill: Non, pas cela.

[*Texte*]

Mr. Horner: There were a few words said about it. The key to the passage of that Act was competition.

Mr. Pickersgill: That is right.

Mr. Horner: If I checked back I am sure that I could find where you mentioned that on one or two occasions in the House of Commons. Bearing that thought in mind—that competition was going to be the key to efficiency in the transportation industry—let us take another look at the situation in respect of the ferry from North Sydney to Port aux Basques. Can you honestly say that there is any room between the carriers for competition?

Mr. Pickersgill: I really do not think there is. That is one reason, that when I was Minister of Transport I recommended and the government and Parliament both accepted a subsidy to maintain a steamship service between Halifax and St. John's.

We felt that in view of the very considerable factual subsidization of the traffic by Port aux Basques it was not possible to compete profitably on that route and that it would be a mistake to have the link between Halifax and St. John's destroyed. That subsidy is still being paid by the government.

Mr. Horner: Mr. Pickersgill, bearing in mind what you have said, what would you think if this Committee recommended to the government that to maintain the competitive aspect of the transportation industry that the subsidy or the rate on the ferry should apply equally to both modes of transportation either on a square footage or ton basis—and if necessary a subsidy paid to all modes of transportation?

Mr. Pickersgill: Mr. Horner, having regard to my past and having regard to the fact that I am, at any rate, the theoretical author of the Bill—I do not say I am the author of the Act because you are one of the authors of that Act—

Mr. Horner: But not as much as I would have liked to have been.

Mr. Pickersgill: —and since the principle of competition as the most effective method of regulation is in that Bill, I can tell you I have not changed my mind.

Mr. Horner: Fine, thank you. I appreciate your view in that and I am sure that will substantiate our argument to the government.

[*Interprétation*]

M. Horner: On en a parlé un peu. La clé de l'adoption de cette Loi était la concurrence.

M. Pickersgill: C'est juste.

M. Horner: Je pense qu'en cherchant je pourrais retrouver les passages où vous en avez parlé une fois ou deux à la Chambre des Communes. Donc, en tenant compte de cela, que la concurrence serait la clé de l'efficacité de l'industrie des transports, voyons maintenant de nouveau la situation du transbordeur de North Sydney à Port-aux-Basques. Pouvez-vous dire honnêtement est-ce qu'il y a possibilité d'avoir de la concurrence entre les transbordeurs?

M. Pickersgill: Non, je ne le crois pas. C'est une des raisons pour lesquelles, lorsque j'étais ministre des Transports j'ai recommandé, et le gouvernement et le Parlement ont accepté de noter une subvention pour maintenir un service maritime entre Halifax et St-Jean.

Nous étions d'avis que vue la subvention considérable accordée au transport vers Port-aux-Basques, il n'était pas possible de concurrencer de façon rentable sur ce parcours et que ce serait une erreur de retirer le lien entre Halifax et St-Jean. Cette subvention est toujours payée par le gouvernement.

M. Horner: Tenant compte de ce que vous avez dit, monsieur Pickersgill, que penseriez-vous si le Comité recommandait au gouvernement qu'en vue de maintenir l'aspect concurrentiel de l'industrie des transports, que cette subvention ou encore ce tarif devrait s'appliquer aux deux modes de transport, en calculant soit par pied cube ou encore selon le tonnage, et s'il le faut, qu'on accorde une subvention à tous les modes de transport.

M. Pickersgill: Monsieur Horner, considérant mon passé et tenant compte aussi du fait que je suis au moins l'auteur théorique du projet de loi—je ne dis pas que j'ai rédigé la Loi même, parce que vous êtes un des auteurs de la Loi.

M. Horner: Pas autant que j'aurais voulu l'être.

M. Pickersgill: Étant donné que le principe de la concurrence comme le moyen le plus efficace de réglementer est exprimé dans le projet de loi, je vous assure que je n'ai pas changé d'idée.

M. Horner: Très bien, merci. Je comrends votre point de vue et je suis sûr que cela nous permettra d'avoir des preuves à l'appui lorsque nous ferons des recommandations au gouvernement.

[*Text*]

I have one further question. There was evidence found in Newfoundland that loaded boxcars starting out from Port aux Basques

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travelled across the province to St. John's and in most cases went back empty. We had many submissions before us stating that on these empty boxcars going back there was an exorbitant high freight rate which pretty well prohibited anybody from using them. Has this been brought to your attention as the head of the CTC.

Mr. Pickersgill: I would think that whoever set the rates in the railway ought to have his head read if he put the rates so high that he could not get traffic, if there was any traffic to be got, as long as the rate was compensatory in the strictly legal sense. A lot of people allege that the freight rates are prohibitive, but an allegation is not always a fact. I cannot believe that the CNR are deliberately trying to lose business.

Mr. Horner: We have submissions to that effect and I wanted your opinion on it.

One further question with regard to air service. Is there a figure that you use with regard to the movement of population before a regional carrier is given landing rights into another town or city? Is there a figure for the air movement of 20,000 or 50,000 people? Is there a figure which you use as a key or as a guide in this respect?

Mr. Pickersgill: I do not think so. I think we try to make a general appraisal of whether the service is likely to succeed. It is not very good for anybody if a service is started and people get accustomed to using it, and then it goes bankrupt and stops.

Mr. Horner: I am talking about initiating a new service.

Mr. Pickersgill: So am I.

Mr. Horner: I had understood that the movement of 30,000 people—

Mr. Pickersgill: I am allergic to that figure.

Mr. Horner: But it has been used as a rule of thumb.

Mr. Pickersgill: Not to my knowledge.

Mr. Horner: Not to your knowledge.

[*Interpretation*]

Une dernière question. A Terre-Neuve, on a constaté que les wagons de marchandises qui partent de Port-aux-Basques traversent la province jusqu'à St-Jean et retournent vides dans la plupart des cas. Un bon nombre des mémoires présentés protestent contre le fait que le tarif est très élevé sur ces wagons de marchandises vides, ce qui empêche pratiquement les gens de s'en servir. Je me demande si on a attiré votre attention à ce problème en tant que président de CCT.

M. Pickersgill: Je dirais que la personne qui a établi le tarif devrait peut-être se faire examiner la tête, si elle a fixé un tarif si élevé qu'il n'y a plus de trafic, si jamais il y en a eu, aussi longtemps que le taux est compensatoire, au sens strictement juridique. Plusieurs prétendent que les tarifs de transport des marchandises sont prohibitifs, mais ce n'est pas nécessairement un fait. Je ne peux pas croire que le CN essaie délibérément de perdre ses clients.

Nous avons des mémoires à ce sujet, et je voulais avoir votre opinion là-

M. Horner: Nous avons des mémoires à ce sujet, et je voulais avoir votre opinion là-dessus.

Une dernière question en ce qui concerne le service aérien. Y a-t-il un chiffre que vous employez vis-à-vis les mouvements de population, avant d'accorder les droits d'atterrissage à un transporteur aérien dans une ville? Est-ce 20,000 ou 50,000 personnes? Est-ce qu'il y a un chiffre qui vous guide à ce sujet?

M. Pickersgill: Je ne le crois pas. Je crois que ce que nous essayons de faire, c'est une évaluation générale afin de savoir si le service pourrait réussir. Car ce n'est pas tellement agréable pour quelqu'un si on lance un service, que les gens s'habituent ensuite à l'utiliser, puis qu'il fasse faillite.

M. Horner: Je parlais de l'installation d'un nouveau service.

M. Pickersgill: Moi aussi.

M. Horner: J'avais compris que le chiffre de 30,000 personnes...

M. Pickersgill: Je suis allergique à ce chiffre.

M. Horner: Oui, mais il servit de méthode empirique.

M. Pickersgill: Pas à ma connaissance.

M. Horner: Pas à votre connaissance?

[*Texte*]

Mr. Pickersgill: It may be but I have never heard it.

Mr. Horner: You have never heard it, and no figure like it.

Mr. Pickersgill: No.

The Chairman: Mr. Marshall.

Mr. Pickersgill: I do not know everything, you know.

Mr. Horner: I suspect you know a lot more than you are giving out.

Mr. Marshall: Mr. Pickersgill, I am concerned about the discontinuance of Clarke Steamships' service to Botwood. I am also concerned about the fact that the last trip of Clarke Steamships to Corner Brook will be on March 24. Are you aware of this? Also, what is the situation with regard to subsidies to Clarke Steamships?

Mr. Pickersgill: Mr. Marshall, I think this is rather directly related to the question that Mr. Horner asked a moment or two ago about whether or not the rates to Newfoundland by Port aux Basques are such that it is impossible for anyone to operate a competitive direct steamship service to Montreal. I know this matter is under very active consideration at the present moment but I do not think any conclusion has been reached on it.

Mr. Marshall: Are Clarke Steamships going to get a subsidy next year?

Mr. Pickersgill: I am here to tell you what I know, not to make predictions.

Mr. Marshall: This concerns me very greatly because, as you know, $1 million is allotted in the estimates for harbour development in Corner Brook. I am wondering about this because the CNR have a dock and Bowaters have a dock. The dock was primarily for Clarke Steamships and other carriers.

Mr. Pickersgill: I would hope that in the interests of transportation and in the interests of Newfoundland that there will continue to be a service between Corner Brook and Montreal. I think there will be adequate traffic for such a service and I hope there will continue to be a service.

Mr. Marshall: Thank you.

The Chairman: Mr. Rose.

[*Interprétation*]

M. Pickersgill: Peut-être, mais je ne l'ai jamais entendu.

M. Horner: Non? Et pas d'autres chiffres non plus?

M. Pickersgill: Non.

Le président: Monsieur Marshall.

M. Pickersgill: Je ne connais pas tout, vous savez.

M. Horner: Je crois que vous en savez beaucoup plus que vous ne voulez le dire.

M. Marshall: Monsieur Pickersgill, je me préoccupe aussi de la discontinuation du service de la *Clarke Steamship* jusqu'à Botwood et aussi du fait que le dernier voyage de la Clarke Steamship à Corner Brook se fera le 24 mars. Etes-vous au courant de cela? Et, quelle est la situation en ce qui regarde les subventions données à la Clarke Steamship?

M. Pickersgill: Cela, monsieur Marshall, est directement relié à la question que vient de poser M. Horner, il y a un instant, quant à savoir si les taux à Terre-Neuve, en passant par Port-aux-Basques, sont tels qu'il est impossible pour quiconque d'avoir ou d'assurer un service concurrentiel, soit un service de navires à vapeur en direct jusqu'à Montréal. Je sais que cette question fait l'objet d'une étude très active à l'heure actuelle, mais je ne crois pas qu'on en soit arrivé à des conclusions.

M. Marshall: Est-ce que la *Clarke Steamship* recevra une subvention l'an prochain?

M. Pickersgill: Je suis ici pour vous dire ce que je sais, non pas pour faire des prédictions.

M. Marshall: Cela me préoccupe beaucoup car, comme vous le savez, dans les prévisions budgétaires, on a prévu un million de dollars pour Corner Brook, et je me posais des questions à ce sujet, étant donné que le National-Canadien emploie le quai, de même que la Bowaters, alors que le quai était destiné tout d'abord à la Clarke Steamship et à d'autres compagnies.

M. Pickersgill: J'espère que, dans les intérêts des transports et dans les intérêts de Terre-Neuve, on continuera à avoir un service entre Corner Brook et Montréal. Je crois qu'il y aurait suffisamment de trafic pour un tel service et j'espère que le service continuera.

M. Marshall: Merci.

Le président: Monsieur Rose?

[*Text*]

Mr. Rose: I would like to go back, Mr. Chairman, to the line of questioning pursued by Mr. Horner having to do with the word "competition". However, before that he mentioned that he felt the subsidies perhaps should not be directed to the carrier but to the shipper. My concern, when you consider the low standard of living for many people in that area, is that the subsidies should in turn reach the consumer and I am not convinced that this happens.

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I think it is very important that there be a competitive transportation line within the Maritime Provinces, and we have heard some representations in favour of extending the MFRA rates to trucks under part 3 of the Act.

I also understand that the intraprovincial as well as the interprovincial trucking situation is a virtual monopoly in the Maritimes and that the public utilities commission of Nova Scotia has turned down truck line applications from Ontario and Quebec from companies that wish to operate within the boundaries of the Atlantic provinces. In my opinion it really does not make sense to praise the concept of competition on the one hand and disallow it on the other, through a provincial regulation. I would like your comments on this.

Mr. Pickersgill: Most respectfully, sir, I think I will have to refrain from making any comments on how the government of Nova Scotia administers the Province of Nova Scotia, or how the government of any other province administers its affairs, because I think it would be the highest degree of impropriety for me as a federal public servant to comment on the conduct of provincial governments or provincial government bodies.

However, you raised another point, Mr. Rose, which I would like to comment on. If you read the report of the Duncan Commission you will see that the purpose of the aid that was furnished for transportation to the then Maritime Provinces, which were extended in 1949 to include Newfoundland, was not for the purpose of reducing prices to consumers. It was for the purpose of giving the producers in the Maritime Provinces, and later the Atlantic Provinces, access to the markets of central Canada, which in the case of New Brunswick and Nova Scotia they felt was one of the undertakings of the original

[*Interpretation*]

M. Rose: J'aimerais revenir, monsieur le président, aux questions posées par M. Horner, qui avaient trait à l'expression «concurrence». Il a mentionné avant cela, toutefois, qu'il croyait que la subvention ne devrait peut-être pas être accordée aux transporteurs, mais à l'expéditeur. Personnellement, quand vous considérez le bas niveau de vie des gens de cette région, je me demande si cette subvention ne devrait pas être versée directement aux consommateurs. Je ne suis pas convaincu du fait que cela se produit.

Je crois qu'il est important d'avoir un mode de transport concurrentiel dans les provinces Maritimes, et nous avons entendu des représentations pour étendre aux camions les tarifs de transport des marchandises, en vertu de la partie 3 de la Loi.

Mais, j'ai cru comprendre aussi que la situation du camionnage provincial, ainsi que interprovincial, se trouve à être un monopole dans les provinces Maritimes et que la Commission des services publics de la Nouvelle-Écosse a refusé des demandes de camionneurs de l'Ontario et du Québec, afin de pouvoir assurer une exploitation à l'intérieur des limites des provinces atlantiques. Et alors, je trouve que cela n'a pas de sens que d'essayer de faire état de la concurrence d'une part et, ensuite, de ne pas permettre cette concurrence grâce à une réglementation provinciale; j'aimerais avoir vos commentaires à ce sujet.

M. Pickersgill: Je crois qu'en tout respect, il faudrait que je m'abstienne de commenter la façon dont le gouvernement de la Nouvelle-Écosse ou toute autre province administre ses affaires, car je ne devrais pas, à titre de fonctionnaire fédéral, commenter la conduite des gouvernements provinciaux ou des organismes de ces gouvernements provinciaux.

Toutefois il y a un autre point que vous avez soulevé, monsieur Rose, et je voudrais bien dire quelque chose à ce sujet. Si vous lisez le rapport de la Commission Duncan, vous y verrez que l'objet de l'aide donnée aux transports, dans les provinces Maritimes d'alors, et en 1949 cela a été étendu aussi à Terre-Neuve, n'était pas accordée aux fins de réduire les prix au consommateur, mais plutôt pour donner aux producteurs des provinces Maritimes et plus tard des provinces atlantiques un accès aux marchés du centre du Canada. On estimait à ce moment-là qu'il s'agissait d'un engagement de la Confédéra-

[*Texte*]

Confederation of 1867 and it was a condition of the union with Prince Edward Island in 1873 and of the union with Newfoundland in 1949.

In other words, to the best of my knowledge up to now it has never been a part of public policy. I am not saying whether this is meritorious or not, I am just trying to be historical about it. It has never been the policy up to now to try to subsidize consumers. The purpose of the Maritime Freight Rates Act, which emanated from the Duncan Commission, is to make it easier for producers in the Atlantic Provinces to get access to the big markets of central Canada. That is the objective, and I think if you look at submissions made by the four Atlantic premiers you will find that is still the prime objective in the region.

Mr. Rose: I would like to congratulate you, Mr. Pickersgill, on your fine sense of tact in that you would not presume to comment on any decision reached by the Nova Scotia government. But certainly, sir, I think we can all agree—and you will notice I am not asking you to agree—that the ultimate reason for any kind of subsidy on transportation is to assist the people in the region. This is what the exercise is all about, is it not? I hope it is.

I am pleased with your response but the nod you made will not go on the record. Nevertheless, it appears to me that transportation—although this is what we are sitting here for—is really only one part of the whole basic problem and perhaps we are involving ourselves in a patchwork or a partial investigation, and perhaps we can broaden it in another way.

As a final comment, this matter of subsidies to either shippers or carriers has come up time and time again and this is what the MFRA rate is all about, whether you call it a subsidy or not, in the same way that low wages are a hidden subsidy. They are subsidies, no matter how you look at it. But certainly there must be some industries down there that do need these subsidies.

Has the CTC ever had any representtions before it, or have they ever considered as a body, any kind of selective subsidy to those industries that need it for social objectives?

[*Interprétation*]

tion de 1867, dans le cas du Nouveau-Brunswick et de la Nouvelle-Écosse, et se trouvait aussi à être l'une des conditions de l'union avec l'Île-du-Prince-Édouard, en 1873, et avec Terre-Neuve, en 1949.

Autrement dit, au mieux de ma connaissance, cela n'a jamais été partie de la politique publique jusqu'à maintenant. Je ne dis pas que cela est sage ou non ou a du mérite ou non; j'essaie tout simplement de vous faire l'historique. Jusqu'à maintenant, on n'a jamais eu comme politique l'idée de subventionner le consommateur. L'objet de la Loi sur les taux de transport des marchandises dans les provinces Maritimes, qui découle du rapport de la Commission Duncan, voulait assurer, ou voulait faciliter, pour les producteurs des provinces atlantiques, l'accès aux gros marchés du centre du Canada. Voilà l'objectif principal. Je crois que si vous examinez les mémoires présentés par les quatre premiers ministres des provinces atlantiques, vous verrez que c'est là toujours le principal objectif dans la région.

M. Rose: Je voudrais vous féliciter, monsieur Pickersgill, pour le tact dont il a fait preuve en refusant de commenter une décision du gouvernement de la Nouvelle-Écosse. Mais je crois que nous sommes tous d'accord—et veuillez remarquer que je ne vous demande pas d'être d'accord—que la raison ultime d'une subvention, c'est pour aider les gens de la région; en fait, c'est la raison pour laquelle on agit, n'est-ce pas? Je l'espère.

Je suis content de votre réponse, mais votre geste de la tête ne figuera pas dans le compte rendu. Il me semble toutefois que les transports, même si c'est la raison pour laquelle nous siégeons aujourd'hui, ne sont qu'une seule partie du problème d'ensemble, et que peut-être nous essayons de remédier ou d'enquêter partiellement, alors que nous pourrions peut-être élargir notre champ d'enquête.

Un dernier commentaire; cette question, maintenant, de subventions, soit aux expéditeurs, soit aux transporteurs, a été soulevée à maintes reprises. Et c'est la raison d'être du tarif prévu par la Loi sur les taux de transport des marchandises dans les Maritimes, qu'on l'appelle subvention ou non, de la même façon que les bas salaires sont des subventions déguisées. Ce sont des subventions, peu importe comment on les envisage.

Mais certainement, il doit y avoir des industries qui n'ont pas besoin de subventions dans cette région.

Est-ce que la Commission canadienne des transports a déjà reçu des mémoires, ou est-ce qu'elle a déjà étudié la possibilité d'établir des subventions sélectionnées pour les

[*Text*]

Like the Newfie Bullet in Mr. Givens comment, this traditionally has been one of the basic reasons for rail lines that might run at a loss or might run into areas where they are perhaps not needed. You can call them political if you like, but they are really social objectives.

Mr. Pickersgill: Of course, a great deal of consideration has been given all through the history of Canada to the provision of transport which is not remunerative—I accept your adjective, "for social purposes" and—when I was the Minister of Transport I announced a policy for regional air carriers. I announced that certain subsidies would be given to enable air services to be provided to remote regions of this country of which there are a good many, not merely in the Atlantic Provinces but in many parts of the country.

I do not think there is any province that does not have some remote regions, except possibly Prince Edward Island.

Of course these things have to be considered and I think one has to consider them in a practical sort of way. If one lonely trapper wants to locate himself in the middle of Ungava I think it would scarcely be regarded as a useful public objective to see that he got public transport. You know, I am going to one quite ridiculous extreme and one has to make judgments about these, I think.

In our research division we are attempting to study these problem and trying to examine them from a cost benefit standpoint and not a narrow financial cost benefit standpoint, so that we will be in a position so far as transport goes to advise the government when we are asked to do so as well as we can about what is the most effective way of doing these things at the least cost to the taxpayers where there is a good social reason.

Mr. Rose: I realize my question was rather vague, unwieldy and meandering but I wish you would comment, if you will, on the concept of selective subsidies.

Mr. Pickersgill: Concerning the comment of the Atlantic Premiers, I take it that you have not had time yet to read their submission, but I do recommend it to all the members of the Committee. It is a very interesting and thoughtful document and they do make some very interesting suggestions indeed on this precise subject.

[*Interpretation*]

industries qui en auraient besoin pour des fins sociologiques. Par exemple, le *Newfie Bullet* mentionné par M. Givens, traditionnellement cela a été une raison pour les chemins de fer qui pourraient subir des pertes dans des régions où ce n'est peut-être pas nécessaire. Dites peut-être que c'est pour des raisons politiques, mais en fait, il s'agit d'objectifs sociaux.

M. Pickersgill: Évidemment, on a accordé au cours de l'histoire du Canada beaucoup d'importance à un mode de transport qui n'est pas rénumérateur et par conséquent, j'accepte votre propos, à des fins sociologiques. Quand j'étais ministre des Transports j'avais annoncé une politique pour les transporteurs aériens régionaux. J'avais annoncé que certaines subventions seraient accordées pour permettre aux services aériens d'assurer un service dans les régions éloignées de ce pays. Il y en a beaucoup, pas simplement dans les provinces de l'Atlantique mais dans plusieurs régions du pays.

Je ne crois pas qu'il y ait une seule province qui n'ait pas de régions éloignées, sauf peut-être l'Île du Prince-Édouard. Évidemment, il faut tenir compte de ces choses et l'on doit en tenir compte du point de vue pratique aussi. Si un seul trappeur veut s'installer au beau milieu de l'Ungava, je crois qu'on aurait beaucoup de difficultés à dire qu'il s'agit là d'un objectif public que de lui assurer un transport. Je donne un exemple extrême si vous voulez et ridicule mais il faut en arriver à des jugements.

Dans notre service de recherches, nous essayons d'étudier ces problèmes et nous essayons aussi de les examiner au point de vue de l'analyse des coûts et des frais et non pas de façon étroite, afin que nous soyons en mesure en ce qui concerne les transports d'aviser le gouvernement, on nous demande de le faire du mieux que l'on peut, quant à la meilleure façon d'effectuer ces choses aux moindres frais pour le contribuable là où il y a une bonne raison sociale de le faire.

M. Rose: Je conçois que ma question était plutôt vague et filandreuse mais est-ce que vous pourriez commenter sur les subventions sélectionnées?

M. Pickersgill: Pour ce qui est de cette observation de la part des premiers ministres des provinces de l'Atlantique, je comprends que vous n'ayez pas eu le temps de le lire, mais je vous recommanderais fortement aux membres du Comité de lire ce document qui est très intéressant, très réfléchi. Les premiers ministres font des suggestions très intéressantes sur ce sujet précis.

[*Texte*]

But there is just one other observation that perhaps you would not mind my making, Mr. Rose. It seems to me that there are two ways in which you could theoretically help the people of a region by reducing transport costs below a financial viable level. One is with a view to reducing the cost of consumer goods. So far as I can recollect, that has never been done consciously and deliberately in any part of Canada except possibly in the extreme north, and I am not quite sure about that.

Whether it should be or not is a very big philosophical question but there is no question whatever that if you use subsidies on transport for the purpose of enabling producers to get access to markets, this is one device for increasing employment in an area, increasing the income of the people employed in an area. Now, it is like all these devices that interfere with the free play of economic forces in the old fashioned nineteenth century way. You have to look at them very carefully and examine their teeth to see whether they really bite and see who they bite, but this is the fundamental principle, it seems to me, on which the Maritime Freight Rates Act was based.

Mr. Rose: I am very pleased with your very thoughtful and comprehensive reply. In conclusion I would like to make a comment. My particular concern is that the money that is spent on transportation subsidies is not frittered away...

An hon. Member: Hear, hear!

Mr. Rose: ...to become a sort of social welfare program for industrialists, and that the people in the communities in the areas where these subsidies are operative receive an ultimate benefit from them.

An hon. Member: Hear, hear!

Mr. Pickersgill: Well, may I make a comment too? I am one of those people who was brought up in the bush in the poorer part of northern Manitoba and I do not like to see money frittered away for any reason.

Mr. Horner: Just one quick question, Mr. Chairman. In relation to the railroad in Newfoundland, that railroad before Confederation being solely within that country, if they had joined Confederation and not given the railroad to the CNR to run, would your Commission have any jurisdiction over a railroad solely within the province?

[*Interprétation*]

Il y a peut-être une autre observation que vous n'auriez peut-être pas d'objection que je vous signale, monsieur Rose. Il me semble qu'il y a deux façons d'aider, théoriquement, les gens d'une région donnée, en réduisant les frais de transport au-dessous d'un niveau financièrement viable. L'une de ces méthodes, vise à réduire les frais des biens de consommation. Autant que je me souvienne, cela n'a jamais été fait consciemment et délibérément dans aucune partie du Canada, sauf peut-être dans le Nord, et encore je n'en suis pas sûr.

Que l'on doive le faire ou non, voilà une question philosophique importante, mais il n'y a pas de doute toutefois que si on utilise des subventions aux transports aux fins de permettre aux producteurs d'obtenir un accès au marché, c'est un moyen d'augmenter l'emploi dans une région donnée et d'augmenter les revenues des gens qui sont employés dans cette région. C'est comme tous ces moyens que l'on emploie et qui interfèrent avec le libre jeu des forces économiques. Il faut les examiner attentivement pour voir quelle est leur force et qui cette force affecte, et voilà il me semble la base même de la loi sur les taux de transports des marchandises dans les provinces Maritimes.

M. Rose: Je suis très heureux de votre réponse, très complète. En conclusion, je voudrais formuler une observation. Ma préoccupation principale c'est que l'argent que nous dépensons pour les subventions du transport n'est pas gaspillé...

Une voix: Bravo! Bravo!

M. Rose: ...pour devenir une sorte de programme de bien-être social pour les industriels et que les gens dans les collectivités dans les régions où l'on trouve ces subventions reçoivent un avantage ultime de ces subventions.

Une voix: Bravo! Bravo!

M. Pickersgill: Permettez-moi de faire une observation moi aussi. Je suis l'un de ceux qui ont été élevés dans la brousse des régions pauvres du Nord du Manitoba et je n'aime pas du tout voir l'argent gaspillé que ce soit pour n'importe quelle raison.

M. Horner: Une dernière question très brève monsieur le président. En ce qui concerne les chemins de fer de Terre-Neuve, avant la Confédération, ce chemin de fer ne se trouvait qu'à l'intérieur de la province; supposons qu'il se soit joint à la Confédération, et n'ait pas remis l'exploitation de ses chemins de fer au Canadien National, est-ce que vous auriez compétence sur les chemins de fer de cette province?

[*Text*]

Mr. Pickersgill: Well, if the railway had remained the property of the government of Newfoundland which, on March 31, 1949 at midnight became a provincial government, it would then have been a provincial railway and wholly within the boundaries of a province and would not have been subject to the Railway Act unless it had been brought under the Railway Act. In other words, it would have been like the PGE or the Ontario Northland Railway.

Mr. Horner: And your Commission has no jurisdiction over those railroads?

Mr. Pickersgill: That is right.

Mr. Skoberg: Mr. Pickersgill, on our tour Mr. K. C. Irving appeared before us and made a few statements in his brief that concerned me considerably. He suggested that they cannot get enough rail cars to move wood chips and lumber at any price. Now, I realize this can be associated with the grain situation and the allocation of boxcars and I presume the same thing would apply, that your Commission would be responsible if you have a complaint to see where these cars are. Now, I am asking whether or not you have received any complaint from K. C. Irving about the lack of cars to move his wood chips?

Mr. Pickersgill: I have not personally. There may have been some complaints in the ordinary course to the Railway Transport Committee. If there were they would certainly be looked into. I have been told in the last few days that there has been a very marked shortage of boxcars in southern New Brunswick, not related to wood chips, but consequent upon the extraordinary expansion of traffic through the port there which is related, I believe, to some labour troubles in some other parts of the world.

Mr. Skoberg: Another statement that Mr. Irving made to the Committee is that when the CNR was faced with competition they reduced their rates to meet that competition, to undercut the competition, to eliminate it. Now, can the CNR reduce their rates without coming before your Commission?

Mr. Pickersgill: As long as they remain compensatory, yes.

Mr. Skoberg: Do you take into consideration the facts that Mr. Irving is stating here? He is referring to competition?

Mr. Pickersgill: You did not think of asking Mr. Irving if he ever reduced his rates to meet competition?

[*Interpretation*]

M. Pickersgill: Si le chemin de fer était resté la propriété du gouvernement de Terre-Neuve le 31 mars 1949 alors qu'il devenait un gouvernement provincial, le chemin de fer aurait été un chemin de fer provincial entièrement à l'intérieur des limites d'une province et par conséquent n'aurait pas relevé de la loi sur les chemins de fer, à moins d'avoir été ajouté à la loi, en d'autres termes, il aurait été comme le PGE ou le Ontario Northland.

M. Horner: Et votre Commission n'a aucune autorité sur ces chemins de fer?

M. Pickersgill: C'est exact.

M. Skoberg: M. Pickersgill, M. K. C. Irving a paru devant nous et a fait quelques observations dans son mémoire qui me préoccupent particulièrement. Il a suggéré qu'on ne pouvait pas obtenir suffisamment de voitures pour le transport des copeaux et du bois, à n'importe quel prix. J'imagine que cela s'applique aussi à la situation des grains et des wagons marchandises, mais j'imagine que vous avez la responsabilité de savoir où se trouvent les wagons. Avez-vous reçu des plaintes de la part K. C. Irving en ce qui concerne le manque de wagons pour le transports de ses copeaux.

M. Pickersgill: Pas moi personnellement. Il se peut qu'il ait eu des plaintes auprès du comité des transports ferroviaires. S'il y en a eu, elles seront certainement examinées. On m'a dit que depuis quelques jours, il y avait un manque critique de wagons de marchandises dans le sud du Nouveau-Brunswick non pas pour les copeaux, mais en raison de l'extraordinaire expansion du trafic dans les ports qui est, je pense, le résultat de certains conflits ouvriers ailleurs dans le monde.

M. Skoberg: Autre chose que M. Irving nous a dit, c'est que quand la National-Canadien a eu à faire face à une concurrence, il a réduit ses prix pour essayer d'égaler la concurrence. Est-ce que le CN peut réduire ses tarifs sans comparaître devant votre Commission?

M. Pickersgill: Aussi longtemps que les taux restent compensatoires, oui.

M. Skoberg: Tenez-vous compte de ce que M. Irving a dit en parlant de la concurrence?

M. Pickersgill: Avez-vou pensé à demander à M. Irving s'il avait réduit ses taux pour faire face à la concurrence?

[*Texte*]

Mr. Skoberg: He suggested to us, I believe, that he had to build his own facilities because he could not obtain the proper service. Another of his statements that concerned me somewhat—and I do not know how you pronounce this name—is the removal of the Buctouche service by the CNR. Now, he said that verbal assurances were given on behalf of the various levels of government that adequate service would be provided. I am wondering whether they made an appearance before the Commission at any time before the removal of this service?

Mr. Pickersgill: The Buctouche branch was removed before there was any Commission. It was an application before the Board of Transport Commissioners at the time, I think, when I was Minister of Transport and it was understood that it would not be abandoned without a payment to the government of New Brunswick to help them to build a highway. That payment was duly voted by Parliament and made to the government and I have no doubt whatever it was spent on the highway and that there is a much better highway as a result.

Mr. Skoberg: In other words, the final statement of Mr. Irving, when he said these commitments have not been honoured, is not particularly correct in fact.

Mr. Pickersgill: Every commitment of which I am aware that was made to the Government of New Brunswick and every order of the Board of Transport Commissioners of which I am aware has been carried out to the full in respect of that particular branch.

Mr. Skoberg: I want to revert very briefly to the Board's decision on the Newfoundland passenger service. We realize April 15 is coming up very shortly. Could there be an indication from you, Mr. Pickersgill as President of the CTC, whether or not the RTC will look at this application and render a decision very shortly in order to assist this Committee in determining what type of recommendation we may make?

Mr. Pickersgill: There is no question whatever, as Mr. Taschereau has indicated by reading the order, that the railway committee has a duty to deal with with this matter before April 15.

Mr. Skoberg: But you appreciate the fact that this Committee has to render a report to Parliament and as such this may be one of the situations we will be looking at, and if there is a decision by the Commission in regard to the retention or discontinuance of

[*Interprétation*]

M. Skoberg: Il nous a dit, je crois, qu'il avait dû construire ses propres installations parce qu'il ne pouvait pas obtenir de service adéquat. Une autre déclaration de M. Irving et je ne sais pas comment vous prononcez ce nom mais je crois que c'est l'élimination du service Buctouche par le CN. Il a dit qu'il y avait eu des assurances orales de la part des divers niveaux du gouvernement à l'effet qu'on continuerait un service adéquat. Je me demande si ces gens ont comparu devant la Commission avant que ce service ne soit supprimé?

M. Pickersgill: La division de Buctouche a été éliminée avant l'existence même de la Commission. C'était une demande faite auprès des Commissaires des transports du Canada au moment où j'étais ministre des Transports. Il était entendu qu'on n'abandonnerait pas le service sans qu'il y ait un paiement de la part du gouvernement du Nouveau-Brunswick pour aider à la construction d'une route. Ce paiement a été voté par le Parlement et a été effectué au gouvernement du Nouveau-Brunswick et je n'ai aucun doute qu'il est été dépensé pour la grand-route et que la grand-route est bien meilleure.

M. Skoberg: En d'autres termes, la dernière déclaration de M. Irving, portant que les engagements n'ont pas été honorés, n'est pas tellement exacte de fait.

M. Pickersgill: Tout engagement pris à l'endroit du gouvernement du Nouveau-Brunswick at toute ordonnance de la Commission des transports du Canada, à ma connaissance, ont été pleinement honorés en ce qui concerne cette direction particulière.

M. Skoberg: Je veux revenir maintenant à la décision de la Commission au sujet du service voyageurs de Terre-Neuve. Nous savons que le 15 avril s'en vient très vite. Est-ce que, monsieur le président de la Commission canadienne des transports, vous pourriez nous dire si le Comité du transport ferroviaire examinera cette demande et prendra une décision sous peu afin d'aider notre Comité dans la formulation de nos recommandations?

M. Pickersgill: Il n'y a pas de doute du tout, M. Tachereau vous l'a déjà di en vous donnant lecture de l'ordonnance, que le Comité du transport ferroviaire a le devoir d'étudier cette question avant le 15 avril.

M. Skoberg: Mais vous comprenez que notre Comité doit rendre un rapport au Parlement et que cela pourrait être une des situations que nous étudierons. S'il y a une décision de la part de la Commission à l'égard de la continuation ou la discontinuation du ser-

[*Text*]

the passenger service it would have a great bearing on our report. I would ask that you take this into consideration.

Mr. Pickersgill: Obviously, the first duty we have is to make sure that all the presentations that are before the Commission and all the investigations that the Commission itself undertook to make are properly carried out and these should not be skipped. But I certainly will take into account the suggestion you have made.

In this context perhaps you might permit me to add that there has been the most dramatic increase in passenger traffic on the Canadian National Railways in Newfoundland since December. The traffic, for example, in December was up 48 per cent from December a year ago, in January it was up 97 per cent, and in February it was up 121 per cent. If you would like a breakdown for February as between the train and the bus, there were 1,494 passengers on the train and 6,068 on the bus.

Mr. McGrath: How many buses a day were there for that period?

Mr. Pickersgill: I just do not happen to have that information.

Mr. McGrath: I would suggest that that is a very unfair comparison because you have three trains a week...

The Chairman: Order please.

Mr. McGrath: ...and about six buses a day. That was a very unfair comparison.

The Chairman: Order please.

Mr. Skoberg: I would just like to comment that whatever decision is made by members of this Committee it is made on behalf of the entire nation. It was suggested by a member from the far west that the west did not like to subsidize the east, but being from Saskatchewan we appreciated the Newfoundlanders helping us with the South Saskatchewan River, and this is exactly the same thing.

The Chairman: Mr. Bell.

Mr. Bell: Mr. Chairman, I apologize for not being up to date in Committee activities, but I would like to ask Mr. Pickersgill one question.

Mention has been made up of the tie-up in the Port of Saint John. It really is very serious, it is akin really to Vancouver, but I think it is moving along now. I would like to say one thing, if I may, on that. It appears now from the information that we are getting—and I must say that the Department of

[*Interpretation*]

vice voyageur, cela pourrait grandement influer sur notre rapport. Je vous demanderais donc de prendre cela en considération.

M. Pickersgill: Le premier devoir que nous avons, c'est d'assurer que toutes les instances devant la Commission ainsi que toutes les enquêtes menées par la Commission elle-même soient bien faites et qu'elles ne soient pas omises. Mais je tiendrai certainement compte de la suggestion que vous venez de formuler.

Dans ce contexte, vous me permettrez peut-être d'ajouter qu'il y a eu une augmentation très considérable de voyageurs dans les Chemins de fer Nationaux du Canada à Terre-Neuve depuis décembre. Par exemple, le volume du trafic a augmenté de 48 p. 100 en décembre par rapport à décembre de l'an dernier; en janvier, 97 p. 100 et en février, 131 p. 100. Si vous voulez la répartition de février entre le train et à l'autobus, il y a eu 1,494 passagers dans les trains alors qu'il y en avait 6,068 dans les autobus.

M. McGrath: Combien y avait-il d'autobus, par jour, au cours de cette période?

M. Pickersgill: Je n'ai pas ce renseignement.

M. McGrath: Je trouve que la comparaison n'est pas juste tout de même car vous avez trois trains par semaine.

Le président: A l'ordre, s'il vous plaît.

M. McGrath: Et six autobus par jour. La comparaison n'était pas juste du tout.

Le président: A l'ordre, s'il vous plaît.

M. Skoberg: Je voudrais simplement dire que peu importe la décision de notre Comité, elle est prise au nom de toute la nation. Un député de l'Ouest a laissé entendre que l'Ouest n'aimait pas subventionner l'Est mais comme je viens de la Saskatchewan, nous apprécions le fait que les Terre-Neuviens nous aident pour la rivière Saskatchewan Sud, et c'est exactement la même chose.

Le président: Monsieur Bell.

M. Bell: Monsieur le président, je m'excuse si je ne suis pas tout à fait au courant de l'activité du Comité, mais je voudrais tout simplement demander une question à M. Pickersgill. On a mentionné le blocus dans le port de Saint-Jean qui est vraiment grave et qui ressemble beaucoup à celui de Vancouver, mais je crois que la circulation a repris. Permettez-moi de dire une chose à ce sujet. Il semble, d'après les renseignements que nous obtenons à l'heure actuelle, et je dois dire que

[*Texte*]

Transport has been quite co-operative and the Minister has answered questions in the House—that it really was not a labour problem. The two responsible, according to information that we get, are the CPR and the National Harbours Board.

Much of it is very dicffiult, it is due to the strike and so on and it is probably not fair to blame them too much. Naturally, the National Harbours Board can be questioned, but I realize you have no responsibility there. The difficulty seems to be that when these ships were diverted and moved around quickly the CP—because it appears that the CN has been able to fulfill their responsibility as far as Saint John goes—could not keep up with these changes. They did not have the staff and it was a very difficult time. They are certainly to blame for it, but I do not know how much justification there was in this situation.

Mr. Pickersgill, would your Commission have some responsibility to look into this matter and could an assessment be made of it in the proper way to make certain that this difficulty does not arise again?

Mr. Pickersgill: I think, Mr. Bell, your suggestion is a very reasonable one. I think in so far as the immediate situation is concerned the Minister of Transport and his Department are more apt to have an influence than we, though we would do anything we could. But from the point of view of looking at the situation that has developed with a view to seeing whether we can foresee certain problems and try to prevent them from arising again, is a very proper function of our Research Division. I think they have already been looking at it, but I will make sure that they do.

Mr. Bell: Then in some way your assessment and recommendations for the future in that connection could come forward?

Mr. Pickersgill: Yes.

The Chairman: Mr. Horner, one last question.

Mr. Horner: Mr. Pickersgill, how much is paid now under the Maritime Freight Rates Act? What is the subsidy?

Mr. Pickersgill: It is about $15 million. I am speaking off the top of my head, but I would say that.

[*Interprétation*]

le ministère des Transports a très bien collaboré et le ministre a répondu aux questions à la Chambre, qu'il ne s'agisse pas vraiment d'un conflit ouvrier. Les deux responsables, d'après les renseignements que nous avons, sont le Pacifique-Canadien et le Conseil des ports nationaux.

Il y a beaucoup de difficultés qui ont surgi à cause de la grève et il n'est peut-être pas juste de trop les blâmer. Naturellement, on peut toujours poser des questions au Conseil des Ports nationaux, et je comprends que vous n'avez aucune responsabilité à ce sujet. Le difficulté semble être que, lorsqu'on a détourné les navires et qu'on les a fait déplacer rapidement, le Pacifique-Canadien, parce qu'il semble que le National-Canadien a pu s'acquitter de ses obligations en ce qui concerne Saint-Jean, n'a pu marcher de front avec ces changements. Il n'avait pas le personnel, et les temps étaient très difficiles. Sûrement, on peut les blâmer. Mais dans quelle mesure est-ce qu'on pourrait justifier la situation?

Alors, je veux demander à M. Pickersgill, si sa Commission aurait une certaine responsabilité de faire enquête à ce sujet? Et est-ce qu'une évaluation pourrait être faite en bonne et due forme pour assurer que ces difficultés ne surgissent pas de nouveau?

M. Pickersgill: Monsieur Bell, je crois que votre suggestion est très raisonnable. En ce qui concerne la situation immédiate, le ministre des Transports et son ministère pourraient fort bien avoir une meilleure influence que nous, bien que, évidemment, nous ferons tout notre possible.

Mais du point de vue de l'examen de la situation qui s'est développée et pour voir si nous pourrions peut-être prévoir certaines difficultés et les empêcher de se produire de nouveau, voilà vraiment la fonction de notre Division de la recherche. Je crois qu'on a déjà examiné la situation, mais je vais m'assurer qu'on le fera.

M. Bell: Et alors votre évaluation et les recommandations que vous pourriez formuler pour l'avenir pour s'avancer?

M. Pickersgill: Oui.

Le président: Monsieur Horner, une dernière question.

M. Horner: Monsieur Pickersgill, quel montant est payé à l'heure actuelle, en vertu de la Loi sur les taux de transport dans les provinces Maritimes? Quelle est la subvention?

M. Pickersgill: Je dirais environ 15 millions de dollars.

[*Text*]

Mr. Horner: What figure do you think would be involved if we made it applicable to trucks, bearing in mind that it going to the trucks would mean less to the railroads of course.

Mr. Pickersgill: It would not necessarily.

Mr. Horner: If you redirected some freight due to the lowering of the freight rates I would say it would.

Mr. Pickersgill: I would guess that the average person in the Atlantic provinces would hope there would be some expansion rather than just a redirection.

Mr. Horner: All right, but could you give the Committee some idea what amount of money we are talking about.

Mr. Pickersgill: I would not like to give a different ball park figure than the one given by the Atlantic premiers.

Mr. Horner: What did they say?

Mr. Pickersgill: I have not the document with me, but I will be glad to send you a copy.

Mr. Horner: You do not want to give the Committee the benefit of your wisdom on that?

Mr. Pickersgill: My guess would not be worth giving.

Mr. Horner: Here again, you are pleading ignorance.

The Chairman: Gentlemen, this is the end of our hearing. We want to thank both Mr. Pickersgill and Mr. Taschereau.

Mr. McGrath: Mr. Chairman, as we have concluded our evidence with Mr. Pickersgill, we thank him for being so helpful.

Mr. Pickersgill: Thank you.

Mr. McGrath: I wonder if you would entertain a motion, Mr. Chairman. I will read it:

> That this Committee regrets the decision, taken by the government last week, not to proceed with the P.E.I. Causeway before this Committee had an opportunity to study the evidence it has heard on this matter and to make a recommendation to Parliament.

The Chairman: Is this a recommendation that you want us to make to the House?

[*Interpretation*]

M. Horner: Et alors quels chiffres seraient impliqués ici si nous l'appliquions aux camions, en tenant compte du fait que ce qui irait aux camions serait enlevé aux chemins de fer, n'est-ce pas?

M. Pickersgill: Pas nécessairement.

M. Horner: Oui, mais si vous détournez des marchandises à cause de la diminution des taux de transport, je crois que cela se produirait.

M. Pickersgill: Oui, mais je dirais que les gens souhaiteraient voir une expansion plutôt qu'un détournement.

M. Horner: Très bien. Mais pouvez-vous donner une idée de l'ordre des chiffres?

M. Pickersgill: Je ne voudrais pas donner un autre chiffre que celui donné par les premiers ministres de l'Atlantique.

M. Horner: Qu'est-ce que c'était?

M. Pickersgill: Je n'ai pas le document ici, mais je pourrai vous en envoyer une copie plus tard.

M. Horner: Vous ne voulez pas faire profiter le Comité de votre sagesse.

M. Pickersgill: Un chiffre deviné ne vaudrait pas la peine d'être donné.

M. Horner: Ici encore, vous plaidez l'ignorance.

Le président: Messieurs, voilà la fin de notre audience. Nous voulons remercier M. Pickersgill et M. Taschereau.

M. McGrath: Monsieur le président, comme nous avons conclu nos témoignages, je voudrais exprimer nos remerciements envers M. Pickersgill d'avoir été si utile.

M. Pickersgill: Merci.

M. McGrath: Je voudrais proposer une motion, monsieur le président. Je vais la lire:

> que le Comité regrette la décision prise par le gouvernement la semaine dernière de ne pas procéder avec la chaussée de l'Île-du-Prince-Édouard avant que le Comité ait eu l'occasion d'étudier les témoignages reçus à ce sujet et de formuler une recommandation au Parlement.

Le président: Est-ce une recommandation que vous voulez qu'on fasse à la Chambre?

[*Texte*]

Mr. McGrath: Mr. Chairman, as I understand it now, because of a report made to the House in which concurrence has not been moved yet by the Privileges and Elections

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Committee, the substance of that report being that evry time a resolution is adopted by committee it has to be followed by another resolution instructing the committee to report the previous resolution to the House, therefore, my resolution need not necessarily be reported to the House, but it would certainly be the Committee's way of letting the government know of our displeasure over the decision it has taken in this matter—our concern.

The Chairman: A check for record purposes.

Mr. McGrath: Yes; just for the record.

The Chairman: I will ask the Clerk to read the motion again:

The Clerk:

That this Committee regrets the decision, taken by the Government last week, not to proceed with the Prince Edward Island causeway before this Committee had an opportunity to study the evidence it has heard on this matter and to make a recommendation to Parliament.

Mr. Breau: May I speak on the motion?

The Chairman: Yes, Mr. Breau.

Mr. Breau: I do not think this motion is necessary. As I said obviously, in reply to what Mr. McGrath and Mr. Rose said when the meeting started, when the government announced that it was not going to go ahead with the causeway it did not say that it was because it was not necessary from a transportation point of view. On the contrary, everybody here knows very well that the Government considers it is necessary from a transportation point of view.

The decision of the government to go ahead, or not to go ahead, with the causeway does not stop this Committee making a recommendation that from a transportation point of view the government should study the feasibility of having a causeway across Northumberland Strait. Therefore, I do not see any necessity for this motion.

We can still make a recommendation to parliament, and the government could set up

[*Interprétation*]

M. McGrath: Monsieur le président, si je comprends bien maintenant, vu le rapport fait à la Chambre, dans lequel l'accord n'a pas encore été proposé par le Comité des privilèges et des élections et voulant que chaque fois qu'une résolution est proposée et adoptée par le Comité, il faut alors avoir une autre résolution demandant au comité de faire rapport de la résolution antérieure à la Chambre. Donc, il n'est pas absolument nécessaire de faire rapport de cette résolution à la Chambre, mais ce serait certainement le moyen pour le Comité de faire savoir au gouvernement notre désaccord avec la décision prise, et notre inquiétude.

Le président: Une vérification, pour le compte rendu.

M. McGrath: Oui, simplement pour le compte rendu.

Le président: Je demanderais au greffier de donner lecture de la proposition une fois de plus.

Le greffier:

Que le comité regrette la décision prise la semaine dernière par le gouvernement de ne pas aménager la chaussée de l'Île du Prince-Édouard avant que ce comité ait eu l'occasion d'étudier les témoignages entendus à ce sujet et de formuler une recommandation au Parlement.

M. Breau: Puis-je prendre la parole au sujet de cette proposition?

Le président: Oui.

M. Breau: Monsieur le président, je ne crois pas que cette proposition soit nécessaire. Comme je l'ai dit déjà, à la suite de ce que M. McGrath et M. Rose avaient dit au début de la séance, lorsque le gouvernement a annoncé qu'il n'allait pas aménager cette chaussée, il n'a pas dit que c'était parce qu'au point de vue du transport elle n'était pas nécessaire. Au contraire, nous savons tous très bien que le gouvernement considère qu'elle est nécessaire du point de vue du transport.

La décision prise par le gouvernement d'aménager ou de ne pas aménager la chaussée, n'empêche pas ce comité de formuler une recommandation selon laquelle, au point de vue du transport, le gouvernement devrait faire une étude des possibilités de construire la chaussée. Je ne vois donc pas la nécessité de cette proposition.

On peut toujours faire une recommandation au Parlement et le gouvernement pourrait

[*Text*]

a list of priorities. But the decision at this moment not to go ahead with the causeway was not because it was not necessary from the transportation point of view; it was a question of priorities; a question of expenditures; a question of money.

The Chairman: Mr. McGrath, would you agree to the deletion of the words "and to make a recommendation to Parliament" at the end of your motion, so that it would be just for the record?

Mr. McGrath: No. Why would you want to delete that? The whole point of my motion is that in our reference we were asked by parliament to study transportation in the Atlantic provinces. The Committee went to Charlottetown and heard evidence on this all day. In essence, the Committee need not have gone to Charlottetown at all; and the decision was taken right at a time when the Committee had completed its hearings, was in the process of studying the evidence and was preparing to make a recommendation to parliament.

Mr. Breau: Mr. Chairman, as I said some time ago, we can still make a recommendation to parliament, but there is no necessity to make it now.

The Chairman: Mr. Pringle?

Mr. Pringle: I associate myself, if I may, with Mr. Breau. I think that passing this resolution may be a rather dangerous thing for us to do, in as much as it would establish a precedent on something which we have not yet had an opportunity to discuss amongst ourselves.

Second, I think we should realize that the government was reasonably explicit that it was because of the money involved. We have somehow or other, Mr. Chairman, to get it across that there are not unlimited funds to spend in the Atlantic provinces. There must be some responsibility on all sides of the government relative to the tremendous amount of funds that we are collecting to spend, and this was a matter of money.

I know of no statement that this was not feasible, or that it would not be a boon to the area. As you all know, I happen to be a proponent of the causeway. Rightly or wrongly, they felt that from a financial standpoint

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they must at this time make the decision that the ferry system would be upgraded and expanded, as opposed by building the causeway. I feel that we should accept this as a

[*Interpretation*]

alors établir une liste de priorités. Mais la décision prise en ce moment de ne pas aménager la chaussée n'a pas été prise nécessairement du point de vue du transport. C'était une question de priorités, de dépenses, une question d'argent.

Le président: Monsieur McGrath, êtes-vous d'accord qu'on élimine les mots «et de formuler une recommandation au Parlement» à la fin de votre proposition, de façon à ce qu'elle soit simplement pour le compte rendu?

M. McGrath: Non. Pourquoi enlever ces mots? Le but de ma proposition est justement que le Parlement nous a demandé d'étudier le problème des transports dans les provinces de l'Atlantique. Le comité s'est rendu à Charlottetown et a entendu des témoignages toute une journée de temps à ce sujet. Essentiellement, le comité aurait pu ne pas aller à Charlottetown; et la décision fut prise au moment même où le comité avait terminé ses audiences et était en train d'étudier les témoignages avant de formuler sa recommandation au Parlement.

M. Breau: Comme je l'ai déjà dit, on peut toujours formuler une recommandation au Parlement, mais il est inutile de le faire maintenant.

Le président: Monsieur Pringle?

M. Pringle: Si on me le permet, je voudrais m'associer à M. Breau. Je pense que ce serait peut-être un peu dangereux pour nous d'adopter cette résolution en autant qu'on établirait ainsi un précédent au sujet d'une chose que nous n'avons pas encore eu l'occasion de discuter entre nous.

Deuxièmement, je pense qu'il faut admettre que le gouvernement a dit assez explicitement que c'était une question d'argent. Il nous faut, d'une façon ou d'une autre, monsieur le président, faire comprendre clairement qu'on n'a pas de fonds illimités à dépenser dans les provinces de l'Atlantique. Il faut qu'il y ait une certaine responsabilité de part et d'autre du gouvernement à l'égard des fonds très considérables qu'on perçoit pour dépenser, et que c'était simplement une question d'argent.

Il n'y a pas eu, à ma connaissance, de déclaration d'après laquelle la chaussée n'était pas réalisable ou qu'elle ne serait pas un avantage pour la région. Je suis en faveur de la chaussée, comme vous le savez tous. A tort

ou à raison, ils étaient donc d'avis que du point de vue financier, ils doivent maintenant prendre la décision d'améliorer et d'accroître le service des transbordeurs, au lieu d'aména-

[*Texte*]

reasonable approach, and that we should not belabour this point on the basis that has been suggested.

The Chairman: Mr. Rose?

Mr. Rose: I think I could agree with some of the things that Mr. Pringle said about money, but I do not think that is the issue. The issue here is the sanctity, if you like, or the value, of committee work. To me it is the principle.

The Chairman: Yes; but, Mr. Rose, that does not stop us recommending the causeway when we make our report.

Mr. Rose: Just a moment, please, Mr. Chairman. I raised this right at the beginning of the meeting because I felt it was essential that we make very strong representations on the fact that we can spend a great deal of time and money scampering around the country, hearing representations and studying briefs and pronouncements, if you like, and then find, come the time to consider these and make recommendations, that everything we have done is irrelevant because the decisions have been made. Therefore, it is the principle that I think this Committee should try to emphasize, for the successful functioning of committees generally, not this particular issue.

I do not want to examine the merits or demerits of the causeway. It is for the government to make the decision, but to make it while the Committee is sitting down to discuss the matter after spending a day in Prince Edward Island is to me a slap in the face. It destroys any kind of function that I might have in the future on committees. Why should I waste my time?

Mr. McGrath: Mr. Chairman, just briefly to supplement what Mr. Pringle has said, nobody, and certainly no member of this Committee is questioning the right, and the intent of my resolution. It was not to question the right of the government to take a decision in this matter. Everybody recognizes that. All I am suggesting is that the government could have delayed the announcement of its decision at least until the Committee had had a chance to sift through the evidence and make its report to the House.

The Chairman: Mr. Trudel?

[*Interprétation*]

ger la chaussée. Je suis d'avis que nous devrions accepter cette attitude raisonnable, et qu'on ne devrait pas insister sur ce point de la façon proposée.

Le président: Monsieur Rose.

M. Rose: Je pense que je suis d'accord avec certaines choses dites par M. Pringle à l'égard de l'aspect financier, mais je ne crois pas que ce soit la question en cause. La question est plutôt l'aspect sacro-saint, si vous voulez, ou la valeur du travail accompli par le Comité. Pour moi, c'est une question de principe.

Le président: Oui, mais, monsieur Rose, cela ne nous empêche pas de formuler une recommandation relative à la chaussée, lorsqu'on présentera notre rapport.

M. Rose: Un instant, monsieur le président. J'ai soulevé cette question dès le début de la séance parce que, selon moi il était essentiel que nous formulions des instances très fortes sur le fait que nous ayons passé beaucoup de temps et beaucoup d'argent à parcourir le pays, à entendre des instances et à étudier les mémoires et les déclarations, si vous voulez, et constater ensuite, lorsque le moment vient de les prendre en considération et de formuler des recommandations, que tout ce que nous avons fait n'entre pas en ligne de compte parce que la décision est déjà prise. C'est donc un principe sur lequel le Comité devrait insister, pour le bon fonctionnement des comités dans leur ensemble, non pas à cause de cette question en particulier.

Je ne veux pas étudier les mérites ou les désavantages de la chaussée. Je pense qu'il appartient au gouvernement de prendre cette décision, mais de la prendre juste au moment où le Comité étudie la question, après avoir passé une journée à l'Île du Prince-Édouard, c'est une insulte, à mon avis. Cette façon de procéder détruit toute fonction que je pourrais remplir au sein d'un comité à l'avenir. Pourquoi y perdrais-je mon temps?

M. McGrath: Pour suppléer à ce que M. Pringle a dit, personne et surtout aucun membre de ce Comité, ne s'en prend au droit ou à l'intention derrière ma résolution. Elle n'est pas de mettre en doute le droit du gouvernement de prendre une décision sur la question. Nous reconnaissons tous ce fait. Mais je dis simplement que le gouvernement aurait pu attendre pour annoncer cette décision que le comité ait eu l'occasion d'étudier les témoignages et de faire son rapport à la Chambre.

Le président: Monsieur Trudel.

[*Text*]

Mr. Trudel: Mr. Chairman, if we adopt this motion I think we will just be attaching a finality to the decision that has been taken.

To go back to the point that was made by Mr. Givens, I think we have a duty to perform. We are forgetting the basic principles that are involved if we adopt this. We are in the process of making a recommendation, which is the prime reason for our existence, and I think it should be carried to the nth degree. By recommending this we are adopting an attitude of finality relative to the decision that has been taken. I think this is far from the minds of the members of this Committee.

For that reason, and not because of the other principles, or the basic factor that we are now discussing, we should proceed on Mr. Givens' line of reasoning.

The Chairman: Mr. Mahoney?

Mr. Mahoney: Having heard what Mr. Trudel has said my comments would be redundant other than to observe that I do not think the country could stand still waiting for us to make a report. It would be equally appropriate to chastise the Canadian National Railway for its decision to extend the service of the "Newfie Bullet" until they had the benefit of our wisdom on that.

The Chairman: Mr. Givens?

Mr. Givens: Mr. Chairman, I find myself agreeing with both Mr. Trudel and Mr. Rose. I agree with Mr. Trudel and I will vote against the motion, but I cannot help agreeing with Mr. Rose.

If parliamentary committees are going to mean anything, if they are going to have a raison d'être, and you go off on a frolic and spend thousands of dollars visiting the Maritimes and are going to go off on a frolic and spend probably tens of thousands of dollars sending the Committee on External Affairs on a trip, when you know that for months the government has been studying its decision on whether to be plugged into, or to be unplugged from, NATO, and the other revisions of foreign policy, it becomes a little ludicrous and a sort of white-wash situation, to use the vernacular,—a snow job—to send a committee made up of representatives of various parties—serious people—and have them come back and find that there were a foregone conclusion to the problems they were supposed to investigate in the first place.

[*Interpretation*]

M. Trudel: Monsieur le président, je pense que si nous adoptons cette proposition, nous apporterons simplement une note de finalité à la décision prise.

Pour revenir au point soulevé par M. Givens, je pense que nous avons un devoir à accomplir. Nous oublions les principes fondamentaux en cause si nous adoptons cette proposition. Nous sommes en train de préparer une recommandation, ce qui est la raison d'être du comité, et je crois qu'il faudrait continuer à jouer notre rôle jusqu'au bout. En faisant une telle recommandation, nous adoptons une attitude de finalité à l'égard d'une décision qui a été prise. Ce n'est pas du tout ce que les membres de ce comité ont à l'esprit.

Pour cette raison et non pas à cause des autres principes, ou des facteurs fondamentaux que nous sommes à discuter, nous devrions poursuivre la ligne de raisonnement de M. Givens.

Le président: Monsieur Mahoney?

M. Mahoney: Après avoir entendu ce que M. Trudel a dit, mes remarques seraient redondantes sauf pour vous dire que je ne crois pas que le pays puisse attendre que nous formulions un rapport. Il serait tout aussi approprié de s'en prendre au National Canadien d'avoir décidé de prolonger le service du «*Newfie Bullet*» avant d'avoir bénéficié de notre sagesse à ce sujet.

Le président: Monsieur Givens.

M. Givens: Monsieur le président, je suis d'accord à la fois avec M. Trudel et M. Rose. Je suis d'accord avec M. Trudel, et je voterai contre cette proposition, mais je ne peux m'empêcher d'être d'accord avec M. Rose.

Si les comités parlementaires doivent jouer un rôle significatif, s'ils ont une raison d'être, si on part en voyage, dépenser des milliers de dollars à visiter les Maritimes; et également dépenser des dizaines de milliers de dollars pour envoyer le comité des Affaires extérieures en voyage alors que vous savez très bien que le gouvernement étudie depuis des mois sa décision quant à son adhérence à l'OTAN, et des autres modifications de sa politique étrangère, il est donc tout à fait ridicule dans une telle situation d'envoyer ainsi un comité composé de représentants des différents partis politiques, des gens sérieux, pour qu'ils reviennent et découvrent qu'une conclusion avait déjà été tirée quant aux problèmes qu'ils sont allés examiner.

[*Texte*]

I certainly would not want to be part of that kind of a charade.

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I did not happen to go on this trip, but that is not the point. I have not been around here long enough to know what action you take to impress on the government, and on the hierarchy of all parties, that there is supposed to be some reason for the existence of the committee system and that we are supposed to perform some function.

We are all supposed to be experts in the districts that we come from. We are not just message boys who were sent here by our constituents. This has to be impressed on the people at the top echelons of all our parties because I think that the cavalier way in which ordinary backbenchers are treated here is appalling.

Some hon. Members: Hear, hear.

Mr. Givens: I was not an ordinary backbencher where I came from. I happen to find myself in that position here, maybe temporarily. I do not know.

Mr. Chairman, I think that the point made by Mr. Rose is very serious and I think it bears discussion and reiteration over and over again.

The Chairman: Is the Committee ready for the question?

Monsieur Portelance?

M. Portelance: Je ne crois pas que le gouvernement ait dit qu'il n'accepterait pas les vues du Comité; il est bien prêt à étudier ce qu'on va lui proposer. Même si on a dit que la Chaussée ne sera pas construite la semaine prochaine, cela ne veut pas dire qu'elle ne sera jamais construite. C'est à nous de faire des propositions au gouvernement. Je crois bien que la chaussée est voulue par tout le monde, mas il y a un manque d'argent présentement. Je ne vois donc pas la nécessité de cette proposition faite par M. McGrath.

The Chairman: Are you ready for the question?

Mr. McGrath: Before you put the question Mr. Chairman, I would like to just make one final observation and a few remarks.

To me it would be very regrettable if this motion were not adopted for some of the reasons outlined by Mr. Givens and supplemented by Mr. Rose and...

Mr. Mahoney: Mr. Chairman, on a point of order. I think we are governed as nearly as may be by the rules of the House of Com-

[*Interprétation*]

Je ne voudrais certainement pas faire partie d'une telle charade.

Je n'ai pas fait partie du voyage, mais cela n'importe guère. Je ne suis pas ici depuis assez longtemps pour savoir quelles mesures il faudrait prendre pour faire comprendre au gouvernement, et à la hiérarchie de tous les partis, que le système des comités doit avoir une raison d'être et que nous devons jouer un certain rôle. Nous sommes censés être des spécialistes des régions que nous représentons, et non seulement des messagers envoyés ici par nos commettants. Il faut bien faire comprendre cela aux membres et aux dirigeants de nos partis, et je pense que la façon un peu cavalière dont les députés de l'arrière-ban sont actuellement traités est honteuse.

Des voix: Bien parlé.

M. Givens: Dans ma circonscription, je ne suis pas un simple député de l'arrière-ban. Je me trouve dans une telle situation ici. Ce n'est peut-être que temporaire, je ne sais pas. Monsieur le président, je pense que l'observation faite par M. Rose est vraiment importante et que nous devrions en discuter sérieusement.

Le président: Est-ce que le comité est prêt à se prononcer?

Mr. Portelance?

Mr. Portelance: I do not think that the government has said that it would not accept the views of the Committee. The government is ready to consider what we are going to propose. But just because the Causeway is not going to be built next week does not mean that it will never be built. It is up to us to make proposals to the government. I think the Causeway is wanted by everyone, but there is a lack of funds right now. Consequently, I do not see the need for the motion as moved by Mr. McGrath.

Le président: Êtes-vous prêts à vous prononcer?

M. McGrath: Avant de passer au vote, monsieur le président, je voudrais faire une dernière observation et quelques remarques. En ce qui me concerne, il serait vraiment regrettable si cette motion n'était pas adoptée pour certaines des raisons présentées par M. Givens et appuyées par M. Rose...

M. Mahoney: J'invoque le Règlement. Nous sommes régis par le Règlement de la Chambre des communes. Nous sommes saisis d'une

[*Text*]

mons. When we have a motion in front of us, how many times does each member...

Mr. McGrath: I am allowed to include the debate.

Mr. Mahoney: Under those rules?

Mr. McQuaid: Mr. Chairman, I wonder if I may ask one question.

Mr. Mahoney: I am asking the Chairman for a ruling.

The Chairman: What is your question, Mr. McQuaid?

Mr. McQuaid: My question is this. Following the meeting of your Committee in Charlottetown, prior to the announcement by the government that the causeway was not going to be built, were you approached, as Chairman of the Committee, by any member of the government and asked whether or not the Committee would have any recommendations to make with respect to this matter?

The Chairman: No. Mr. McGrath.

Mr. McGrath: Well, Mr. Chairman, to me it would be a matter of great regret because I am very much concerned over the partisan way that the committees are developing. For example, we find ourselves sitting over here and the government supporters sitting opposite.

Mr. Chairman, I am serious, very serious. I think this is a very serious matter and my resolution was not moved in any partisan way. It was merely moved with the intent of expressing the Committee's concern to the government over the action it has taken.

For example, what would be the position of the External Affairs Committee today if the government announced tomorrow that we were pulling out of NATO when they are in Europe studying this very subject and spending thousands of dollars of the taxpayers' money? Are these junkets or are these serious references by Parliament? If they are junkets I do not want to have any part of them. Certainly this Committee was no junket. You, Mr. Chairman, and every member of the Committee worked very hard doing hard strenuous work on this tour of the Atlantic Provinces; we heard briefs day and night. And to have this happen before we have had a chance to make a report to Parliament to me is very regrettable and I would hope that this resolution would not be looked upon in a partisan way and that it would receive the unanimous support of the Committee.

[*Interpretation*]

motion combien de fois chacun des membres...

M. McGrath: J'ai le droit de clore le débat.

M. Mahoney: En vertu du Règlement?

M. McQuaid: Monsieur le président, pourrais-je poser une question?

M. Mahoney: Je demande au président de décider.

Le président: Quelle est votre question, monsieur McQuaid.

M. McQuaid: Après la réunion de votre comité à Charlottetown, avant que le gouvernement annonce que la chaussée ne serait pas construite, est-ce que des membres du gouvernement vous ont demandé si le Comité aurait des recommandations à formuler à ce sujet?

Le président: Non. Monsieur McGrath?

M. McGrath: Monsieur le président, c'est vraiment regrettable, parce que je suis particulièrement préoccupé de l'esprit de partisannerie dont font de plus en plus preuve les comités. Par exemple, nous nous trouvons d'un côté et les partisans du gouvernement, de l'autre.

Monsieur le président, je suis vraiment sérieux maintenant parce que c'est une question importante et ma résolution n'a pas été présentée dans un esprit de partisannerie, mais simplement en vue de faire part au gouvernement de la préoccupation du Comité à la suite des mesures qu'il a prises.

Ainsi, dans quelle situation se trouverait le Comité des affaires extérieures aujourd'hui, si le gouvernement annonçait demain qu'on se retire de l'OTAN alors que le Comité est encore en Europe en train d'étudier cette question et de dépenser des milliers de dollars de l'argent des contribuables? Est-ce que le Parlement considère ces voyages comme des parties de plaisir ou est-ce qu'il les prend au sérieux? Si ce sont de simples parties de plaisir, alors je ne veux plus en être. Le voyage de notre comité n'a pas été une partie de plaisir. Nous avons travaillé fort, durant de longues heures pendant cette tournée des provinces de l'Atlantique, nous avons entendu des mémoires jour et nuit. Et de voir ainsi ces choses se produire avant même qu'on ait l'occasion de présenter notre rapport au Parlement, je considère cela comme vraiment regrettable. J'espère donc que cette résolution ne serait pas considérée comme présentée dans un esprit de partisannerie et qu'elle recevra l'appui unanime du Comité.

[*Texte*]

An hon. Member: Hear, hear.

• 1215

Mr. Corbin: Mr. Chairman, I raise a question of privilege. It has been implied by the hon. member—I will not say opposite as I feel that we are here together regardless of where we sit in this House, but I want to state plainly for the record and for the information of everyone on this Committee that I have not been and I never will be subjected to any partisan guideline. The decision I take here or the votes I take here I take on a personal basis and I am not going to be guided by any partisan dictation or guideline. That is all I have to say.

The Clerk: The motion reads:

> That this Committee regrets the decision taken by the government last week not to proceed with the Prince Edward Island causeway before the Committee had an opportunity to study the evidence it has heard on this matter and to make a recommendation to Parliament.

Mr. Pringle: On a point of order, Mr. Chairman, could I make a statement?

The Chairman: Order, please.

Mr. Pringle: It is pretty important, I think. Very important at this particular point. And that is that...

The Chairman: Order.

Mr. Pringle: All right.

The Chairman: Mr. McGrath was the last speaker on this motion. Would those in favour of the motion please rise. All right. Would those opposed to the motion please rise?

Mr. McGrath: Mr. Chairman, I implore you. You have done an outstanding job as Chairman of this Committee. We have worked hard on studying this matter and I would implore you to keep this in mind. The whole future of this Committee and perhaps of the committees of the House of Commons is involved here.

Mr. Pringle: If you are going to speak maybe I can say something too and that is: do not forget that the entire regional development program in Prince Edward Island is at stake and they have been waiting to get a decision. I have talked to the Premier of Prince Edward Island personally and they want a decision.

[*Interprétation*]

Une voix: Bien parlé.

M. Corbin: Je voudrais soulever une question de privilège? Mon honorable collègue a laissé entendre—et je ne dirai pas membre de l'opposition car nous sommes tous ici ensemble quelque soit l'endroit où nous sommes assis—mais je voudrais dire, bien clairement, pour le compte rendu et pour la gouverne de tous les membres de ce comité, que je n'ai jamais fait et ne ferai jamais preuve d'esprit de partisannerie. La décision que je prends ici, je la prends à titre personnel, sans être assujetti aux directives ou aux principes du parti.

C'est tout ce que j'avais à dire.

Le greffier: La motion se lit comme il suit:

> Que ce Comité regrette la décision prise par le gouvernement la semaine dernière de ne pas aménager la chaussée de l'Île du Prince-Édouard, avant que le Comité ait pu étudier les témoignages recueillis à ce sujet et présenter ses recommandations au Parlement.

M. Pringle: J'invoque le Règlement. Est-ce que je pourrais faire une déclaration?

Le président: A l'ordre, s'il vous plaît.

M. Pringle: C'est très important, je pense, à ce stade-ci.

Le président: A l'ordre.

M. Pringle: Très bien.

Le président: M. McGrath était le dernier à parler sur cette motion. Ceux qui sont en faveur, veuillez vous lever. Veuillez reprendre vos sièges. Ceux qui sont opposés à la motion, veuillez vous lever.

M. McGrath: Monsieur le président, vous avez fait un excellent travail à titre de président du Comité. Nous avons travaillé fort, nous avons étudié cette question sérieusement et je vous demanderais d'en tenir compte. L'avenir de ce comité et peut-être même celui des comités de la Chambre des communes est en jeu ici.

M. Pringle: Si vous voulez parler, peut-être pourrais-je dire quelque chose ici. N'oubliez pas que le programme de développement régional de l'Île du Prince-Édouard est en jeu, et qu'ils attendent une décision. J'ai parlé au premier ministre de l'Île du Prince-Édouard, personnellement ils voulaient avoir une décision.

[*Text*]

Mr. Horner: The question is that the decision was made before we reported.

The Chairman: Order, please. Order. I think I will have to put an end to this. The vote was tied 7 to 7. So I will have to decide on which side I will vote and I will vote against the motion.

I will call upon the Eastern Provincial Airlines please to come forward—Mr. A. J. Lewington and Mr. J. Millar.

An hon. Member: Mr. Chairman, are we going to sit this afternoon?

The Chairman: No, we will sit until 1 o'clock and we will resume, if we have not finished, at 8 o'clock tonight.

Mr. Skoberg: When do you expect the Steering Committee to—

The Chairman: I will contact the people this afternoon as soon as I have the chance.

Mr. Lewington is going to give us a resumé of his brief. I will not ask him to read the brief.

Pour ce qui est du rapport final, nous allons être obligés d'attendre la transcription des comptes rendus qui n'est pas encore terminée, ce qui sera dans une mois environ.

Would you go ahead, Mr. Lewington?

Mr. A. J. Lewington (President, Eastern Provincial Airways (1963) Limited): Mr. Chairman, I am pleased to have the opportunity to appear before this Committee. I think, and I hope we can, contribute information that will be of help to your deliberations and inquiries. I have with me, Mr. J. Millar, our Executive Vice-President. He is an economist and informed on air transport matters and particularly on EPA's air transport problems. Also with me is Mr. W. F. Gaudet, Vice-President Marketing. Mr. Gaudet is particularly informed on our scheduling and service patterns throughout the Atlantic area.

I think the Committee may know but, perhaps I should say, that our principal services are scheduled operations carrying mail, passengers and goods from Torbay through Gander, Deer Lake, Goose Bay, Churchill Falls and Wabush; that is one licence and one route. Another one is Moncton, Summerside, Charlottetown, Magdalen Islands. A new one was added just last year—Charlottetown Charlo, Montreal. We have another route from Charlottetown through New Glasgow to Halifax. These are licensed under class I and class II licences by the Air Transport Committee, or formerly the Air Transport Board.

[*Interpretation*]

M. Horner: Le fait est que la décision a été prise avant qu'on ne présente notre rapport.

Le président: A l'ordre. Je pense que je me dois de mettre fin à cela. Nous étions 7 à 7, donc, je dois décider de quel côté je vais voter, alors je vote contre la motion.

Je demanderais donc aux représentants de la *Eastern Provincial Airlines* de se présenter, MM. A. J. Lewington et J. Millar.

Une voix: Allons-nous siéger cet après-midi?

Le président: Non, nous siégerons jusqu'à une heure et nous reviendrons à 8 heures ce soir, si nous n'avons pas terminé.

M. Skoberg: Quand prévoyez-vous que le comité directeur...

Le président: Je communiquerai avec les intéressés dès que j'aurai l'occasion.

M. Lewington va nous donner un bref résumé de son mémoire.

Our final report will have to wait for the transcripts which have not yet been completed. It might be a month from now before we can draft a final report.

Vous pouvez y aller, monsieur Lewington.

M. A. J. Lewington (président, Eastern Provincial Airways (1963) Limited): Je suis heureux de pouvoir comparaître à ce Comité. J'espère et je pense que nous pouvons vous fournir des renseignements qui vous seront utiles au cours de vos délibérations, au cours de votre enquête. J'ai avec moi M. Millar, notre vice-président exécutif. Il est économiste et connaît très bien les questions de transport aérien et tout particulièrement les problèmes de l'EPA, et M. Gaudet qui est vice-président de la commercialisation et au courant de nos horaires et de nos services dans la région de l'Atlantique.

Je pense que le Comité sait, mais peut-être devrais-je le dire, que nos principaux services comprennent le transport du courrier, des voyageurs et des marchandises de Torbay à Gander, Deer Lake, Goose Bay, Churchill Falls et Wabush. Cela n'est qu'un parcours. Nous en avons un autre entre Moncton, Summerside, Charlottetown, les Îles-de-la-Madeleine, et on en a ajouté un nouveau l'année dernière: Charlottetown, Montréal. Nous avons un autre parcours de Charlottetown à New Glasgow et Halifax. Nous avons des permis catégorie 1 et 2 accordés par le Comité des transports aériens, l'ancienne Commission des transports aériens.

[*Texte*]

In addition to those scheduled services, we perform a number of so-called bush services or similar type services with small, single-engine aircraft and with twin-engine aircraft serving more remote areas on wheels, skis and floats.

We have suffered all the problems of a small regional air operator and have had many plans over the years which have developed slowly in extending our operations and our services to the various communities that have asked for them or have sought them, and our biggest problem is attaining an economic base of operations that will be viable. Of course, the Committee is aware through press announcements of our proposal to merge with Nordair and this is the principal reason behind that merger.

I think I might take too much time of the Committee if I attempt to continue on this line. Perhaps we could convey better information if I left the rest to questioning by the members.

The Chairman: Mr. Breau?

• 1225

Mr. Breau: Mr. Chairman, I would like to ask Mr. Lewington a few questions. In your brief which was to be presented to the Committee last year when it was going to go to Newfoundland, you mentioned at the time that you were applying for a licence to go to Charlottetown, Bathurst and Montreal. Now, for some reason or other—I do not know if you applied for it—it was granted to Charlottetown, Charlo, Bathurst and Montreal.

I know that the airport was not adequate in Bathurst at the time which probably is the reason you are now stopping at Charlo instead of Bathurst, but would you still prefer Bathurst if the airport were adequate?

Mr. Lewington: We have no preference there, Mr. Chairman. From an economic point of view—I am thinking of the government's obligations to build airport facilities—we feel there should only be one airport, that only one can be justified; that is, one complete facility with all the aids that are going to be necessary.

Our experience so far has been that the traffic we are drawing—and we are very pleased with the way the operation has gone so far—is from north of Charlo; that is, it is from Dalhousie, Campbellton and even

[*Interprétation*]

Aux services horaires prévus viennent s'ajouter des services de monomoteurs et de bimoteurs sur roues, skis ou flotteurs, vers les régions plus éloignées.

Nous avons connu tous les problèmes des petites entreprises aériennes régionales. Au cours des années, nos programmes d'extension de nos services vers les Communautés qui en ont fait la demande se sont développés lentement. Notre plus grand problème, c'est de trouver une base rentable et viable de fonctionnement. Bien entendu, le Comité sait très bien, à la suite des communiqués de presse qui ont été publiés que nous avons l'intention de nous fusionner avec Nordair et c'est là la principale raison pour laquelle nous voulons faire ce fusionnement.

Je pourrais être un peu trop long si j'essayais, disons, d'élaborer un peu plus suivant cette ligne d'idée. Peut-être pourrions-nous vous donner de meilleurs renseignements si l'on passait tout de suite à la période de questions.

Le président: Monsieur Breau.

M. Breau: Monsieur le président, je voudrais poser quelques questions à M. Lewington. Dans votre mémoire, qui devait être présenté au Comité l'année dernière alors que nous devions nous rendre à Terre-Neuve, vous avez dit à ce moment-là, que vous demandiez un permis pour faire le parcours entre Charlottetown, Bathurst et Montréal. Pour une raison ou pour une autre, je ne sais pas si vous en avez fait la demande, le permis fut accordé plutôt pour le parcours Charlottetown, Charlo, Bathurst, Montréal.

Je sais que l'aéroport n'était pas suffisamment aménagé à Bathurst à ce moment-là, et c'est peut-être la raison pour laquelle vous arrêtez à Charlo plutôt qu'à Bathurst mais, est-ce que vous préféreriez toujours Bathurst si, disons, l'aéroport convenait?

M. Lewington: Nous n'avons pas de préférence, monsieur le président. Au point de vue économique et là je pense à l'obligation qu'a le gouvernement d'aménager les services d'aéroport, nous sommes d'avis qu'il ne faudrait qu'un seul aéroport, qu'un seul peut être justifié. Mais il faudrait qu'il y ait toute l'infrastructure nécesssaire.

Et notre expérience jusqu'ici est que le trafic que nous avons (et nous sommes très heureux du fonctionnement de cette opération jusqu'ici) donc, le trafic que nous avons provient du nord de Charlo, soit de Dalhousie,

[*Text*]

around the west shore of the Bay Chaleur. From what little evidence we have now, Charlo appears to be the right location.

Mr. Breau: Are you aware that the strip in Bathurst is being paved this spring and that the lights have been installed and there is now a terminal building?

Mr. Lewington: Yes, we are informed.

Mr. Breau: Your traffic, you say, is coming from north of Dalhousie. How have you been able to check this?

Mr. Lewington: By the customers and the tickets they buy and where they buy them, and where they give their point of contact. I might add, Mr. Chairman, that this is only a three-month experience so that it is not a conclusive one.

Mr. Breau: Are you aware tht you are losing a lot of traffic south of Bathurst? All the Caraquet coast traffic and that along the Gulf of St. Lawrence going to Moncton is going by Air Canada. If you stopped in Bathurst you would get this traffic. Are you aware of that?

Mr. Lewington: It is obvious, of course, that there is a limit to how far passengers will go by road in order to join an air service and they may have references, of course, too. It is quite true that a good deal of the traffic south of Charlo is choosing other ways to travel.

Mr. Breau: There was some evidence when we were in Fredericton that you were studying the feasibility of making a stop in Chatham. Do you think that economically you can stop in both Chatham and Charlo?

Mr. Lewington: It would not be good. We would have to have approval by the Air Transport Committee and we would need their assistance on it.

Mr. Breau: In other words, you would need to be ssubidized if you were going to stop in Chatham and Charlo.

Mr. Lewington: Exactly, this is my opinion.

Mr. Breau: Supposing the airport was ready in Bathurst, and you could make one stop in Bathurst. Bathurst is 45 miles from Chatham and the roads are good. Campbellton is about 65 miles from Bathurst and the farthest point on the Gulf of St. Lawrence is about 60 miles from Bathurst. If you were to give a better service to the Miramichi area and to Northern New Brunswick as a whole,

[*Interpretation*]

Campbellton et même le long de la rive ouest de la baie des Chaleurs. D'après ce que nous avons pu voir jusqu'ici, Charlo semble le meilleur endroit.

M. Breau: Savez-vous si la piste sera pavée ce printemps à Bathurst, si le balisage a été installé et si le terminus est construit?

M. Lewington: Oui, nous le savons.

M. Breau: Vous dites que votre clientèle vient du nord de Dalhousie. Comment avez-vous pu vous vérifier cela?

M. Lewington: Auprès des clients, d'après les billets qu'ils achètent et l'endroit où ils les achètent, leur point de contact. Et je pourrais ajouter, monsieur le président, qu'il n'y a que trois mois que nous avons commencé l'expérience. Donc, ce n'est pas concluant encore.

M. Breau: Savez-vous que vous perdez beaucoup de clients de la région située au sud de Bathurst. Tous les habitants du littoral de Caraquet et le long du golfe du Saint-Laurent prennent maintenant Air-Canada. Si vous arrêtiez à Bathurst, vous pourriez avoir cette clientèle, savez-vous?

M. Lewington: Il est bien évident qu'il y a une limite au trajet par route que seront disposés à faire des voyageurs pour prendre l'avion. Les voyageurs ont aussi leurs préférences, naturellement. Une bonne partie de la clientèle au sud de Charlo choisit un autre mode de transport.

M. Breau: Lorsque nous étions à Fredericton, on s'est demandé si vous étiez à étudier la possibilité d'arrêter à Chatham? Croyez-vous qu'il serait rentable d'arrêter à Charlo et à Chatham?

M. Lewington: Ce ne serait pas bon. Il faudrait obtenir l'approbation et l'aide du Comité des transports aériens.

M. Breau: En d'autres mots, il faudrait que vous soyez subventionnés si vous deviez arrêter aux deux endroits?

M. Lewington: C'est cela, à mon avis.

M. Breau: Disons que l'aéroport est prêt à Bathurst et que vous y faites un arrêt. Bathurst n'est qu'à 45 milles de Chatham et les routes sont bonnes. Campbellton, à environ 65 milles de Bathurst, et le point le plus éloigné le long du golfe du Saint-Laurent se trouve à environ 60 milles de Bathurst. Si vous voulez donner un meilleur service à la région de Miramichi et du nord du Nouveau-

[*Texte*]

do you think that Bathurst then would be preferable? It is definitely the geographic centre of Northern New Brunswick; there is no question about that.

Mr. Lewington: This is obvious, but whether it is the economic centre, I am not sure. In any case, it would be my opinion that it would be undesirable from an economic point of view to make stops at Bathurst and Charlo.

Mr. Breau: No, no; I know that. I am saying, suppose you were to abandon Charlo and abandon Chatham and stop at Bathurst. You would then be getting the business of northern New Brunswick; you are not getting it now.

Mr. Horner: They are both in your constituency.

Mr. Breau: Well, I do not think this is important.

Mr. Horner: You are arguing from a particularly local point of view.

Mr. Breau: No, no; I am not making any representations. I am just trying to find out; Chatham is not in my constituency but that is not important. I am just trying to find out if economically you could make a stop in Charlo and Chatham; if not, then if a stop in Bathurst would be better economically for you, so that you can serve Chatham, the Miramichi area and the Campbellton area. That is what I want to know.

• 1230

Mr. Millar: On a point of economics, I think it is equally uneconomic to stop either in Bathurst or Charlo. This is just a regional air service as such and is a loss air service. Now, if you stopped in Bathurst or if you stopped in Charlo, as far as your operating cost structure is concerned it would remain the same. The only thing that would be subject to debate would be the level of traffic that you could generate in Bathurst versus Charlo and we are not quite sure if Bathurst as such, or Bathurst airport, could generate more or less traffic than Charlo at this moment in time.

Mr. Breau: But that is not what I was asking. Suppose it is not economical to stop in Chatham—you are studying the feasibility of that now—would you think that it would be better to stop in Bathurst and not stop at Charlo or Chatham—supposing the airport was adequate of course?

Mr. Lewington: Perhaps, Mr. Gaudet might take the question from there.

[*Interprétation*]

Brunswick, croyez-vous que Bathurst serait préférable? Parce que c'est vraiment le point central de la géographie du nord du Nouveau-Brunswick, il n'y a aucun doute là-dessus.

M. Lewington: C'est bien évident. Mais le centre économique, je n'en suis pas sûr. De toute façon, nous sommes d'avis qu'il ne serait pas souhaitable du point de vue économique d'arrêter à Charlo et à Bathurst.

M. Breau: Non, je sais très bien. Supposons que vous abandonnez Charlo et Chatham et que vous arrêtiez à Bathurst, vous auriez toute la clientèle du nord du Nouveau-Brunswick, ce que vous n'avez pas maintenant.

M. Horner: Vous parlez de votre circonscription.

M. Breau: Je ne pense pas que ce soit important.

M. Horner: Vous parlez du point de vue local.

M. Breau: Oh non, j'essaie tout simplement de voir ce qu'il en est. Parce que Chatham n'est pas dans ma circonscription. Peu importe. J'essaie simplement de voir s'il serait rentable d'arrêter à Charlo et à Chatham. Sinon, alors, si un arrêt à Bathurst serait plus rentable et vous permettrait de desservir Chatham, la région de Miramichi et Campbellton. C'est ce que je veux savoir.

M. Millar: Pour ce qui est de la rentabilité, il est tout aussi peu rentable d'arrêter à Bathurst ou à Charlo. C'est un service aérien régional et comme tel, il fonctionne à perte. Si vous arrêtez à Bathurst ou encore à Charlo, vos frais d'exploitation seront les mêmes. La seule chose qui ferait l'objet d'un débat serait le niveau de trafic que vous pourriez avoir à Bathurst comparativement à Charlo.

Et nous ne sommes pas tout à fait sûrs que Bathurst comme tel ou l'aéroport de Bathurst pourrait engendrer plus ou moins de trafic que Charlo, en ce moment.

M. Breau: Ce n'est pas ce que je vous demandais. Disons que ce n'est pas rentable d'arrêter à Chatham. Vous en étudiez la possibilité maintenant, est-ce que vous croyez que ce serait préférable d'arrêter à Bathurst et de ne pas arrêter à Charlo ou à Chatham, à condition évidemment que l'aéroport soit bien installé?

M. Lewington: Monsieur Gaudet pourrait peut-être répondre à cette question?

[*Text*]

Mr. Gaudet: I think you are labouring under an assumption that by having an air service through Bathurst you could in fact generate traffic from the Quebec border right down to and including the Miramichi.

Our experience in the past, with this sort of development, is that you in fact would not generate this traffic. Going on the basis of past experience, you would probably not even develop the traffic as far as Dalhousie, let alone Campbellton. And, as you know, south of Bathurst in Gloucester county there is a very great rural type of population between there and Chatham. The pocket of industry that exists in that area starts at Belledune, as you probably know and stretches up to the Quebec border. We have done market surveys on this and while they are certainly not conclusive it would be our submission that an airport in Bathurst would develop traffic approximately north to Dalhousie and south part way to Chatham—but not even to Chatham because the Chatham development would likely still continue to go through Moncton.

Mr. Breau: I cannot see that—it is 90 miles from Moncton and 40 miles from Bathurst—unless there would be such a gap in the service between Air Canada and yours.

Mr. Gaudet: The frequency of Air Canada flights through Moncton of course would pull the traffic that way because not everybody is going to the same place, and they would have a much better frequency and more variety of flights and more interesting connections at Moncton than they would have through Bathurst or Charlo.

Mr. Rose: That is because Air Canada is offering a better service.

Mr. Gaudet: They are offering a more frequent number of flights.

Mr. Pringle: Mr. Chairman, coming from the West maybe I should not take the time that is available to these gentlemen for some of the questions I had because some of the Maritimes-Atlantic Province boys may want to ask some specific questions. However, I am deeply concerned with the future of regional carriers. I am wondering if regional carriers feel that government and those people charged with the responsibility of expanding and assisting the regional carriers are doing sufficient. When we were in the Maritime Provinces we did hear some complaints in this connection. Of course, we also have complaints in Vancouver, Prince George and

[*Interpretation*]

M. Gaudet: Je crois que vous présumez tout d'abord qu'en ayant un service aérien via Bathurst, vous pourriez alors engendrer un trafic à partir de la frontière du Québec jusqu'à la région de Miramichi, y compris.

D'après notre expérience dans le passé, avec ce genre d'expansion il appert que l'on n'engendrerait pas ce trafic. Si vous vous fiez à l'expérience vous ne pourriez probablement pas augmenter le trafic jusqu'à Dalhousie, pour ne pas parler de Campbellton. Comme vous le savez, au sud de Bathurst, dans le comté de Gloucester, la population est fortement rurale entre cet endroit et Chatham. Le peu d'industries qui existent à cet endroit commencent à Belledune, comme vous le savez sans doute et s'étend jusqu'à la frontière du Québec.

Nous avons fait des études du marché dans cette région et bien que ce ne soit pas définitif, nous croyons qu'un aéroport à Bathurst engendrerait un trafic jusqu'à Dalhousie aux nord, et jusqu'à la partie sud de Chatham mais non pas jusqu'à Chatham, car le trafic de Chatham continuerait sans doute à passer par Moncton.

M. Breau: Je ne vois pas. C'est à 90 milles de Moncton et à 40 milles de Bathurst à moins qu'il n'y ait un tel écart entre le service d'Air Canada et le vôtre.

M. Gaudet: Évidemment, la fréquence des vols d'Air Canada, attirerait le trafic de cet endroit, parce que tous les gens ne se rendent pas au même endroit, et ils auraient une plus grande fréquence et variété des vols et de meilleures correspondances à Moncton qu'en passant par Bathurst ou Charlo.

M. Rose: C'est parce qu'Air Canada offre un meilleur service.

M. Gaudet: Ils offrent un plus grand nombre de vols.

M. Pringle: Étant donné que je viens de l'Ouest, je ne devrais peut-être pas prendre le temps réservé aux personnes des provinces de l'Atlantique qui aimeraient poser des questions bien précises. Mais, toutefois, je me préoccupe beaucoup de l'avenir des transporteurs régionaux. Je me demande si les transporteurs régionaux estiment que le gouvernement et ceux qui ont la charge d'étendre et d'aider les transporteurs régionaux, font un travail satisfaisant. Quand nous étions dans les provinces Maritimes, nous avons entendu certaines plaintes à cet égard. Évidemment, nous en avons aussi eues à Vancouver, à Prince George et à Régina aussi en ce qui

[*Texte*]

Regina with regard to some of the accommodation, some of the facilities and some of the equipment that is available for people to use.

I am thinking of the time when Air Canada started as Trans-Canada Airlines and the tremendous amount of assistance that was made available to Air Canada and Trans-Canada Airlines. Do you feel that there is sufficient provision made to assist in the financing of new equipment and the development of programs with regard to increasing your passenger traffic in these various areas? Do you feel that you are getting the proper assistance for do you feel you have to fight with everybody in the country, first of all, to get a licence to operate and then go on and develop and promote it entirely on your own?

It looks to me that the future of aviation at the present time is going to depend a great deal on expansion at the regional level as well as at the third level of aviation which is now just beginning in certain areas. Some people think in terms of trunk lines concentrating on more world travel and that these lines are going to be more important. Could I have a comment on this particular angle?

Mr. Lewington: In general I think we are in agreement with you, but I will ask Mr. Millar to speak specifically to your point.

Mr. Millar: Well, I think there is some difference between Pacific Western Airlines Ltd., for example, in Vancouver and some of the other regional air carriers in that Pacific Western has probably longer staged distances than most of the rest of us. But I was trying to make a point that it is sometimes difficult to compare one regional against another because of the changes in the route structure.

Now it is true that in respect of the regionals we have had a long hard fight or a long hard debate, whichever way you wish to express it. Finally in 1966 the government set forth in the form of Circular 61 and 62/66 of the Air Transport Committee a regional airline policy and this policy provided for a subsidy for regional airlines. As a matter of fact, the regional airlines were named. They were Pacific Western, Transair, Quebecair, Eastern Provincial and Nordair. Now we are all eligible for subsidy on certain specific routes which meet the criteria set forth in the circular.

But this subsidy has only been in effect for two years, the year 1967 and the year 1968, and in fact the development of the formula itself is still a matter of some considerable

[*Interprétation*]

concerne certaines installations et l'équipement mis à la disposition des gens.

Je songe au moment où Air-Canada a commencé comme Trans-Canada Airlines et de l'aide énorme qui a été accordée à Air Canada et à Trans-Canada Airlines. Est-ce qu'il y a suffisamment de dispositions prévues pour aider au financement de votre matériel et à la mise au point des programmes destinés à augmenter le trafic des voyageurs dans ces différentes régions? Croyez-vous que vous obtenez une aide satisfaisante ou qu'il vous faut lutter contre tout le monde dans le pays, d'abord pour obtenir un permis d'exploitation et ensuite de poursuivre et de développer le service et de le promouvoir entièrement vous-mêmes?

J'ai l'impression que l'avenir de l'aviation à l'heure actuelle dépendra beaucoup de l'expansion au niveau régional aussi bien qu'au troisième niveau de l'aviation qui commence à peine dans certaines régions. Certaines personnes pensent peut-être que les lignes principales se concentreront plutôt sur les voyages autour du monde et qu'elles prendront de l'importance. Pourrais-je apporter un commentaire sur cet aspect particulier?

M. Lewington: D'habitude je pense que nous partageons votre avis, mais je vais demander à monsieur Millar de parler de manière précise de votre question.

M. Millar: Je crois qu'il y a une certaine différence entre, par exemple, *Pacific Western Airlines,* à Vancouver—et quelques autres transporteurs aériens régionaux car Pacific Western parcourt probablement de plus grandes distances que tout le reste. Mais j'essayais de dire qu'il est parfois difficile de comparer un transporteur régional avec un autre en raison des changements dans le parcours.

Il est vrai que les transporteurs régionaux ont bien lutté depuis longtemps ou si vous préférez ont eu des débats très longs à ce sujet. En fin de compte, en 1966, le gouvernement a établi dans la formule des Circulaires 61, 62 de l'année 1966, du Comité des Transports aériens, une politique régionale qui devait prévoir une subvention pour les lignes aériennes régionales. En fait les lignes aériennes ont été nommées. Il s'agissait de Pacific Western, Transair, Quebecair, Eastern Provincial et Nordair. Nous sommes tous admissibles aux subventions pour des trajets précis qui répondent aux critères établis dans les circulaires.

Mais cette subvention n'est en vigueur que depuis deux ans, l'année 1967 et l'année 1968 et en fait, l'élaboration de la formule elle-même reste toujours une question de dialogue

[*Text*]

dialogue between the airlines—certainly between Eastern Provincial Airways and the Air Transport Committee of the Canadian Transport Commission.

I would say, in general response to your question, that we do feel, finally, that we are getting adequate attention from the Government of Canada with respect to the losses we incur in providing these air services. However, as these government policies are formulated the structure of the industry is changing. Certainly the air transport industry in the world has gone through several major revolutions in the last 20 years. Probably the most revolutionary thing that happened in the last 10 years was the introduction of turbo-jet airplanes A turbo-jet airplane in the short range field cost something like $5 million.

Five years ago when we operated with turbo-prop airplanes we talked about an investment of $1 million. Ten years ago when we were in the piston engine airplane business we talked about an investment of approximately $100,000 for an airplane. So this advance in technology has caused throughout the world a centralization or a merger of air carriers.

In 1963 Eastern Provincial Airways, for example, merged with Maritime Central Airways Ltd. because it was not economic for both the airlines to operate in that part of the country. There were several mergers as I remember, in the last 10 years in your part of the country. Now we have merged with Nordair basically for economic reasons. If you took the route structure of Eastern Provincial Airways and analyse it you would find that theoretically one jet aircraft could supply all the needs of the system. This is because of the immense productivity of the jet airplane versus a propeller one. You cannot possibly buy one jet airplane and operate it in any optimum economic sense.

It is just physically impossible to schedule it in such a manner as to meet the requirements of the travelling public. The very minimum you can operate with in a practical or economic sense is two jet aircraft. But operating with just two jet aircraft presents some rather serious problems of scheduling.

When one airplane is taken out for maintenance, for example, you are left only with half your fleet. So, in my opinion you really need three jet airplanes to sustain some reasonable level of efficiency in the air line business. This is what has happened in the air line business in Canada.

[*Interpretation*]

entre les lignes aériennes, du moins entre la *Eastern Provincial Airways* et le Comité des transports aériens de la Commission canadienne des transports.

Je dirais pour répondre de façon générale à votre question que nous trouvons, en fin de compte, que le gouvernement du Canada paie une attention suffisante aux pertes qui surviennent en assurant ces services aériens, Toutefois, comme au fur et à mesure qu'on élabore la politique globale du gouvernement, la structure de l'industrie change. Et certainement, l'industrie du transport aérien dans le monde a connu plusieurs révolutions importantes au cours des vingt dernières années. La chose la plus révolutionnaire des 10 dernières années est sans doute l'apparition des turboréacteurs. Un turboréacteur à faible rayon d'action coûte quelque 5 millions de dollars.

Il y a 5 ans quand nous avons piloté les turbos propulseurs, il s'agissait d'une mise de fonds de 1 million de dollars. Il y a dix ans, avec les avions avec moteurs à pistons, il s'agissait d'environ 100 mille dollars d'investissement. Ainsi, le progrès de la technique a entraîné, partout dans le monde, une centralisation ou un fusionnement des transporteurs aériens.

En 1963, par exemple, la *Eastern Provincial Airways* se fusionnait avec la *Maritime Central Airways Ltd.* car ce n'était pas rentable pour les deux lignes aériennes d'avoir un permis d'exploitation dans la même région du pays. Il y a eu plusieurs fusions. Si je me souviens bien, même dans votre région du pays, depuis 10 ans. Nous nous sommes fusionnés à Nordair pour des raisons économiques à la base. Si vous prenez le trajet de la *Eastern Provincial Airways*, et si vous l'analysez, vous trouverez qu'en théorie, un seul avion à réaction pourrait assurer tous les services du réseau entier en raison de la grande productivité d'un seul avion à réaction à comparer avec un propulseur. Il est impossible d'acheter un avion à réaction et en retirer un rendement économique maximum.

Il est impossible de déterminer l'horaire pour obtenir de manière à respecter les exigences des voyageurs. Il faut au minimum deux avions à réaction pour réaliser une exploitation rentable. Mais si vous exploitez seulement deux avions à réaction, vous rencontrez de graves problèmes d'horaire.

Par exemple, quand un avion à réaction est retiré du service pour une vérification, il ne vous reste que la moitié de votre flotte. Et à mon avis, vous avez vraiment besoin de trois avions à réaction pour maintenir un certain niveau d'efficacité dans l'industrie du transport aérien. C'est ce qui s'est passé sur les lignes aériennes au Canada.

[*Texte*]

I might say the same thing happened in the regional air line business in the United States. The only difference is that in the United States they had a subsidy system that was started in 1949, if I remember correctly, and the number of carriers has gone from 13 to 10 within the last couple of years. They have a subsidy system in Australia as well and it has been in existence for some eight to ten years.

So, Canada was late in fact in developing a policy with respect to its regional carriers, but that policy has now been developed and I think Eastern Provincial Airways (1963) Limited is satisfied with the progress we have made in the last few years, although we are not necessarily in agreement with each and every little aspect of the so-called subsidy formula.

Mr. Pringle: Thank you. Do you feel there is sufficient liaison between the main trunk lines in Canada and the regional carriers—and I refer to all of the regional carriers generally—with regard to ticketing, reservation arrangements, accommodation of passengers from one air line to another and so on? There have been some problems.

I have started for Charlottetown a couple of times and found myself on the ferry, which does not really matter, but it seems there could have been more liaison between Air Canada and Eastern Provincial at that particular time to avoid that problem. I am wondering if there is the camaraderie there should be and if there are any suggestions you could make through the Department of Transport that might assist us.

Mr. Lewington: We are very well aware of that problem, Mr. Chairman, but I would like to say right now that we have excellent relations with Air Canada, and camaraderie is the proper word to describe it. We are on a very close basis with them. This does not mean, though, that we have been able to iron out all these problems—not by a long way.

However I think as we develop our services we will be able to integrate this sort of customer service in transferring from one air line to another very, very substantially. This is developing. For example, we have our reservations on Air Canada's computer for the Prince Edward Island services. Also, Air Canada handles our passengers at Seven Islands. We have had these sorts of arrangements from time to time for a number of years.

[*Interprétation*]

Je pourrais dire que la même chose s'est produite pour les lignes de transport régionales aux États-Unis. La seule différence, c'est qu'aux États-Unis, ils avaient une régime de subventions depuis 1949, sauf erreur, et le nombre de transporteurs a diminué de 13 à 10 au cours des dernières années. En Australie, ils ont aussi un régime de subventions depuis huit ou dix ans.

De fait, le Canada était en retard dans l'élaboration d'une politique sur ses transporteurs régionaux. Mais cette politique a maintenant été élaborée. Je crois que la *Eastern Provincial Airways (1963) Limited* est satisfaite du progrès que nous avons fait depuis quelques années, même si nous ne sommes pas d'accord avec chaque aspect particulier de la formule de subvention.

M. Pringle: Merci. Croyez-vous qu'il y a suffisamment de liaison entre les lignes principales au Canada et les transporteurs régionaux—et je me réfère à tous les transporteurs régionaux en général—en ce qui concerne la vente des billets, les réservations, le logement des passagers, d'une ligne aérienne à l'autre? Il y a eu certains problèmes.

Je suis parti pour Charlottetown une couple de fois, et je me suis retrouvé à bord du traversier, ce qui importe peu, mais il me semble qu'il aurait pu y avoir une meilleure communication entre Air Canada et Eastern Provincial Airways pour éviter ce problème. Je me demande s'il existe cette camaraderie qu'il devrait y avoir et si vous pourriez, par l'entremise du ministère des transports, formuler des suggestions qui nous aideraient?

M. Lewington: Nous sommes fort au courant de ce problème, monsieur le président, mais je dois d'abord dire que nous avons d'excellentes relations avec Air Canada. Il serait juste de dire qu'il s'agit de camaraderie. Nous avons des rapports étroits avec eux. Cela ne veut pas dire que nous avons pu nécessairement régler tous les problèmes. Loin de là.

Toutefois, au fur et à mesure que nous développons nos propres services, nous pourrons probablement intégrer, en grande partie, ce genre de services aux clients, soit le transfert d'une ligne aérienne à l'autre. Nous le développons à l'heure actuelle. Par exemple, nous faisons nos réservations sur l'ordinateur d'Air Canada pour l'Île du Prince-Édouard. Également, Air Canada se charge de nos passagers à Sept-Îles. Nous avons eu ces ententes de temps à autre depuis un certain nombre d'années.

[*Text*]

Mr. Pringle: I will close with just one further point. You mentioned subsidy and I believe you are talking about operating losses, are you not?

Mr. Lewington: That is right.

Mr. Pringle: You are not talking about capital investment. You never mentioned whether any support should be given to a program of arranging financial assistance with regard to capital purchase of equipment, and so on, over a period of time so that you could upgrade your facilities and equipment and shorten the period of time when you will be able to give first class service which would not be too different from that supplied by the trunk lines. I would be interested to hear your reply in this regard.

Mr. Lewington: At the moment that assistance is not available to us. I think on our side we would agree that this would be highly desirable. I do not know when or how the government may approach that problem in the future.

The Chairman: Mr. Corbin?

Mr. Corbin: First of all, Mr. Chairman. I noticed in his opening remarks the witness stated the type of air business that EPA was in. He mentioned it in the following order; mail, passenger and freight. I wonder if he would state at this time which of these services he considers essential from an economic point of view in order to stay in business. Is it mail, freight or passenger service?

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Mr. Lewington: The common phrase is "mail, passenger and goods", which is a fine distinction. However, from an economic point of view the passenger service produces the higher yield.

Mr. Corbin: It does for you.

Mr. Lewington: It does for us.

Mr. Corbin: I see.

Mr. Lewington: And I think this is true throughout the industry. I am fairly sure it is. One of the big problems in air transport is really developing the goods business and getting the right yield and a good rate for it. I would like Mr. Millar to speak on this point because he has had very considerable experience in this area.

Mr. J. Millar: I would think one of the biggest single problems in determining an economic rate that has plagued the industry ever since I have been in the air line business is

[*Interpretation*]

M. Pringle: Je voudrais soulever un dernier point pour clore. Vous avez parlé de subventions et vous parlez de perte d'exploitation, n'est-ce pas?

M. Lewington: C'est exact.

M. Pringle: Vous ne parlez pas de mise de fonds. Vous n'avez jamais mentionné que l'on devrait appuyer un programme d'assistance financière pour l'achat d'équipement au cours d'une certaine année afin que vous puissiez améliorer vos facilités et votre équipement et raccourcir le temps requis pour vous permettre de donner un service de premier ordre comme celui des lignes principales. J'aimerais entendre vos vues à ce sujet.

M. Lewington: Ce genre d'aide ne nous est pas disponible actuellement. Nous serions tous d'accord que ce serait fort souhaitable. Je ne sais pas ni la date ni la manière dont le gouvernement s'attaquera à ce problème à l'avenir.

Le président: Monsieur Corbin?

M. Corbin: Monsieur le président, j'ai une question à poser au témoin. Tout d'abord, dans sa déclaration d'ouverture il a spécifié le genre d'industrie de EPA. Il a mentionné dans cet ordre: le courrier, les passagers, les marchandises. Pourrait-il me dire, maintenant, lequel de ces services il considère comme essentiel du point de vue économique pour demeurer en affaires? Est-ce le courrier, le service des passagers ou le cargo?

M. Lewington: Normalement, on dit «courrier, passagers et biens». Cependant, du point de vue économique, le service-passagers produit le meilleur rendement.

M. Corbin: Pour vous.

M. Lewington: Oui, pour nous.

M. Corbin: Je vois.

M. Lewington: Et je crois que c'est vrai pour toute l'industrie dans son ensemble. J'en suis presque certain. Un des grands problèmes du transport aérien, c'est vraiment de développer le service du transport des marchandises et d'en obtenir un assez bon profit. Je demanderais maintenant à M. Millar de vous parler de cet aspect, car il a une grande expérience dans ce domaine.

M. Millar: L'un des plus grands obstacles à l'établissement d'un tarif économique pour les services aériens depuis que je m'occupe de l'industrie des lignes aériennes, c'est le

[*Texte*]

the so-called density problem. The size of the envelope of an airplane is obviously a very significant factor in determining the direct operating costs of the airplane. Generally speaking, the bigger the envelope you are flying through the air the more power you need and the higher costs you get. Therefore pounds per cubic foot of an item of freight is a factor that has a most tremendous effect on rates. Because of the low amount of volume that you have in an airplane and because of the cost of operating an airplane you have to charge rates which are generally speaking not competitive.

For the most part, although in relative terms air cargo has increased at a tremendous pace during the last ten years, the amount of air cargo moved in the United States or Canada, for example, compared to the total amount of cargo moved was an infinitesimal percentage. I would hazard a guess that it was only one fiftieth of 1 per cent of the total amount moved. So, historically those things that have moved have really moved because of some special characteristics such as urgency, for example, or because of the very high cost of the item and therefore the associated cost of keeping it in inventory.

The air cargo business in the regional carrier field is something that has not grown in great leaps and bounds over the years because operating airplanes over short stage distances is much more expensive than operating them over long stage distances. Consequently the disparity between an air freight rate and a surface transportation rate is something which is fairly tremendous. For the most part the cargo that we have generated, we have generated because of the water barriers concerned, and now all cargo movement is between New Brunswick and Labrador. We really move it because of the lack of competition, basically.

The Chairman: Does that answer your question, Mr. Corbin?

Mr. Corbin: I have further questions, Mr. Chairman, if I may. I wonder if the witness could clear the record respecting a certain matter which came up when they applied to the Air Transport Committee in Bathurst last year and there was considerable difficulty in getting the hearings through. I followed the hearings quite closely as they were reported in the New Brunswick papers and it was stated that EPA was mainly interested in getting a licence to stop at Charlo in order to get a step closer to Montreal, which was the principal aim of your request, but that somewhere along the line you needed Charlo-Bathurst in order to get to Montreal; otherwise it possibly

[*Interprétation*]

problème de la densité. La dimension d'un avion est certainement un facteur très important dans le calcul des frais directs d'exploitation. Plus l'avion est gros, plus vous avez besoin de puissance et plus les coûts sont élevés. Par conséquent, le nombre de livres par pied cube est un facteur qui a un effet très grand sur les tarifs. Si vous avez un petit volume dans l'avion, il vous faut charger un tarif qui n'est pas concurrentiel à cause de vos frais d'exploitation.

Pour la plupart, même si le fret aérien a augmenté rapidement depuis 10 ans, la quantité de cargos aériens transportés aux États-Unis et au Canada, par exemple, en comparaison du total, est infime. Je dirais qu'il était peut-être 1/50 de 1 p. 100 du total transporté. Par conséquent, historiquement, les choses qui ont progressé rapidement l'ont fait très vite à cause de caractéristiques spéciales, par exemple, un besoin urgent, ou à cause des frais élevés d'un item et, conséquemment du coût combiné de le tenir en inventaire.

Le fret aérien, au niveau régional a augmenté peu et lentement au cours des années car il en coûte plus pour exploiter des avions sur un faible parcours que sur un long parcours. Par conséquent, la différence entre le tarif du cargo aérien et le transport de surface est énorme. La plus grande partie du cargo aérien que nous avons pu obtenir est due à la présence des nappes d'eau et il se fait entièrement entre le Nouveau-Brunswick et le Labrador. Vraiment, nous le transportons parce qu'il n'y a pas de concurrence.

Le président: Est-ce que cela répond à votre question, monsieur Corbin?

M. Corbin: J'ai d'autres questions, monsieur le président. Je me demande si le témoin ne pourrait pas nous éclairer sur un incident qui s'est produit lorsqu'ils ont présenté une demande au comité sur le transport aérien à Bathurst, l'an dernier. Ils ont eu certaines difficultés à obtenir les audiences voulues. J'ai suivi ces audiences de très près dans les journaux du Nouveau-Brunswick. On a prétendu que EPA voulait surtout obtenir un permis d'exploitation pour s'arrêter à Charlo, afin d'être un peu plus près de Montréal, ce qui était le but principal de votre demande. On disait que vous avez besoin de Charlo-Bathurst pour atteindre Montréal car,

[*Text*]

would not have been justified in the eyes of the Air Transport Committee members, or something along that line. If you had not had the licence to go to Montreal, how would that have affected you as you stand today?

[*Interpretation*]

autrement, vous n'auriez pu justifier votre demande aux yeux du Comité sur le transport aérien.

Si vous n'aviez pas obtenu le permis d'exploitation pour vous rendre à Montréal, comment cela vous aurait-il affecté dans votre situation actuelle?

• 1250

Mr. Lewington: The licence to Montreal is just one part of our full and future development.

M. Lewington: Le permis d'exploitation pour nous rendre à Montréal n'est qu'une seule partie de notre développement entier et futur.

Mr. Corbin: If I may, I will state it very plainly. Was it essential for your survival as a regional carrier to get into Montreal?

M. Corbin: Permettez-moi de vous le dire directement. Était-il essentiel pour la survie, de votre transporteur régional, de vous rendre à Montréal?

Mr. Lewington: Yes, in my opinion, and there is more to come of a similar kind.

M. Lewington: Oui, à mon avis, et il y en a d'autres semblables à venir.

Mr. Corbin: If I understood correctly from evidence given earlier, through your wedding with Nordair you are going to convert to jets.

M. Corbin: Si j'ai bien compris les témoignages donnés antérieurement grâce à votre alliance à Nordair, vous pourrez justement convertir votre service en avions à réaction.

Mr. Lewington: That is correct.

M. Lewington: C'est exact.

Mr. Corbin: And this will include your present line now serving Charlottetown-Charlo-Montreal. Will the landing strips, at Charlo or Bathurst be able to receive those jets, or will they have to be modified extensively?

M. Corbin: Cela comprendra aussi la ligne actuelle qui dessert Charlottetown, Charlo et Montréal. Est-ce que les pistes d'atterrisage à Charlo ou à Bathurst pourront recevoir ces avions à réaction ou est-ce que ces pistes devront être modifiées considérablement?

Mr. Lewington: They will have to be modified extensively. One of the first things is that either runway will have to be extended to at least 5,500 or 6,000 feet and paved for a bearing strength that will support at least 100,000 pounds; in addition to the lights that are already in both locations there would need to be high intensity approach lights, a VASI, which is a visual approach smoke indicator, and an instrument landing system. These will all be necessary facilities in time.

M. Lewington: On devra les modifier considérablement. De toute façon, chaque piste devra être prolongée jusqu'à au moins 5,500 ou 6,000 pieds et pavées pour pouvoir supporter au moins 100,000 livres. En plus des feux que nous avons déjà aux deux endroits, il faudra avoir des feux d'approche à haute intensité aux deux endroits, un indicateur fumigène pour l'approche à vue et un système d'atterissage au moyen d'instruments. Ces installations deviendront nécessaires avec le temps.

Mr. Corbin: Do you know at this time at what date you will put these jets into service on that line?

M. Corbin: Savez-vous quand vous mettrez ces avions à réaction en service sur votre ligne?

Mr. Lewington: Into Charlo or Bathurst, of course, this will depend entirely on what the Department of Transport is able to do. There is a very substantial amount of money involved here as well as all lead times necessary for equipment and the organizing of construction contracts.

M. Lewington: Pour Charlo ou Bathurst, cela dépend entièrement de ce que pourra faire le ministère des Transports car il y a en cause une somme d'argent très importante et tout le temps voulu pour l'équipement et la construction.

Mr. Corbin: I realize that. Is it the intention of EPA to service other points within the Province of New Brunswick? I would refer here particularly to the Saint John river valley above Fredericton, including points like

M. Corbin: Je comprends. Est-ce l'intention de EPA, de desservir d'autres points à l'intérieur de la province du Nouveau-Brunswick? Et ici, j'aimerais mentionner tout particulièrement la vallée de la rivière Saint-Jean tout

[*Texte*]

Woodstock, Grand Falls and Edmunston. Have you had a look at this?

Mr. Lewington: We have been looking at all these points and a number of others in the Atlantic region for a number of years, and our decisions in this area will depend a great deal on the studies which Air Canada are now doing internally on their position and what recommendations they are going to make to government on their regional roles. In addition to that, we at the present time have a consulting firm doing the same thing for us, and Fredericton, Saint John, every point that might deserve, or need, or ask for air service is being considered.

Mr. Corbin: Mr. Chairman, I have a last question. In the decision handed down by the Air Transport Committee the other day the application by Commuter Air Services for an all-points service within the Province of New Brunswick was denied, and I notice you opposed this particular application; can you tell us why?

Mr. Lewington: I am surprised at that, Mr. Chairman. I did not think we did oppose it. We did not support it.

Mr. Corbin: All right, you did not support the particular application? I may be wrong, but I thought I had read that you had actually opposed the application for that service.

Mr. Millar: If my memory serves me correctly, I prepared the document that this airline submitted at the specific hearing and I do not believe that we either opposed it or supported it. As a matter of fact, I think the only comment we made was that in considering the application of Commuter Air Services the Air Transport Committee should also take into consideration the developing regional airline policy since at this moment of time the policy is developing, as events have indicated in the last two years. But we were not opposed to the application of Commuter Air Services or, for that matter, to the application of Air Brunswick. In fact, we met with the principals of Commuter Air Services with a view to scheduling in such a manner as to meet the public. We met with them in Montreal, and subsequently some of our other staff met with them in New Brunswick.

Mr. Corbin: What I was basically interested in was whether or not the type of service that Commuter Air Services wanted to bring about could be comparable to a ground taxi service, bringing passengers from the outports

[*Interprétation*]

près de Fredericton, y compris les points Woodstock, Grand Falls, et Edmundston. Est-ce que vous avez examiné cette possibilité?

M. Lewington: Depuis plusieurs annéees nous avons examiné tous ces points et un certain nombre d'autres dans la région de l'Atlantique. Nos décisions, à cet égard, dépendront beaucoup des études qu'Air Canada effectue à l'heure actuelle et des recommandations que la compagnie formulera auprès du gouvernement sur leurs rôles régionaux. De plus, à l'heure actuelle, nous avons des conseillers qui font la même chose pour nous, et Fredericton, et Saint-Jean tous des points qui mériteraient, qui demanderaient ceux qui auraient besoin de services aériens, sont actuellement à l'étude.

M. Corbin: Monsieur le président, j'aimerais poser une dernière question. Je vois dans la décision rendue l'autre jour par le Comité des transports aériens que la demande de *Commuter Air Services* en vue d'un service partout au Nouveau-Brunswick a été contestée, et j'ai constaté que vous vous y êtes opposés. Pouvez-vous me dire pourquoi?

M. Lewington: Je suis surpris, monsieur le président. Je n'ai pas pensé que nous nous y opposions. Nous ne l'avons pas appuyée.

M. Corbin: Très bien. Vous ne l'avez par appuyée? Je me trompe peut-être, mais je croyais avoir lu que vous vous y étiez opposés.

M. Millar: Si j'ai bonne mémoire, c'est moi qui avais préparé le document présenté par la ligne aérienne au cours de cette audience et je ne crois pas que nous nous y soyons opposés, ni même que nous l'ayons appuyée. En fait, je crois que le seul commentaire que nous ayons apporté indiquait que pour étudier la demande de *Commuter Air Services* le Comité des transports aériens devrait aussi tenir compte de la politique d'expansion des compagnies aériens régionales, qui s'élabore, comme en fait foi les événements des 2 dernières années. Mais nous n'étions pas opposés à la demande de *Commuter Air Services* ou à celle d'*Air Brunswick*. En fait, nous avons rencontré les employés supérieurs de *Commuter Air Services* afin d'arrêter un horaire qui répondrait aux besoins du public. Nous les avons rencontrés à Montréal et par la suite quelques-uns de nos employés les ont rencontrés au Nouveau-Brunswick.

M. Corbin: Ce qui m'intéressait à la base c'était de voir si oui ou non les services que *Commuter Air Services* voulait assurer pourraient se comparer à un service de taxi au sol qui amènerait les gens jusqu'aux principales

[*Text*]

into the main airports, in this case, perhaps, to you, and people in the upper Saint John river valley, for example, would then have had an easy access into Charlo and from there to Montreal.

Mr. Millar: I think earlier the hon. member from the West Coast used the term "third" level. This is the term we use in airline business. This specific airline to which you refer is what we call a "third" level carrier.

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Over the last four or five years there have been substantial developments with respect to the relationships between regional air carriers in the United States and Canada and third level carriers and there seems to be some sort of a split personality in the industry. Some regional airlines support with some considerable weight the third level carriers, while others seem to oppose them. We have no fixed policy either of opposition or support at this moment in time because we think that our attitude towards third level carriers is part and parcel of the whole development of policy in the industry now with respect to the routes of the regionals through domestic trunks, etc.

Mr. Mahoney: Mr. Chairman, I would like to ask a couple rather specific questions.

Firstly, there were suggestions made when we visited St. John's, Newfoundland that the present Torbay airport is out of service a great deal on account of weather conditions. Has this been your experience?

Mr. Lewington: It is. I did a study at one time based on the hourly observations throughout a year; 25 per cent of the time the airport was beyond the limits of visibility, ceiling or wind.

Mr. Mahoney: Have your studies gone on to the point of thinking of alternate locations, and, if so, how far away from St. John's would you have to get to materially improve that situation?

Mr. Lewington: We have never studied it, but nevertheless we have discussed it many times with Air Canada and others who were interested, including the Department of Transport. It is my opinion, for what it is worth, that the cost of building another airport would not be justified; that is, if you located it in some other place you would certainly at some points in time be able to land there when you could not land at Torbay,

[*Interpretation*]

aérogares. Pour vous et pour les gens de la vallée en amont de la rivière Saint-Jean, y aurait-il un accès facile à Charlo et de là à Montréal.

M. Millar: Je crois que l'honorable député de la Côte de l'Ouest a employé l'expression «troisième niveau». C'est justement l'expression qu nous employons. La ligne aérienne dont vous parlez constitue un transporteur de troisième niveau.

Depuis 4 ou 5 ans, il y a eu des développements importants dans les rapports entre les transporteurs régionaux aux États-Unis et au Canada et les transporteurs de troisième classe et il semble y avoir un dédoublement de personnalité dans l'industrie. Certaines compagnies aériennes régionales appuient fortement les transporteurs de troisième classe alors que d'autres s'y opposent. Nous n'avons aucune politique définitive pour l'appuyer ou pour nous y opposer, en ce moment, car nous croyons que notre attitude vis-à-vis des transporteurs de troisième classe fait partie de toute l'élaboration de la politique de l'industrie à l'égard des routes, des transporteurs régionaux, à travers les lignes principales intérieures.

M. Mahoney: Monsieur le président, j'aimerais poser quelques questions assez précises. Tout d'abord, lors de notre visite à Saint-Jean (Terre-Neuve), on a dit que l'aéroport actuel Torbay ne peut pas servir très souvent en raison des conditions atmosphériques. Avez-vous eu cette expérience?

M. Lewington: Oui. Effectivement, j'ai fait une étude, à un moment donné, fondée sur les observations horaires au cours de l'année: 25 p. 100 du temps, l'aéroport n'était pas accessible en raison de vents, de températures ou autres facteurs de visibilité.

M. Mahoney: Est-ce que vos études vous ont amené à penser à d'autres emplacements et, dans le cas de l'affirmative, à quelle distance de Saint-Jean devriez-vous déplacer l'aéroport pour améliorer la situation?

M. Lewington: Nous n'avons pas étudié cette possibilité, mais tout de même nous en avons parlé à plusieurs reprises à Air Canada et à d'autres qui s'y intéressaient ainsi qu'au ministère des Transports. Voici ce que j'en pense. Le coût de construction d'un autre aéroport ne serait pas justifié. Vous pourriez y atterrir en certains de ces points s'il est impossible d'atterrir à Torbay, mais, dans l'ensemble, ce ne serait pas justifiable. La

[*Texte*]

but over-all it could not be justified. The answer to this problem is more sophisticated aids so that the aircraft can land at the lower limits. The so-called category 2 would bring an aircraft down to 100 feet and a quarter of a mile.

Mr. Mahoney: Moving on now to Charlottetown, do you regard the terminal facilities there as adequate for your present purposes?

Mr. Lewington: They are far from that, sir, and not only the terminal facilties there is no ILS there. Our reliability and regulatory of service with the jet equipment is going to suffer on that account until these deficiencies are made up.

Mr. Mahoney: Aside from ILS, what about the landing strip or strips themselves at Charlottetown when you move on to jets? Will they require considerable modification?

Mr. Lewington: There is one runway that is quite sufficient the others are not.

Mr. Mahoney: Thank you.

Mr. Givens: Mr. Chairman, it is an open secret that most regionals are struggling and consultants are making a fortune running around telling you why you are sick. Also it is a question in my mind as to whether the people in the regions actually have confidence in the regionals from the standpoint of equipment, operation and safety.

What do you think of this idea? Supposing instead of all of you going into debt to buy this sophisticated jet equipment that you merge your resources, put all the regionals together, get all this high class, expensive equipment and then give out franchises to the various regions and various areas; in other words, like Sheraton or even hook it up with a hotel system, like the Sheraton chain or the Hilton chain, and really make a go at it as a business and have the proper kind of uniforms and have your scheduling right across the country serving the regions, instead of each of you individually trying to make a go of it and struggling like the dickens.

Mr. Millar: Well, the theory is not new. I might say that I was a consultant before I was an airline executive.

An hon. Member: It is usually the other way around.

Mr. Millar: I might say I did not make very much money at it.

I think a regional carrier exists in a region. First of all, let me start another way. This

[*Interprétation*]

réponse à ce problème réside dans les aides plus perfectionnées pour permettre aux avions d'atterrir avec de faibles conditions de visibilité. La catégorie 2 ferait atterrir un avion à moins de 100 pieds dans un quart de mille.

M. Mahoney: Est-ce que les installations du terminus de Charlottetown suffisent à vos besoins actuels?

M. Lewington: Ils y sont bien loin, et non seulement les installations d'aérogares. Il n'y a pas de système d'atterrissage au moyen d'instruments. La sécurité et la régularité des services avec avions à réaction en souffriront jusqu'à ce qu'on remédie à ces déficiences.

M. Mahoney: En plus de ce système, qu'est-ce que vous pensez des pistes d'atterrissage ou des pistes elles-mêmes à Charlottetown, si vous inaugurez les services avec les avions à réaction? Faut-il y apporter beaucoup de modifications?

M. Lewington: Une piste d'atterrissage est assez satisfaisante; les autres ne le sont pas.

M. Mahoney: Merci.

M. Givens: Monsieur le président, c'est un secret de polichinelle que la plupart des services régionaux ont des difficultés et que les conseillers font beaucoup d'argent en leur indiquant leurs problèmes. Je me demande si les gens de ces régions ont vraiment confiance sur le plan de l'équipement, de l'exploitation et de la sécurité.

Que pensez-vous de cette idée? Supposez qu'au lieu de tous vous endetter en achetant cet avion à réaction, que vous mettez en commun les ressources de tous les transporteurs régionaux, obtenir pour tous l'équipement cher de premier ordre et ensuite, d'accorder des franchises aux diverses régions ou des divers secteurs. Autrement dit, comme la chaîne Sheraton ou vous pourriez même vous associer avec les hôtels comme la chaîne Sheraton ou Hilton, en faire vraiment une affaire, avoir de bons uniformes et un horaire des vols à travers tout le Canada, desservant les régions, au lieu d'y aller chacun de son petit effort.

M. Millar: La théorie n'est pas nouvelle. J'étais conseiller avant d'être administrateur d'une compagnie aérienne.

Une voix: C'est habituellement le contraire.

M. Millar: Je ne faisais pas tellement d'argent.

Je pense qu'un transporteur régional existe dans une région. Tout d'abord, commençons

[*Text*]

theory in essence creates another domestic carrier in this country. That is what it is saying another carrier that can operate from St. John's, Newfoundland to Vancouver or Victoria, British Columbia. Whether this nation can afford a third domestic trunk carrier at this moment, I guess, is a matter of conjecture, but I do not believe it could.

But somewhat more important than that factor is the fact that a regional carrier allegedly exists in a region because it is better equipped to schedule and meet the real local service needs of that region, while in the United States historically regional carriers have been called local service airlines. Now, in my own opinion—and it is just one opinion—this theory is unrealistic and is not what the national air transportation system in this country requires at this moment of time. Now, whether or not it is workable is also a matter for some considerable debate.

Mr. Givens: I hope you remember that when the...

The Chairman: Is there any other question?

Mr. McQuaid: Yes, Mr. Chairman, I have several questions to direct to Mr. Lewington but since it is one o'clock perhaps you might like to adjourn.

The Chairman: Well, if you are the last speaker; these gentlemen might want to go home this afternoon. We cannot get this room this afternoon so we would have to wait until 8 o'clock tonight. If the Committee agree we might be able to finish it up now.

Mr. McQuaid: Mr. Lewington, I am particularly interested and I may say concerned about the type of service that EPA are now providing to the people of Prince Edward Island on your flight from Charlettetown to Montreal, and I do not hesitate to place on the record for the benefit of this Committee that your service, from the point of view of the facilities you are using and from the point of view of the passenger confort, is about as unsatisfactory as anybody could possibly imagine. I am particularly interested in knowing whether, Mr. Lewington, when you made your application for this service to the Air Transport Committee, you gave a commitment to the Air Transport Committee, you gave a commitment to provide any particular type of aircraft on this service?

Mr. Lewington: No sir, we did not. I beg your pardon we did say that we were going to use *Herald* aircraft that is for sure.

[*Interpretation*]

d'une autre façon. Cette théorie essentiellement crée un autre transporteur domestique dans ce pays. Un autre transporteur qui peut aller de St-Jean, Terre-Neuve, à Vancouver ou Victoria, Colombie-Britannique, que cette nation puisse se permettre un troisième transporteur domestique est une simple question de conjecture, je crois qu'il pourrait.

Il y a quelque chose de plus important, c'est le fait qu'un transporteur régional existe dans une région parce qu'il est mieux équipé disons pour répondre aux besoins de service local de cette région, alors qu'aux États-Unis, ces transporteurs régionaux ont été qualifiés de ligne locale de service. A mon avis, et c'est là simplement mon avis, nous croyons que cette théorie est peu réaliste et ce n'est pas ce dont notre service national a besoin maintenant. Que ce soit possible ou pas, donc, on peut discuter de la question assez longuement.

M. Givens: J'espère que vous n'oublierez pas que...

Le président: Auriez-vous d'autres questions à poser?

M. McQuaid: Oui, j'aurais plusieurs questions à poser mais vu qu'il est une heure, peut-être voudriez-vous lever la séance?

Le président: Si vous êtes le dernier sur la liste, ces messieurs préféreraient rentrer cet après-midi. Il nous faudra attendre à huit heures ce soir parce qu'on ne peut pas siéger cet après-midi. Si le Comité était d'accord, nous pourrions terminer maintenant.

M. McQuaid: Monsieur Lewington, je suis plus particulièrement intéressé, je puis dire même préoccupé, quant au genre de service que EPA assure maintenant à la population de l'Île-du-Prince-Édouard pour ce vol de Charlottetown à Montréal et je n'hésite pas du tout à consigner au compte rendu pour la gouverne de ce Comité que votre service, du point de vue des services que vous utilisez et du point de vue du confort des passagers est à peu près aussi déplorable qu'il peut l'être.

Je suis plus particulièrement intéressé à savoir si, M. Lewington, lorsque vous avez présenté cette demande pour ce service au comité du transport aérien, vous vous êtes engagé à assurer ce service avec un genre donné d'avions.

M. Lewington: Non, je m'excuse, nous avons dit que nous utiliserions des avions *Herald*.

[*Texte*]

Mr. McQuaid: You said you were going to use *Dart Heralds* and that is what you are using now?

Mr. Lewington: That is right.

Mr. McQuaid: Now, let me ask you this, Mr. Lewington. Is there a height beyond which it is not safe to fly a *Dart Herald*?

Mr. Lewington: No, sir. Mind you, there is a limit. There is a ceiling to all aircraft and the ceiling for the *Herald* is 17,000 or 18,000 feet.

Mr. McQuaid: Do you fly at 17,000 to 18,000 feet from Charlottetown to Montreal?

Mr. Lewington: We could do, but we do not necessarily. It will depend among other things on what altitude is allocated by the air traffic control. There is a minimum altitude, I think, on that route of 6,000 feet.

Mr. McQuaid: Mr. Lewington, I understand that one of your *Dart Heralds* blew up a few years ago and that as a result of your investigation it was found it blew to pieces because of the fact that it flew too high.

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Mr. Lewington: This is not correct. I have forgotten the words of the opinions that were given after the investigation, but it was decompression. It was a failure of the hull and the decompression of the hull was catastrophic.

Mr. McQuaid: Is this not one of the weaknesses of the *Dart Herald*?

Mr. Lewington: It is no longer a weakness, sir. It has been thoroughly overcome.

Mr. McQuaid: Are you suggesting then, Mr. Lewington, to this Committee that your aircraft that you are presently using on this flight can safely fly at a height of 17,000 feet from Charlottetown to Montreal?

Mr. Lewington: Absolutely.

Mr. McQuaid: Then may I ask you why you do not fly that height and give some more passenger comfort?

Mr. Lewington: There may have been some particular reason for one flight, I do not know, but we do fly at that altitude and can fly at that altitude. If I knew the specific day and the specific flight I might be able to find out why they did not.

[*Interprétation*]

M. McQuaid: Vous avez dit que vous utiliseriez des *Dart Herald* et c'est ce que vous utilisez maintenant?

M. Lewington: C'est juste.

M. McQuaid: Dites-moi, monsieur Lewington, est-ce qu'il y a une altitude au-delà de laquelle il n'est pas prudent de faire voler un *Dart Herald*?

M. Lewington: Non, monsieur. Il y a cependant un maximum. Tout avion a un maximum et pour le *Herald* c'est 17,000 ou 18,000 pieds.

M. McQuaid: Est-ce que vous volez à 17,000 ou 18,000 pieds de Charlottetown à Montréal?

M. Lewington: On pourrait le faire mais on ne le fait pas nécessairement. Cela dépend entre autres choses de l'altitude qui nous est donnée par le contrôle du trafic aérien. Il y a une altitude minimum de 6,000 pieds sur ce trajet je crois.

M. McQuaid: Si je comprends bien, un de vos *Dart Herald* a fait explosion il y a quelques années et à la suite de l'enquête que vous avez faite, vous avez découvert qu'il avait explosé parce qu'il volait trop haut.

M. Lewington: Non, ce n'est pas juste. J'ai oublié l'expression exacte utilisée après l'enquête, il s'agissait d'une décompression. Il y avait un défaut dans la coque et la décompression a été fatale.

M. McQuaid: N'est-ce pas une des faiblesses des *Dart Herald*?

M. Lewington: Non, plus maintenant, on l'a surmontée.

M. McQuaid: Alors, est-ce que vous dites à ce Comité, monsieur Lewington que l'avion que vous utilisez maintenant pour ce vol peut très bien voler à 17,000 pieds de Charlottetown à Montréal?

M. Lewington: Absolument.

M. McQuaid: Alors, pourquoi ne pas voler à cette altitude et donner un peu plus de confort aux passagers?

M. Lewington: Il y a peut-être une raison pour laquelle ce le fut pour un vol particulier, mais je sais que vous volons à cette altitude et nous pouvons le faire. Si je pouvais savoir au juste quel jour et quel vol précis dont il s'agit, je pourrais savoir pourquoi on ne l'a pas fait.

[*Text*]

Mr. McQuaid: You are suggesting now that ordinarily you do fly at a height of 17,000 feet?

Mr. Lewington: Well, not consistently. Again it will depend on weather and the allocation given by the air traffic control, but most often we do.

Mr. McQuaid: Most often you do fly at a height of 17,000 feet?

Mr. Lewington: Yes; there are a number of reasons besides passenger comfort for that. One is the efficiency of the airplane and the economy. It is highly desirable to fly at that altitude to get the efficiency from the turbines and the fuel consumption and things like that.

Mr. McQuaid: You mentioned I believe, Mr. Lewington, a few minutes ago in your evidence that you maintain excellent relations with Air Canada. Since you got this charter to fly from Charlottetown to Montreal, how many flights from Charlottetown have you either discontinued or changed the time of which previously used to connect with Air Canada from Moncton to Montreal?

Mr. Lewington: I will let Mr. Gaudet answer that one. He is the man who is responsible for drawing up these schedules and I think he has the information there.

Mr. Gaudet: We cut back one flight, Mr. McQuaid, when we laid on our Montreal flight and, as you know, for years on the Charlottetown-Moncton service MCA operated three flights a day, one in the morning, one in the afternoon and one in the early evening.

During the last two or three years when the *Dart Heralds* were put on the run these flights were reduced to two. We still have the same number of flights operating but they go different ways now. One goes to Montreal direct and one goes to Moncton. We have, in fact, a flight originating in Moncton in the morning at seven o'clock with a *Herald*. It comes to Charlottetown and goes on to Montreal and back, and it returns to Moncton at approximately nine o'clock at night.

Mr. McQuaid: What connection does that make with Air Canada, Mr. Gaudet?

Mr. Gaudet: A very good one, as a matter of fact. I have a list here if you care for me to outline the exact connections at the present time.

[*Interpretation*]

M. McQuaid: Vous suggérez qu'habituellement vous volez à 17,000 pieds.

M. Lewington: Pas toujours. Tout dépend des conditions atmosphériques et des directives données par le contrôle aérien. La plupart du temps c'est ce que nous faisons.

M. McQuaid: La plupart du temps vous volez à 17,000 pieds?

M. Lewington: Oui. Il y a un certain nombre de raisons pour cela, en plus du confort des passangers. Une des raisons est l'efficacité de l'économie de l'avion. Il est souhaitable de voler à cette altitude pour obtenir le meilleur rendement des turbines, la meilleure consommation d'essence et ainsi de suite.

M. McQuaid: Vous avez parlé il y a quelques instants au cours de votre témoignage que vous mainteniez d'excellents rapports avec Air Canada. Je voudrais donc vous demander combien de vols de Charlottetown à Montréal vous avez effectué depuis que vous avez le permis d'exploitation de cette ligne. Combien de vols de Charlottetown à Montréal avez-vous annulés ou reportés qui habituellement assuraient la correspondance avec Air Canada à partir de Moncton à Montréal?

M. Lewington: Je vais laisser M. Gaudet répondre à cette question. Il est responsable de la préparation des horaires et je pense qu'il a des renseignements.

M. Gaudet: Nous avons annulé un vol, monsieur McQuaid, un vol de Montréal, comme vous le savez le service de Charlottetown a eu pendant des années trois vols par jour, un le matin, un l'après-midi, et un tard dans la soirée.

Au cours des deux ou trois dernières années, lorsque les *Dart Herald* furent mis en service, nous avons réduit ces vols au nombre de deux. Nous avons toujours le même nombre de vols mais ils sont organisés différemment. Un va à Moncton, l'autre à Montréal et nous avons un vol à partir de Moncton à sept heures le matin qui vient à Charlottetown et va à Montréal et revient à Moncton vers 9 heures le soir.

M. McQuaid: Quelle correspondance cela a-t-il avec Air Canada?

M. Gaudet: Une excellente. J'ai une liste ici si vous voulez, je pourrais vous donner les correspondances exactes.

[*Texte*]

Mr. McQuaid: That flight you mention that leaves Moncton, the *Dart Herald*, at seven o'clock in the morning, what time do you have to leave Montreal by Air Canada to connect with that flight?

Mr. Gaudet: You have to leave on the 0130 flight which is a *Vanguard*. It arrives in Moncton, I believe, at about 4.30 in the morning.

Mr. McQuaid: 0130; what time is that?

Mr. Gaudet: Half past one.

Mr. McQuaid: Are you sure, Mr. Gaudet? That one leaves at 1.30 in the morning and it arrives in Moncton around four o'clock; is that not right? So your passengers have to sleep in the terminal in Moncton from four o'clock in the morning until seven-thirty to connect with your EPA flight?

Mr. Gaudet: If they want to take that flight they would have to, yes. Of course, there are other flights better than that to take.

Mr. McQuaid: I am talking about this one now. Do you consider that a good connection?

Mr. Gaudet: No, I do not. I consider that a terrible connection.

Mr. McQuaid: Well, now, what is your next one? After 1.30 a.m. what time can I leave Montreal by Air Canada and what connection will I get from Moncton to Charlottetown?

Mr. Gaudet: Our flight 104 at the present time leaves Moncton at 11.30 in the morning. That flight makes four connections for eastbound traffic, one of which is flight 500 which is a direct airline service from Montreal and Toronto.

Mr. McQuaid: No, excuse me, Mr. Gaudet; just a minute. I am talking now about the passenger who is coming from Ottawa and travelling to Charlottetown, or Montreal and travelling to Charlottetown. What time can he leave Montreal to connect with your flight from Moncton to Charlottetown after 1.30 a.m.?

Mr. Gaudet: I have just outlined that; flight 500.

Mr. McQuaid: Flight 500 leaves Montreal when?

Mr. Gaudet: Flight 500 arrives in Moncton at 10.55 a.m. It would leave Montreal some time around 9.30 in the morning. I can check it in my brief case.

Mr. McQuaid: No, that is all right.

[*Interprétation*]

M. McQuaid: Ce vol qui part de Moncton par *Dart Herald* à sept heures du matin, à quel heure devez-vous quitter Montréal par Air Canada pour cette correspondance?

M. Gaudet: Il faut prendre le vol de 0130 qui est un *Vanguard*. Il arrive à Moncton, je pense, à environ quatre heures le matin.

M. McQuaid: 0130 quelle heure est-ce ça?

M. Gaudet: Une heure trente le matin.

M. McQuaid: Vous êtes sûr? Il quitte à 1.30 heure le matin et arrive à Moncton à quatre heures. Donc vos passagers doivent dormir de quatre heures le matin jusqu'à sept heures trente dans l'aéroport de Moncton pour prendre votre vol EPA?

M. Gaudet: S'ils veulent prendre ce vol, oui. Mais il y a d'autres vols plus pratiques.

M. McQuaid: Je parle de celui-là, croyez-vous que c'est une excellente correspondance?

M. Gaudet: Non, je pense que c'est terrible.

M. McQuaid: Oui, d'accord, alors quel est votre autre vol? Après 1.30 heure du matin, à quelle heure puis-je quitter Montréal par Air Canada et quelle correspondance puis-je avoir de Moncton à Charlottetown.

M. Gaudet: Notre vol 104 quitte Moncton à 11.30 heures le matin. Ce vol assure quatre correspondances pour le trafic vers l'Est dont l'un est le vol 500, service direct pour Montréal et Toronto.

M. McQuaid: Un instant. Je parle maintenant du passager qui vient d'Ottawa et s'en va à Charlottetown ou encore de Montréal à Charlottetown. A quel moment doit-il quitter Montréal pour avoir la correspondance avec vos vols de Moncton à Charlottetown après une heure trente du matin?

M. Gaudet: Je viens de vous le dire le vol 500.

M. McQuaid: Ce vol 500 quitte Montréal à quelle heure?

M. Gaudet: Ce vol 500 arrive à Moncton à 10.55, il quitte donc Montréal vers 9.30 le matin, je pourrais vérifier dans mes documents.

M. McQuaid: Non, ça va.

[*Text*]

Mr. Gaudet: I consider it to be an excellent connection to Charlottetown.

Mr. McQuaid: What is your next connection?

Mr. Gaudet: Eastbound again?

Mr. McQuaid: Eastbound again, yes.

Mr. Gaudet: And from what point?

Mr. McQuaid: Montreal.

Mr. Gaudet: The only other connection, the only other flight going to the Island, of course, is our own *Herald* flight from Montreal.

Mr. McQuaid: Yes; that is what I was coming at, Mr. Gaudet, so now, if you do not want to take this killer at 1.30 in the morning, sit up in Moncton from four o'clock to half past seven, the only other choice you have is an Air Canada flight leaving Montreal at 10:50. That is the only other time that I can get across to Charlottetown. Is that not right?

Mr. Gaudet: No. You have two choices, Mr. McQuaid. You can leave Montreal at approximately 9:00 a.m., which is a prime time for departure, take flight 500 and connect with our flight 104 at Moncton and you are in Charlottetown at approximately noon. If you do not want to do that you can take the EPA flight leaving Montreal at 2:30 p.m. and you are in Charlottetown for supper.

Mr. McQuaid: I am avoiding the EPA flight from Montreal to Charlottetown. Now, as I understand it, besides the one at 1:30 a.m. flight 500 is the only one that I can take from Montreal to bring me into Charlottetown.

Mr. Gaudet: That is correct—if you avoid EPA's direct flight.

Mr. McQuaid: Before you got your charter and ran direct from Charlottetown to Montreal and from Montreal back to Charlottetown, how many connections could I have made.

Mr. Gaudet: That would vary, Mr. McQuaid, with the season and Air Canada's timetable changes and everything else. In my experience, having done this for years, there would be some seasons where you could make three connections and some seasons you could make one.

[*Interpretation*]

M. Gaudet: Je considère cela comme une excellente correspondance pour Charlottetown.

M. McQuaid: Alors quelle est votre prochaine correspondance?

M. Gaudet: Vers l'Est?

M. McQuaid: Vers l'Est encore une fois. Oui.

M. Gaudet: A partir de quel point?

M. McQuaid: De Montréal.

M. Gaudet: La seule autre correspondance, le seul autre vol qui se rende à l'île est celui de notre *Herald* à partir de Montréal.

M. McQuaid: C'est ce à quoi je voulais en venir M. Gaudet. Maintenant, si vous ne voulez pas prendre ce vol mortel de 1 h. 30 du matin, arriver à Moncton à 4h et attendre jusqu'à 7h30, le seul autre choix c'est un vol d'Air Canada qui quitte Montréal à 10h50. C'est le seul autre moment où je peux me rendre à Charlottetown. N'est-ce pas exact?

M. Gaudet: Non, vous avez deux choix, monsieur McQuaid, vous pouvez quitter Montréal vers 9h le matin, ce qui est une belle heure pour le départ, prendre le vol 500 et changer à notre vol 104 à Moncton et vous arrivez à Charlottetown environ à midi. Si vous ne voulez pas faire cela, vous pouvez prendre le vol d'EPA quittant Montréal à 2h30 de l'après-midi, vous arrivez à Charlottetown pour le dîner le soir.

M. McQuaid: J'évite le vol de EPA à partir de Montréal à Charlottetown. Si je comprends bien, en plus du vol qui est à 1h30 le matin, le vol 500 est le seul vol que je puisse prendre à partir de Montréal pour m'amener à Charlottetown.

M. Gaudet: C'est juste. Si vous voulez éviter le vol direct de EPA.

M. McQuaid: Avant que vous n'ayez votre charte, pour aller directement de Charlottetown à Montréal, et de Montréal à Charlottetown, combien de correspondances aurais-je fait?

M. Gaudet: Cela varierait suivant la saison, monsieur McQuaid, et l'horaire d'Air Canada change et tout le reste. Suivant mon expérience, ayant fait cela pendant des années, il y aurait certaines saisons où vous pourriez avoir trois correspondances et d'autres une seule.

[*Texte*]

Mr. McQuaid: But now, irrespective of the season, there are only two.

Mr. Gaudet: Not quite irrespective of the season, since at the present time we are talking about our winter timetable which, as you know, is a reduced service in the light of our seasonal peaks of traffic. Had we not merged, for instance, with Nordair Ltd. this summer we would have laid on another flight on our summer timetable to take care of the peak. This would have given you two connections in the summer.

Mr. McQuaid: Is it not correct, Mr. Gaudet, that even during your winter service, before you got your charter to run from Montreal to Charlottetown, that I had more connections from Montreal connecting with EPA from Moncton to Charlottetown that I have right now.

Mr. Gaudet: That is absolutely correct, Mr. McQuaid, but you did not have any more than two during the winter season—and if you still wish to lop off the EPA service to Moncton to Montreal at the present time this would give you one more connection in those early days. But the way we look at it is that you still have two ways of getting to Charlottetown, as you always have had during the winter—one via EPA and one via Air Canada and EPA.

Mr. McQuaid: But one has to be by EPA.

Mr. Gaudet: That is correct.

Mr. McQuaid: Mr. Gaudet how soon are you prepared to put on this jet service that you speak of from Charlottetown to Montreal? I understand from what Mr. Lewington said a few moments ago that the air strip at your airport in Charlottetown will now handle the jets. Is that right?

Mr. Lewington: That is correct, Mr. McQuaid. If I may go on to answer the first part of your question, if approvals are received on all our proposals for merging the two companies, we expect to put a 737 on that service the first week of June.

Mr. McQuaid: That service then will not stop a Charlo, will it?

Mr. Lewington: It will not. This is another point on which we have to receive approval.

Mr. McQuaid: But you have reasonable hopes of getting that on in the first week of June.

[*Interprétation*]

M. McQuaid: C'est juste. Maintenant, quelle que soit la saison, il n'y en a que deux.

M. Gaudet: Non pas quelle que soit la saison, car, à l'heure actuelle, nous parlons de l'horaire de l'hiver, qui, comme vous le savez, est un service diminué dans l'optique du trafic de pointe saisonnier. Si, par exemple, nous ne nous étions pas fusionnés avec Nordair Ltd., cet été, nous aurions ajouté un vol à notre horaire d'été. Cela vous aurait donné deux correspondances durant l'été.

M. McQuaid: Est-ce exact, monsieur Gaudet, que pendant le service d'hiver, avant que vous n'ayez obtenu votre charte pour aller de Montréal à Charlottetown, que j'avais plus de correspondance de Montréal avec EPA de Moncton à Charlottetown que je n'en ai maintenant.

M. Gaudet: Oui, c'est juste, monsieur McQuaid, mais vous n'en aviez pas plus de deux pendant la saison d'hiver. Et si vous désirez toujours ne pas tenir compte du service de EPA de Moncton à Montréal, maintenant, cela vous donnerait une correspondance de plus à ce temps-ci. Il y a toujours deux possibilités de vous rendre à Charlottetown. Un par EPA et l'autre par Air Canada et EPA. C'est ce que vous avez toujours eu durant l'hiver.

M. McQuaid: Mais il faut en prendre un par EPA.

M. Gaudet: C'est juste.

M. McQuaid: Monsieur Gaudet, quand serez-vous prêt à avoir ce service de réactés dont vous parlez, de Charlottetown à Montréal? Si je comprends bien, d'après ce que M. Lewington a dit il y a un instant, que la piste à votre aéroport de Charlottetown, peut maintenant recevoir un réacté.

M. Lewington: C'est juste, monsieur McQuaid. Si je peux poursuivre pour répondre à la première partie de votre question, si nous avons l'approbation de toutes nos propositions pour le fusionnement des deux compagnies, nous nous attendons d'avoir un 737 pour ce service, pour la première semaine de juin.

M. McQuaid: Alors, ce service n'arrêterait pas à Charlottetown, n'est-ce pas?

M. Lewington: Non, et c'est là un autre point sur lequel nous devons recevoir l'approbation.

M. McQuaid: Mais vous pouvez espérer que vous pourrez l'avoir pour la première semaine de juin.

[*Text*]

Mr. Lewington: I think so, yes.

Mr. McQuaid: I certainly hope that this is realized, because it will be a very improved service.

Mr. Lewington: It certainly will.

Mr. McQuaid: I think that is all, Mr. Chairman. Thank you.

The Chairman: Any other questions?

Mr. Breau: Mr. Gaudet, suppose in the first part of June it becomes quite evident that physically it is not possible to have the airport either in Bathurst or Charlo ready, are you going to consider stopping at Chatham?

Mr. Lewington: No, we are not, Mr. Breau, but we will be carrying on the service to Charlo with aero-type aircraft.

Mr. Breau: You would continue with the same aircraft?

Mr. Lewington: I feel quite sure that the Air Transport Committee would insist upon it, and certainly we are planning on it.

Mr. Breau: Could you let us have a progress report of the study you made in Chatham. Also, Mr. Gaudet said that the general generation of traffic taking the Charlo to Montreal flight originated from north of Charlo. Would you send the Committee a copy of the study that has been made, showing the number of passengers that came from the Bathurst area and the number that came from the Campbellton area?

Mr. Lewington: I may even have a copy of that in my brief case that I can give to the Chairman. At any rate, we will see that the Committee has a copy of those figures. I must point out again that this is the first three months of operation, so they are not completely conclusive.

Mr. Breau: And the study of Chatham too.

Mr. Lewington: I am not sure when that will be finished. I do not believe that we will have that pulled together and in print until May or early June. This is just an opinion. There is a lot of work to be done and we are trying to co-ordinate as much as we can with the Air Canada study.

Mr. Breau: That is all, Mr. Chairman.

The Chairman: If there are no more questions, I would like to thank you three gentle-

[*Interpretation*]

M. Lewington: Je le pense. Oui.

M. McQuaid: J'espère que ce sera réalisé parce que ce serait une amélioration du service.

M. Lewington: Oui, certainement.

M. McQuaid: C'est tout, monsieur le président. Merci.

Le président: D'autres questions?

M. Breau: Monsieur Gaudet, disons que si, dans la première semaine de juin, il devient très évident qu'il n'est possible, matériellement, de préparer l'aéroport de Bathurst ou de Charlottetown, alors, est-ce que vous allez envisager la possibilité d'arrêter à Chatham?

M. Lewington: Non, monsieur Breau. Mais nous ferons toujours le service à Charlo avec aéronef.

M. Breau: Vous continuerez toujours avec le même avion?

M. Lewington: Je suis sûr que le Comité des transports aériens insistera là-dessus, et nous le projetons certainement.

M. Breau: Pourriez-vous nous faire parvenir un rapport de la marche de l'étude que vous avez faite à Chatham. Une autre chose. M. Gaudet nous a aussi parlé de l'augmentation générale du trafic que prend le vol de Charlottetown à Montréal originant du nord de Charlottetown. Pourriez-vous faire parvenir à ce Comité une copie de l'étude qui a été faite, indiquant le nombre des passagers qui venaient de la région de Bathurst et les autres qui venaient de la région de Campbellton?

M. Lewington: J'en ai peut-être une copie ici que nous pourrions donner au président. De toute façon, nous verrons à ce que le Comité ait une copie de ces chiffres. Je dois de nouveau signaler que ce n'est que pour les trois premiers mois des opérations, donc, ils ne sont pas entièrement concluants.

M. Breau: Et l'étude sur Chathem.

M. Lewington: Je ne suis pas sûr si cela sera terminé. Je ne crois pas que nous aurons ces renseignements compilés et imprimés avant le mois de mai ou le début de juin. C'est une simple opinion. Il y a beaucoup de travail à faire et nous essayons de coordonner ce travail dans la mesure du possible, avec l'étude faite par Air Canada.

M. Breau: C'est tout, monsieur le président.

Le président: Si nous n'avons plus de questions, je désire vous remercier, tous les trois,

[*Texte*]

men for coming over this morning. May I have a motion to replace Mr. Allmand with Mr. Trudel on the Steering Committee.

Mr. Mahoney: I so move.

Mr. Corbin: I second the motion.

Motion agreed to.

Mr. Chairman: I would like another motion to approve the minutes of the Steering Committee's meetings last week. Would you like the Clerk to read the minutes?

An hon. Member: Yes, please.

The Clerk:

SUBCOMMITTEE ON AGENDA AND PROCEDURE

Tuesday, March 4, 1969.

FOURTH REPORT

The Subcommittee on Agenda and Procedure of the Standing Committee on Transport and Communications met at 3:30 p.m. this afternoon. The Chairman, Mr. H.-Pit Lessard, presided.

Members present: Messrs. Allmand, Lessard (*LaSalle*), Mahoney, Nesbitt and Skoberg.

Also present: Mr. Horner.

Your Committee met to plan further meetings to hear additional evidence pertaining to the transportation problems in the Atlantic Provinces.

After discussion, it was agreed that the following persons and companies be requested to appear before the Standing Committee on Transport and Communications, on Thursday, March 13, 1969.

1. The Honourable J. W. Pickersgill, President of the Canadian Transport Commission.

2. Eastern Provincial Airlines.

3. A delegation from "Les Îles-de-la-Madeleine".

4. The Canadian National Railways.

Should officials of the Canadian National Railways not be able to appear before the Committee on the above-mentioned date, arrangements will be made for them to appear on Tuesday, March 18, 1969.

[*Interprétation*]

messieurs, d'être venus témoigner au Comité ce matin.

Je voudrais une proposition pour remplacer M. Allmand par M. Trudel au comité de direction.

M. Mahoney: Je le propose.

M. Corbin: J'appuie la proposition.

Proposition adoptée.

Le président: Je voudrais une autre proposition pour approuver le procès-verbal du comité de direction qui a tenu sa dernière réunion la semaine dernière. Voudriez-vous que le secrétaire vous en donne lecture?

Une voix: Oui, s'il vous plaît.

Le greffier:

SOUS-COMITÉ DU PROGRAMME ET DE LA PROCÉDURE

Le mardi 4 mars 1969.

QUATRIÈME RAPPORT

Le sous-comité du programme et de la procédure du Comité permanent des transports et des communications se réunit cet après-midi à 3 h. 30, sous la présidence de M. H.-Pit Lessard.

Présents: MM. Allmand, Lessard (*La Salle*), Mahoney, Nesbitt et Skoberg.

De même que: M. Horner, député.

Le sous-comité se réunit pour organiser d'autres séances en vue d'entendre des témoignages supplémentaires relatifs aux problèmes des transports dans les provinces de l'Atlantique.

Après débat, il est convenu que l'on demande aux personnes et compagnies suivantes de comparaître devant le Comité permanent des transports et des communications le jeudi 13 mars 1969:

1. L'honorable J. W. Pickersgill, président de la Commission canadienne des transports.

2. L'*Eastern Provincial airways (1963) Limited*

3. Une délégation des îles de la Madeleine.

4. Les Chemins de fer nationaux du Canada.

Au cas où les représentants des Chemins de fer nationaux du Canada ne pourraient comparaître devant le Comité à la date susmentionnée, on prendrait des dispositions en vue d'entendre leurs témoignages le mardi 18 mars 1969.

[*Text*]

The Chairman: We will have to change that to March 20, 1969 because they cannot make it on March 18.

The Clerk:

It was agreed that the Committee Clerk inquire as to the possibility of having the Minutes of Proceedings and Evidence adduced during the tour of the Atlantic Provinces, printed as soon as possible.

At 4:30 p.m., the Subcommittee adjourned.

Respectfully submitted,
H.-Pit Lessard,
Chairman.

Mr. Pringle: I move acceptance.

Mr. McGrath: I second the motion.

Motion agreed to.

The Chairman: There is one more and I would ask our Clerk to read it.

The Clerk: Motion: that the briefs received during the second session of the twenty-seventh Parliament concerning transportation problems of the Atlantic Provinces and printed in issue No. 15 of the Minutes of Proceedings of the Standing Committee on Transport and Communications be made part of the evidence adduced during the recent trip to the Atlantic Provinces.

Mr. Mahoney: I so move.

Motion agreed to.

The Chairman: I received quite a few telegrams yesterday and this morning and I wonder if those telegrams could be appended too.

Mr. Mahoney: Mr. Nesbitt is away with the External Affairs Committee. Has he been replaced on the Steering Committee yet?

The Chairman: He will be replaced by Mr. Horner.

Mr. Mahoney: Has there been a motion to that effect?

The Chairman: We will need a motion for that too.

Mr. Mahoney: I so move.

Mr. McGrath: I second the motion.

Motion agreed to.

The Chairman: This has completed our work for today. I thank you, gentlemen. There will be no sitting tonight.

[*Interpretation*]

Le président: Nous devrons changer cela pour le 20 mars 1969, parce qu'ils ne peuvent pas venir le 18 mars.

Le greffier:

Il est convenu que le secrétaire du Comité s'informe de la possibilité de faire imprimer aussitôt que possible les procès-verbaux et témoignages relatifs au voyage dans les provinces de l'Atlantique.

A 4 h. 30 de l'après-midi, le sous-comité lève la séance.

Respectueusement soumis,
Le président,
H.-Pit Lessard.

M. Pringle: Je propose l'adoption du procès-verbal.

M. McGrath: J'appuie la proposition.

La proposition est adoptée.

Le président: Il y a une dernière proposition, et je demanderais au secrétaire de nous la lire.

Le greffier: Proposition: que les mémoires reçus pendant la seconde session du 27e Parlement, relatifs aux problèmes de transport des provinces atlantiques, et qui sont imprimés dans le n° 15 du compte rendu des délibératioss du Comité permanent des transports et communications, soient intégrés dans les témoignages présentés pendant le récent voyage fait dans les provinces atlantiques.

M. Mahoney: J'en fais la proposition.

Proposition adoptée.

Le président: Donc, j'ai reçu un assez bon nombre de télégrammes hier et ce matin et je me demande si ces télégrammes ne pourraient pays y être annexés.

M. Mahoney: M. Nesbitt est en voyage avec le Comité des affaires extérieures. Est-ce qu'il a été remplacé au comité de direction?

Le président: Il sera remplacé par M. Horner.

M. Mahoney: Y a-t-il eu une proposition à cet effet?

Le président: Nous devrons ici avoir cette proposition.

M. Mahoney: J'en fais la proposition.

M. McGrath: J'appuie la proposition.

Proposition adoptée.

Le président: Ceci termine notre travail aujourd'hui et je vous remercie beaucoup, messieurs. Nous n'avons pas de séance ce soir.

Government Publications

OFFICIAL BILINGUAL ISSUE

HOUSE OF COMMONS

First Session

Twenty-eighth Parliament, 1968-69

FASCICULE BILINGUE OFFICIEL

CHAMBRE DES COMMUNES

Première session de la

vingt-huitième législature, 1968-1969

STANDING COMMITTEE ON

TRANSPORT AND COMMUNICATIONS

COMITÉ PERMANENT DES

TRANSPORTS ET DES COMMUNICATIONS

Chairman H.-Pit Lessard *Président*

MINUTES OF PROCEEDINGS AND EVIDENCE

PROCÈS-VERBAUX ET TÉMOIGNAGES

No. 18

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LE 18 MARS 1969

LE 20 MARS 1969

Respecting

Transportation problems of the Atlantic Provinces.

Concernant

Problèmes de transport dans les provinces de l'Atlantique.

WITNESSES—TÉMOINS

(See Minutes of Proceedings) *(Voir Procès-verbaux)*

The Queen's Printer, Ottawa, 1969
L'Imprimeur de la Reine, Ottawa, 1969

29966—1

STANDING COMMITTEE ON TRANSPORT AND COMMUNICATIONS

COMITÉ PERMANENT DES TRANSPORTS ET DES COMMUNICATIONS

Chairman: Mr. H.-Pit. Lessard *Président.*

Vice-Chairman: *Vice-président.*

and Messrs. et MM.

[6] Blouin,
Breau,
Givens,
Godin,
Lundrigan,
[4] Mahoney,
[9] Marshall,
[7] McCleave,
McGrath,
[8] Muir (*Cape Breton-The Sydneys*),
[11] Noël,
Peddle,
[10] Perrault,
Portelance,
Rock,
Rose,
Skoberg,
Trudel,
Turner (*London East*)—(20).

Le secrétaire du Comité
Robert Normand
Clerk of the Committee

Pursuant to Standing Order 65(4)(b) notice was given of changes in the membership of the Standing Committee on Transport and Communications.

[1] Mr. MacDonald (*Egmont*), replaced Mr. McQuaid, on March 17, 1969.

[2] Mr. Lessard (*Lac St-Jean*), replaced Mr. Perrault, on March 18, 1969.

[3] Mr. Marchand (*Kamloops Cariboo*), replaced Mr. Mahoney, on March 18, 1969.

[4] Replaced Mr. Marchand (*Kamloops Cariboo*, on March 19, 1969.

[5] Mr. Crossman replaced Mr. Corbin, on March 19, 1969.

[6] Replaced Mr. Pringle, on March 19, 1969.

[7] Replaced Mr. MacDonald (*Egmont*), on March 20, 1969.

[8] Replaced Mr. Horner, on March 20, 1969.

[9] Replaced Mr. Thomas (*Moncton*), on March 20, 1969.

[10] Replaced Mr. Lessard (*Lac St-Jean*), on March 20, 1969.

[11] Replaced Mr. Crossman, on March 20, 1969.

Suivant l'article 65(4)(b) du Règlement, avis fut donné de modifications dans la composition du Comité permanent des transports et des communications.

[1] M. MacDonald (*Egmont*), remplace M. McQuaid, le 17 mars 1969.

[2] M. Lessard (*Lac St-Jean*),, remplace M. Perrault, le 1 mars 1969.

[3] M. Marchand (*Kamloops Cariboo*), remplace M. Mahoney, le 18 mars 1969.

[4] Remplace M. Marchand (*Kamloops Cariboo*), le 19 mars 1969.

[5] M. Crossman remplace M. Corbin, le 19 mars 1969.

[6] Remplace M. Pringle, le 19 mars 1969.

[7] Remplace M. MacDonald (*Egmont*), le 20 mars 1969.

[8] Remplace M. Horner, le 20 mars 1969.

[9] Remplace M. Thomas (*Moncton*), le 20 mars 1969.

[10] Remplace M. Lessard (*Lac St-Jean*), le 20 mars 1969.

[11] Remplace M. Crossman, le 20 mars 1969.

REPORT TO THE HOUSE

WEDNESDAY, March 19, 1969

The Standing Committee on Transport and Communications has the honour to present its

FIFTH REPORT

On January 17, 1969, the Standing Committee on Transport and Communications was empowered to consider and report upon the problems of transportation in the Atlantic Provinces. For the purpose of furthering its study, the Committee was authorized to adjourn from place to place within Canada.

Your Committee feels that the transportation problems of the Atlantic Provinces are complex in nature and an immediate solution is not feasible.

Moreover, the Committee recognizes the extreme urgency of certain problems which were considered during the tour of the Atlantic Provinces and deals with them in this Interim Report in respect of these problems.

MARITIME FREIGHT RATES

Your Committee recommends that Subsection 4 of Section 335 of the Railway Act be amended and the freeze extended to December 31, 1969.

PASSENGER TRAIN SERVICE IN NEWFOUNDLAND

Your Committee recommends that the Order of the Canadian Transport Commission, authorizing the Canadian National Railways to suspend rail passenger service in Newfoundland on April 15, 1969, be left in abeyance, until your Committee tables its complete report in respect to this question.

Respectfully submitted,
H.-PIT LESSARD.
Chairman.

RAPPORT À LA CHAMBRE

Le MERCREDI 19 mars 1969.

Le Comité permanent des transports et des communications a l'honneur de présenter son

CINQUIÈME RAPPORT

Le 17 janvier 1969, le Comité permanent des transports et des communications a reçu mandat pour examiner les problèmes de transports dans les provinces de l'Atlantique et pour faire rapport sur ces problèmes. Afin de pouvoir poursuivre son étude, le Comité a été autorisé à se déplacer dans le Canada.

Le Comité estime que les problèmes de transports dans les provinces de l'Atlantique sont de nature complexe, et qu'une solution immédiate est impossible.

Le Comité reconnaît aussi l'urgence de certains des problèmes qu'il a examinés lors de sa tournée dans les provinces de l'Atlantique, et il les traite dans le présent rapport provisoire concernant ces problèmes.

TAUX DU FRET MARITIME

Le Comité recommande que le paragraphe (4) de l'article 335 de la Loi sur les chemins de fer soit modifié et que le gel des prix soit maintenu jusqu'au 31 décembre 1969.

SERVICE DE TRAINS DE VOYAGEURS À TERRE-NEUVE

Le Comité recommande que le jugement rendu par la Commission canadienne des Transports, autorisant les chemins de fer nationaux du Canada à suspendre le service de trains de voyageurs à Terre-Neuve le 15 avril 1969, soit laissé en suspens jusqu'à ce que le Comité présente son rapport complet, relativement à cette question.

Respectueusement soumis,
Le président,
H.-PIT LESSARD,

29966—1½

[*Text*]

MINUTES OF PROCEEDINGS

TUESDAY, March 18, 1969.
(31)

The Standing Committee on Transport and Communications met this day, *in camera*, at 8.00 p.m. The Chairman, Mr. H.-Pit Lessard, presided.

Members present: Messrs. Breau, Corbin, Givens, Lessard (*Lac-Saint-Jean*), Lessard (*LaSalle*), Marchand (*Kamloops-Cariboo*), McGrath, Peddle, Portelance, Pringle, Rock, Rose, Skoberg, Trudel, Turner (*London East*) (15).

The purpose of this meeting is to consider and study a draft report on the transportation problems of the Atlantic Provinces.

On instruction of the Chairman, the Clerk proceeded to read, at length, the draft report.

Because it is not clearly indicated that this report would be followed by a subsequent or subsequent reports on this question.

On motion of Mr. Trudel,

Resolved,—That the word "Interim" be inserted between the words "this" and "report" in the third paragraph of the report; and that the words "in respect of these problems" be added after the word "report" in the same paragraph.

After further debate, on the second part of the recommendations entitled PASSENGER TRAIN SERVICES IN NEWFOUNDLAND it was moved by Mr. McGrath,

Resolved,—That paragraphs 1, 2, and 3 under the above-mentioned heading, be deleted and replaced with the following:

"your Committee recommends that the order of the Canadian Transport Commission, authorizing the Canadian National Railways to suspend Railway Passenger Services in New-

[*Traduction*]

PROCÈS-VERBAL

le MARDI 18 mars 1969
(31)

Le Comité permanent des transports et des communications se réunit à *huis clos* à 8 h de l'après-midi, sous la présidence de M. H.-Pit Lessard, président.

Présents: MM. Breau, Corbin, Givens, Lessard (*Lac-Saint-Jean*), Lessard (*La-Salle*), Marchand (*Kamloops-Cariboo*), McGrath, Peddle, Portelance, Pringle, Rock, Rose, Skoberg, Trudel, Turner (*London East*) (15)

Le Comité se réunit pour considérer et étudier un projet de rapport relativement aux problèmes de transport dans les provinces de l'Atlantique.

Suivant les instructions du président, le greffier procède à la lecture du projet de rapport.

Les membres du Comité sont de l'avis qu'il n'est pas clairement indiqué que ce projet de rapport sera suivi d'un rapport ou de rapports subséquents concernant cette question.

Sur la proposition de M. Trudel,

Il est résolu,—que les mots «provisoire concernant ces problèmes» soient ajoutés après le mot rapport, dans le troisième paragraphe du rapport

Après discussion sur la deuxième partie de la recommandation intitulée «Service de train de voyageurs à Terre-Neuve», sur la proposition de M. McGrath,

Il est résolu,—que les paragraphes 1, 2 et 3 sous l'entête ci-dessus mentionnée soient biffés et remplacés par le paragraphe suivant:

«le Comité recommande que le jugement rendu par la Commission canadienne des transports autorisant les chemins de fer nationaux du Canada à suspendre le service de train de

foundland on April 15, 1969, be left in abeyance, until your Committee tables its complete report in respect to this question."

The question being put on the motion, it was by a show of hands, resolved in the affirmative: yeas, 10; nays, 5.

Then, on motion of Mr. Skoberg,

Resolved,—That the draft report as amended, by adopted and that the Chairman be authorized to present same to the House.

At 9.30 p.m., the Committee adjourned to the call of the Chair.

voyageurs à Terre-Neuve le 15 avril 1969, soit laissé en suspend jusqu'à ce que le Comité présente son rapport complet relativement à cette question".

La résolution fut mise aux voix et adoptée à main levée par 4 voix contre 6.

Ensuite, sur la proposition de M. Skoberg,

Il est résolu,—que le projet de rapport soit adopté tel qu'amendé et que le président soit autorisé de le présenter à la Chambre.

A 9 h 30 de l'après-midi, le Comité s'ajourne jusqu'à nouvelle convocation du président.

THURSDAY, March 20, 1969.
(32)

The Standing Committee on Transport and Communications met this day at 9.35 a.m., the Chairman, Mr. H.-Pit Lessard, presiding.

Members present: Messrs. Blouin, Breau, Crossman, Givens, Godin, Lessard (*LaSalle*), Lundrigan, Mahoney, McCleave, McGrath, Marshall, Muir (*Cape Breton*), Peddle, Portelance, Rock, Rose, Skoberg, Trudel, Turner (*London East*)—(19).

Also present: Messrs. Perrault and Béchard, M.P.'s.

Witnesses: From the Îles-de-la-Madeleine: Messrs. Edmond Lapierre, Member, Chamber of Commerce, and delegate from the County Council; Conrad Miousse, Member, Chamber of Commerce, and delegate from the Council for the Development of the Îles-de-la-Madeleine Territories; Gilbert Carbonneau, Secretary, Chamber of Commerce. *From the Canadian National Railways:* Messrs. R. T. Vaughan, Q.C., Vice-President and Secretary; J. W. G. Macdougall, Q.C., Vice-President, Atlantic Region; J. M. Duncan, Assistant General Counsel, Montreal; I. W. Mitchell, Manager, Special Projects, Moncton.

The Chairman introduced the delegation from the "Îles-de-la-Madeleine". The spokesman for the group, Mr. Gilbert

le JEUDI 20 mars 1969
(32)

Le Comité permanent des Transports et des Communications se réunit à 9h.35 ce matin, sous la présidence de M. H-Pit Lessard.

Présents: MM. Blouin, Breau, Crossman, Givens, Godin, Lessard (*LaSalle*), Lundrigan, Mahoney, McCleave, McGrath, Marshall, Muir (*Cap Breton*), Peddle, Portelance, Rock, Rose, Skoberg, Trudel, Turner (*London Est*) (19).

De même que: MM. Perrault et Béchard, députés.

Témoins: des Îles-de-la-Madeleine: M. Edmond Lapierre, membre de la Chambre du Commerce, et délégué du Conseil de Comté; M. Conrad Miousse, membre de la Chambre du Commerce, et délégué du Conseil pour le développement du territoire des Îles-de-la-Madeleine; M. Gilbert Carbonneau, secrétaire de la Chambre du Commerce. *Des Chemins de fer nationaux du Canada:* M. M. R. T. Vaughan, C.R., vice-président et secrétaire; J. W. G. Macdougall, C.R., vice-président, région de l'Atlantique; J. M. Duncan, avocat-conseil adjoint, Montréal; I. W. Mitchell, directeur des études spéciales, Moncton.

Le président présente la délégation des Îles-de-la-Madeleine. Le porte-parole du groupe, M. Gilbert Carbonneau, fait un ex-

Carbonneau, made an opening statement and was questioned thereon, assisted by officials from the "Îles-de-la-Madeleine". (See appendix A-2 for the brief of the "Îles-de-la-Madeleine".

The witnesses were excused and the Chairman thanked them for the evidence given.

The Chairman then introduced officials of the Canadian National Railways. Mr. R. T. Vaughan, Q.C., made an opening statement and then introduced Mr. J. W. G. Macdougall, Q.C., who made certain observations relating to the problems of transportation in the Atlantic Provinces, and was questioned thereon, assisted by officials of the Company.

During questioning of the witnesses, Mr. Macdougall read a letter which was sent by the Commission Counsel from the Law Department of the Canadian National Railways to Mr. D. H. Jones, Chairman, Railway Transport Committee of the Canadian Transport Commission, relating to Passenger Train Service in Newfoundland.

Then, on motion of Mr. McGrath,

Resolved,—That the letter read by Mr. Macdougall, be tabled with the Clerk and that copies be made available to Members of the Committee.

After further questioning, it was moved by Mr. Crossman,

Resolved,—That the Committee now sit IN CAMERA until 1.00 p.m.

At 1.00 p.m., questioning of the witnesses continuing, the Committing adjourned until 3.30 p.m. this day.

posé préliminaire après quoi on l'interroge, ainsi que ses collègues des Îles-de-la-Madeleine. (Voir Annexe A-2—le mémoire des Îles-de-la-Madeleine).

Les témoins prennent congé et le président les remercie de leur témoignage.

Le président présente ensuite les fonctionnaires des Chemins de fer nationaux du Canada. M. R. T. Vaughan, C.R., fait l'exposé préliminaire et présente ensuite M. J. W. G. Macdougall, C.R., qui fait certaines remarques relatives aux problèmes du transport dans les provinces de l'Atlantique, après quoi on l'interroge ainsi que les fonctionnaires de l'organisme.

Au cours de l'interrogatoire des témoins, M. Macdougall donne lecture d'une lettre écrite par le conseiller de la Commission, de la Division juridique des Chemins de fer nationaux du Canada, à M. D. H. Jones, président du Comité des transports par chemins de fer, de la Commission canadienne des transports, relative au service des trains de voyageurs à Terre-Neuve.

Ensuite, sur une motion proposée par M. McGrath,

il est décidé—que la lettre dont M. McDougall a donné lecture soit déposée auprès du secrétaire et qu'on en distribue des exemplaires aux membres du Comité.

Après d'autres questions, sur une proposition de M. Crossman,

il est décidé—que le Comité siège à huis clos jusqu'à 13 h.

A 13h.00, comme l'interrogatoire des témoins se prolonge, le Comité lève la séance jusqu'à 15h.30 cet après-midi.

AFTERNOON SITTING
(33)

The Standing Committee on Transport and Communications met this day at 3.30 p.m., the Chairman, Mr. Lessard, presiding.

Members present: Messrs. Blouin, Breau, Givens, Lessard (*LaSalle*), Lundrigan,

SÉANCE DE L'APRÈS-MIDI
(33)

Le Comité permanent des Transports et des Communications se réunit à 15h.30 sous la présidence de M. Lessard.

Présents: MM. Blouin, Breau, Givens, Lessard (*LaSalle*), Lundrigan, Mahoney,

Mahoney, Marshall, McCleave, McGrath, Noël, Peddle, Perrault, Portelance, Rock, Rose, Skoberg, Trudel, Turner (*London East*)—(18).

Witnesses: From the Canadian National Railways: Messrs. R. T. Vaughan, Q.C., Vice-President and Secretary; J. W. G. Macdougall, Q.C., Vice-President, Atlantic Region; J. M. Duncan, Assistant General Counsel, Montreal; I. W. Mitchell, Manager, Special Projects, Moncton.

Questioning of the Canadian National Railways' officials resumed.

During questioning, it was moved by Mr. Mahoney,

Resolved,—That the Chairman be authorized to seek concurrence of the Fifth Report of this Committee which was tabled in the House on March 19, 1969.

Questioning of the witnesses then resumed.

Upon conclusion of questioning, the witnesses were excused and the Chairman thanked them for the evidence given.

At 6.20 p.m., the Committee adjourned to the call of the Chair.

Marshall, McCleave, McGrath, Noël, Peddle, Perrault, Portelance, Rock, Rose, Skoberg, Trudel, Turner (*London Est*) (18).

Témoins: Des Chemins de fer nationaux du Canada: MM. R. T. Vaughan, C.R., vice-président et secrétaire; J. W. G. Macdougall, C.R., vice-président, région de l'Atlantique; J. M. Duncan, avocat-conseil adjoint, Montréal; I. W. Mitchell, directeur des études spéciales, Moncton.

On reprend l'interrogatoire des fonctionnaires des Chemins de fer nationaux du Canada.

Au cours de l'interrogatoire, sur une proposition de M. Mahoney,

il est décidé,—que le président soit autorisé à demander l'approbation du cinquième Rapoprt du Comité déposé à la Chambre le 19 mars 1969.

On reprend l'interrogatoire des témoins.

A la fin de la période de questions, on donne congé aux témoins et le président les remercie de leurs témoignages.

A 18h.20, le Comité s'ajourne jusqu'à nouvelle convocation du président.

Le secrétaire du Comité,
Robert Normand
Clerk of the Committee.

[*Texte*]

EVIDENCE

(*Recorded by Electronic Apparatus*)

Thursday, March 20, 1969

The Chairman: I want to thank the CNR people for being here and for their kindness in letting the gentlemen from Iles-de-la-Madeleine be heard ahead of them this morning. We had an understanding with them and I think I will call on the people from Iles-de-la-Madeleine to come forward.

I will call on M. Edmond Lapierre membre de la Chambre de Commerce et délégué du Conseil de Comité; M. Conrad Miousse, membre aussi de la Chambre de Commerce et délégué du Conseil de dévelopement des territoires des Îles-de-la-Madeleine; M. Gilbert Carbonneau, secrétaire de la Chambre de Commerce.

Voulez-vous venir ici en avant, s'il vous plaît? Je demanderais à M. Carbonneau de nous donner un exposé de son mémoire, il ne le lira pas en entier, il va nous en donner un résumé seulement, ce qui permettra peut-être une période de questions plus prolongée. Monsieur Carbonneau, allez.

M. Gilbert Carbonneau (Secrétaire de la Chambre de Commerce des Îles-de-la-Madeleine): Bonjour, messieurs. Il nous fait énormément plaisir d'être ici, à Ottawa, afin de vous faire part de nos doléances à l'égard du service de transport maritime des Îles-de-la-Madeleine à l'endroit le plus rapproché à savoir une des provinces Maritimes.

Pour vous aider à situer les Îles-de-la-Madeleine car peut-être vous ne pouvez le faire exactement, mais vous avez sans doute entendu parler de la cruauté de la chasse aux phoques, bien c'est de cette région que nous venons.

Les Îles-de-la-Madeleine sont plus rapprochées de l'Île du Prince-Édouard, de la Nouvelle-Écosse, du Nouveau-Brunswick, peut-être de Terre-Neuve et de Saint-Pierre et Miquelon que de la province de Québec. Par contre, tous les échanges sociaux se font avec la province de Québec. Sur une population de 14,000, environ 90 p. 100 est francophone et 10 p. 100 anglophone. Même les anglophones font affaires avec, soit la province de Québec ou la province d'Ontario, faisant des échanges avec Toronto surtout.

[*Interprétation*]

TÉMOIGNAGES

(*Enregistrement électronique*)

Le jeudi 20 mars 1969

Le président: Je voudrais remercier les représentants des Chemins de fer Nationaux du Canada d'être venu témoigner et d'avoir bien voulu laisser les délégués des Îles-de-la-Madeleine passer avant eux ce matin. Nous nous étions mis d'accord avec eux, et je vais donc demander aux gens des Îles-de-la-Madeleine de se présenter. Je vais demander à Mr. Edmond Lapierre, a member of the Chamber of Commerce and delegate from the County Council; Mr. Conrad Miousse, a member of the Chamber of Commerce and delegate from the Magdalen Islands Development Board; and Mr. Gilbert Carbonneau, Secretary of the Chamber of Commerce. Would you pleace come to the front.

I would ask Mr. Carbonneau to give us a summary of his brief. He will not read it in its entirety, he will only give us a summary of it which will then allow perhaps for a longer question period. Mr. Carbonneau.

Mr. Gilbert Carbonneau (Secretary, Chamber of Commerce, Îles-de-la-Madeleine: Good morning, gentlemen. We are very pleased to be here, in Ottawa, to be able to speak to you about the Maritime Transportation services from the Magdelen Islands to the area closest to it which is in effect one of the Maritime Provinces.

To help you in locating the Magdalen Islands, since you may not know exactly where they are, I might point out that you have probably heard about cruelty with regard to seal hunting—well, we come from that region.

The Magdalen Islands are closer to Prince Edward Island, Nova Scotia, New Brunswick and perhaps Newfoundland and St. Pierre and Miquelon than to the Province of Quebec. On the other hand, all social exchanges are carried out with the Province of Quebec. Out of 14,000 inhabitants approximately 90 per cent is French-speaking and 10 per cent English-speaking. Even the English-speaking people have exchanges with Quebec or Ontario, especially with Toronto.

[*Text*]

Par contre, tout le commerce se fait ou presque, avec les Maritimes. Notre seule industrie est la pêche; tout notre poisson est exporté en partie aux États-Unis, via les Maritimes, et la majorité de nos denrées alimentaires sont importées des Maritimes. Ce qui veut dire que, du point de vue des transports, nous avons absolument besoin des Maritimes.

Maintenant, je vous ai dit que notre seule industrie est la pêche, mais nous songeons sérieusement à établir une nouvelle industrie qui serait plus dynamique, et qui nous permettrait de consolider notre budget, en l'occurrence le tourisme. Le tourisme qui se fait vers les Îles-de-la-Madeleine, doit venir du point le plus rapproché, à savoir, les Maritimes. Présentement, un service de traversier fait la navette entre les Maritimes, soit à: Charlottetown, Souris, Îles du Prince-Édouard et Pictou, Nouvelle-Écosse, et deux ou trois ports des Îles-de-la-Madeleine: Havre-Aubert, Cap-aux-Meules et Grande-Entrée.

Ce service de traversier est assuré par une compagnie filiale de *Clark Steamships,* la *Magdalen Islands Transportation Co. Ltd.* Cette compagnie fait le service depuis 1961, et reçoit une subvention de la Commission maritime qui, l'an dernier, était d'environ $400,000.

Présentement, le «*North Gaspé*» ne peut pas procurer un service de traversier pour les touristes, à cause de l'irrégularité de son horaire, il fréquente de trop nombreux ports. Le «*North Gaspé*» étant un bateau qui date de trente ans, par le fait même, la saison de navigation est écourtée et le service et le confort à bord sont quasi inexistants. Maintenant, la vieille méthode de chargement et de déchargement des voitures par palans existe encore. Donc, quelqu'un qui possède une voiture un peu basse n'ose pas la faire monter à bord de ce bateau. Je crois même, messieurs, que certain d'entre vous n'accepteraient pas de le faire et sans doute, hésiteriez-vous à y embarquer vous-mêmes.

Maintenant, cela fait assez longtemps que nous faisons des démarches pour obtenir un service de traversier et développer l'industrie touristique aux Îles-de-la-Madeleine. La province de Québec est probablement prête à investir un bon montant d'argent pour l'aménagement de sites touristiques et même promouvoir le tourisme, mais nous attendons la décision d'Ottawa quant au site du port de mer, et quant au nouveau traversier qu'on pourrait nous présenter. Ce que nous voudrions, c'est un *Roll-on Roll-off*.

[*Interpretation*]

On the other hand, almost all trade is with the Maritime Provinces. Our only industry is fishing. All our fish is exported, partly, to the United States via the Maritimes. Most of our foodstuffs are imported from the Maritimes, which means that from the point of view of transportation, we absolutely need the Maritimes.

I told you that our only industry is fishing, but we are seriously thinking of establishing a new industry which would be more dynamic and would allow us to make both ends meet, and by this we mean tourism. If we had a tourist industry in the Magdalen Islands, tourists would have to come from the closest point which is the Maritimes. At the present time, there is a ferry service which shuttles back and forth between the Maritimes, that is, Charlottetown, Souris, Prince Edward Island and Pictou, Nova Scotia, and two or three ports in the Magdalen Islands, namely Havre-Aubert, Cap-aux-Meules, and Grande-Entrée.

This ferry service is provided by a branch of Clark Steamships, and the Magdalen Islands Transportation Co. Ltd. This Company has been providing service since 1961 and receives a subsidy from the Maritime Commission which last year was around $400,000.

At the present time, *North Gaspé* cannot operate a ferry service for tourists because its schedule is not a regular one. It calls at too many ports, and because the *North Gaspé* is a 30-year old ship, the navigation season, of course, is automatically cut because of its age. The service and comfort aboard ship are almost non-existent. And we still have the old loading and unloading system for automobiles by meass of a pullyblock. Thus, someone who has a low slung automobile does not dare put it aboard ship. Gentlemen, I even believe that some of you would not accept having your own automobile aboard that ship and you might perhaps even hesitate getting aboard yourselves.

Now, we have been working to try and obtain a ferry service for a long time to be able to develop a tourist industry in the Magdalen Islands. The Province of Quebec is probably ready to invest a good sum of money for development of tourist sites and even to help promote tourism, but we are waiting for the decision from Ottawa with regard to the location of the seaport, and with regard to the new ferry which might be given to us. What we would like, would be a Roll-on Roll-off.

[*Texte*]

Nous sommes retardés par la question du site du port de mer ou du traversier car un cercle vicieux s'est créé ici, à savoir que lorsque nous demandons un traversier, on nous dit: «Il faut que vous ayez un port de mer adéquat»; lorsque nous demandons un port de mer adéquat, on nous dit: «Vous n'avez pas de traversier qui utilisera ce port de mer-là», et ainsi de suite. On se lance la balle de part et d'autre.

Le 26 mai 1964, l'honorable Maurice Sauvé, qui était alors député des Îles-de-la-Madeleine et ministre des Forêts et du Développement rural, a avisé la Commission maritime que la trésorerie fédérale accepterait que le service de traversier entre les provinces Maritimes et les Îles-de-la-Madeleine soit fait par C.T.M.A., qui est la Coopérative des transports maritimes et aériens, accordant une subvention de $225,000 annuellement, moyennant un contrat de trois ans, comparativement à une subvention de $294,000 à l'époque. Par la suite, la Commission maritime a délégué trois membres: M. Darling, qui est présentement président de la Commission, M. Devos, qui était, à ce moment-là, économiste au service de la Marine au ministère des Transports et le capitaine Balfray, qui est présentement à la Commission maritime.

Le rapport, je l'ai ici, même si je ne devrais pas l'avoir, vu son caractère confidentiel. On a demandé ni plus ni moins à ces personnes d'analyser leur travail. Si on demande aux députés: «Faites-vous un bon travail?» Ceux-ci vont dire: «Certainement, nous faisons un bon travail, nous gagnons notre salaire». C'est ce qu'on a demandé à ces trois personnes-là: «Le service existant aux Îles-de-la-Madeleine est-il bon? Comme ce sont eux qui autorisaient, ou presque, les subventions, ils ne pouvaient pas admettre que ce qu'ils avaient fait n'était pas bien fait.

Tout de même, il y a eu trois alternatives offertes dans ce rapport: que nous maintenions le même service, que nous établissions un service avec un *Roll-on Roll-off,* et une troisième suggestion, qui n'est pas tellement valable et qui n'a pas été retenue, aurait été d'avoir un service de cargos et un service pour les passagers et les voitures. Cette troisième alternative n'est pas tellement bonne, et même aux Îles-de-la-Madeleine, on n'y attache pas tellement d'importance.

Par contre, à la suite de ce rapport-là, qui avait été demandé par le ministère des Transports, le rapport est daté du 19 janvier 1965, nous sommes au mois de mars 1969, donc il y a au-delà de quatre ans et quatre nouveaux contrats ont été donnés à la *Magdalen Islands Transportation,* et ce contrat-là a été donné sans qu'aucune demande de soumission ne

[*Interprétation*]

We are being delayed by the question of the location of the seaport or the ferry service, because there has been a vicious circle created here, that is, when we ask for a ferry we are told: "You have to have adequate port facilities to begin with", and when we ask for adequate seaport facilities they say: "Well, you do not have a ferry which would be using the seaport". So back and forth it goes this way.

On May 26, 1964, the honourable Maurice Sauvé, who was at the time the member for the Magdalen Islands, and Minister of Forestry and Rural Development, advised the Canadian Maritime Commission that the federal treasury would accept a ferry service between the Magdalen Islands and the Maritimes to be carried out by CTMA, which is the Co-operative for Maritime and Air Transport, with an annual subsidy of $225,000, if we were able to supply a 3-year contract, as against a subsidy at that time of $294,000. Subsequently, the Canadian Maritime Commission delegated three members. Mr. Darling, who is now Chairman of the Commission, Mr. Devos, who at the time was Navy economist with the Department of Transport and Captain Balfray, who is now with the Canadian Maritime Commission.

I have the report here although I should not have it because it is confidential. These persons were asked, no more or no less, to analyse their own work. It is just the same thing as if you were to ask MPs: "Do you do good work?" And they would answer: "Of course, we do good work; we earn our pay." These three people were asked whether the service to the Magdalen Islands was good. As they were the ones who were authorizing so to say, the subsidies, they certainly would not admit that what they had done was not well done.

However, there were three alternatives given in the report, first, keep the same service, secondly, establish service with a Roll-on Roll-off, and the third suggestion, which was not such a very valid one, and which was not kept would have been to have a freighter service and a passenger and automobile service. This third alternative is not such a very good one, and even in the Magdalen Islands we do not attach too much importance to it.

On the other hand, following that report which had been requested by the Department of Transport, the report is dated January 19, 1965, and now this is March 1969, consequently four years later, there were four new contracts awarded to the Magdalen Islands Transportation Company, and these contracts were awarded without any tenders being

[*Text*]

soit faite de la part de la Commission maritime. A notre avis, il n'est pas bon de jouer avec les finances, nos finances, du pays, sans donner l'occasion à toutes les compagnies de présenter une soumission. Mais nous avons un service de transport qui nous intéresse réellement et qui, à l'heure actuelle, paralyse tout développement aux Îles-de-la-Madeleine.

Le «North Gaspé» a toujours voyagé et, à la fin de l'année, a toujours eu un profit d'au moins $50,000; au cas contraire, on s'adressait à la Commission maritime à qui on disait: «Bien, l'an prochain, nous ne donnerons pas le service si vous n'augmentez pas notre subvention.» L'an dernier, on a augmenté la subvention de $111,900; et même cette année, elle le sera d'un autre $23,000, sans que nous, des Îles-de-la-Madeleine, ne puissions dire quoi que ce soit.

Nous échangeons de la correspondance avec la Commission maritime, mais nos questions ne reçoivent aucune réponse, ou celles qu'on nous donne sont en dehors du sujet sur lequel portent nos questions.

Maintenant, c'est bien beau de se chicaner, mais que demandons-nous? Tout simplement un service de traversier *Roll-on Roll-off*, d'un point aux Maritimes, un seul point, aux Maritimes.

Je vais vous citer un exemple: l'an dernier, on a voulu éliminer le port de Charlottetown, le traversier fait un voyage par semaine à Charlottetown, et cela fait perdre un voyage par jour par rapport à cela. Donc, nous sommes allés voir le *Board of Trade* de Charlottetown, nous leur avons demandé d'endosser notre résolution soumise à la Chambre de commerce, c'est-à-dire que nous voulions un port aux Maritimes et un port aux Îles-de-la-Madeleine; à première vue, les gens n'étaient pas trop trop intéressés. Cela fait perdre un certain montant d'argent à Charlottetown du fait que toute notre marchandise est achetée là et, en plus, tout l'équipage dépense sa paie à Charlottetown.

Par contre, *Le Board of Trade* a accepté notre demande, il en a envoyé des copies au président de la Commission maritime, aux quatre députés fédéraux, à l'honorable Maurice Sauvé, à l'honorable Hellyer, et faisait savoir qu'il accepterait que nous cessions d'aller à Charlottetown pour continuer plutôt à Souris, qui est environ à 75 milles de Charlottetown. Il y a un service de train entre ces deux villes, alors, la marchandise achetée à Charlottetown aurait pu facilement être transportée par chemin de fer et une fois arrivée aux Îles-de-la-Madeleine, la nourriture aurait été probablement de meilleure qualité, parce que nous achetons surtout des

[*Interpretation*]

called by the Canadian Maritime Commission. In our opinion it is not a good thing to fool around with the country's money, our money, without giving a chance to all companies to present tenders. But we have a transportation service which really interests us, and which at the present time is stopping any sort of development in the Magdalen Islands.

The *North Gaspé* has always travelled and at the end of the year always had at least $50,000 profit. When this was not the case, we got in touch with the Maritime Commission and said "Next year, we are not going to ensure service unless you increase our subsidy". Last year, it was increased by $111,900, and this year there will be another $23,000 increase without the Magdalen Islands having much to say in this regard.

We exchange correspondence with the Canadian Maritime Commission, but the questions we ask are never answered. All the answers we get are completely irrelevant.

Now, it is all well and good to argue, but what do we want? What we want is simply a Roll on Roll off ferry service, from one single point in the Maritimes.

I will give you an example. Last year we wanted to eliminate the port of Charlottetown. There is one trip per week to Charlottetown and due to this one trip per day is lost. So we went to the Board of Trade in Charlottetown and asked them to endorse our resolution, the one we had submitted to the Chamber of Commerce. That is, we wanted a port in the Maritimes and one in the Magdalen Islands. At first sight they were not too interested. They would lose a certain amount of money in Charlottetown because of the fact that all our goods are purchased there, and in addition, the crew spends its pay in Charlottetown.

On the other hand, the Board of Trade accepted our request and sent copies to the Chairman of the Canadian Maritime Commission, to the four federal M.P.s, the Hon. Maurice Sauvé, the Hon. Paul Hellyer who let it be known that he accepted that we stop going to Charlottetown and call at Souris instead, which is about 75 miles from Charlottetown. There is a train service between those two towns, consequently the goods purchased in Charlottetown could have easily been transported by railway, and on reaching the Magdalen Islands, the food would have probably been of a better quality because we buy especially fruits, vegetables, and meat, and when

[*Texte*]

fruits, des légumes, de la viande. Lorsque cela passe quinze ou seize heures sur un bateau, bien, les tomates sont devenues une soupe aux tomates.

Par contre, la Commission maritime n'a pas voulu accepter ce changement, j'ignore pour quelle raison, je ne sais pas ce qui les a forcés à garder Charlottetown comme port d'attache. Cette année, nous sommes revenus à la charge et nous avons eu la même réponse, que ce n'était pas pratique de cesser d'aller à Charlottetown. Pratique pour qui? Nous ne le savons pas; pas pour les Madelinots, certainement!

Maintenant, nous voulons le *Roll-on Roll-off*, un point aux Maritimes, un point aux Îles-de-la-Madeleine. Ce *Roll-on Roll-off* devrait faire entre 18 et 20 nœuds à l'heure, ce qui permettrait, lors de la saison estivale, de faire deux voyages par jour, lorsque nécessaire. Ce bateau devrait pouvoir transporter au moins 30 voitures et quelque 5 remorques. On présume qu'au cours des cinq prochaines années le cargo à destination des Îles-de-la-Madeleine viendra par remorque, prêt à être livré et le poisson retournera à peu près de la même façon.

Ce bateau devrait pouvoir recevoir au moins 150 passagers, être muni d'une cafétéria, d'un bar, quelques cabines, pas obligatoirement avoir des cabines pour les 150 passagers, parce que c'est demander une chose trop énorme. Par contre, ce service de Souris, Île du Prince-Édouard aux Îles-de-la-Madeleine, va exiger quatre heures; donc, le temps suffisant pour un individu de monter à bord, de manger et il est rendu aux Îles-de-la-Madeleine.

Alors, pour résumer, nous demandons un traversier d'une capacité de 150 passagers, faisant 20 nœuds à l'heure et pourvu de quelques cabines pour parer à toute éventualité. Ce service devra nécessairement être subventionné, soit par la Commission maritime ou peut-être par le National-Canadien, parce que nous ne payons peut-être pas beaucoup de taxes, mais nous en payons. Nous payons une partie du déficit du CNR, mais nous n'y goûtons pas du tout. Nous ne demandons pas des trains, car le territoire n'est pas assez grand.

Je ne connais pas les chiffres exacts du déficit du National-Canadien, mais prenons comme exemple les traversiers de l'Île du Prince-Édouard au Nouveau-Brunswick; nous avons une population de 14,000 habitants, celle de l'Île du Prince-Édouard est d'environ 110,000, 115,000, disons 140,000, cela équivaut donc à 10 p. 100 de la population de l'Île du Prince-Édouard. Que nous ayons 10 p. 100 de

[*Interprétation*]

these foodstuffs spend 15 or 16 hours on a boat, your tomatoes wind up being tomato soup.

On the other hand, the Canadian Maritime Commission did not want to accept any change. I do not know why. I do not know what forced them to keep Charlottetown as a port of call. This year we again came back on the matter and received the same reply. That is, that it was not practical to cease going to Charlottetown. Practical for whom? We do not know—certainly not for the Magdalen Islanders!

We want a Roll-on Roll-off service, one point in the Maritimes, and one point in the Magdalen Islands. The Roll-on Roll off service should have a speed of between 18 and 20 knots per hour, which would allow, during the summer season, to have two trips per day, when necessary.

The ferry should be able to carry at least 30 automobiles and 5 trailers. We presume then that in the next five years the freight going to the Magdalen Islands will probably be all in trailers ready for delivery and the fish will travel back the same way.

The ferry should also be able to carry at least 150 passengers, be equipped with a cafeteria, bar, a few cabins, not necessarily cabins for all 150 passengers because this would be asking for something too considerable.

On the other hand, this service from Souris, Prince Edward Island, to the Magdalen Islands, would take four hours and consequently anyone getting aboard would have time to eat before arriving at the Magdalen Islands.

Briefly, what we want is a ferry capable of handling 150 passengers, equipped with a few cabins, and with a speed of 20 knots per hour. This service would necessarily have to be subsidized, either by the Canadien Maritime Commission or perhaps by the CNR, because although maybe we do not pay very much in taxes, we do pay. We pay for part of the CNR's deficit but we do not get any benefit from it. We are not asking for trains, because our land area is not big enough.

I do not know the exact figures on the CNR's deficit, but take as an example the ferry service from Prince Edward Island to New Brunswick. We have a population of 14,000 and Prince Edward Island has perhaps 110,000 or 115,000, let us say 140,000, which means that our population is 10 per cent of that of Prince Edward Island. Let us have the 10 per cent of what is spent for the Prince

[*Text*]

ce qui est dépensé pour le service de traversier de l'Île du Prince-Édouard et nous serons contents.

Je ne vois pas pourquoi nous ne l'aurions pas. Est-ce parce que nous faisons partie de la province de Québec ou est-ce parce que nous parlons français, même si 10 p. 100 de la population parle anglais? Pour quelle raison l'Île du Prince-Édouard a-t-elle le droit d'avoir plus que nous?

Il va y avoir 175 millions de dollars de dépensés par le nouveau ministère de,—je ne sais pas le nom, mais le ministère de M. Marchand,—175 millions de dollars, 10 p. 100, cela veut dire 17 millions de dollars aux Îles-de-la-Madeleine. Si nous obtenons cela, nous ne reviendrons plus.

C'est à peu près tout ce que nous avons à dire; merci infiniment de nous avoir écouté. Nous espérons que la prochaine fois que vous viendrez dans les Maritimes, vous nous le laisserez savoir et nous pourrons aller vous y rencontrer. Ce n'est pas que nous n'aimions pas venir ici, mais cela coûte énormément cher. C'est loin. Il y a au-dessus de 1,000 milles d'ici aux Îles-de-la-Madeleine. Nous vous remercions beaucoup. Merci, monsieur le président.

Le président: Merci beaucoup, monsieur Carbonneau. Monsieur Béchard?

M. Béchard: Monsieur le président, messieurs des Îles. D'abord, je veux m'excuser auprès de mes collègues, je ne sais pas si je dois le faire, mais de toute façon, ils sont membres du Comité des transports, et moi, je ne le suis pas, mais je me trouve dans l'obligation, je crois, ce matin, de saluer ici la présence de mes électeurs, puisqu'ils le sont depuis le mois de juin; depuis l'élection du 25 juin, les Îles-de-la-Madeleine font partie de la circonscription de Bonaventure.

Alors, bien que je ne connaisse les Îles que depuis l'été dernier, je veux confirmer ici ce que M. Carbonneau, le représentant de la délégation, vient de nous exposer sur le problème crucial du transport aux Îles-de-la-Madeleine. Ceux qui habitent les Îles et mes collègues de Terre-Neuve qui sont ici, savent ce que cela veut dire d'habiter des îles, au point de vue transport, et je crois que M. McGrath et M. Marshall en savent quelque chose, et tous les membres du Parlement, parce qu'ils en ont parlé assez souvent et à Terre-Neuve et ailleurs et à l'Île-du-Prince-Édouard, en particulier.

[*Interpretation*]

Edward Island ferry service and we will be happy. I don't see why we shouldn't get it. Is it because we are part of the province of Quebec, or is it because we are French-speaking, even if 10 per cent of the population is English-speaking? Why is it that Prince Edward Island is entitled to have more than we have?

There will be $175 million spent by the new Department—I do not know its name, but it's Mr. Marchand's Department at any rate—$175 million and 10 per cent of that would mean $17 million for the Magdalen Islands. If we were to get this we will not come back again.

That is about all we have to say. We thank you very much for having listened to us. We hope that the next time you come to the Maritimes you will let us know and then we could meet you. It is not that we do not like to come here, but it does cost a great deal of money. It is far, it is over 1,000 miles from here to the Magdalen Islands. We thank you very much, Mr. Chairman.

The Chairman: Thank you, Mr. Carbonneau. Mr. Béchard?

Mr. Béchard: Mr. Chairman, and you gentlemen from the Islands. First of all, I want to apologize to my colleagues. I do not know whether I have to do it, but at any rate, they are members of the Transport and Communications Committee, and I am not, but I do have the duty, I think, this morning to call attention to the presence of my constituents because since the election of June 25, the Magdalen Islands belong to the riding of Bonaventure.

So, although I only know the Magdalen Islands since last summer, I do want to confirm what Mr. Carbonneau, the representative of the delegation, has just told us with regard to the crucial transportation problem in the Magdalen Islands. Those who live on the Islands—my colleagues from Newfoundland who are here know full well what it means to live on an island from a point of view of transportation. I think, Mr. McGrath and Mr. Marshall know something about this, and all Members of Parliament, because they have spoken often enough about this, in Newfoundland and elsewhere and in Prince Edward Island, in particular.

[*Texte*]

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Alors, j'endosse à 150 p. 100 ce que vient de dire M. Carbonneau. Les Îles-de-la-Madeleine demandent, d'après les archives que j'ai consultées et les gens que j'ai entrevus là-bas, un moyen de transport adéquat depuis des années. On leur a assuré et ce, depuis longtemps, qu'ils seraient enfin dotés d'un moyen de transport maritime convenable. Et, je voudrais demander à M. Carbonneau s'il est au courant que le ministère des Transports a accepté ou décidé, en principe, de doter les Îles-de-la-Madeleine d'un nouveau traversier du genre que vous avez mentionné, «Roll on Roll off». Êtes-vous au courant, monsieur Carbonneau?

M. Carbonneau: Je vais vous lire une lettre où le ministère des Transports nous assure que le traversier... Écoutez:

> La Commission avance aussi rapidement que possible en coopération avec les autres ministères...

«Coopération», c'est un gros mot qui veut dire: «nous ne nous entendons pas.» C'est l'impression que nous avons, nous autres.

Je poursuis:

> ...avec les autres ministères concernés vers la préparation des terminus nécessaires au nouveau traversier «Roll-on Roll-off».

Ce qui veut dire que c'est le terminus nécessaire au traversier «roll on roll off» qui retarde la procédure. A peu près la même réponse nous parvient du ministère des Travaux publics.

Mr. McGrath: I wonder if the witness would read a little more—are you quoting from a letter?

Mr. Carbonneau: Yes.

Mr. McGrath: Could you quote a little more from it, please, and give us the date of it.

Mr. Carbonneau: All right. It is a letter from the Canadian Transport Commission.

Ottawa 4, le 5 décembre 1968.

La lettre est adressée à la Chambre de Commerce des Îles-de-la-Madeleine.

> Pour faire suite à votre lettre du 28 novembre 1968, je n'ai rien à ajouter à ma lettre du 12 novembre dont vous trouverez copie sous pli.

Je pourrais probablement vous donner un peu plus de renseignement, en vous lisant un peu de tout ce que j'ai ici.

[*Interprétation*]

I therefore support 150 per cent what Mr. Carbonneau has just said. According to the files I have looked at and the people I have talked to there, the Magdalen Islands have been asking for adequate transportation for several years.

They have been assured for a long time that they would be given a Maritime transportation system which would be adequate, and I should like to ask Mr. Carbonneau whether he knows that the Department of Transport has accepted or decided, in principle at least, to give the Magdalen Islands a new ferry of the type you mentioned, i.e. Roll-on Roll-off. Do you know this. Mr. Carbonneau?

Mr. Carbonneau: I shall read you a letter wherein the Department of Transport assures us that the ferry...just listen:

> The Commission is advancing as quickly as possible in co-operation with the other Departments...

"Co-operation" is a big word which means "there is no agreement". That is the impression we have.

> ...with the other Departments concerned toward the preparation of the necessary terminals for a new Roll-on Roll-off ferry.

Which means that is the terminal for the roll-on roll-off service which is delaying the procedure. We get approximately the same answer from the Department of Public Works.

M. McGrath: Je me demande si le témoin pourrait lire un peu plus loin. Est-ce une lettre que vous citez?

M. Carbonneau: Oui.

M. McGrath: Pourriez-vous en citer un peu plus, s'il vous plaît, et nous en donner la date?

M. Carbonneau: Très bien. C'est une lettre de la Commission canadienne des transports.

Ottawa 4, December 5, 1968.

The letter is addressed to the Chamber of Commerce of the Magdalen islands.

> Further to your letter of November 28, 1968, I have nothing to add to my letter of November 12, copy of which you will find enclosed.

I might perhaps be able to give you a little more information by reading what I have here.

[*Interpretation*]

Le président: Est-ce de la même date?

M. Carbonneau: Non. Je vais commencer par les premières demandes faites cette année. Je cite une lettre adressée le 17 septembre 1968 à M. Darling, président de la Commission maritime à Ottawa.

> Cher monsieur,
>
> Pour faire suite à la visite que vous faisiez aux Îles-de-la-Madeleine l'été dernier, la Chambre de Commerce apprécierait recevoir un projet du service maritime qui sera offert aux Îles-de-la-Madeleine avec les provinces Maritimes pour la saison 1969.
>
> Nous apprécierions aussi recevoir les données que vous avez communiquées relativement au nouveau traversier ainsi que la date prévue pour son entrée en opération.

Je dois vous dire, ici, que M. Darling était venu aux Îles-de-la-Madeleine l'été dernier et que, verbalement, il nous avait donné à peu près toutes les caractéristiques du nouveau traversier qui était presque prêt à entrer en opération. C'est pourquoi nous lui demandions la date d'entrée en opération.

Voici sa réponse. Il répond le 24 octobre à une lettre du 17 septembre.

> La présente est pour faire suite à la vôtre du 17 septembre 1968.
>
> La Commission a étudié attentivement les différents aspects du service en cause pour la saison 1969 et en est venue à la conclusion qu'il faut maintenir l'arrêt à Charlottetown à cause de l'impraticabilité des facilités portuaires à Souris. Quant aux données relativement au nouveau traversier, il serait prématuré de donner des détails tant que les plans des débarcadères n'auront pas été finalement établis.

La réponse ne nous a pas plu.

> Le 1er novembre 1968.
>
> Nous accusons réception de votre lettre du 24 octobre 1968.
>
> Nos directeurs sont des plus déçus du contenu de votre susdite lettre. Nous ne pouvons pas comprendre qu'il vous prenne cinq semaines à répondre négativement à une demande de renseignements de notre part.
>
> Vous voudrez bien nous faire connaître la date où la Commission étudiera soit la demande de soumission, soit tout simplement le montant de la subvention à être versée pour un service de traversier des Maritimes aux Îles-de-la-Madeleine.

[*Text*]

The Chairman: Is it the same date?

Mr. Carbonneau: No. I will start with the first requests made this year. I am quoting a letter dated September 17, 1968, addressed to Mr. Darling, Chairman of the Canadian Maritime Commission in Ottawa.

> Dear Sir:
>
> Further to the visit you made to the Magdalen Islands last summer, the Chamber of Commerce would appreciate receiving a design of the maritime service to be offered to the Magdalen Islands along with the Maritime provinces for the 1969 season.
>
> We would also appreciate receiving the data you communicated with regard to the new ferry as well as the date anticipated for its entry into service.

I should tell you here that Mr. Darling had come to the Magdalen Islands last summer and he did give us, verbally nearly all the details on the new ferry which was nearly completed and ready to enter service. That is why we were asking him for the date of effective operation.

I will give you his answer. He replied on October 24, to my letter of September 17.

> This is in reply to yours of September 17, 1968.
>
> The Commission has considered attentively the various aspects of the service involved for the 1969 season, and has come to the conclusion that we must maintain the stop at Charlottetown because of the impracticability of the harbour facilities at Souris. With regard to the details concerning the new ferry, it would be premature to give details so long as the plans for the docks have not been finally determined.

The reply did not please us.

> November 1, 1968.
>
> We acknowledge receipt of your letter of October 24, 1968.
>
> Our directors are most disappointed with the contents of the above-mentioned letter. We fail to understand that it would take five weeks for you to answer negatively to a request for information on our part. Please inform us of the date on which the Commission will consider either the request for tenders or the amount of the subsidy to be granted for a ferry service from the Maritimes to the Magdalen Islands.

[*Texte*]

Une compagnie semble intéressée à assumer la responsabilité du service des Îles de la Madeleine avec les Maritimes et d'un service avec les Îles de la Madeleine beaucoup amélioré à notre point de vue, et à une subvention moindre que celle présentement accordée à Magdalen Islands Transportation Company.

La réponse ne venait pas. Nous avons envoyé une autre lettre, avec copie à Me Béchard. Je ne sais pas si c'est lui qui a accéléré la réponse, mais de toute manière nous l'avons eue à la suite de notre lettre.

J'accuse réception de votre lettre du premier novembre 1968 relativement au service de traversier entre les Îles de la Madeleine et les provinces Maritimes.

La Commission avance aussi rapidement que possible en coopération avec les autres ministères concernés vers la préparation des terminus nécessaires au nouveau traversier *roll-on roll-off*.

Aussitôt que ces plans auront été complétés, nous ferons une demande de soumission pour un traversier *roll-on roll-off* adéquat.

C'est-à-dire que c'est le ministère des Travaux publics qui contrecarre nos plans.

M. Béchard: Monsieur Carbonneau, apparemment, ce qui empêche le tout d'aller de l'avant, c'est la décision quant au site du port de mer.

M. Carbonneau: C'est cela.

M. Béchard: Alors si on fait le tour des trois ministères intéressés, il est bon de savoir qu'un Plan d'aménagement a été signé par la province de Québec et le gouvernement fédéral au mois de mai dernier à Rimouski. Plan qui prévoit le développement de la région pilote comprenant le Bas Saint-Laurent, les Îles de la Madeleine et la Gaspésie. Et dans ce plan, la question du port et du transbordeur est abordée. Chaque fois que nous nous informons à l'un ou l'autre ministère, on nous dit: «C'est le ministère des Travaux publics qui est en retard,» ou bien, «C'est le ministère des Transports», ou encore, «C'est l'ARDA».

Je crois qu'il faut insister sur le fait que ce sont les ingénieurs qui vont décider.

Maintenant monsieur Carbonneau, pourriez-vous me dire si vous avez une préférence quant à l'endroit où sera situé le port de mer en question?

M. Carbonneau: Vous voyez, nous ne sommes pas compétents en la matière. Je ne suis

[*Interprétation*]

One company seems to be interested in ensuring service from the Maritimes to the Magdalen Islands and providing a greatly improved service in our opinion with the Magdalen Islands and with a lower subsidy than that now given to the Magdalen Islands Transportation Company.

The reply was not forthcoming, so we sent another letter with a copy to Mr. Béchard. I do not know if he is the one who saw to it that we received an answer without delay, but at any rate we received it following that letter.

I acknowledge receipt of your letter of November 1, 1968, with regard to the ferry service between the Maritime provinces and the Magdalen Islands.

The Commission is advancing as quickly as possible in co-operation with the other Departments concerned towards the preparation of the necessary terminals for the new roll-on roll-off service.

As soon as these plans have been completed, we will make a request for tenders for an adequate roll-on roll-off ferry.

This means that it is the Department of Public Works that is now blocking our plans.

Mr. Béchard: Mr. Carbonneau, apparently what is preventing the whole matter to progress is the decision with regard to the location of the seaport.

Mr. Carbonneau: That's right.

Mr. Béchard: Therefore, if we make the rounds in the three Departments involved, it is good to know that there is a Development Plan that was signed by the Province of Quebec and the Federal Government in the month of May last year, in Rimouski, which provides for development of the pilot area including the Lower St. Lawrence, Gaspé, and the Magdalen Islands. In that Plan the question of the port and the ferry is mentioned. Each time we inquire at either of the Departments, we are told that the Department of Public Works is delaying the matter, or else that this is due to DOT, or that it is because of ARDA.

I think we should insist on the fact that it is the engineers who are going to decide.

Now, Mr. Carbonneau, could you tell me whether you have any preference with regard to the site of the proposed seaport?

Mr. Carbonneau: We are not qualified in this matter, sir. I am not an engineer. It is

[*Text*]

pas ingénieur, ce n'est pas à moi à décider du site du port de mer.

M. Béchard: Alors, les gens des Îles-de-la-Madeleine que vous représentez ici, aujourd'hui, s'en remettent à la décision qui sera prise par les ingénieurs du gouvernement.

M. Carbonneau: Définitivement, oui.

M. Béchard: Monsieur Carbonneau, combien de voyages par semaine, le *North Gaspé* fait-il entre l'Île du Prince-Édouard et les Îles-de-la-Madeleine? Son horaire est-il régulier, et combien de mois par année est-il en opération?

M. Carbonneau: L'horaire n'est pas régulier. La saison débute au mois d'avril et se termine le 14 décembre. Maintenant, je vais vous donner un exemple, le bateau est censé partir de Souris à 11 heures le soir. Vous pouvez y arriver avec votre voiture à cette heure-là, et attendre facilement jusqu'à 4 heures du matin. Vous embarquez sur le bateau avec votre voiture, mais le bateau ne part pas avant 6 heures. Vous vous couchez, vous endormez, puis vous vous levez à 9 heures dix. Vous demandez une tasse de café et on vous répond qu'il est trop tard, que le déjeuner n'est servi que jusqu'à 9 heures.

L'horaire se lit comme suit: il y a deux voyages par semaine du 10 avril au 28 avril et du 7 octobre au 14 décembre. Il y a trois voyages par semaine du 29 avril au 22 juin et du 26 août au 15 octobre. J'ai ici l'horaire de l'an dernier, mais celui de cette année est exactement le même. Enfin, il y a cinq voyages par semaine, du 24 juin au 25 août. C'est l'horaire en vigueur présentement.

M. Béchard: Cela fait combien de voyages en tout, par année?

M. Carbonneau: Cela fait 111 voyages.

M. Béchard: 111 voyages. Êtes-vous au courant du montant des subsides qui seront versés cette année à la compagnie en question pour faire ce trajet-là, y compris, évidemment, Pictou?

M. Carbonneau: Oui, il y a Pictou. L'an dernier, les subventions ont été de $389,900, et cette année, d'après les renseignements que j'ai, elles seraient de $412,900.

M. Béchard: Pour 111 voyages?

M. Carbonneau: Pour 111 voyages, ce qui fait, *grosso modo*, $3,500 par voyage.

M. Béchard: Une dernière question, pour ne pas retarder davantage. Nous savons ce

[*Interpretation*]

not up to me to decide on the location of the seaport.

Mr. Béchard: So the people of the Magdalen Islands which you represent here today would then be content with the decision of the government engineers?

Mr. Carbonneau: Definitely.

Mr. Béchard: Mr. Carbonneau, how many trips per week does the *North Gaspé* make between Prince Edward Island and the Magdalen Islands? Does it operate on a regular schedule, and how many months per year is it in operation?

Mr. Carbonneau: The schedule is irregular. The season starts at the beginning of April, and ends on December 14. I will give you an example. The ship is supposed to leave Souris at 11 p.m. You get there with your automobile, and then you could wait easily until four o'clock in the morning. You get on board ship with your automobile, but it is six o'clock before the ship leaves. You go to bed, you sleep, and you get up at 9:10 a.m. You ask for a cup of coffee and you are told that it is too late, that breakfast is served only until nine o'clock.

The schedule is as follows: there are two trips per week from April 10, to April 28, and from October 7, to December 14. There are three trips per week from April 29, to June 22, and from August 26, to October 5. That is last year's schedule. This year's schedule has come out and it is exactly the same thing. There are five trips per week, from June 24, to August 25. That is the present schedule.

Mr. Béchard: How many trips in all per year?

Mr. Carbonneau: 111 trips.

Mr. Béchard: Are you aware of the amount of the subsidies to be given this year to the company involved for this trip including, of course, Pictou?

Mr. Carbonneau: Yes, it serves Pictou. Last year, the subsidies amounted to $389,000. This year, according to the information I get, they would amount to $412,900

Mr. Béhcard: For 111 trips?

Mr. Carbonneau: Yes, for 111 trips, which means approximately $3,500 per trip.

Mr. Béchard: My last question now, not to delay further the proceedings. We know what

[*Texte*]

que vous voulez, et s'il y en a un qui le sait, c'est moi.

Le président: J'allais vous dire, monsieur Béchard, que les mêmes règlements s'appliquent ici qu'à la Chambre des communes. Vous êtes parfaitement au courant de ces règlements...

M. Béchard: Merci, monsieur le président. C'est ma dernière question.

Certaines gens des Îles de la Madeleine, je ne sais pas s'ils sont nombreux, nous disent qu'ils aimeraient mieux que la liaison se fasse, la liaison maritime, avec la province de Québec, soit Gaspé, Chandler ou autres. La majorité favorise-t-elle la liaison entre l'Île du Prince-Édouard et les Îles-de-la-Madeleine.

M. Carbonneau: Vous savez, les madelinots ne sont pas séparatistes, loin de là, mais comme partout ailleurs, il y en a quelques-uns, et ce sont peut-être ces gens-là qui préféreraient avoir un service de transport maritime pour aller au Québec. Nous avons un assez bon service de transport aérien, même si cela coûte cher pour aller à Montréal, mais de Montréal, c'est facile de se rendre à Québec. Quant au transport maritime, ce n'est certainement pas la majorité qui demande une liaison avec Québec; même si vous vous reportez au plan du BAEQ, qui a été préparé par la population, on y indique clairement que même si nos attaches culturelles sont avec le Québec, nous ne sommes nullement intéressés à avoir un service de transport maritime avec le Québec, c'est-à-dire que nous en avons déjà un reliant Montréal et les Îles-de-la-Madeleine et qui fait surtout du transport de marchandises; il y a parfois quelques passagers.

M. Béchard: Il y a combien de milles entre Souris et Havre-Aubert?

M. Carbonneau: 66 milles.

M. Béchard: Combien de milles entre Havre-Aubert, Cap-aux-Meules et Gaspé ou Chandler?

M. Carbonneau: 160 milles environ.

M. Béchard: Merci, monsieur.

Le président: Monsieur Godin.

M. Godin: Merci bien. Je me souviens...

Le président: Monsieur Godin, permettriez-vous une question supplémentaire à M. McGrath?

[*Interprétation*]

you want, and if there is anyone who knows it, it is I.

The Chairman: I was about to tell you, Mr. Béchard, that the same rules apply here as in the House of Commons. You are perfectly aware of these rules...

Mr. Béchard: Thank you, Mr. Chairman. This is my last question.

There are some people from the Magdalen Islands—I do not know if there are very many of them—who tell us that they would prefer the maritime link to be with the Province of Quebec, either Gaspé, Chandler or other points. Would the majority be in favour of a link between Prince Edward Island and the Magdalen Islands?

Mr. Carbonneau: The Magdalen Islanders are not separatists, far from it, but like everywhere else, there are a few, and it is perhaps these people who would prefer having a maritime transportation service that goes to the province of Quebec. We do have a pretty good air service, even if it is costly for service with Montreal, but from Montreal it is easy to get Quebec City. With regard to maritime transportations, it is certainly not the majority that is asking for a link with Quebec. Even if you refer to the BEAQ plan, which was prepared by the people, it clearly indicates that even if our cultural links are with Quebec, we are in no way interested in having a maritime transportation service with Quebec. That is, we already have maritime transportation between Montreal and the Magdalen Islands. It is especially for freight, although these are occasionnally a few passengers.

Mr. Béchard: How many miles are there between Souris and Havre-Aubert?

Mr. Carbonneau: 66 miles.

Mr. Béchard: And how many miles are there between Havre-Aubert, Cap-aux-Meules and Gaspé or Chandler?

Mr. Carbonneau: About 160 miles.

Mr. Béchard: Thank you, sir.

The Chairman: Mr. Godin.

Mr. Godin: Thank you. I remember...

The Chairman: Mr. Godin, would you permit Mr. McGrath to ask a supplementary question?

[*Text*]

Mr. McGrath: Your answer was so fast that I did not get it on the translation. Did you say 66 miles to Souris?

Mr. Carbonneau: Yes, that is right.

Mr. McGrath: And how many miles to Gaspé?

Mr. Carbonneau: One hundred and sixty.

M. McGrath: Merci.

Le président: Monsieur Godin.

M. Godin: Étant donné que la compagnie de transport maritime perçoit $3,500 par voyage, pouvez-vous monter sans payer ou si on vous demande encore quelque chose? Je m'excuse, mais je ne me suis pas rendu plus loin que Gaspé jusqu'à présent.

Le président: A l'ordre.

M. Carbonneau: Il n'y a pas de problèmes jusqu'à Gaspé, c'est à partir de cet endroit que nous en avons. Voyage simple de Pictou, Charlottetown aux Îles-de-la-Madeleine $10 en première classe; il y a deux classes, mais la deuxième classe, vous savez, là... $7.30 pour la deuxième classe.

Le président: Quelle différence y a-t-il entre la première et la deuxième?

M. Carbonneau: C'est-à-dire, je vais vous dire exactement ce que je fais, moi; je prends un billet de deuxième classe et je m'en vais en première classe.

M. Godin: C'est le taux pour un passager?

M. Carbonneau: Pour un passager.

M. Blouin: $10.

M. Carbonneau: $10. Mais je vais vous donner les chiffres, je ne voudrais pas vous entraîner sur une fausse piste.

M. Breau: Combien cela coûterait-il par avion?

M. Carbonneau: Par avion, c'est $12. Les passagers viennent surtout par Souris, donc je vais vous donner le prix de Souris à Havre-Aubert qui est à peu près cela. Souris: $8, une personne; il va y avoir au moins un déjeuner, $1.60.

M. Godin: En plus?

M. Carbonneau: Oui, ces prix-là ont été majorés cette année, je ne sais pas exactement, ce sont les prix de 1967 et ils ont été majorés.

[*Interpretation*]

M. McGrath: Votre réponse a été tellement rapide que je n'en ai pas eu l'interprétation. Avez-vous dit 66 miles jusqu'à Souris?

M. Carbonneau: Oui, c'est cela.

M. McGrath: Et combien jusqu'à Gaspé?

M. Carbonneau: Cent soixante.

Mr. McGrath: Thank you.

The Chairman: Mr. Godin.

Mr. Godin: As the Maritime Transportation Company is granted approximately $3,500 a trip, can you get aboard without paying or are you charged for it? Excuse me, but so far, I did not get any further than Gaspé.

The Chairman: Order, please.

Mr. Carbonneau: There is no problem as far as Gaspé, but it is from there onwards that we have problems. Single trip from Pictou, Charlottetown to the Magdalen Islands, $10. That is first class. There are two classes, but the second class, you know...$7.30, second class.

The Chairman: What is the difference between first and second class?

Mr. Carbonneau: I will tell you exactly what I do. I take a second class ticket and then I go into first class once I get aboard.

Mr. Godin: Is this the rate for a single passenger?

Mr. Carbonneau: For a single passenger.

Mr. Blouin: $10.

Mr. Carbonneau: $10. I will give you the figures. I do not want to mislead you.

Mr. Breau: How much is it by air?

Mr. Carbonneau: By air, $12. The passengers come particularly from Souris, so I will give you the rates from Souris to Havre-Aubert. Souris, $8 a person. You will have at least breakfast, $1.60.

Mr. Godin: In addition?

Mr. Carbonneau: Yes, these prices have been increased this year. I do know exactly how much, but these are the prices for 1967. They have been increased.

[*Texte*]

M. Godin: Cela nous donne une bonne idée.

M. Carbonneau: J'ai les prix de 1969. C'est monté, c'est vrai. Souris aux Îles-de-la-Madeleine $8.50 par personne, automobile et un occupant depuis Souris aux Îles-de-la-Madeleine $17 et $2 de péage, je pense, cela revient au fédéral, ce n'est pas pire, un déjeuner $1.70, cela coûte $29.20 à une personne pour se rendre aux Îles-de-la-Madeleine. Maintenant, il faut que vous y reveniez, il faut absolument y revenir, ce qui veut dire $58.40 au minimum pour une personne. Si vous y alliez en vacances, vous n'iriez pas seuls, il y a au moins en moyenne deux enfants, une femme, ce qui veut dire que vous rajoutez trois fois $8.50, cela fait $25.50, 3 déjeuners $5.10, $85.

M. Crossman: Est-ce le même prix pour les enfants et les adultes?

M. Carbonneau: Oui, mais il doit y avoir des détails qui ne sont pas indiqués, c'est probablement gratuit pour un enfant âgé de moins de 12 ans, je pense que c'est pour les enfants de moins de 2 ans, cela diffère du transport aérien.

M. Godin: Maintenant, du côté navigation: on voit circuler des navires entre Terre-Neuve et Montréal pendant l'hiver. Quelles sont les conditions de la glace, chez vous? Est-ce qu'un bon navire pourrait vous donner un service même durant l'hiver?

M. Carbonneau: Certainement, le problème est qu'on s'entête, sans raison, à aller à Charlottetown, qui est un port intérieur. Donc, il y a de la glace au mois de décembre (cette année il n'y a pas de problème, il n'y a pas de glace) mais une année où il y en a, si l'horaire donne comme date du premier voyage, le mois d'avril, il arrive souvent que le bateau est pris dans la glace à Charlottetown et il attendra quinze jours avant de pouvoir sortir.

M. Godin: Merci bien.

Le président: Monsieur McGrath.

Mr. McGrath: Mr. Chairman, most of my questions have already been answered, but just for clarification—because some of the answers were fairly fast for the translator and I think we lost a few points in translation. As I understand it now, you will get a roll-on roll-off ferry immediately you get the proper docking facilities at Havre Aubert in the Magdalen Islands. Is that right?

[*Interprétation*]

Mr. Godin: That gives us a good idea.

Mr. Carbonneau: Here I have the 1969 tariff. It has gone up, it is true. Souris to Magdalen Islands, $8.50 a person. Automobile and one occupant, from Souris to the Magdalen Islands, $17, and there is $2 for dock fees, I believe—that goes to the federal government; that isn't bad—one breakfast, $1.70, which means $29.20 for one person alone to go to the Magdalen Islands. Now you have to come back too, which means $58.40 return trip minimum for one person. If you were going there on holidays you would not go alone. Normally, you have at least two children and one wife, which means that you would have to add three times $8.50, which amounts to $25.50, and three breakfasts, $5.10, for a grand total of $85.

Mr. Crossman: Do they charge the same price for children as for adults?

Mr. Carbonneau: Yes, but there must be some details which are not marked here. Probably below the age of 12 they do not pay, although I think it is for children below the age of 2—it is not the same thing as air transportation, you know.

Mr. Godin: From the point of view of navigation. We see ships operating between Montreal and Newfoundland during the winter. What are ice conditions like where you come from? Could a good ship provide you with service, even in wintertime?

Mr. Carbonneau: Of course. The problem is that people insist, for no good reason, on going to charlottetown which is an inland port. Consequently, they have ice in December. This year there is no problem; there is no ice, but if you get a year when there is ice, if the schedule reads the month of April for the first trip, often the ship is caught in the ice in Charlottetown and will have to wait a couple of weeks before being able to leave.

Mr. Godin: Thank you.

The Chairman: Mr. McGrath.

M. McGrath: Monsieur le président, la plupart de mes questions ont déjà reçu une réponse, mais j'aimerais quelques éclaircissements, car certaines des réponses étaient trop rapides pour l'interprète, et je crois que nous avons perdu certaines choses dans l'interprétation. Si j'ai bien compris vous aurez un service de bac à chargement et déchargement rapides dès que l'on aura aménagé les quais nécessaires au Havre-Aubert, aux Îles-de-la-Madeleine. Est-ce bien cela?

[*Text*]

Mr. Carbonneau: That is what they are telling us.

Mr. McGrath: Who is telling you this?

Mr. Carbonneau: The Department of Transport.

Mr. McGrath: I did not understand who is going to provide this new vessel.

M. Carbonneau: Ils vont demander des soumissions pour le service.

Mr. McGrath: Tenders for the construction of the vessel or tenders for the charter of the vessel?

M. Carbonneau: Probablement pour le service, c'est-à-dire que présentement, nous savons qu'il y a un bateau qui répondrait à nos besoins en ce qui a trait au service. C'est un bateau qui dessert la Gaspésie et la Côte Nord, et ceux . . .

Mr. Blouin: If I may, Mr. Chairman, I think that they are going to ask for tenders for a subsidy. The Canadian Transport Commission is going to ask for public tenders to grant a subsidy.

Mr. McGrath: In other words, whoever is successful in getting the tender will have to provide the vessel and in return he will be provided with a subsidy.

Mr. Carbonneau: That is right.

Mr. McGrath: And the vessel will have to meet specifications set down by the tender. You say that according to the Canadian Transport Commission, who wrote you on this matter, the only thing that is delaying the calling for tenders for this vessel is the building of the facilities.

Mr. Carbonneau: That is right.

Mr. McGrath: And the building of the facilities is the responsibility of the Department of Public Works, and the Department of Public Works have taken a holiday in the Maritimes this year, so it looks as if we may have to wait perhaps another year. It would seem to me, if I may just make this observation, Mr. Chairman, that this witness and the Magdalen Islands have certainly presented a strong case for this Committee to a least light a fire under Public Works and get the facilities built.

The Chairman: Mr. Trudel?

[*Interpretation*]

M. Carbonneau: C'est ce qu'on nous dit.

M. McGrath: Qui vous le dit?

M. Carbonneau: Le ministère des Transports.

M. McGrath: Je n'ai pas compris qui devait vous fournir le nouveau navire.

Mr. Carbonneau: They are going to call for tenders for the service.

M. McGrath: Les offres pour la construction du navire, ou pour son affrètement?

Mr. Carbonneau: Probably for the service itself. That is to say that at the present time we know that there is one ferry which would be suitable for us, one which goes to the Gaspé and the North Shore, and those . . .

M. Blouin: Si vous me le permettez, monsieur le président, je dirais que l'on va demander des offres pour une subvention. La Commission canadienne des transports va demander des offres publiques pour accorder une subvention.

M. McGrath: En d'autres termes, le soumissionnaire auquel on adjugera le contrat devra fournir le navire et, en retour, il recevra une subvention.

M. Carbonneau: C'est exact.

M. McGrath: Et le navire devra être conforme aux exigences posées dans l'offre. Vous dites que, d'après la Commission canadienne des transports, qui vous a écrit à ce sujet, la seule chose qui retarde l'appel d'offres pour la construction du navire, c'est l'aménagement des quais.

M. Carbonneau: C'est exact.

M. McGrath: Or, c'est le ministère des Travaux publics qui est chargé de la construction des installations, et le ministère des Travaux publics a pris congé dans les Maritimes cette année. Il semble donc qu'il va falloir attendre peut-être encore un an. Il me semble, si vous me permettez de faire cette observation, monsieur le président, que le témoin et les Madelinots ont, assurément, présenté au Comité une assez bonne cause pour qu'au moins le Comité fasse sauter les Travaux publics pour activer la construction des installations.

Le président: Monsieur Trudel?

[*Texte*]

M. Trudel: Monsieur le président, est-ce que le traversier que vous avez présentement, monsieur Carbonneau, pourrait être muni d'une rampe permettant aux véhicules de monter à bord?

M. Carbonneau: Non, aucunement.

M. Trudel: Il n'y a aucune possibilité d'adoptation, même si vous aviez les facilités portuaires?

M. Carbonneau: Non, aucunement. Présentement, ce bateau peut servir pour transporter le cargo.

M. Trudel: Strictement.

M. Carbonneau: Ah oui! Nous sommes tout de même en 1969 et faire monter un passager à bord d'un tel navire est absurde.

M. Trudel: Maintenant, l'autre question: vous avez cité tout à l'heure et vous avez laissé croire, du moins c'est l'interprétation que j'en fais, qu'en obtenant 10 p. 100 des subventions versées présentement à l'Île du Prince-Édouard, cela réglerait probablement vos problèmes. Avez-vous une idée du pourcentage des subventions que vous recevez présentement? Est-ce 5 p. 100 ou 2 p. 100 que vous recevez? Ou avez-vous fait une étude qui nous permettrait d'étudier ces chiffres-là?

M. Carbonneau: Non, nous n'avons fait aucune étude. Mais au sujet du transport et je vais m'en tenir à ce point seulement, car c'est ce qui nous occupe, encore dernièrement, je pense au mois de novembre, le National-Canadien a acheté un nouveau traversier pour faire le transport Borden-Cap-Tourmente. Lorsque M. Trudeau ou M. Marchand a annoncé la mauvaise nouvelle à l'Île du Prince-Édouard que la chaussée ne serait pas construite, on leur a assuré que de nombreux bateaux viendraient faire le service. J'évalue à au moins $25 millions annuellement les sommes qui vont être investies dans le service des transports pour l'Île du Prince-Édouard; quant à nous, 2 millions et demi, nous en avons suffisamment.

M. Trudel: Merci, monsieur le président.

Le président: Monsieur Breau.

M. Breau: Une question supplémentaire à ce sujet. Avez-vous 10 p. 100 de la circulation qui va du Nouveau-Brunswick à l'Île du Prince-Édouard présentement? Vous dites que vous aimeriez avoir 10 p. 100 des subventions, mais savez-vous si vous auriez aussi 10 p. 100 de la circulation?

[*Interprétation*]

Mr. Trudel: Mr. Chairman, the present ferry you now have, Mr. Carbonneau, could it be adapted to have a ramp to allow vehicles to get on?

Mr. Carbonneau: No, not at all.

Mr. Trudel: There is no possibility of adapting the ferry, even if you had the harbour facilities?

Mr. Carbonneau: No, not at all. At the present time that ship can carry cargo.

Mr. Trudel: Strictly?

Mr. Carbonneau: Yes, really, after all , this is 1969, and putting passengers on this kind of ship is absurd.

Mr. Trudel: My other question. A llittle while ago you quoted, and you let it be understood, at least that is how I interpreted it, that if you were to get 10 per cent of the subsidies now given to Prince Edward Island, this would probably solve your problems. Do you have any idea of the present subsidies you receive with regard to percentage? Do you receive 5 per cent or 2 per cent? Or have you made any analysis which would allow us to study these figures?

Mr. Carbonneau: No, we have made no study. But with regard to transportation, and I shall just stick to that point because that is the one we are concerned with, lately, I think it was in November, the CN bought a new ferry for the Borden—Cap Tourmente ferry service. When Mr. Trudeau or Mr. Marchand announced the bad news to Prince Edward Island that it was not going to get the causeway, he assured them that a good number of ships would come and give the service. I evaluate at $25 million annually the amounts to be invested in the transportation service for Prince Edward Island. In so far as we are concerned, we would have plenty with $2.5 million.

Mr. Trudel: Thank you, Mr. Chairman.

The Chairman: Mr. Breau.

Mr. Breau: A supplementary question to this now. Do you have 10 per cent of the traffic which goes from New Brunswick to Prince Edward Island at the present time? You are saying that you would like to get 10 per cent of the subsidy, but do you know whether you would also get 10 per cent of the traffic?

[*Text*]

M. Carbonneau: C'est automatique. Écoutez, il y a peut-être mille personnes, l'été dernier, qui se sont rendues à Souris, elles ont regardé le bateau et elles ont eu peur. Voyez, je ne dis pas cela pour essayer de faire sensation, mais c'est exact. Nous recevons beaucoup de demandes de renseignements à la Chambre de commerce, parce qu'il n'y a pas de bureau touristique, nous recevons donc beaucoup de demandes. Lorsque nous leur faisons parvenir l'horaire, nous sommes quelque peu gênés de l'envoyer. Il y en a qui se rendent aux Îles puis réellement . .

M. Breau: Oui, mais malgré qu'il y ait eu mille personnes, savez-vous si vous auriez 10 p. 100 de la circulation? Vous ne le savez pas.

M. Carbonneau: Avec un service de traversier, je n'en doute aucunement. Je crois même que nous aurions peut-être plus que 10 p. 100 de la circulation.

M. Breau: Par exemple, s'il y a un demi-million de personnes qui traversent, à d'autres endroits, vous en auriez au moins 10 p. 100.

M. Carbonneau: Oui, j'ai essayé de m'en assurer personnellement.

M. Breau: Maintenant, êtes-vous satisfait du service aérien que vous avez présentement?

M. Carbonneau: Dans une proportion de 75, 80 p. 100, je dirais.

M. Breau: Avez-vous un bon aéroport maintenant, parce que jusqu'à ces tout derniers temps, ils atterrissaient sur la plage?

M. Carbonneau: Ça fait longtemps de cela.

M. Breau: Ça fait longtemps de cela?

M. Carbonneau: Ah oui! Mais l'aéroport doit être agrandi encore un peu, probablement qu'à l'avenir, des avions réactés assureront le service entre les Îles-de-la-Madeleine et Montréal.

M. Breau: Présentement, c'est EPA qui vous donne un service?

M. Carbonneau: EPA qui, je pense, est présentement fusionnée avec Nordair.

M. Breau: Oui, maintenant ils disent qu'ils auront des réactés avant longtemps, et que cela va prendre une piste d'au moins 6 mille pieds; en avez-vous une de cette longueur?

M. Carbonneau: Je ne le pense pas, non.

[*Interpretation*]

Mr. Carbonneau: It is automatic. There were approximately 1,000 people last year who went to Souris, looked at the boat and got scared. Now, I am not saying this for the sake of sensationalism, but it is true. We receive a great deal of requests for information at the Chamber of Commerce, because there is no tourist bureau, so we receive a great many requests for information. When we send them the schedule we do not even like to send it, because some go to the Island and then. . .

Mr. Breau: Yes, but in spite of the fact that there were 1,000 persons, do you know if your would get 10 per cent of the traffic? You don't know.

Mr. Charbonneau: With a ferry service, I have no doubt of it. I even think that we might have more than 10 per cent of the traffic.

Mr. Breau: For instance, if half a million people go across at other places, you would have at least 10 per cent.

Mr. Carbonneau: Yes, I personally tried to make sure of this.

Mr. Breau: Now, are you satisfied with your present air service?

Mr. Carbonneau: I would say in a proportion of 75 or 80 per cent.

Mr. Breau: Do you have a good airport now because, until quite recently, planes had to land on the beach?

Mr. Carbonneau: That is a long time ago.

Mr. Breau: A long time ago?

Mr. Carbonneau: Sure! But the airport still has to be enlarged a bit more, because in the future we will probably have jet service between the Magdalen Islands and Montreal.

Mr. Breau: At the present time, it is E.P.A. that services you?

Mr. Carbonneau: Yes, E.P.A., which I think has now been amalgamated with Nordair.

Mr. Breau: Yes, now they say that they are going to have jets before too long, and it is going to take at least a 6,000 foot runway. Do you have a 6,000 foot runway?

Mr. Carbonneau: I do not believe so, no.

[*Texte*]

M. Breau: Savez-vous si vous pourrez l'obtenir? Si on instaure un service de réactés de l'Île du Prince-Édouard à Montréal, et que vous n'avez pas de piste de 6 milles pieds, il va falloir donc que vous utilisiez un petit avion pour aller à Charlottetown?

M. Carbonneau: Oui, je le sais, mais vous dire bien franchement, je ne peux pas demander plus que ce qui est raisonnable. Quand même que nous aurions un réacté, pouvant transporter 108 passagers, qui viendrait aux Îles-de-la-Madeleine en chercher à tous les jours, il n'y aurait pas autant de personnes qui viendraient, surtout pendant la saison morte du tourisme. Donc, c'est peut-être demander un peu trop.

M. Breau: Ainsi, vous pensez qu'il n'est pas nécessaire d'avoir un service de réactés. Vous seriez satisfait d'avoir un service régional assuré par un petit avion qui vous amènerait à Charlottetown, disons.

M. Carbonneau: Bien, c'est-à-dire un petit avion, il faut s'entendre.

M. Breau: Bien, je veux dire tel que celui que vous avez à l'heure actuelle.

M. Carbonneau: Comme nous avons présentement? Disons, pour la prochaine année, mais cela ne veut pas dire que dans deux ans nous n'aurons pas besoin du service des réactés.

M. Breau: Maintenant, avez-vous dit que les installations de l'aéroport, telles qu'elles existent présentement sont suffisantes?

M. Carbonneau: Non, elles ne sont pas suffisantes, parce qu'il y a une piste qui n'est pas éclairée, puis l'avion vient le soir.

M. Breau: La piste n'est pas éclairée et l'avion vient le soir?

M. Carbonneau: Il y a seulement une piste d'éclairée, la deuxième ne l'est pas; celle de nord-sud est éclairée, je pense, mais celle d'est-ouest ne l'est pas, ou quelque chose de ce genre. Puis le soir, c'est éclairé temporairement.

Le président: Monsieur Portelance?

M. Portelance: Merci, monsieur le président. Vous avez mentionné, tout à l'heure, qu'il y a un traversier qui s'appelle «Nord-Gaspé»? Est-ce le seul qui va chez vous ou la Clarke Steamship en a-t-elle d'autres qui y vont?

[*Interprétation*]

Mr. Breau: Do you know whether or not you can get one? Because if they give jet service from P.E.I. to Montreal and if you do not have a 6,000 foot runway, that means you will have to use a small aircraft to go to Charlottetown?

Mr. Carbonneau: Yes, I know, but frankly I would have to tell you that we cannot ask for more than what is reasonable. Even if we were to get a 108 passenger jet coming to the Magdalen Islands to pick up passengers daily, there would certainly not be that many people flying in, particularly in the off-season. So, it is perhaps asking for a little too much.

Mr. Breau: So, you do not think it is necessary for you to have a jet service. You would be satisfied with regional service with a small aircraft taking you, let's say, to Charlottetown.

Mr. Carbonneau: What do you mean by a small aircraft?

Mr. Breau: Like the one you have at the present time.

Mr. Carbonneau: Like the one we have at the present time? Let us say for the next year, but that does not mean that in two years we will not need jet service.

Mr. Breau: Now, did you say that present airport facilities are sufficient?

Mr. Carbonneau: No, they are not sufficient, because one runway is not lit, and the aircraft.

Mr. Breau: The runway is not lit and the aircraft arrives at night?

Mr. Carbonneau: There is only one lit runway, the second one is not. The north-south runway is lighted but the east-west runway is not, or something like this. And at night, it is lighted temporarily only.

The Chairman: Mr. Portelance?

Mr. Portelance: Thank you, Mr. Chairman. You mentioned a little while ago that there is a ferry called the North Gaspé. Is that the only one that goes to the Magdalen Islands, or does Clarke Steamship Company Ltd. have others that go there?

[*Text*]

M. Carbonneau: C'est le seul de la Clarke Steamship qui vient chez nous.

M. Portelance: Et présentement la moyenne est de cinq voyages par semaine? C'est cela?

M. Carbonneau: L'été seulement.

M. Portelance: L'été seulement? Croyez-vous que ce soit suffisant, même si c'est un meilleur traversier qui fait le . .

M. Carbonneau: Non, ce n'est sûrement pas suffisant parce que la capacité de ce bateau n'est que pour 40 passagers et on en fait monter jusqu'à 150.

M. Portelance: Présentement, on en fait monter jusqu'à 150?

M. Carbonneau: Oui.

M. Portelance: Les limites seraient de 40?

M. Carbonneau: Seraient de 40.

M. Portelance: N'estimez-vous pas que la sécurité envers les passagers est négligée, à ce moment-là?

M. Carbonneau: Absolument, oui.

M. Portelance: La commission maritime est-elle au courant de cet état de choses?

M. Carbonneau: Le bateau est inspecté ou est censé l'être à tous les ans.

M. Portelance: Combien y a-t-il d'automobiles dans les Îles-de-la-Madeleine?

M. Carbonneau: Approximativement, je dirais 3,000, comme il faut, peut-être un peu plus.

M. Portelance: Pour 14,000 habitants?

M. Carbonneau: Oui, 3,000 automobiles. N'oubliez pas que la famille moyenne y est plus nombreuse qu'ailleurs.

M. Portelance: Cela veut dire qu'à peu près chaque famille a une automobile?

M. Carbonneau: Je dirais une famille et quart.

M. Portelance: Justement, ces automobilistes ont-ils à sortir souvent de l'Île, vont-ils souvent à l'Île du Prince-Édouard?

M. Carbonneau: Non, mais ils viennent souvent à Montréal, Québec, Ottawa, Toronto et ainsi de suite.

M. Portelance: On voyage par avion à ce moment-là ou bien non. . .

[*Interpretation*]

Mr. Carbonneau: It is the only one that Clarke Steamship Company Ltd. has that comes to the Magdalen Islands.

Mr. Portelance: Then at the present time the average is five trips per week? Is that right?

Mr. Carbonneau: In the summer only.

Mr. Portelance: In the summer only? Do you think it is sufficient, even if there were a better ferry. . .

Mr. Carbonneau: No, definitely not, because that ship's capacity is for 40 passengers only, and up to 150 are put aboard.

Mr. Portelance: At the present time you put up to 150 on board?

Mr. Carbonneau: Yes.

Mr. Portelance: And the limit is 40?

Mr. Carbonneau: Yes, forty.

Mr. Portelance: Don't you think that there is a lack of security in that case towards passengers?

Mr. Carbonneau: Definitely, yes.

Mr. Portelance: Is the Canadian Maritime Commission aware of this?

Mr. Carbonneau: The vessel is supposed to have an annual inspection.

Mr. Portelance: How many automobiles are there in the Magdalen Islands?

Mr. Carbonneau: I would say approximately 3,000, maybe a little bit more.

Mr. Portelance: For 14,000 people?

Mr. Carbonneau: Yes, 3,000 cars. Do not forget that our average family is larger than elsewhere.

Mr. Portelance: That means that nearly every family has an automobile?

Mr. Carbonneau: I would say 1¼ families.

Mr. Portelance: Do these automobile drivers have to leave the island often? Do they have to go to P.E.I.?

Mr. Carbonneau: No, but they often come to Montreal, Quebec City, Ottawa, Toronto, and so on.

Mr. Portelance: Do they travel by air then?

[*Texte*]

M. Carbonneau: Non, pas toujours, l'hiver oui, pas l'été.

M. Portelance: L'été on se sert de l'automobile...

M. Carbonneau: Oui.

M. Portelance: Du traversier.

M. Carbonneau: Oui.

M. Portelance: Jusqu'à l'Île du Prince Édouard, et de l'Île du Prince-Édouard, on prend un autre traversier pour aller sur la terre ferme.

M. Carbonneau: Oui.

M. Portelance: Êtes-vous au courant du nombre approximatif de voyageurs des Îles-de-la-Madeleine vers Charlottetown pour l'an dernier?

M. Carbonneau: Non, je ne pourrais vous donner cela, la seule chose que je peux vous dire, c'est que l'an dernier, il y a eu un voyage supplémentaire qui n'avait pas été annoncé. Cela a permis de transporter 500 voitures et 1,200 passagers de plus que la saison précédente, où il n'y a eu au cours de l'été, que quatre voyages.

M. Portelance: Arrive-t-il parfois que des personnes des Îles-de-la-Madeleine, qui aimeraient sortir des Îles une journée donnée, ne puissent pas embarquer sur le bateau?

M. Carbonneau: Certainement, soit parce qu'il y a trop de voitures à bord et il n'y a pas de place, ou qu'on n'a pas fait de réservations, ou encore cela peut se produire une journée où le bateau est censé venir, disons le jeudi, et il ne vient que le vendredi.

Donc, si pour une affaire urgente, une personne veut se rendre dans les Maritimes, avec sa voiture, il est obligé de prendre l'avion, mais souvent les points de correspondance avec les trains ou les autobus ou les services de transport en commun, sont quasi inexistants, à certains endroits, parce que, présentement, par avion on va à Charlot et non à Moncton. Ce qui veut dire que cette personne est obligée de louer une automobile à Charlot pour y faire ses affaires.

M. Portelance: Je vous remercie, monsieur Carbonneau.

Le président: Monsieur Blouin?

M. Blouin: Monsieur le président, évidemment, après avoir entendu les témoignages et étant moi-même allé très souvent aux Îles-de-la-Madeleine, et venant de la Côte Nord, je suis assez au courant des problèmes des

[*Interprétation*]

Mr. Carbonneau: No. In winter yes, in summer no.

Mr. Portelance: In summer they use their cars...

Mr. Carbonneau: Yes.

Mr. Portelance: The ferry.

Mr. Carbonneau: Yes.

Mr. Portelance: As far as P.E.I., and from P.E.I. you use another ferry to get to the continent.

Mr. Carbonneau: Yes.

Mr. Portelance: Do you know approximately how many travellers from the Magdalen Islands went last year towards Charlottetown?

Mr. Carbonneau: No, I could not give you that figure. The only thing I could tell you, is that last year there was an additional trip which was not announced. This enabled to carry 500 automobiles and 1,200 passengers more than the previous year, which had only four trips during the summer.

Mr. Portelance: Does it happen sometimes that people from the Magdalen Islands who would like to leave the Island on a given day, cannot get on board the ship?

Mr. Carbonneau: Certainly, either because there are too many automobiles on board and there is no room, or there are no reservations made, or it happens that the ship is supposed to arrive, say on Thursday, and arrives only on Friday. So, if it is an urgent matter, and a person wanted to go to the Maritimes with his automobile, he has to take the air service, but often the connections with trains, buses or the ordinary transportation services are almost non-existent, in some places because, at the present time, we can go to Charlottetown by air and not to Moncton. Which means that you then have to rent a car once you get to Charlottetown in order to carry out your business.

Mr. Portelance: Thank you, Mr. Carbonneau.

The Chairman: Mr. Blouin?

Mr. Blouin: Mr. Chairman, of course after having heard the testimony and having quite often gone to the Magdalen Islands myself, and coming from the North Shore, I am quite aware of the ferry service and maritime

[*Text*]

traversiers et du transport maritime. En tant que résidant des Îles-de-la-Madeleine, avez-vous des plans assez précis pour le service de traversier que vous voulez obtenir? Par exemple, le genre de traversir, le trafic passager, le trafic automobile, avez-vous fourni tous ces chiffres?

M. Carbonneau: Oui, ces chiffres...

M. Blouin: Au ministère des Transports?

M. Carbonneau: Oui, ces chiffres-là ont été fournis à la suite de l'étude qui a été faite par le BAEQ, Bureau de l'aménagement de l'Est du Québec; il y a eu un rapport spécial pour les Îles-de-la-Madeleine, parce que nous constituons une région à part entière. Nous ne sommes attachés ni aux Maritimes, ni à la province de Québec, c'est-à-dire que nous sommes attachés aux deux, mais pas plus à l'un qu'à l'autre. Nos contrats sociaux sont avec le Québec, notre commerce avec les Maritimes, donc nous sommes une région tout à fait à part de l'Est du Québec.

Dans la réorganisation du transport, toute l'étude a été faite, à peu près; nous n'avons pas fait un plan détaillé pour un traversier, mais nous avons donné tous les détails de ce que nous voulons pour un *roll-on roll-off*, que vous trouverez aux pages 172, 173, 174 et ainsi de suite.

M. Blouin: Alors, a-t-il été question d'un traversier à l'année longue. au rythme de tant par jour, tout cela a-t-il été indiqué?

M. Carbonneau: Oui, c'est-à-dire que nous voulons un traversier construit pour naviguer dans les eaux du golfe parce qu'il y a un peu de mer, un traversier dont la coque est renforcée pour voyager à travers les glaces. On a fait...

M. Blouin:. Vous avez nécessairement besoin d'un traversier, et quant à en avoir un, il devra pouvoir assurer le service à l'année longue.

M. Carbonneau: Oui.

M. Blouin: Il n'y a pas de période de gel et de dégel qui empêche le service? Alors, tout cela a été demandé?

M. Carbonneau: Oui.

M. Blouin: Alors, vous n'avez jamais eu de réponse définitive.

M. Carbonneau: Non, absolument pas.

M. Blouin: Il n'a jamais été question d'aucunes sortes de traversiers, de leurs dimen-

[*Interpretation*]

transportation problems. As a resident of the Magdalen Islands, do you have fairly concrete plans for the ferry service you want to obtain? For instance, the type of ferry, the passenger traffic, the automobile traffic, did you supply all these figures?

Mr. Carbonneau: Yes, these figures...

Mr. Blouin: To the Department of Transport?

Mr. Carbonneau: Yes, these figures were supplied following a study made by the B.A.E.Q. One report was devoted especially to the Magdalen Islands because they are a complete territory. We are not attached to the Maritimes or to the Province of Quebec. That is, we are attached to both but no more to one than to the other. Our social contacts are with Quebec and our business contacts with the Maritimes. Therefore, we are an area that is entirely distinct from Eastern Quebec.

In the re-organization of transportation—the entire study has more or less been completed—there is no detailed plan for a ferry but we did give all the specifications we would like to have for a roll-on roll-off service, which appear on pages 172, 173, 174 and so on.

Mr. Blouin: Was there any mention of a year round ferry operating at so many trips per day—was all this information supplied?

Mr. Carbonneau: Yes, that is to say that we want a ferry that is especially built for gulf service because the effects of the open sea are somewhat felt. A ferry which would be strengthened against ice. We have...

Mr. Blouin: Of necessity, you need a ferry, and if you are going to get a ferry you need one for year round service.

Mr. Carbonneau: Yes.

Mr. Blouin: There is no period of freezing and thawing which prevents the service from operating? So, you have asked for all this?

Mr. Carbonneau: Yes.

Mr. Blouin: And you never got a definite reply?

Mr. Carbonneau: Absolutely not.

Mr. Blouin: There was no question, at any time, of any kinds of a ferries, their dimen-

[*Texte*]

sions, de bateaux semi-brise-glace, comme traversiers, il n'a jamais été question de cela?

M. Carbonneau: M. Darling est venu aux Îles l'été dernier et il nous a donné verbalement les détails des exigences requises par la Commission selon lui. Par la lettre que j'ai lue tout à l'heure, nous avons demandé qu'il nous confirme par écrit ce qu'il nous avait dit verbalement. La réponse n'est jamais venue.

M. Blouin: Je comprends. Alors, c'est à peu près tout. Il y avait bien d'autres questions, mais je les ai entendues tout à l'heure, elles ont été posées avant moi. Je vous remercie, monsieur le président.

Le président: Monsieur Godin.

M. Godin: Monsieur Carbonneau, quel est le prix d'un billet d'avion entre les Îles et Montréal?

M. Carbonneau: $56.

M. Godin: Maintenant, supposons que j'ai une automobile qui date de dix ans, par exemple et qui n'est pas trop, trop bien entretenue; les compagnies d'assurances peuvent refuser de me protéger et en même temps, l'Office de la sécurité routière va exiger également que je la retire de la circulation.

Dans le même ordre d'idées, y a-t-il des règlements maritimes qui pourraient exiger de mettre au rancart votre navire «*Nord-Gaspé*» qui, à mon sens, est un danger public? Maintenant, en résumé, à partir de quel moment peut-on faire condamner un navire et dans quelle condition doit-il être pour cela?

M. Carbonneau: Personnellement, je présume qu'un navire, qui n'a pas été construit pour le transport de passagers, mais qui le fait quand même, je présume qu'après trente ans au maximum, il devrait être retiré de la circulation tant pour les passagers que pour les voitures. Parce que vous dites, si vous avez une vieille voiture, mais, par contre, si vous avez une voiture neuve, puis qu'en voulant la monter à bord du bateau, elle tombe sur le quai, la seule compensation que vous en retirerez de la part de la compagnie de transport, c'est $500, même si les dommages à votre voiture s'élèvent à $2,000.

Donc, au bout de trente ans, je présume qu'on devrait absolument retirer un bateau du genre de la circulation, du moins en ce qui a trait aux passagers; quant au cargo, il n'y a pas de problème.

M. Godin: Votre navire peut transporter combien d'autos?

[*Interprétation*]

sions, of having semi-icebreakers as ferries, there was never any question of this?

Mr. Carbonneau: Mr. Darling came to the Magdalen Islands last year and gave us verbally the specifications which he thought the Canadian Maritime Commission was going to request. In the letter I read a little while ago we asked that he put in writing what he had told us orally, but we never got the answer.

Mr. Blouin: I understand. That is about all. There were a great many other questions but I heard them a little while ago. Thank you, Mr. Chairman.

The Chairman: Mr. Godin?

Mr. Godin: Mr. Carbonneau, what is the cost of an aircraft ticket from the Magdalen Islands to Montreal?

Mr. Carbonneau: $56.

Mr. Godin: Now, let us say that I have an automobile that is, let's say, ten years old and is not in too good shape: the insurance companies may refuse to provide any protection for me and at the same time Highway Safety will also require that I get my car off the highways.

Following this same line of thought, are there any maritime regulations which might perhaps force the North Gaspé, which I consider to be a threat to public safety, to be withdrawn from service? At what age can we have a ship condemned and in what condition must it be?

Mr. Carbonneau: Personally, I would assume that any ship which was not designed for passenger service and which does carry passengers, I would presume that after 30 years at a maximum, it should be withdrawn from service, for both passenger service and for automobiles. Because you say "if you have an old automobile", but if on the other hand you have a new car, and in trying to get it on the ship it falls onto the dock, the only insurance you will get is $500 from the transportation company even if your damage amounts to $2,000.

Consequently, at the end of 30 years, I think that we should withdraw a ship of this type from circulation, at least for passengers; as far as cargo is concerned, there is no problem.

Mr. Godin: How many cars can your ship carry?

[*Text*]

M. Carbonneau: Présentement, c'est vingt-deux, c'est-à-dire le premier ne pourrait en transporter que douze, treize. On a apporté différentes améliorations au bateau et c'est ce qui coûte énormément cher à la Commission maritime, les réparations qui sont faites sur ce vieux bateau-là.

M. Godin: Maintenant, étant donné que les autos sont montées à bord du navire par palan, combien de temps est requis pour monter vingt-deux autos et les descendre?

M. Carbonneau:. Vingt-deux autos, cela demande au moins trois heures?

M. Godin: Trois heures?

M. Carbonneau: Oui.

M. Crossman: Excusez. Pour le débarquement puis le...

M. Carbonneau: Trois heures pour le chargement et trois heures pour le déchargement des voitures seulement.

M. Crossman: Si tout va bien.

M. Carbonneau: Oui, oui, s'il n'y a pas de voiture qui pourrait être de travers.

M. Crossman: Comment les monte-t-on à bord?

M. Carbonneau: Avec un palan. On prend la voiture, on la monte, on la fait venir à un point donné et on la descend.

M. Godin: Cela veut dire que lorsque vous venez de Montréal, en auto, vous pouvez attendre six heures sur le quai pour monter à bord du navire, puis une fois rendu chez vous, vous pouvez attendre encore trois heures avant d'avoir votre voiture.

M. Carbonneau: Certainement. Le type qui arrive aux Îles-de-la-Madeleine, s'en va à la maison où il veut aller, on décharge sa voiture quand on le peut, puis il va la chercher après.

M. Godin: A $2 de l'heure, cela augmente encore le prix de votre billet.

M. Carbonneau: Oui.

Le président: Monsieur Béchard.

M. Béchard: Monsieur le président, je voudrais faire de brefs commentaires. M. Breau, tantôt, a paru surpris lorsque M. Carbonneau lui a dit qu'il y avait une piste qui n'était pas éclairée à l'aéroport de Havre-aux-Maisons. C'est vrai, mais il faut dire qu'à la suite de l'inauguration du nouveau service de EPA au

[*Interpretation*]

Mr. Carbonneau: At the present time, it is 22. That is to say that the first one could only carry 12 or 13. There were several improvements made to the ship and this is what costs so much to the Canadian Maritime Commission, i.e. all the repairs made to this old ship.

Mr. Godin: How long does it take now to load and unload 22 automobiles with a pulley-block?

Mr. Carbonneau: At least 3 hours for 22 cars.

Mr. Godin: Three hours?

Mr. Carbonneau: Yes.

Mr. Crossman: Excuse me. To unload and...

Mr. Carbonneau: 3 hours to load and 3 hours to unload automobiles only.

Mr. Crossman: This is provided all goes well.

Mr. Carbonneau: Yes, if no car gets in the way.

Mr. Crossman: How are they loaded on board?

Mr. Carbonneau: They use a pulley-block. we take the car, load it, bring it to a given place, and unload it.

Mr. Godin: Which means that when you come to Montreal by automobile, you could wait six hours on the dock in order to get on board and another three hours before you get your car on arrival.

Mr. Carbonneau: Yes, the person coming to the Magdalen Islands goes home or wherever he wants to go, meanwhile his car is unloaded when possible, he goes and gets it later on.

Mr. Godin: At $2 an hour, that increases the cost of your ticket again.

Mr. Carbonneau: Yes.

The Chairman: Mr. Béchard.

Mr. Béchard: Mr. Chairman, I would like to make some brief comments. Mr. Breau was surprised a little while ago when Mr. Carbonneau said that there was an unlighted landing strip at the Havre-aux-Maisons airport. It is true, but we must say that following the inauguration of new EPA service in October,

[*Texte*]

mois d'octobre, il y a un avion qui arrive aux Îles-de-la-Madeleine le soir. Alors, c'est là qu'on a besoin d'avoir une piste éclairée.

L'autre service se fait de jour. Il y en a une qui est éclairée, mais si on arrive, à cause du vent, dans l'autre sens, on doit se servir de l'autre piste, à cause de cela. Mais le ministère en a été informé et j'espère qu'elle sera éclairée avant longtemps.

Maintenant, monsieur Carbonneau, une dernière question. Êtes-vous au courant qu'il y aurait un bateau de disponible pour répondre aux désirs de la population des Îles-de-la-Madeleine, exprimés devant les gens de la Commission des Transports, M. Darling, etc., l'été dernier, en attendant la construction du bateau ou l'entrée en service du bateau *Roll on Roll off*, que la population veut un service immédiatement, d'ici à ce que ce nouveau bateau soit en opération?

Êtes-vous au courant qu'il y aurait un bateau ou deux de disponibles actuellement et prêts à faire le service entre Souris et les Îles-de-la-Madeleine, et qui serait un bateau, disons, semi *Roll on Roll off* ou *Roll on Roll off*?

M. Carbonneau: Oui, je sais qu'il y a un bateau et, même, il en a été question aux Îles-de-la-Madeleine. La population s'est réjouie un peu tôt, je pense, mais il a été question d'un bateau qui aurait fait le service aux Îles-de-la-Madeleine. Je pense que la question a été soulevée; un des bateaux de *Clarke Steamship*, qui fait le voyage quelque part sur la Côte Nord, était censé être mis au rancart par les autorités. Donc, on aurait pris le «*North Gaspé*» pour faire le transport de marchandises sur la Côte Nord et on aurait pris un nouveau bateau, je pense que son nom c'est «Le Comeau», qui serait disponible présentement et on l'aurait mis sur la ligne des Îles-de-la-Madeleine. Ça nous aurait contentés, mais, encore une fois, on a frappé dans l'air.

M. Béchard: Est-ce qu'on ne pourrait pas, à ce moment-ci, faire des représentations auprès de *Clarke Steamship* ou de *Magdalen Island Transportation* pour qu'ils se portent acquéreurs de quelque façon que ce soit ou louent ce bateau pour faire le service cette année, car on sait qu'ils ont un nouveau contrat pour un an?

M. Carbonneau: Oui, on pourrait toujours le faire, mais je suis convaincu que *Clarke Steamship* ou *Magdalen Island Transportation* ne le feront pas, parce qu'ils vont avoir leur bateau, «*North Gaspé*», qui alors, ne fera

[*Interprétation*]

a flight arrives in the Magdalen Islands in the evening. That is why we need a runway that is lighted. The other flight arrives in the daytime. There is one runway lighted, but if because of wind conditions an approach has to be made from the other direction, you have to take the other runway because of this. The Department has been told, however, and I hope it will be lighted before long.

Now I will ask Mr. Carbonneau my last question. Are you aware that there will be a vessel available to meet the wishes of the people of the Magdalen Islands as expressed before the Canadian Transport Commission, Mr. Darling, and so on, last summer, while awaiting construction or the entry into service of the Roll on Roll off ferry, and that the people want service immediately while awaiting the operation of the new ship?

Do you know whether there would be one or two ships available at the present time which would be ready to ensure service between Souris and the Magdalen Islands, and that would be a semi Roll on Roll off, or a completely Roll on Roll off ferry?

Mr. Carbonneau: Yes, I do know that there is one ship and there was even some talk in the Magdalen Islands about it. The people rejoiced a little bit too early, I think, but there was some mention of a vessel which would have ensured the service to the Magdalen Islands. I think that the question was raised. It is one of the ships of the Clarke Steamship Company which travels at the present time somewhere on the North Shore and was supposed to be set aside by the authorities. Therefore, the North Gaspé would then have been taken for freight service on the North Shore and we would have had a new vessel, I think its name was the Comeau, which would be available and it would have been put on the Magdalen Islands line. We would have been satisfied with this, but once again, all was in vain.

Mr. Béchard: Could we not make representations now to the Clarke Steamship Company, or the Magdalen Island Transportation so that they would acquire or rent this vessel in order to ensure service this year, because we know that they have a new one-year contract?

Mr. Carbonneau: Yes, of course we could. But I am convinced that Clarke Steamship Company or Magdalen Islands Transportation will not do it because they are going to have their own ship, the North Gaspé, which

[*Text*]

rien. Et puis ce ne sont pas des types intéressés à perdre de l'argent.

M. Béchard: Je vais vous poser une dernière question, monsieur. Il n'y a là aucune malice et je ne voudrais pas que la compagnie le prenne comme ça, mais n'êtes-vous pas sous l'impression que *Clarke Steamship* ou *Magdalen Island Transportation* feraient certaines pressions pour retarder l'inauguration du transbordeur que vous voulez?

M. Carbonneau: Je n'irais pas jusqu'à dire qu'ils font des pressions pour retarder quoi que ce soit, mais une chose est certaine, tant qu'ils ne pourront pas trouver une place pour leur «*North Gaspé*», ils ne sont nullement intéressés à nous donner un nouveau service, nullement, et ils doivent sûrement faire des pressions assez fortes. Écoutez, il n'y a pas eu de demande de subventions de faite par la Commission maritime depuis 1961-1962, je pense, donc, il y a quelqu'un qui pousse quelque part. Ce n'est pas nous autres, certain; pas dans cette direction-là.

M. Béchard: Merci.

M. Blouin: Une question supplémentaire, monsieur le président.

Le président: Monsieur Blouin?

M. Blouin: Est-ce que, advenant le cas où des arrangements seraient faits et puis qu'un traversier comme «Le Comeau», que je connais très bien, serait mis en service aux Îles-de-la-Madeleine, il faut nécessairement, je pense, des installations portuaires. Il ne sert à rien de parler de traversier s'il n'y a pas de quais proprement aménagés à cet effet et cela s'applique des deux côtés. Il ne sert à rien de parler de traversier s'il n'y a pas les installations portuaires d'un côté comme de l'autre. Alors, est-ce que cela a été prévu? Est-ce qu'il y a quelque chose de fait?

M. Carbonneau: D'après le rapport que MM. Darling, DeVos et Balfrey ont préparé «Le Comeau», à ma connaissance, est un *Roll on Roll off* par l'arrière.

M. Blouin: Oui, oui.

M. Carbonneau: Dans la présente étude, il a tenté d'estimer le coût du service, du terminus.

M. Blouin: Terminus, c'est ça

M. Carbonneau: *End loading* ou *Side loading*. «End loading», environ $75,000 à chaque station; on a deux stations, ce qui veut dire $150,000. Maintenant, c'est en 1965; les prix ont augmenté, les taxes ont augmenté, ce

[*Interpretation*]

would then not be doing anything. Furthermore, they are not interested in losing money.

Mr. Béchard: I would like to ask a last question. It is done without malice, and I would not want the company to think otherwise, but you do not think the Clarke Steamship Company or Magdalen Islands Transportation might exert some pressure in order to delay the inauguration of the ferry service you want?

Mr. Carbonneau: I would not go so far as to say they are exerting any pressure to have anything delayed, but one thing is sure, that is, so long as they cannot find a place for the North Gaspé they certainly are in no way interested in giving us a new service—in no way at all—and they must certainly be exerting rather strong pressure. here have been no requests for subsidies made by the Maritime Commission since 1961-62, I believe, so someone is certainly pushing somewhere—not us, not in that direction at any rate.

Mr. Béchard: Thank you.

Mr. Blouin: A supplementary question, Mr. Chairman.

The Chairman: Mr. Blouin?

Mr. Blouin: In the event that there would be arrangements made and that a ferry like the Comeau, which I know very well, would enter into service for the Magdalen Islands, necessarily, I think you would have to have port installations. There is no sense in talking of a ferry unless you have docks suitably equipped for the ferry and, of course, this applies to both sides. There is no sense in speaking of a ferry unless there are harbour facilities on the one side as on the other. Has this been provided for? Has something been done about this?

Mr. Carbonneau: According to the report which Messrs. DeVos, Balfrey and Darling prepared, the Comeau to my knowledge, is a Roll on Roll off service from the rear.

Mr. Blouin: Yes.

Mr. Carbonneau: In the present study, they tried to estimate the cost of the service, of the terminal.

Mr. Blouin: That's right, the terminal.

Mr. Carbonneau: End loading or side loading, would amount to approximately $75,000 at each station, which means $150,000. That was in 1965, and of course, prices have gone up, taxes have gone up, it will be more ex-

[*Texte*]

sera plus cher, mais autour de $200,000. Ce n'est pas énorme.

M. Blouin: Ce n'est pas exorbitant.

M. Carbonneau: Ce serait facile à faire. On pourrait le faire immédiatement pour cet été. Ce serait faisable pour cet été, si on veut.

M. Blouin: Alors, c'est cela que je voulais savoir, monsiur le président, par ma question supplémentaire

Le président: Y a-t-il d'autres questions Monsieur Portelance?

M. Portelance: Avant de terminer, j'aimerais que ces messieurs qui viennent des Îles-de-la-Madeleine nous fassent savoir combien ça leur a coûté de venir ici pour faire leur présentation, à eux personnellement ou si quelqu'un défraie les dépenses de leur voyage?

M. Carbonneau: C'est défrayé, pour ma part, par la Chambre de Commerce, par M. Miousse, par le Conseil de développement du territoire des Îles-de-la-Madeleine, pour M. Lapierre par le Conseil de Comté des Îles, qui est notre agent d'une façon ou d'une autre, ça nous coûte environ $300 chacun: hôtel, transport et ainsi de suite.

M. Portelance: Merci.

M. Béchard: Monsieur Lapierre, combien de voyages par semaine le «*North Gaspé*», fait-il actuellement? Pas actuellement, parce qu'il ne voyage pas encore, mais ordinairement?

M. Lapierre: A Grande-Entrée?

M. Béchard: A Grande-Entrée, qui est une des extrémités des Îles-de-la-Madeleine.

M. Edmond Lapierre (membre de la Chambre de Commerce et délégué du Conseil du Comté des Îles): A Grande-Entrée, le «*North Gaspé*», fait un voyage par semaine.

The Chairman: Are there any further questions? Mr. Turner?

Mr. Turner (London East): Mr. Carbonneau, who owns Clarke Steamship Lines Company Limited? Is it a subsidiary of some other big company or is it strictly a private company?

Mr. Carbonneau: I think it is a private company.

[*Interprétation*]

pensive, and now it would probably be around $200,000. It is not a tremendous amount really.

Mr. Blouin: No, it is not exorbitant.

Mr. Carbonneau: It could be done easily. It could be done right away for this summer. It would be feasible for this summer, if they want to do it.

Mr. Blouin: That is what I wanted to know with regard to my supplementary question, Mr. Chairman.

The Chairman: Are there any other questions? Mr. Portelance?

Mr. Portelance: Before concluding, I would like to have these people from the Magdalen Islands tell us how much it cost them, personally, to come here and make their representation, or whether someone is paying for their travelling expenses?

Mr. Carbonneau: My own expenses are paid for by the Chamber of Commerce, those of Mr. Miousse by the Development Board of the Magdalen Islands Territory, those of Mr. Lapierre by the Islands County Council which is our agent. At any rate, it is costing us $300 each for hotel, transportation costs and so on.

Mr. Portelance: Thank you.

Mr. Béchard: Mr. Lapierre, how many trips a week does the North Gaspé make at the present time? Not right now, because it is not travelling, but ordinarily?

Mr. Lapierre: To Grande-Entrée?

M. Béchard: To Grande-Entrée, which is one of the extremeties of the Magdalen Islands.

Mr. Edmond Lapierre (Member, Chamber of Commerce, and delegate from the County Council, Îles-de-la-Madeleine): The «*North Gaspé*» makes one trip per week to Grande Entrée.

Le président: Y a-t-il d'autres questions? Monsieur Turner?

M. Turner (London-Est): Monsieur Carbonneau, qui est propriétaire de la *Clarke Steamship Lines Company Limited?* Est-ce une filiale d'une autre grande compagnie, ou est-ce strictement une compagnie privée?

M. Carbonneau: Je pense que c'est une compagnie privée.

[*Text*]

Le propriétaire est Clarke. Maintenant, je ne sais pas si on veut rendre un service à M. Clarke, pour ses états de service au pays pendant la guerre, mais je pense qu'il serait temps qu'on arrête de payer M. Clarke pour les services rendus à cette époque, il y a vingt-cinq ans.

Mr. Turner (London East): Thank you.

Le président: S'il n'y a pas d'autres questions, messieurs, je tiens à vous remercier, messieurs de la délégation des Îles-de-la-Madeleine de votre très bon exposé et de la façon dont vous avez répondu aux questions.

Mr. Béchard: Mr. Chairman, I wish you would make a strong report in favour of a transportation...

The Chairman: You are out of order, Mr. Bechard.

Mr. Skoberg: Mr. Chairman, before calling the CNR representatives I would like to raise a very short point of order on the procedure of our Committee the other night and the method in which it was reported back to the House. I believe it is most important that we have this cleared up before we call the CNR witnesses today.

It was my understanding when you reported back to the House yesterday that you would move that report. That report was not moved and it was my impression that the last motion that was made at our meeting the previous evening was made to move the report in the House, and I am wondering whether or not that motion may be in the minutes and that we could have that motion read back.

I realize, of course, that the MFRA rates are looked after by the new bill coming in but I believe this may have some bearing.

The Chairman: I do not think that will change anything at all, Mr. Skoberg.

Mr. Skoberg: It could possibly have a bearing in regard to the passenger service in Newfoundland.

The Chairman: Yes, but this is still an interim report. I believe if you change your view it might close the door to making a final report at the end.

Mr. Skoberg: The motion was supposed to be that the interim report be moved in the House, and this is where we ran into a problem one other time, Mr. Chairman. I believe it should be clarified at this particular time. We realize it was tabled, but...

[*Interpretation*]

The owner is Clarke Steamships. Now, I do not know whether a favour is being done to Mr. Clarke for services rendered by him to the country during the war, but I think it is about time we stopped paying Mr. Clarke for services rendered during the war, 25 years ago.

M. Turner (London-Est): Merci.

The Chairman: If there are no other questions, gentlemen, I would like to thank the delegation from the Magdalen Islands for their excellent brief and for the way in which they have replied to the questions.

M. Béchard: Monsieur le président, j'aimerais que vous appuyiez fermement, dans le rapport...

Le président: Vos propos sont irrecevables, monsieur Béchard.

M. Skoberg: Monsieur le président, avant de convoquer les représentants du National-Canadien, j'aimerais soulever brièvement la question du règlement, quant à la procédure suivie par le comité l'autre soir et la manière que le rapport a été présenté à la Chambre. Il importe au plus haut point d'élucider cette question avant d'appeler les témoins du National-Canadien aujourd'hui.

Lorsque vous avez fait rapport à la Chambre hier, je croyais que vous proposeriez l'adoption du rapport, ce qui n'a pas été fait. J'avais l'impression que la dernière motion faite la veille au soir, visait à proposer l'adoption de ce rapport à la Chambre. Alors, je me demande si cette motion figure au compte rendu; en ce cas, on pourrait l'y retrouver.

Je me rends compte, bien entendu, qu'il est question de ce tarif-marchandises dans le nouveau projet de loi, mais je crois que la chose a quelque importance.

Le président: Cela ne changerait rien, je pense, monsieur Skoberg.

M. Skoberg: Peut-être pour le service-voyageurs à Terre-Neuve, oui.

Le président: Ce n'est qu'un rapport provisoire. Je pense que si vous voulez changer d'avis, cela pourrait nous empêcher de présenter un rapport définitif.

M. Skoberg: La motion tendait censément à proposer l'adoption du rapport provisoire à la Chambre; or, c'est là un problème qui s'est déjà présenté, monsieur le président. Je pense qu'il nous faudrait préciser maintenant ce qu'il en est. Le rapport a été déposé, mais...

[*Texte*]

An hon. Member: It was tabled but it was not read.

Mr. Skoberg: It was not moved.

An hon. Member: The report was tabled yesterday but it was not read and there was no motion. I think this is what Mr. Skoberg is getting at. Is that not right?

Mr. Skoberg: Yes, there was no motion.

Mr. Breau: On this point, Mr. Chairman, I did not understand that we are to move every interim report that we make. It was moved and, as I understand it, one the final report is made it would be concurred in.

The Chairman: The motion was made and the Chairman was authorized to report it to the House, and this was agreed to by everyone.

Mr. Skoberg: Yes! There is no argument on the reporting to the House, but I believe it was fully understood by the Committee that it was an interim report. We ran into the situation not too many weeks ago where the report was not moved in the House, and I am sure we do not want to run into this particular phase of the problem again.

The Chairman: No, you will not run into that again, Mr. Skoberg.

Mr. Skoberg: This is why at the end of it, when it was said that it be moved in the House, that report should have been moved and as such it would then have become the property of the House and not the Cabinet. This way the report has just been tabled one again and it has no weight whatsoever.

Mr. McGrath: Just to supplement this, Mr. Chairman, it seems to me when a report is tabled in the House that it is customary for the Chairman to say that he will move concurrence later this day—this is my understanding of it, and you correct me if I am wrong—and the report is read and then under motions the Chairman moves concurrence of the report.

• 1045

Mr. Skoberg: Do you not have the motion in writing, Mr. Chairman, that we made the other night?

The Chairman: I do not have it here, Mr. Skoberg. Would you leave this until the end of the meeting and then we will get together on that.

Mr. Skoberg: Possibly we could look at it this afternoon, Mr. Chairman.

[*Interprétation*]

Une voix: . . . on ne l'a pas lu.

M. Skoberg: On n'en a pas proposé l'adoption.

Une voix: Le rapport a été déposé hier, mais on n'en a pas fait lecture ni proposé l'adoption. Voilà où monsieur Skoberg veut en venir, n'est-ce pas?

M. Skoberg: Oui, il n'y a pas eu de motion.

M. Breau: Monsieur le président, je croyais que nous n'avons pas nécessairement à proposer l'adoption de nos rapports provisoires. Ce n'est qu'une fois présenté que le rapport définitif serait agréé.

Le président: En fait, la motion adoptée l'autre soir à l'unanimité autorisait le président à faire rapport à la Chambre.

M. Skoberg: La question n'est pas là; je pense que tout le monde a compris qu'il s'agissait d'un rapport provisoire. Il y a quelques semaines, l'un de nos rapports n'a pas été adopté à la Chambre, et personne ne voudrait que l'histoire se répète, je pense.

Le président: Cette fois-ci, aucun problème, monsieur Skoberg.

M. Skoberg: Justement, vu qu'il était dit, à la fin de la motion, de proposer l'adoption du rapport, on aurait dû le faire; ainsi, ce rapport appartiendrait à la Chambre, non au cabinet. Un rapport qui est tout simplement déposé n'a aucun poids.

M. McGrath: A ce propos, monsieur le président, lorsqu'un rapport est déposé à la Chambre, il est d'usage courant que le président déclare qu'il en proposera l'adoption au cours de la journée. Veuillez me corriger, si je me trompe. Ensuite, le rapport est lu, puis le président en propose l'adoption à la période des motions.

M. Skoberg: Monsieur le président, n'auriez-vous pas le texte de la motion de l'autre soir?

Le président: Non, monsieur Skoberg. Avec votre assentiment, nous y reviendrons à la fin de la réunion.

M. Skoberg: Cet après-midi peut-être, monsieur le président.

[*Text*]

Mr. McCleave: I would like to raise another point before the witnesses are called, and I will be very brief. May I suggest that the steering committee consider whether the earlier witnesses whom we have heard, and who have come here at some considerable expense to their organizations, should not be paid some compensation, even part payment of their costs. I make this suggestion because the Transport Committee did not schedule a visit to the Magdalen Islands, as I understand it, although I was not a member of the Committee at that time, when it went to the Maritime Provinces.

However, some very real problems have been presented to us this morning from an important area, and as we could not get to them—it would have involved a great deal of expense on our part—perhaps in some way we could make it up to these people because they have obligingly come to us. I do not make this as a motion, I just wonder if it is the consensus of the Committee that this be studied by the steering committee and perhaps a recommendation brought back.

Mr. McGrath: Mr. Chairman, just to help the Committee in this regard, a short time ago the Regional Development Committee heard two witnesses from Bell Island and there was a motion made in the Committee that they be reimbursed for reasonable expenses and it was unanimously adopted, which I think is a precedent in this regard. I think Mr. McCleave's suggestion is a very good one and I commend it to the Committee.

The Chairman: The Clark is making a note of that and you may rest assured we will discuss that in the steering committee, Mr. McCleave.

Mr. McCleave: Thank you.

The Chairman: I will now call upon the CNR people to come forward. As you know, it was proposed that the questioning this morning would be on the Maritime trip only. I think all the members understand this.

I have on my right Mr. R. T. Vaughan, Q.C., Vice-President and Secretary; Mr. J. W. G. Macdougall, Q.C., Vice-President of the Atlantic Region; Mr. J. M. Duncan, Assistant General Counsel from Montreal, I think everyone knows him, and Mr. I. W. Mitchell, Manager, Special Projects, from Moncton.

Mr. R. T. Vaughan, Q.C., (Vice-President and Secretary, Canadian National Railways): Thank you, Mr. Chairman, and good morn-

[*Interpretation*]

M. McCleave: Permettez-moi de soulever une autre question avant l'arrivée des témoins, je serai bref. A l'égard des témoins que nous avons entendus plus tôt et dont la venue a entraîné des frais très élevés pour les organisations qu'ils représentent, je propose que le comité de direction envisage la possibilité de rembourser une partie de leurs frais. La raison en est que le comité des transports, sauf erreur, n'avait pas prévu de se rendre aux Îles-de-la-Madeleine (je ne faisais pas partie du Comité lorsque l'itinéraire a été établi) lors de sa tournée dans les Maritimes.

Or, ce matin, on nous a mis au courant des problèmes nullement imaginaires dans une importante région du pays; étant donné que nous ne sommes pas allés la visiter, vu les fortes dépenses qu'un tel voyage aurait occasionnées, est-ce qu'on ne pourrait pas compenser ces gens qui ont eu l'obligeance de venir ici? Ce n'est pas une motion que je fais maintenant, mais je me demande si le comité serait d'accord pour que le comité de direction étudie la question en vue de recommander une telle mesure.

M. McGrath: Monsieur le président, par la gouverne du comité, il y a quelque temps, le Comité de l'expansion économique régionale a entendu deux témoins de l'île Bell. Or, on a subséquemment présenté une motion, d'ailleurs adoptée à l'unanimité, à rembourser les témoins dans une proportion raisonnable. Voilà qui me semble un bon précédent. Je pense donc que la proposition de M. McCleave est excellente, et je la recommande au comité.

Le président: Je demanderai au secrétaire d'en prendre avis. Soyez assuré, monsieur McCleave, que nous en discuterons lors de la réunion du comité de direction.

M. McCleave: Je vous remercie.

Le président: Je vais maintenant convoquer les représentants du National-Canadien. Comme vous le savez, il a été convenu ce matin que les questions porteraient uniquement sur notre tournée des Maritimes.

Je vous présente les témoins: à ma droite, M. R. T. Vaughan, C.R., vice-président et secrétaire, M. J. W. G. Macdougall, R.C., vice-président de la région de l'Atlantique, M. J. M. Duncan, conseiller général adjoint, Montréalais que tous les membres connaissent, je crois, et M. I. W. Mitchell, directeur d'études spéciales, de Moncton.

M. R. T. Vaughan (C.R., vice-président et secrétaire, Chemins de fer nationaux du Canada): Merci beaucoup, monsieur le prési-

[*Texte*]

ing, gentlemen. We of the CNR thank you for your invitation to appear before you this morning. As we said last year when this Committee began its deliberations on matters affecting transportation in the Maritimes and the Atlantic Provinces, the Canadian National is most interested in the work of the Committee and that it would endeavour to assist this Committee in arriving at some constructive proposals that might bring about the further growth and development of the Atlantic area, which is an area we are greatly interested in.

As the Chairman has indicated, we have with us today Mr. Duncan and Mr. Mitchell, with whom you are familiar. They travelled with your Committee during its various visits to the points in the Atlantic Provinces. Mr. Macdougall on my right is the Vice-President of the Atlantic Region. I am a native Maritimer and have great affection for that area of the world.

Mr. Chairman, in the interests of assisting the Committee we have prepared sort of a short summary, which I will ask be given to the Clerk. Perhaps we could deal with that first. We also have some other notes that we could file with the Committee—we do not intend to read them—which really fill out the summary that you will receive in a moment. If it is agreeable to have these summaries passed around, Mr. Chairman, we will speak to that now.

The Chairman: That is fine.

Mr. Vaughan: We intend to pass out this summary, and if it is agreeable to the Committee perhaps we could speak to the summary.

The Chairman: Is that agreeable?

Some hon. Members: Agreed.

• 1050

Mr. Vaughan: Mr. Chairman, the copies are in English and French and the Clerk is endeavouring to pass those around.

As a transportation company which has been observing for quite a while the various matters and representations that have been made concerning problems in the Atlantic area, what we tried to do here is to give you a summary of our observations on these. I shall ask Mr. Macdougall, the Atlantic region Vice-President, to speak to the summary and after that we will take whatever questions you have.

[*Interprétation*]

dent. Au nom du National-Canadien, je vous remercie de nous avoir invités à comparaître ce matin. Comme nous l'avons dit l'année dernière, lorsque votre comité a entamé ses délibérations sur les transports dans les Maritimes et les provinces de l'Atlantique, le Nationnal-Canadien s'intéresse beaucoup à vos travaux; aussi s'efforce-til de vous aider à formuler des propositions concrètes en vue de favoriser la croissance et le développement de la région de l'Atlantique, à laquelle il porte grand intérêt.

Comme le président vous l'a dit, nous avons avec nous aujourd'hui MM. Duncan et Mitchell, que vous connaissez bien, étant donné qu'ils vous ont accompagnés dans votre tournée des provinces de l'Atlantique. M. Macdougall, à ma droite, est vice-président de la région de l'Atlantique. Je suis, moi-même, natif des Maritimes, pour lesquelles j'éprouve beaucoup d'affection.

Monsieur le président, pour la gouverne du comité, nous avons préparé un bref résumé qui sera remis au secrétaire. Peut-être pourrions-nous en discuter d'abord. Nous avons aussi des notes que nous pourrons remettre au comité. Nous n'avons pas l'intention d'en faire lecture, mais elles complètent le résumé que nous vous distribuerons dans un instant, avec votre permission, monsieur le président.

Le président: D'accord.

M. Vaughan: Donc, nous allons distribuer le résumé et si le comité en convient, nous pourrons ensuite l'exposer.

Le président: Entendu?

Des voix: Entendu.

M. Vaughan: Monsieur le président, nous avons des copies en français et en anglais, et le secrétaire du Comité est en train de les distribuer.

En tant que société de transport qui pendant un certain temps a déjà observé les différentes questions et instances qui ont été formulées à l'égard des problèmes de la région de l'Atlantique, nous essayerons de vous donner un résumé de nos constatations là-dessus.

Je demanderais donc à M. Macdougall, vice-président de la région de l'Atlantique, d'en faire un résumé après quoi nous répondrons volontiers à vos questions.

[*Text*]

The Chairman: That is fine.

Mr. J. W. G. Macdougall, Q.C., (Vice-President, Atlantic Region, Canadian National Railways): Thank you very much, Mr. Chairman and good morning, gentlemen. As Mr. Vaughan says, we are delighted to be here and if we can shed any light on matters in which we are all mutually interested we will be well rewarded.

I might just first mention that in thinking of what we might say to the Committee we thought you would be more interested in our views on Atlantic transportation since really it is within your terms of reference to look at the Atlantic transportation problems and the Atlantic economy to see what constructive suggestions might be made to improve it.

Therefore, we have approached our coming here in that light and we have been working and thinking about this for many months. Probably it is a constant endeavour down there, because really the lifeblood of our organization is to think in those terms and to endeavour not only to operate what we are presently operating, but to look at the future and the problems that we face, many of which are well known, to see what we can do about them and how we can improve them.

This little summary really gives our views in general and we would be glad to expand on any one of them. Perhaps as a start I might just run through the summary and make some comments and then if you have any further questions, or questions on other matters, we will only be too happy to deal with them.

As you know, the Economic Council of Canada, the Maritime organization known as APEC, and many other institutions and organizations interested in dealing with the general welfare and economic growth of Atlantic Canada have been thinking of these problems over the past few years.

We first want to say that we agree with the Economic Council of Canada's assessment and also that of APEC, that if we are going to have good economic growth in the Atlantic area we have to endeavour to put some of our eggs in one basket and try to develop economic growth centres in Atlantic Canada which will be able to act as pivot points for our economic development.

We think that is right. It fits into the transportation pattern because we have to think in terms of whether we are going to have to give service to a myriad of small points on a

[*Interpretation*]

Le président: C'est très bien.

M. J. W. G. Macdougall (vice-président, National-Canadien, région de l'Atlantique): Merci beaucoup messieurs. Comme l'a dit M. Vaughan, nous sommes heureux d'être ici et serons bien satisfaits si nous parvenons à faire la lumière sur des questions qui nous intéressent mutuellement.

Tout d'abord, permettez-moi de vous dire que nous avons pensé que vous seriez plus intéressés à connaître notre point de vue sur le transport dans la région de l'Atlantique puisque c'est là votre mandat qui consiste à considérer les problèmes du transport ainsi que l'économie dans la région de l'Atlantique pour voir quelles propositions constructives peuvent être faites pour améliorer la situation.

Par conséquent, c'est dans ce sens que se sont dirigés nos efforts pendant ces derniers mois. Il s'agit là-bas d'un effort soutenu car l'âme de notre entreprise constitue vraiment à y songer en ces termes et d'essayer non seulement d'exploiter ce que nous possédons, mais de nous tourner vers l'avenir et vers les problèmes que nous affrontons dont plusieurs sont très bien connus pour voir ce que nous pouvons faire pour les résoudre. Ce bref résumé expose vraiment notre point de vue en général et nous nous ferons un plaisir de nous étendre là-dessus. Pour commencer je devrais peut-être parcourir le résumé, faire quelques commentaires, puis si vous avez des questions à poser sur ce sujet ou sur d'autres questions nous en discuterons volontiers.

Comme vous le savez, le Conseil économique du Canada, le Conseil économique des provinces de l'Atlantique—organisme des Maritimes, ainsi que plusieurs autres institutions qui s'intéressent au développement économique et au bien-être général des provinces de l'Atlantique ont envisagé ces problèmes au cours des dernières années.

Tout d'abord nous voulons exprimer notre accord avec l'opinion du Conseil économique du Canada et celle du Conseil économique des provinces de l'Atlantique que si nous voulons parvenir à une bonne croissance économique dans la région de l'Atlantique, il nous faut essayer de mettre nos œufs dans un même panier et essayer d'établir des centres de croissance dans les régions de l'Atlantique qui seront en mesure d'agir en tant que pivots pour notre développement économique. Nous pensons que c'est juste. Cela cadre bien avec les caractéristiques économiques car il nous

[*Texte*]

certain basis or whether the future holds the necessity for giving transportation to major areas which may in the future grow to be of fairly substantial size.

The growth centre principle is one that has been expounded by economists and various other people and we think from a transportation point of view that this is a very valid and useful approach because it will produce better transportation service, we think, because the volume to be served and the magnitude of the operation will be greatly enlarged in certain centres, and therefore we will be able to produce a better service.

• 1055

The second point is that major emphasis of future industrial development ought to be upon the establishment of secondary industries and I do not think I need to comment on that. It is an economic theory and I think from the transportation point of view I simply wanted to say that this fits in with our thinking. It seems to be the cornerstone to getting larger economic development in Atlantic Canada and we in Canadian National are gearing our future plans to that type of development.

Transportation is only one of a number of factors affecting economic growth, and while improvements in transportation services to and from and within Atlantic provinces will assist true growth, it will also require developmental change in education, industrial development, housing, manpower mobility, and so on. Perhaps because we are in the transportation industry, we often feel that there is a very distinct focus on transportation, that transportation is the great ill, and if it is cured then everything else will be rosy.

Personally, I do not think that is so. I think transportation is of vital importance in an area like Atlantic Canada; it is important in the whole of Canada, but it is not going to be the one factor which, if improved, is going to create and produce economic growth in Atlantic Canada.

We are convinced that improvements in the rail services or in highway services or water services are not going automatically to bring with them a revitalization of economic growth. We think economic growth requires

[*Interprétation*]

faut songer s'il nous faudra desservir une myriade de petites localités d'une certaine façon, ou si l'avenir nous obligera d'assurer le transport dans les principaux centres qui pourraient progressivement prendre de l'importance.

Le principe des centres de croissance en est un qui a été exposé par des économistes et nous croyons que pour ce qui est du transport, c'est là une idée tout à fait valable et utile, parce qu'il en résultera un meilleur service de transport à notre avis, du fait que le volume à desservir et l'ampleur de l'entreprise se seront accrus dans certains centres, et nous pourrons par conséquent, assurer un meilleur service.

Deuxièmement, l'industrialisation doit être orientée surtout vers l'implantation d'industries du secteur secondaire et je n'ai pas à commenter là-dessus. C'est une théorie économique et du point de vue des transports, je voulais tout simplement ajouter que cela cadre très bien avec notre ligne de pensée. C'est de cela que dépend l'accroissement de l'expansion économique dans les provinces de l'Atlantique, et nous, du National-Canadien concevons nos programmes d'expansion à venir en fonction de ce genre de développement.

Les transports ne représentent qu'un des nombreux facteurs du développement économique et si l'amélioration des services de transports desservant les provinces de l'Atlantique est à considérer, on ne saurait envisager un développement réel sans une amélioration des secteurs de l'éducation, de l'industrie, de l'habitation, et sans une mobilité accrue de la main-d'œuvre, etc. C'est peut-être parce que nous faisons partie de l'industrie du transport que nous avons souvent l'impression d'être considérés différemment, que l'industrie du transport est le mal du siècle, et qu'il suffit d'y remédier pour que tout retourne à l'ordre.

Personnellement je ne crois pas qu'il en soit ainsi. A mon avis, le transport est d'une importance vitale pour les régions de l'Atlantique; il est important pour tout le Canada, mais il ne suffit pas de l'améliorer pour croire qu'il pourra à lui seul créer et produire la croissance économique dans les provinces de l'Atlantique.

Nous sommes convaincus que l'amélioration, disons, du service ferroviaire, et du service routier, et du service maritime, n'engendrera pas automatiquement une réanimation de cette croissance économique.

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that this be done, but it is going to require also many other things that are proceeding in their normal way, I think, in Atlantic Canada and which probably the new Department of Regional Development will focus on very directly. But we are in the transportation industry and we are interested in the transportation factor, and I just want to point out here that we share the view of others and hold it most strongly that while transportation has to assume its place in this economic growth, improvement in transportation alone will not itself create good economic growth.

At present a high percentage of traffic moving within and out of the Atlantic provinces consists of bulk commodities such as ore, gypsum, pulpwood logs, chips, newsprint and lumber. That will give you some idea of the commodities we are handling. Traffic moving to the Atlantic provinces will continue, we think, to be predominantly of the consumer product type. This is what is happening today. Consumer products are coming into Atlantic Canada from Central Canada and other areas. The movements within Atlantic Canada and out of Atlantic Canada are mostly of low rated bulk commodities such as ore, gypsum, pulpwood, newsprint, lumber, and so on. Newsprint and lumber, of course, are not low rated but some of the others are.

As secondary industries develop, traffic within and from the Atlantic provinces we think will become more oriented toward this latter type of commodity; that is, the consumer goods type of commodity. If we can get more secondary industries producing in the area then, rather than sending out our coal and our ore, unfinished steel, and things of this kind, we think we should be able to develop our economy to the point of sending out to the rest of the world, not only to central Canada, finished goods or goods that have come from our secondary industries.

Therefore, we are greatly in favour of anything we can do transportationwise or that can be done in any other way to develop the secondary industries because we feel that this is one of the great hopes for building up the economy of the Atlantic provinces.

Greater co-operation between the transportation companies and increased use of intermodal techniques in which long haul movement is provided by rail and pick up and delivery by highway, and the development of

[*Interpretation*]

A notre avis, la croissance économique exige que cela se fasse, mais elle exige aussi un bon nombre d'autres éléments qui se développent de la façon normale, dans les régions de l'Atlantique, sur lesquels le nouveau Ministère de l'Expansion économique régionale concentrera très directement ses efforts. Nous sommes dans l'industrie du transport et nous nous intéressons au facteur transport et nous disons que nous partageons le point de vue des autres et nous sommes d'avis que les transports doivent assumer la place qui leur revient au sein de cette croissance économique, mais que l'amélioration seule des transports n'engendrera pas une bonne croissance économique.

A l'heure actuelle, le trafic intérieur et les expéditions des provinces de l'Atlantique se composent surtout de produits bruts comme le minerai, le gypse, le bois à pâtes en rondins ou en copeaux, le papier journal et le bois d'œuvre. Cela vous donnera une idée des produits que nous transportons. Le trafic à destination de ces provinces reste essentiellement composé de produits de consommation. C'est ce qui arrive aujourd'hui. Les produits de consommation pour les régions de l'Atlantique proviennent du Canada central et d'autres régions. Le trafic intérieur et les expéditions des provinces de l'Atlantique se composent surtout de produits bruts dont le taux de transport est peu élevé, comme le minerai, le gypse, le bois à pâte, le papier journal, le bois d'œuvre etc. Le papier journal et le bois d'œuvre ne jouissent pas d'un tarif réduit.

L'implantation d'industries du secteur secondaire devrait modifier la nature du trafic à l'intérieur de ces provinces et vers l'extérieur, qui, je pense, sera plus orienté vers ce dernier genre de denrées. Si nous réussissons à attirer plus d'industries secondaires dans la région, plutôt que d'expédier nos produits bruts tels que le charbon, le minerai, l'acier et autres vers l'extérieur, je crois que nous devrions être en mesure de développer notre économie au point de pouvoir expédier non seulement vers le Canada central, mais aussi vers le monde entier des produits finis ou des marchandises provenant de nos industries secondaires.

C'est pourquoi nous sommes prêts à faire tout ce que nous pouvons en matière de transport ou autrement pour développer les industries secondaires, car à notre avis, c'est là un des grands espoirs pour accroître l'économie des provinces de l'Atlantique.

Cinquième point: une meilleure collaboration entre les entreprises de transport, l'utilisation croissante d'effectifs rail-route faisant intervenir les chemins de fer sur les longues distances et les véhicules routiers pour le

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the unit train concept where economically feasible, will provide greater opportunities for shippers to reduce total costs for distributing their goods.

As you gentlemen are so well aware, and we in the transportation industry in the Maritimes are so well aware, we have a distinct disability because of the length of haul we have to carry goods to markets from Atlantic Canada. At this point, I would just make the comment that I often have businessmen speak to me and say, "Your rates are too high".

I personally take great exception to that, because basically our rates are lower in Atlantic Canada than they are elsewhere in Canada but the costs of transportation are too high because we are so far away from markets. There is a very distinct difference between rates for traffic being too high and the cost of transportation being too high, and I am the first one to admit that one of our great disabilities in Atlantic Canada is our high

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costs of transportation to get our goods out of the Atlantic area or to bring goods in from Central Canada into Nova Scotia or Newfoundland. It is a long distance and that distance has a relation to cost. Transportation, of course, is only one factor involved in the actual price of goods; there are many other factors that go into it.

We have some goods where the transportation factor is less than 1 per cent of the delivered price of the goods even though they travel a long distance, 700 or 800 miles. There are other commodities where the transportation factor is 20, 30, 40 per cent of the delivered price of the goods. As to whether or not his commodity can absorb the transportation cost makes a distinct difference in the ability of a man to market his product. We in our industry think of it in terms of the total cost of the delivery process, of handling the goods from the point where they are made until they reach their destination, and the rate itself is really not terribly important.

My major point here is that we are in favour of greater co-operation between the transportation companies. We have no views that Canadian National should be a monopoly or should control all of the operations, truck or rail or whatever they are, but we are firmly convinced that in the development of

[*Interprétation*]

ramassage et la livraison ainsi que l'utilisation du train bloc partout où il se justifie économiquement, permettront aux expéditeurs de réduire leurs frais de distribution.

Comme vous le savez si bien, messieurs, et nous autres de l'industrie du transport dans les Maritimes le réalisons aussi, nous sommes visiblement dans l'impuissance à cause des longues distances que nous devons parcourir pour transporter des marchandises des provinces de l'Atlantique vers les débouchés. Je dois dire ici que bien souvent des hommes d'affaires nous accusent d'avoir des tarifs trop élevés.

Personnellement je trouve que cela n'est pas vrai, car nos tarifs sont essentiellement moins élevés dans les provinces de l'Atlantique que dans le reste du Canada, mais ce sont les frais de transport qui sont trop élevés car nous sommes trop éloignés des débouchés. Il y a une grande distinction à faire entre des tarifs trop élevés et des coûts de transport trop élevés, et je serais un des premiers à reconnaître qu'un de nos plus grands désavantages dans les provinces de l'Atlantique est le coût trop élevé de transport de nos produits à partir de la région de l'Atlantique, ou de transporter des marchandises du Canada central vers la Nouvelle-Écosse ou Terre-Neuve. C'est toute une distance à parcourir et cette distance doit se rapporter au prix. Le transport, bien sûr, n'est qu'un des facteurs en cause pour ce qui est du prix et des denrées. Il y a bon nombre d'autres facteurs dont il faut tenir compte.

Il y a certains produits pour qui le facteur des transports ne représente que 1 p. 100 du prix de ce produit, après livraison, même s'il doit parcourir 700 ou 800 milles. Pour d'autres produits, le facteur des transports représente 20, 30 ou 40 p. 100 du prix du produit livré. Mais ce qui fait une différence pour ce qui est de la possibilité de commercialisation d'un produit, c'est de voir si le produit peut absorber ou non le coût du transport. Mais nous songeons, pour ce qui est de notre industrie, à l'ensemble du coût de la livraison, de la manutention des produits à partir du point où on les fabrique, jusqu'à leur arrivée à destination, et le taux même n'est pas tellement important, à ce moment-là.

Nous sommes donc en faveur d'une plus grande collaboration entre les différentes compagnies de transport. Le National-Canadien ne devrait pas être un monopole ou contrôler toutes les opérations, qu'il s'agisse des camions, des chemins de fer, ou d'autres moyens, mais nous sommes vraiment convain-

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cheaper and better transportation, where we have this long haul to and from the central Canadian market and to and from our export ports of Saint John and Halifax, we should endeavour to take advantage of the cheapest form of transportation for the long haul, and that is rail, and that we should try to combine the rail and the truck to the greatest extent possible, also rail and water, so that we can carry the goods in large quantity over the long haul by rail and then distribute them from railheads to their destinations by the cheapest means which, on the short haul basis, is usually the truck.

What I am really saying is that the old concept that we have had for many years in Canada is to build railways, but now a change is being forced on us by the times and the circumstances: mainly the rising costs of operation and the rising cost of living. We can really no longer afford to have myriads of branch lines operating into small communities. Where we have good road systems and so on, we are much better off and give a much better service and the customer is better satisfied and the costs of transportation are lowered where we can use the railway for the basic long haul, the heavy volume, and then distribute by highways.

So that we, in our view, are going to be moving as much as we can in Atlantic Canada in the future toward the intermodal type of operation which means the combination of the rail and the truck or rail and water or any of the modes of transportation. You see this exemplified today with our container operations and with the piggyback. The container is growing very dramatically everywhere in the world. We are using them in large volumes in Atlantic Canada. We are handling not all, but about 80 per cent of our small package goods to Newfoundland via containers. It is a very flexible unit. You are able to take it off the railway car at the point where you want to get rid of it and send it by highway. You get a quicker delivery of that. You put your railway car back into operation to carry something else instead of leaving it sitting on a siding for three or four days, or even a couple of weeks. Even the truck, when it delivers the trailer can leave it so that it can be unloaded by the customer at his convenience and the truck can go off and do other work. It has all this flexibility and gives us an ability to lower the over-all transportation costs.

[*Interpretation*]

cus que la mise au point d'un meilleur transport, d'un réseau de transport moins coûteux, alors que nous avons ces longues distances à parcourir, à partir du marché central ou vers le marché central du Canada, et aussi vers les ports d'exportation de Saint-Jean et d'Halifax, signifie qu'il nous faut vraiment essayer, dans la mesure du possible, de bénéficier d'un meilleur réseau de transport à longue distance, soit les chemins de fer, et nous devons essayer de combiner le rail et la route dans la mesure du possible et le rail et l'eau, pour transporter de plus grandes quantités de produits sur ces longues distances par chemins de fer, et ensuite répartir ces produits à partir du terminus ferroviaire vers leur destination, par le moyen de transport le moins coûteux qui, à court terme, est le camion.

Ce que je veux dire, c'est que tout ce concept que nous avons eu depuis bon nombre d'années au Canada pour l'aménagement de chemins de fer, a subi une modification imposée par le temps et les circonstances, soit le coût accru des transports et le coût plus élevé de la vie. Et on ne peut simplement avoir maintenant des lignes secondaires, des embranchements dans les petites collectivités. Là où nous avons un excellent réseau routier, il est préférable, et le service est bien meilleur, le client est plus satisfait, et les frais de transport sont moins élevés, si on peut avoir recours au service ferroviaire pour le trafic à longue distance et la route pour les courtes distances.

A notre avis, donc, nous nous acheminerons, dans la mesure du possible, dans les provinces atlantiques, à l'avenir, vers un mode intégré, soit la combination du rail et de la route ou du rail et du transport maritime ou de tout autre mode de transport. Cela nous est d'autant plus montré aujourd'hui par l'utilisation des cadres et le rail-route. Le cadre connaît une expansion vraiment extraordinaire, partout dans le monde. On s'en sert beaucoup dans les provinces atlantiques. Nous n'avons pas tout, mais environ 80 p. 100 de nos expéditions de petits colis vers Terre-Neuve se font par cadres. C'est un élément très souple. Vous pouvez le descendre du wagon, à l'endroit voulu, et l'expédier ensuite par la route. Puis vous utilisez le wagon pour transporter quelque chose d'autre plutôt que de le laisser sur la voie d'évitement deux ou trois jours, ou même deux ou trois semaines. Même le camion peut l'expédier plus facilement et être déchargé par le client, et le camion peut faire d'autres travaux. Il y a donc toute cette souplesse, toute cette possibilité de combinaisons qui nous permet donc d'abaisser, dans l'ensemble, le coût du transport.

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My point here is really that in the future, rather than continuing with the old form of rail transportation, we will be going more and more to a mainline type of operation, to try to put the heaviest volume on our mainlines which are of good standard and that we will be working with other truck operators and with our own truck services as circumstances may require to deliver off the railheads by highway. We think this can be worked out without great inconvenience or difficulties and without loss of jobs. These things I do not think are really in the picture at all because the highway developments that will have to occur, and which are being promoted now by the four provinces themselves, will mean that the railway line will become redundant.

You will have a better way to serve the customer. It is not a question of taking a service away from the customer as much as it is restructuring the type of services which are going to give better service to the customer and then, when they are there, be able to get rid of the redundant services which cost so much money to operate in the old fashion.

Sixthly, we believe that effective competition between the various modes of transport is desirable. We would not want anyone to have an idea that we are not in favour of good competition. It is said many times that the competition between truck and rail is not as virulent or as strong in Atlantic Canada as it is elsewhere in Canada. In some respects that is true, but it is not a statement that can be taken baldly because competition between rail and truck in many parts of Atlantic Canada is very strong. As evidence of this, looking at the traffic handled under the Maritime Freight Rates Act, our studies there show, and this is common, general knowledge, that probably 50 per cent of the traffic for which the subsidy is paid is moving on competitive rates that are set at competitive levels because of the force of competition.

So, we are really just saying here that effective competition between various modes is a healthy thing. We welcome it because our experience has been that where we have it better service is produced for the customers and the railways and trucks and other transportation media do perform better in a competitive field than when they have it all to themselves.

Our seventh point is that a general improvement in the roadway system to provide all-weather capability on arterial roads

[*Interprétation*]

A l'avenir, plutôt que de toujours avoir recours à cet ancien mode de transport ferroviaire, de plus en plus, nous aurons ces genres d'opérations d'une ligne principale, d'avoir le plus de lignes le long de cette ligne principale, avec d'excellentes normes, et nous travaillerons avec d'autres services de camionneurs et le nôtre aussi, suivant les circonstances, pour faire la livraison terminus par la route. Cela n'entraînera pas tellement d'ennuis ou de pertes d'emplois. Non, cela n'entre pas en jeu ici, vu ces développements qui sont encouragés maintenant et qui se produiront et qui sont encouragés d'ailleurs par les quatre provinces. Au fur et à mesure que cela se présentera, les lignes ferroviaires deviendront redondantes.

Ce sera un meilleur moyen de servir le client. Il ne s'agit pas tant d'enlever le service aux clients que d'assurer le genre de service qui assurera un meilleur service aux clients et ainsi faire disparaître tout service qui fait double emploi et qui nous coûte si cher.

Sixièmement, nous croyons qu'une saine concurrence entre les différents modes de transport est souhaitable. Nous ne voudrions pas que quiconque croit que nous ne sommes pas en faveur d'une bonne concurrence. On a dit plusieurs fois que la concurrence entre le rail et la route n'est pas aussi grande, aussi forte, dans les provinces atlantiques qu'ailleurs au Canada. A certains égards, c'est juste, mais on ne peut le dire dans l'ensemble, parce que la concurrence entre le rail et la route dans plusieurs parties des provinces atlantiques est très forte. Et nous n'avons qu'à voir le trafic visé par la Loi sur les taux de transport des marchandises dans les Maritimes. Et notre étude nous montre, et tout le monde le sait d'ailleurs, qu'environ 50 p. 100 du trafic pour lequel nous payons des subventions se fait en vertu d'un taux concurrentiel, établi à des niveaux concurrentiels, à cause de la force de cette concurrence.

Donc, tout ce que nous disons ici, c'est qu'une saine concurrence entre différents modes de transport est à notre avis tout à fait souhaitable, excellente. Nous sommes fort heureux de voir une telle concurrence. Parce que, suivant notre propre expérience, nous avons un meilleur service aux clients, et les chemins de fer, les camions et autres modes de transport donnent un meilleur rendement, dans un contexte concurrentiel.

Septième point. L'amélioration du réseau routier, ce qui permettrait de rouler en toutes saisons, est nécessaire si l'on veut créer un

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is necessary to create a climate in which a truly competitive commercial trucking industry can develop.

This is a point which has been made many times by the provincial governments in Atlantic Canada and what we are really saying here is that we agree that there should be a strong activity by all concerned to improve the roadway system in Atlantic Canada; this is particularly so on the island of Newfoundland. However, when you look at the road structure in Atlantic Canada, outside of the Trans-Canada Highway, you do not find many of the feeder roads that are really of all-weather capability.

Each of the provinces knows this. We know it because we operate trucks over these roads.

From the long term point of view we are convinced that the health of Atlantic Canada is closely tied to the development of good all-weather arterial roads, feeder roads, so that we can give, from a rail point of view, good off track service quickly all seasons of the year.

I am convinced that the intermodal method of operation is going to be the dominant one in the future, particular in an area like Atlantic Canada. Tied in with this development is the necessity for a good road system, because if you have a good mainline rail system and you have a good arterial road system with good feeder roads, you can produce a first-class service and you can produce it at minimum cost.

In regard to our eight point, it has been mentioned by various parties who have appeared before you that Part III of the National Transportation Act should be proclaimed.

Our only comment on this is that since that deals with interprovincial trucking, and does not deal with the trucking between Amhurst and Halifax in Nova Scotia or between Moncton and Saint John in New Brunswick, but with trucking between Moncton and Halifax and between Moncton and Charlottetown, the interprovincial type of trucking, under the present system in order for ourselves in our trucking operations and other truckers to serve the interprovincial runs we have to obtain licences from two different provincial boards. This is not impossible but, after all, each province is different. Their acts sometimes are different, their regulations sometimes are different, and in many cases the interpretation or the importance placed upon various things by different provincial boards is different.

[*Interpretation*]

climat favorable au développement du transport routier véritablement compétitif.

C'est une observation faite plus d'une fois par les gouvernements des provinces atlantiques et ce qu'on dit ici, c'est que nous sommes d'accord. Il devrait y avoir beaucoup d'activités de la part de tous les gens en cause pour améliorer le réseau routier des provinces atlantiques. Cela vaut d'autant plus pour l'Île de Terre-Neuve. Mais lorsque vous voyez la structure des routes des provinces atlantiques, outre la route transcanadienne, il n'y a pas tellement de routes secondaires qui permettent de rouler en toutes saisons. Chaque province le sait bien. Nous savons ce qu'il en est parce que nous exploitons un service de camionnage sur ces routes.

A long terme, nous sommes convaincus que la prospérité des provinces atlantiques est rattachée au développement de grandes routes toutes saisons, de routes d'alimentation pour pouvoir donner, du point de vue ferroviaire, un bon service rapide, pendant toutes les saisons de l'année.

Je suis sûr que ce mode de transport sera celui qui dominera à l'avenir, surtout dans une région comme celle des provinces atlantiques. Rattachée à ce développement, il y a la nécessité de construire un excellent réseau routier, car si nous avons un excellent réseau ferroviaire et un excellent réseau de voies principales, avec de bonnes routes secondaires, nous pouvons fournir un service de première classe à un coût minimum.

Le point nº 8 maintenant. Les différentes parties qui ont comparu devant vous ont mentionné que la partie III de la Loi nationale sur les transports devrait être promulguée.

Notre seul commentaire à ce sujet c'est, qu'étant donné qu'il s'agit de camionnagee interprovincial et non pas de camionnage entre Amhurst et Halifax en Nouvelle-Écosse, ou entre Moncton et Saint-Jean, au Nouveau-Brunswick, mais, avec le service de camionnage entre Moncton et Halifax, et entre Moncton et Charlottetown, le camionnage interprovincial, le régime actuel veut que, pour que nous et l'autre industrie du camionnage puissions obtenir les permis voulus pour l'exploitation des lignes interprovinciales, nous obtenions un permis d'exploitation de deux bureaux provinciaux différents. Ce qui n'est pas impossible, mais, après tout, toutes les provinces sont différentes, leurs lois sont différentes, parfois les règlements le sont aussi, et, dans plusieurs cas, même l'importance accordée à différentes questions par les différents bureaux est différente.

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Therefore, we think in general that it would be advantageous to the development of trucking in Atlantic Canada if either there was one board to serve all Atlantic Provinces and they would all agree that this board would operate with respect to interprovincial traffic throughout the whole of Atlantic Canada, or else that Part III be proclaimed which would mean that you would have one licensing authority for interprovincial trucking throughout the whole of Atlantic Canada.

We just simply say that we think this is desirable. There would be uniformity in the regulations and the laws and in the application of the laws so that we would not have difficulties with provincial boards.

I now come to paragraph 9. Close liaison ought to be maintained between highway planning authorities, regional planners and the railways to ensure the development of adequate highways in areas from which it may be possible to remove unnecessary branch lines.

I touched on this previously, but this, I can tell you, is very active. We have very good liaison with the provincial highway authorities on this matter. I believe they are as convinced as we are that we have to have better highways and have to have a good intermodal system of transportation in Atlantic Canada. They have come to us already and said, "Now, where are the areas in which you think we should, with priorities, look at the improvement of highways so that we can get rid of an uneconomic branch line?". We have thoughts on that, and so have they.

All I would say to you is that we are working closely with them. We both have the same point of view, and our general feeling is that rather than just trying to get rid of a branch line which has ceased to be of any particular use to us, it is a much more practical and useful way to approach it by trying to see if we cannot serve the people who need to be served in that area by some intermodal arrangement such as a truck from a railhead, or by container, or piggyback, and then get rid of the unnecessary branch line. But concommitant with this is the importance of the highways in that area. So we are working on that problem with the provincial authorities.

In paragraph 10 we say that rail passenger service ought to be maintained only on high volume main line routes and that passenger train service on branch lines ought to be replaced by efficient bus feeder services.

This is not new, and there is nothing very startling about it, but we hold the view—and I think correctly—that the passenger rail ser-

[*Interprétation*]

En conséquence, nous croyons que ce serait avantageux pour le développement du camionnage dans les provinces de l'Atlantique s'il y avait, soit un seul bureau pour desservir toutes les provinces de l'Atlantique et pour réglementer le trafic interprovincial, ou bien qu'on promulgue la partie III, ce qui veut dire qu'une seule administration délivrerait les permis d'exploitation pour le camionnage interprovincial, à travers les provinces de l'Atlantique.

Nous avons simplement dit que ce serait souhaitable. Il y aurait de l'uniformité dans les règlements et dans les lois, de même que dans l'application des lois, afin que nous n'ayons pas de difficultés avec ces bureaux provinciaux.

Numéro 9: Établissant d'une liaison étroite entre les organismes de planification routière, la planification régionale et le chemin de fer est indispensable au développement des routes dans les régions où la suppression des lignes secondaires est possible.

J'en ai déjà parlé auparavant mais je puis vous dire que ces contacts sont très suivis, nous avons une excellente liaison avec les autorités provinciales qui sont convaincues autant que nous qu'il faut absolument de meilleures routes et de bons moyens de transport dans les provinces de l'Atlantique. Elles se sont déjà présentées à nous pour nous demander où étaient les endroits prioritaires pour l'amélioration des routes afin de pouvoir éliminer les lignes secondaires non rentables. Nous avons une certaine opinion à ce sujet, elles aussi.

Tout ce que nous pouvons dire, c'est que nous travaillons en étroite collaboration. Nous avons le même point de vue et l'opinion générale c'est que plutôt que de juste essayer de faire disparaître une ligne secondaire qui ne nous rend plus service, il serait beaucoup plus efficace d'essayer de voir s'il serait possible de desservir les gens de la région par un moyen intermédiaire grâce au transport par cadre, ou par le service «*piggyback*», et ensuite éliminer la ligne secondaire qui serait de trop, mais il faut pour cela garder en vue l'importance du réseau routier dans la région. Nous travaillons donc vers la solution de ce problème avec les autorités provinciales.

Les services-voyageurs ne devraient être maintenus que sur les grandes lignes à fort trafic, sur les lignes secondaires, ils devraient être remplacés par de bons services d'autobus. Ce n'est pas nouveau, il n'y a rien d'étonnant à ce sujet mais nous estimons et je crois que nous avons raison de le croire que le service voyageur devrait être le meilleur

[*Text*]

vices should be as good as possible and should be better than they are today; but this is a matter of economics, and problems of that kind. Looking at the long term, it is our feeling that, rather than getting rid of all the rail passenger services, we should concentrate on the main lines—Halifax to Montreal, Sydney to Montreal, in the Atlantic area—and should provide a first-class, excellent service on those high-density main lines. And off the main line there should be provided—and today in many cases there is provided—a good feeder bus service.

This, in our view, also applies to air services. Atlantic Canada, we feel, should have improved local air services. It should be the main line air services which go from the major centres to major centres, but the feeding into those—this is our general view; and Mr. Vaughan is giving me a dig here because I am not an airline officer—but we were looking at this from the point of view of passengers, not from the point of view of railways; that is my point.

We looked at the bus, the rail and the air and we could see that transportation needs to be improved in Atlantic Canada, but you do not improve it by holding on to the old line trains. That is my point. We will probably talk about that later.

Paragraph 11: The Canadian Press reported on March 12 that the Premiers of the four Atlantic Provinces presented to the Minister of Transport a report they have been working on, outlining what they suggest to be "the basic elements of an Atlantic Provinces transportation policy". Among other things, they have made specific recommendations for changes in the Maritime Freight Rates Act.

I just want to say that we are in general agreement with what we know of the provinces' position—it has been reported fairly extensively in the press—and we are in general agreement with the Maritime Freight Rates Act changes which they have proposed.

I thought perhaps we should just set out briefly our views on the Maritime Freight Rates Act, and I have done that in paragraph 12. The Act in its present form—it has been there since 1927—is not really an effective instrument in 1969 for encouraging economic growth.

You will recall that its purpose was to enable the merchants and shippers of Atlantic Canada to gain the greater markets of central Canada as opposed to being confined to the Maritime market.

[*Interpretation*]

possible, et surtout plus efficace qu'il ne l'est à l'heure actuelle; il s'agit là d'une question d'économie mais si on examine la situation à long terme plutôt que de nous débarrasser des services-voyageurs, nous devrions peut-être concentrer nos efforts sur les lignes principales, Halifax-Montréal, Sydney-Montréal, dans la région de l'Atlantique et prévoir un service de premier ordre sur ces lignes à fort trafic. Sur les autres lignes, nous devrions pourvoir à un bon service d'autobus relié aux lignes principales. Il devrait y avoir un bon service d'autobus.

Cela s'applique aussi, selon notre point de vue au service aérien, les provinces de l'Atlantique devraient avoir un service aérien amélioré, il devrait y avoir une ligne principale qui devrait desservir les grands centres, M. Vaughan me dit que je ne suis pas un haut-fonctionnaire des lignes aériennes, mais nous examinons la question du point de vue du service ferroviaire et nous voyons que les transports doivent être améliorés dans la région de l'Atlantique, nous le faisons en prenant en considération les voyageurs plutôt que les compagnies ferroviaires.

Nous avons examiné les trois moyens de transport, air, rail, route. Nous avons vu qu'il y avait une place pour des améliorations mais on ne peut les faire en maintenant les vieilles lignes de chemin de fer. Nous en reparlerons du reste plus tard.

Numéro 11: La Presse canadienne annonçait le 12 mars que les premiers ministres des quatres provinces de l'Atlantique avaient présenté au ministre des Transports un rapport indiquant ce que devait être selon eux les éléments essentiels des transports pour les provinces de l'Atlantique. Entre autre, ils ont préconisé certaines modifications à la Loi sur les taux de transport des marchandises dans les provinces Maritimes.

Je voulais tout simplement dire que nous sommes d'accord avec la décision des provinces, et, en ce qui concerne la Loi et ses modifications, nous sommes d'accord avec la plupart des modifications suggérées. En ce qui concerne la Loi sur les taux de transport des marchandises des provinces Maritimes, je pourrais peut-être vous donner notre opinion à ce sujet, ce que j'ai fait dans le numéro 12 d'ailleurs. Sous sa forme actuelle, ladite Loi qui existe depuis 1927, ne constitue pas un moyen efficace en 1969 pour encourager la croissance économique. Vous vous souviendrez que son objectif était de permettre aux expéditeurs de l'Atlantique d'atteindre les marchés du centre du Canada plutôt que d'être restreints aux Maritimes.

[*Texte*]

In our view that purpose has long been bypassed by reality. What we need today is something that is going to assist, from the transportation viewpoint, the economic growth of Atlantic Canada, and this Act, in our view, should be amended much as the Premiers have suggested. It should be restructured so that its emphasis is directed toward providing assistance to Maritime industry in its growth and development in any way it possibly can, to enable industries to get into the transportation markets that they can usefully get into, whether they are in central Canada, the United States, or overseas, or wherever they may be.

I am not suggesting that it be converted into an aid program. I am suggesting that the transportation assistance that may be given through that Act be directed toward assisting any industry which really needs it in Atlantic Canada to get into its markets and thereby enable it to grow and prosper.

We think that the policy of just paying a straight 30 per cent subsidy on all out-bound traffic, and a 20 per cent subsidy on all traffic within the Maritimes, should be examined, and that the subsidies should be paid and related to specific commodities that are moving, or specific industries in the area; and that Maritimers themselves should have the direct hand in deciding where the money should be applied and where it will do the most good in enabling Maritime industry to grow.

We think that to certain selective commodities which now come into Atlantic Canada for finishing and manufacture and so on and which now get no subsidy whatsoever, there should be some applicability of these subsidy moneys; and if Atlantic industry needs assistance in transportation of raw materials inbound some of those things should be looked at. This would have to be studied.

I am not proposing that it be given to everything but there are certain goods, raw materials and some semi-finished commodities, coming in-bound, which we feel could well be given some assistance to help Maritime industry to grow and prosper and be able to produce goods for out-bound shipment.

We think that the subsidy should be paid to all modes of transport. It should be paid to rail, truck and water, and the shipper really should make the decision himself on how he is going to use it. The money should be paid to the shipper, not paid to the railways.

[*Interprétation*]

A notre point de vue toutefois, cet objectif est de beaucoup dépassé par la réalité, et ce qu'il nous faut aujourd'hui, c'est quelque chose qui aidera du point de vue du transport, la croissance économique des provinces de l'Atlantique.

A notre point de vue, la loi devrait être modifiée comme l'ont d'ailleurs suggéré les premiers ministres, pour insister un peu plus sur une aide, une assistance à l'industrie des Maritimes pour accélérer la croissance économique, afin d'obtenir des débouchés au moyen du transport où qu'ils se trouvent, au centre du Canada, aux États-Unis, outre-mer, etc...

Je ne suggère pas qu'on doive en faire un programme d'assistance mais je suggère que l'aide au transport en vertu de la Loi puisse être dirigée vers une industrie qui en aurait besoin dans les provinces de l'Atlantique pour lui permettre d'attendre ces marchés et par conséquent de se développer.

Nous croyons que, plutôt que de donner 30 p. 100 de subventions pour le trafic allant vers l'extérieur et 20 p. 100 à l'intérieur des Maritimes, cette subvention devrait être versée pour une denrée particulière ou pour une industrie précise dans la région et que les gens des Maritimes eux-mêmes devraient avoir le choix pour l'attribution de ces fonds dans les domaines où l'aide serait la plus profitable pour permettre la croissance économique des Maritimes.

Nous croyons qu'il y a certaines denrées qui entrent à l'heure actuelle dans les provinces de l'Atlantique pour être apprêtées ou transformées et qui ne sont pas subventionnées. A l'heure actuelle, on devrait les aider dans une certaine mesure et si les industries des Maritimes a besoin d'aide pour les transports, nous devrions alors examiner cette question, je ne propose pas qu'on l'accorde à tout le monde mais il y a certainement des denrées et des matières premières, des produits semi-manufacturés qui auraient besoin d'une assistance qui pourrait leur être fournie, pour aider l'expansion de l'industrie des Maritimes.

Nous croyons que la subvention devrait être donnée à tous les modes de transports, chemins de fer, camions, et bateaux et que l'expéditeur devrait avoir le choix du mode de transport et la liberté d'employer ces fonds comme bon lui semble. L'argent devrait être remis à l'expéditeur et non pas au chemin de fer.

[*Text*]

It is paid to the railways now. That is not because it is a subsidy to the railways, but because from an administrative point of view it was the simplest way to make the payments. Rather than going through more elaborate processes to pay it to individual shippers, it was decided that the railways should make certain reports, that the moneys would be paid to them and they, in turn, would cut back the rates to the shipper. That is the way it has worked over the years. We give a reduced rate to the shipper, we make a report to the government, the calculation is made, and we are paid a certain sum of money.

This has been, I think, in some ways, misinterpreted over the years as a subsidy to railways. To some extent it has perhaps benefited the railways to have it done that way, but my company takes the view that everyone would be better served if the subsidy could be structured in such a way that it would be paid to the individual shipper. If he needs assistance, or if he has a specific industry, or specific commodities that require assistance and somebody decides he should be helped, the assistance should be given to him. Then he can decide whether he wants to send it by truck, or by rail, or however he wants to send it.

We think that it should apply to all types of merchandise traffic. Today it applies only to freight. It does not apply to express. This is really an historic sort of throw-back. Express used always to be carried on passenger trains and did not apply to passenger services, so it never applied on express; but it applied on carload freight and less-than-carload freight.

Now the progression of organization of our business has brought together the less-than-carload freight, which got the subsidy, and express, which did not get it, into one service for small package goods, as we call them, which, for purposes of identification, we now call "express". Since we call it express and the Act says it will not be paid on express those who ship those small goods today do not get the benefit of the Maritime Freight Rates Act subsidy. We think that is really a kind of anomaly. It should be paid on all goods.

Mr. Rose: Why did you change the name of what you describe as "express"?

Mr. Macdougall: Well that was thought of very carefully, but "express" has a connotation in people's minds which we wanted to

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preserve. That is the reason we keep that.

[*Interpretation*]

A l'heure actuelle, on le donne aux chemins de fer mais ce n'est pas en vertu d'une subvention aux chemins de fer mais bien plutôt que du point de vue administratif; il était plus facile de faire un seul versement plutôt que d'avoir un procédé beaucoup plus élaboré et de verser l'argent aux expéditeurs. On a décidé qu'on verserait l'argent au chemin de fer qui à leur tour réduirait les taux aux expéditeurs. Le calcul est effectué, un rapport est envoyé au gouvernement fédéral et voilà comment nous en arrivons à obtenir nos fonds.

On a mal interprété cette subvention, au cours des années, comme étant une subvention aux chemins de fer. A certains égards, elle a été profitable pour les chemins de fer mais ma compagnie estime que tout le monde serait mieux desservi si la subvention était structurée de façon qu'elle soit versée à l'expéditeur. S'il a besoin d'aide, ou si une industrie précise ou un produit précis a besoin d'aide, et que quelqu'un décide qu'une aide doit être fournie, cette assistance devrait lui être versée, ensuite l'expéditeur décidera de son moyen de transport.

Nous croyons aussi que cela devrait s'appliquer à tous les types de trafic-marchandise; aujourd'hui cela ne s'applique qu'au fret, et non pas aux messageries. Habituellement, les messageries sont transportées par les trains de voyageurs et comme les subventions ne s'appliquaient pas au service-voyageur, les messageries n'ont pas été touchées.

Aujourd'hui nous avons combiné les deux, les chargements partiels et les messageries pour en faire un seul service pour les petits colis que nous appelons maintenant «les messageries». Ceux qui font l'expédition de ces petits colis aujourd'hui n'ont pas l'avantage de la subvention, c'est une anomalie; normalement, on devrait la verser pour toutes les denrées.

M. Rose: Pourquoi avez-vous changé le nom de ce que vous décrivez comme étant des «messageries»?

M. Macdougall: Oui, mais les messageries avaient une certaine implication dans l'esprit des gens, nous voulions que la signification du

mot soit préservée...

[*Texte*]

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Mr. Rose: Like the trains?

Mr. Macdougall: "Express" means to an ordinary person a parcel that is going to go by an expedited service; and it does go by an expedited service, but it is on a freight train.

An hon. Member: On a slow freight.

Mr. Macdougall: Not on a slow freight; it goes on a fast freight.

An hon. Member: There is an anomaly for you.

Mr. Rose: Do you have express freight?

Mr. Macdougall: We no longer call it that. We call it "express".

Mr. Rose: I am sorry.

Mr. Macdougall: Anyhow, my point really is that it is goods traffic and should take the Maritime Freight Rates Act.

Relative to intra-regional traffic, that is, the traffic which today gets a 20 per cent subsidy if the goods are shipped from Moncton to Halifax, or Halifax to Saint John, it is our view that this has pretty well outlived its usefulness. We think that that traffic, with the exception of in Newfoundland, should not be subsidized. We feel that the development of competition in the area, the whole general development of the area, does not today really require this type of subsidization. About 50 per cent of the traffic now moving in this area and getting the subsidy is competitive traffic in any event. But we do feel that in Newfoundland, until the highway system is improved there, goods moving within, to and from Newfoundland should be retained on the present basis.

We are not opposed, as I said, to the payment of the subsidies under the Act directly to the users of transportation. We think that there are some administrative difficulties in that, but we do not think they are insuperable. We have investigated it ourselves and our view is that it can be done, and should be done.

We think that this whole maritime freight rate problem should be dealt with by a newly created body, as mentioned by the premiers in the news release that I read—a federally appointed body made up of people who live in the Maritimes. This body would work there and would decide where the moneys now paid out under the Maritime Freight Rates

[*Interprétation*]

M. Rose: Comme les trains?

M. Macdougall: Le mot «messageries» veut dire pour tout le monde un colis qui est acheminé rapidement, mais par un train de marchandises.

Une voix: Un train lent.

M. Macdougall: Non pas un train lent, mais un train de marchandises rapide.

Une voix: Ça doit être une anomalie...

M. Rose: Avez-vous un tarif-fret-messagerie?

M. Macdougall: Il ne s'appelle plus comme cela aujourd'hui; il s'appelle maintenant: «tarif-messagerie».

M. Rose: Désolé.

M. Macdougall: De toute façon, il s'agit de denrées et de marchandises et elles devraient bénéficier du taux de marchandise privilégié.

Pour ce qui est du trafic intra-régional, celui qui aujourd'hui bénéficie d'une subvention de 20 p. 100, si les produits sont expédiés de Moncton à Halifax ou de Halifax à Saint-Jean, il est, selon nous, démodé maintenant et nous croyons que ce trafic, à l'exception de celui de l'intérieur de Terre-Neuve, ne devrait bénéficier d'aucune subvention. Nous croyons que les développements de la concurrence dans cette région, le développement intégral de la région n'exige pas aujourd'hui ce genre de subventions. Environ la moitié du volume du traffic subventionné, dans cette région, est concurrentiel. Nous croyons qu'aussi longtemps que le réseau routier ne sera pas amélioré à Terre-Neuve que les marchandises doivent être maintenues sur la base actuelle.

Nous ne nous opposons pas à ce que les subventions soient versées directement aux usagers du transport en vertu de la loi. Nous trouvons qu'il y a certaines difficultés administratives, mais elles ne sont pas insurmontables. Nous en avons fait l'examen nous-mêmes, et nous croyons que cela peut et doit se faire.

Nous croyons que tout le problème des taux de transport dans les Maritimes devrait être réglé par un nouvel organisme, tel que mentionné par les premiers ministres dans le communiqué de presse que j'ai lu, un organisme fédéral composé de gens qui vivent dans les Maritimes. Cet organisme œuvrerait dans les Maritimes, déciderait de la façon

[*Text*]

Act should be applied, what industries should receive assistance and which ones should not. In other words, the Maritime members of that body, on behalf of the Atlantic provinces people, will decide themselves where they want to apply this money. We think that if that is done in that way it will be a great stride forward. Then we will be able to have a great deal more say in Atlantic Canada, within our own house, on how to help our own industry to develop and move.

In paragraph 13 we suggest the establishment of warehousing and storage facilities in distribution centres in the principal market areas outside the Atlantic Provinces. This is a suggestion that has been made by other than Canadian National, and we think it is an excellent one.

In many cases distribution difficulties occur because people are shipping goods from Atlantic Canada in less than carload or expressload lots and when there is a reordering of goods they have to go back to the factory in Atlantic Canada and ship it up again. We think that a good deal of these difficulties would be met if, instead of doing the warehousing in Atlantic Canada, we did it in the market areas—in Montreal, Toronto, Boston or wherever the market might be—and ship the commodities in the cheapest way possible to those areas, perhaps in carload lots in off-season peaks and so on. Then, assistance is required with warehousing costs this body should assist with those costs, thereby assisting industry to market its goods by having goods on hand when reordering is needed. In this way, if a replacement part is needed, it can be supplied immediately rather than having to wait two weeks for it to come from the Maritime factory. That is what that would mean.

We recommend the provision of assistance in the commencement of new transportation facilities and operations. Many times there is a requirement for some new facility or some new method of handling goods to be set up which would improve things greatly but, because the industry is too small, there is no money to do it. This new body that the premiers suggested, I submit, should have the ability and the power to assist industry in that way.

If a new facility or a new service is needed and it requires subsidization for six months or a year to get it going, this is where this body comes into play. In my view, this would serve the same purpose as Industrial Estates in Nova Scotia or some other group which assists an industry to get on its feet. So if transportation assistance is necessary, this

[*Interpretation*]

dont serait utilisé l'argent versé aux termes de la *Loi sur les taux de transports dans les Maritimes* et déciderait également quelles industries recevraient de l'aide et lesquelles n'en recevraient pas. Les membres de cet organisme décideraient, en d'autres mots, de la façon dont serait utilisé cet argent. Nous croyons que si cela se fait ainsi ce sera un grand pas dans la bonne direction. Nous participerions ainsi, d'avantage, au développement de notre propre industrie.

Au treizième paragraphe, nous suggérons l'aménagement d'installation d'entreposage dans les centres de distribution des principaux marchés à l'extérieur des provinces de l'Atlantique. C'est une suggestion qui a été formulée par d'autres que le National-Canadien et nous la trouvons excellente.

Dans plusieurs cas, il y a des difficultés de distribution parce que les gens expédient leurs produits des provinces de l'Atlantique dans des lots brisés ou de moins d'une wagonnée. Et alors, quand on passe une nouvelle commande il faut revenir dans les provinces de l'Atlantique et l'obtenir de là en vue de l'expédition. Nous croyons qu'on pourrait éliminer une bonne part de ces difficultés si, au lieu d'entreposer les produits dans les provinces de l'Atlantique, ils l'étaient à Montréal, Toronto, Boston, ou ailleurs. Les produits pourraient être expédiés par wagons complets, par exemple, hors des périodes de pointe. Si certains ont besoin d'aide pour défrayer les coûts d'entreposage, cet organisme pourrait s'en charger et ainsi aider à la mise en marché des produits. Si une pièce est défectueuse, il serait ainsi possible pour le client de l'obtenir rapidement sans avoir à attendre qu'elle arrive de l'usine. C'est ce que cela veut dire.

Nous recommandons qu'une aide soit apportée lors de la mise en place de nouveaux services de transport. Il arrive souvent qu'il soit nécessaire de recourir à de nouvelles méthodes mais l'industrie étant trop petite l'argent nécessaire à cette fin fait défaut. Ce nouvel organisme suggéré par les premiers ministres devrait avoir la capacité et le pouvoir d'aider l'industrie à cet égard.

Si un nouveau service s'avère nécessaire, et s'il doit être subventionné durant six mois ou un an afin d'assurer sa mise sur pied, ce nouvel organisme serait tout désigné. C'est la même chose, à mon sens, que les *Industrial Estates* en Nouvelle-Écosse, ou tout autre groupe qui aide une industrie à s'établir. S'il doit y avoir assistance dans le domaine des

[*Texte*]

body should be able to provide it.

The establishment and maintenance of research facilities available to shippers

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experiencing problems of marketing and/or distribution appear to be desirable as a means of stimulating economic growth of these industries in Atlantic provinces. Research into problems of marketing and distribution is one area in which we in Atlantic Canada and I think in the whole of Canada are very deficient.

As you know, the Canadian Transport Commission in its newly re-organized form has large research arm. But it is a problem to get it organized, to get people, to get the material and the details that they need to do their work and we feel that this new organization in the Maritimes, either in liaison with the Canadian Transport Commission or perhaps with some of their own resources, should begin to conduct research into our own Maritime transportation, marketing and distribution problems to find out why we have difficulties, where the difficulties are and what can be done about them, what the facts are, not just what the complaints are, and not only what people's general views are but what the detailed facts are in respect of various transportation problems. We would help ourselves a great deal in that area if we placed a good deal of emphasis on the research side of this proposed new organization.

Rather than pure research I am thinking of research into the marketing of goods, which is a thing we are interested in, and in the physical distribution of goods right from the time an article comes off the machine at the factory until it goes into somebody's hands to be used—including warehousing, transportation, financing of the whole matter, the sales organization that sells it, distribution from some forward point by highway or something of that kind, packaging—the whole thing. In our view, this is badly needed. As well as the other things that such a Maritime or Atlantic provinces oriented group could do, they could provide great facilities to industry which could not afford to do these things and give them the necessary know-how in that regard.

Gentlemen, that is an outline of our views on what is going on and what should be done. What I have been speaking of here are not only my views. This is a framework with which the management of our company is fully familiar. They feel this is the right way for us to proceed. Our planning and organiza-

[*Interprétation*]

transports, cet organisme devrait pouvoir s'en charger.

L'établissement et le maintien d'un service de recherches disponible pour les expéditeurs ayant à faire face à des problèmes de marketing ou de distribution nous semblent utiles pour stimuler l'essor industriel des provinces de l'Atlantique. La recherche sur les problèmes de distribution et de commercialisation est une des lacunes dont souffrent les provinces maritimes et le Canada tout entier.

La nouvelle Commission canadienne des transports à un service de recherches. Mais il lui est difficile de l'organiser, de trouver du personnel et de trouver tout ce dont il a besoin pour effectuer son travail. Nous croyons que ce nouvel organisme, dans les Maritimes devrait, en collaboration avec la Commission ou de lui-même effectuer des recherches sur les problèmes de distribution et de commercialisation dans les Maritimes, avant d'établir pourquoi nous avons des difficultés, que sont-elles, ce qui peut être fait pour les régler, quels sont les faits, non pas seulement quelles sont les plaintes et les opinions générales, mais quels sont les faits au sujet des principaux problèmes de transport. Nous pourrions nous aider beaucoup dans ce domaine si nous insistions sur l'aspect recherches de cet organisme proposé.

Je ne pense pas à la recherche pure, mais à la recherche relative à la commercialisation de nos produits, de nos denrées ainsi qu'à la distribution de nos produits, à compter du moment où ils quittent l'usine jusqu'au moment où ils entrent dans les mains de l'usager. Le financement, le transport, la vente, l'organisation des ventes, la distribution, l'empaquetage, et tout. A notre sens, nous en avons grandement besoin. Et tous ces autres aspects dont cet organisme pourrait s'occuper: il pourrait offrir à l'industrie ce qu'elle ne pourrait s'offrir elle-même.

Voilà, messieurs, un résumé de notre point de vue sur ce qui se passe et sur ce qui devrait se faire. Je pourrais peut-être ajouter que ce dont je parle ici, ce n'est pas tout simplement mon opinion personnelle, mais il s'agit d'un point de vue que connaît très bien la direction de notre compagnie. La direction

[*Text*]

tion for the future of Atlantic Canada is proceeding along these lines. Of course many things do not lie within our own hands to do. In any event, this is our view of what should be done, and this is what we intend to follow.

The Chairman: Mr. Rose.

Mr. Rose: On a minor point of order, what I have to say may or may not be of assistance in facilitating our discussions from now on. This has been a very comprehensive brief and I am sure there are going to be a great number of questions by a great number of people. I was wondering if it might be possible to deal with a particular round of questions on a seriatim basis—that is, on a point by point basis as raised by Mr. MacDougall. Otherwise we will be all over the place and will not be dealing with any one particular item at one particular time. I do not feel strongly about this but I think it might be helpful.

The Chairman: Do you mean that you want to start with paragraph one?

Mr. Rose: Yes.

Mr. McGrath: I think he wants the rule of relevancy strictly applied. Is that not correct?

Mr. Rose: Well I thought that some of these are . . .

Mr. McGrath: Is that what you mean by seriatim?

Mr. Rose: I am pleased that I have been able to provide the member from St. John's East with a new word today.

I thought we could deal with the items one by one and have a round of questions on each one.

Mr. McGrath: I was going to raise a point of order, Mr. Chairman, but I can speak to the point raised by Mr. Rose.

I think his suggestion is a very good one. These are very busy gentlemen and we want to impress them with our efficiency, because we are an efficient committee.

Mr. Rose: A fishing Committee.

Mr. McGrath: In that connection, Mr. Chairman, I was going to make a suggestion to the Committee. Bearing in mind the fact that the CNR is a crown corporation and has to compete, and bearing in mind that there are numerous questions that we would like to

[*Interpretation*]

estime que telle est la manière de procéder. Dans notre propre organisme, c'est comme cela que nous envisageons l'avenir des provinces de l'Atlantique. Évidemment, tout ne relève pas de nous, mais voilà notre opinion sur ce qui devrait se faire. C'est cette voie que nous entendons suivre.

Le président: Monsieur Rose.

M. Rose: Je voulais faire un léger rappel au Règlement dans l'espoir de faciliter nos discussions à l'avenir. Le mémoire est très complet et je suis sûr qu'il y aura un très grand nombre de questions posées. Je me demande s'il serait possible de traiter successivement des divers points soulevés par M. Macdougall. Autrement, on pourrait discuter de toutes sortes de points et on ne discutera pas d'un seul point à un moment donné. Je crois que cela aiderait peut-être.

Le président: Vous voulez dire en commençant par le paragraphe 1?

M. Rose: Oui.

M. McGrath: Je crois qu'il désire que nous nous en tenions strictement à la question de pertinence.

M. Rose: Je croyais que . . .

M. McGrath: C'est cela que vous voulez dire par successivement?

M. Rose: Je suis très heureux d'avoir pu fournir au député de Saint-Jean-Est l'occasion d'utiliser un nouveau mot. Nous pourrions parler des divers points un à un et permettre des questions sur chacun, successivement.

M. McGrath: J'allais justement en appeler au Règlement, monsieur le président, mais je parlerai sur le point soulevé par M. Rose.

Je trouve sa suggestion excellente. Nos témoins sont des hommes très occupés et nous voulons justement les impressionner par notre efficacité car notre Comité est efficace.

M. Rose: Vous dites que vous aimez la chasse?

M. McGrath: Je voulais justement faire une suggestion, monsieur le président. Puisque le CN est une société de la Couronne qui doit faire face à la concurrence et puisque nous poserons sans doute nombre de questions aux représentants du CN mais que certaines

[*Texte*]

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direct to officials from the CNR the answers to which may not be in the interests of the company to release to the general public—for example, in respect of their accounting procedures—and which they may have the right under a certain section of the Railway Act not to reveal, I suggest that when we get to this particular area—and this is in line with Mr. Rose's suggestion—we ask strangers to leave the room and hold that particular phase of our hearing in camera.

The Chairman: Are you on a point of order?

Mr. Rock: Yes. If we do agree to proceed item by item I feel that the CNR should make a statement of some kind on the passenger service in Newfoundland. I know it is covered in here to some degree but there will be a lot of questions asked on this and I think it would be beneficial if they made some kind of formal statement.

The Chairman: We will get to that point later, Mr. Rock.

Mr. Rock: I know it is generally covered in paragraph 10 but I thought if a statement were made now we would be in a better position for questioning.

Mr. McGrath: We have waited a long time for this, Mr. Chairman.

The Chairman: Mr. Peddle?

Mr. Peddle: Mr. Chairman, I do not think the suggestion is that we necessarily have to be confined to the items outlined by the CNR officials. These are suggestions for questions we should ask. I do not think that we are going to be confined to that.

The Chairman: I agree with you, Mr. Peddle. Just a minute. One at a time, please.

Mr. McCleave: Instead of following the number system 1 to 13 which Mr. Macdougall has presented to us why does not each member raise a topic and speak to it until it is exhausted, with the next questioner on your list going to something else?

The Chairman: I think that would be the easiest way Mr. Breau?

Mr. Breau: Mr. Chairman, on a point of order. I was going to suggest that we divide it

[*Interprétation*]

réponses ne devraient peut-être pas être rendues publiques, en autres dans le domaine de la comptabilité, ce qu'elle a peut-être le droit de faire, je suggère que lorsque nous en arriverons à des questions de ce genre, le public soit invité à quitter la salle et que nous poursuivions à huis clos.

Le président: Vous en appelez au Règlement?

M. Rock: Oui. Si nous procédons item par item, je crois que les fonctionnaires du National-Canadien devraient faire une déclaration sur le service voyageur à Terre-Neuve. Je sais que le mémoire traite de cette question mais il y aura certainement beaucoup de questions de posées à ce sujet. Je crois qu'il serait préférable que les représentants du CN fassent une certaine déclaration officielle.

Le président: Nous en arriverons à ce point-là, monsieur Rock.

M. Rock: Je sais que c'est généralement prévu à l'alinéa 10, mais je crois que si une déclaration était faite en ce moment, nous serions mieux préparés pour poser les questions.

M. McGrath: Nous avons attendu longtemps pour cela, monsieur le président.

Le président: Monsieur Peddle?

M. Peddle: Je ne crois pas, monsieur le président, que nous soyons nécessairement limités aux questions soulignées par les fonctionnaires du National-Canadien. Il s'agit de suggestions au sujet des questions que nous devrions poser. Nous ne sommes pas nécessairement limités à cela.

Le président: Je suis de votre avis, monsieur Peddle. Un moment s'il vous plaît. Un à la fois.

M. McCleave: Au lieu de suivre le système numérique de 1 à 13 tel que proposé par M. Macdougall, pourquoi ne nous arrangeons-nous pas pour que chaque membre soulève un sujet et en discute jusqu'à ce qu'il l'épuise, pour passer ensuite à un autre membre qui soulèvera un autre sujet.

Le président: Je crois que ce serait le plus simple. Monsieur Breau?

M. Breau: C'est sur un point d'ordre monsieur le président. J'allais suggérer que l'on

[*Text*]

some other way but now that Mr. McCleave has suggested that, I think this is a better idea.

Mr. McGrath: My point has not been dealt with, Mr. Chairman, and that is that when we get into the area of accounting procedures or questions which it would not be in the interest of the railway to have released to the public we agree to clear the room of strangers and sit in camera.

The Chairman: Would you agree, Mr. McGrath, that we sit the rest of the morning in open committee and that this afternoon we sit in camera?

Mr. McGrath: That is a good suggestion.

The Chairman: Then we will sit at 3.30 this afternoon.

Mr. Skoberg: Mr. Chairman, I think that on the particular item mentioned by Mr. McGrath this is proper. But I do not agree with sitting in camera on some of the other items that may be brought up. This has been a public hearing throughout the whole Atlantic provinces, and for other than those specific items mentioned I would not agree.

The Chairman: Well, we can sit in camera for an hour this afternoon. Then if you feel that important questions are asked, we can go back to an open meeting.

Mr. McGrath: I do not think that is necessary, Mr. Chairman, with great respect. Your suggestion was a good one but I do not think it is necessary to confine it to a timetable. All we have to do is to agree that when a witness suggests that it is not in the interest of the railway to answer a question we clear the room.

Mr. Rose: Mr. Chairman, on a point of order, I certainly did not mean that we should confine our discussions to these 13 points. I am more concerned with what the CNR did not say than with what they did say, and I certainly would not want to be confined to these things. It was a suggestion for procedure only because I have been through such meetings where we get jammed up and way off the topic and I was hoping to avoid this.

The Chairman: I think we should not waste any more time on points of order as we could be on points of order all morning. I think we shall carry on. Mr. Skoberg, you have the floor.

[*Interpretation*]

procède autrement, mais puisque la suggestion de M. McCleave est bonne, je crois que nous devrions procéder de cette façon.

M. McGrath: Le point que j'ai soulevé n'a pas été discuté, monsieur le président; je voulais proposer que lorsque nous en arriverons à discuter de comptabilité ou de questions qui de l'avis des compagnies de chemins de fer ne devraient pas être rendues publiques, de siéger à huis clos.

Le président: Monsieur McGrath, seriez-vous d'accord que nous siégions cette matinée en comité et que cet après-midi, la séance soit tenue à huis clos?

M. McGrath: C'est une bonne idée.

Le président: Ce sera donc à 3h. 30 p.m.

M. Skoberg: Monsieur le président, je suis d'accord pour ce qui est de la proposition de M. McGrath. Mais je ne suis pas d'accord que nous siégions à huis clos pour certaines autres questions qui pourraient être soulevées. Jusque-là, nos audiences ont été publiques à travers les provinces de l'Atlantique et outre les questions précises dont il a été question, je ne serais pas d'accord.

Le président: Dans ce cas nous pourrions siéger à huis clos pendant une heure cet avant-midi. Ensuite, si vous croyez que d'importantes questions sont posées, nous pourrons siéger en public.

M. McGrath: Je ne pense pas que cela soit nécessaire, monsieur le président. Votre proposition était bonne, mais je ne pense pas qu'il soit nécessaire de la limiter à un horaire fixe. Tout ce que nous avons à faire, c'est de convenir de tenir la séance à huis clos dès que le témoin suggère qu'il n'est pas dans l'intérêt des chemins de fer de répondre à la question.

M. Rose: Monsieur le président. Sur un point d'ordre, je ne voulais pas dire que nous nous en tenions aux 13 points. Ce qui me préoccupe le plus, c'est ce que le CNR n'a pas dit plutôt que ce qu'il a dit, et je ne voudrais certainement pas être limité à ceci. Je suggérais simplement une question de procédure, car j'ai déjà assisté à des séances où on était débordés et bien en dehors du sujet, c'est pourquoi j'essayais d'éviter cela.

Le président: Je crois que nous avons déjà perdu assez de temps sur des questions d'ordre. Je pense que nous devrions maintenant poursuivre nos questions. Monsieur Skoberg, vous avez la parole.

[*Texte*]

Mr. Skoberg: Mr. Chairman, I am sure that all of us of this Committee have appreciated the summation that has been presented to us today. I believe that the officials of the CNR will agree that the proposals and the summaries that they have here will take a lot of co-operation among every form of government and the private enterprise people in the field to bring about proper economic planning

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for the entire area. I expect that they would agree that a real challenge is ahead of us to bring about an entire regional economic development, and I would suggest that they look very closely at any further abandonments of branch lines or curtailment of service until the legislation is brought down defining the growth areas generally.

I certainly agree with your summary in regard to the growth areas with regard to what the Economic Council of Canada has said and I would ask you to take that under serious consideration until such time as these areas are defined by the new legislation.

I think there is one thing on our minds—and no doubt it is on all of our minds at this particular time. When we had Mr. Pickersgill with us the other day, he indicated that he had not been notified at that time of any curtailment of passenger service in Newfoundland. I understand that you have recently written a letter to the CTC indicating that your company, the CNR, is contemplating continuing this service for a period of time. I think the first question should be as to whether or not you are familiar with the action that this Committee has taken and has reported to the House as of yesterday in regard to the retention of this passenger service. Are you familiar with that?

Mr. Vaughan: No, sir, we are not.

Mr. Skoberg: Well, this committee has recommended that the order of the CTC—we are well familiar with the order number—authorizing the CNR to suspend rail passenger service in Newfoundland on April 15 be left in abeyance until the Committee tables a complete report. The question immediately arises then, that in your letter to the CTC you did suggest that you are contemplating continuing this service for a period of time. Would you agree that the period of time be at least as long as it takes this Committee to

[*Interprétation*]

M. Skoberg: Monsieur le président, je suis sûr que tous les membres du Comité apprécient la déclaration qui a été faite aujourd'hui, mais je crois que les fonctionnaires du CN seront d'accord que les propositions, contenues dans le résumé qu'ils ont ici, nécessiteront beaucoup de collaboration entre tous les paliers de gouvernement, et l'entreprise privée dans ce domaine, pour aboutir à une planification économique dans toute la région. Ils conviendront aussi que nous affrontons présentement un vrai défi qui consiste à aboutir au développement économique régional, et je leur conseille de penser à deux fois avant d'abandonner les lignes secondaires ou de réduire le service et cela jusqu'à ce qu'on ait une Loi qui définisse les centres de croissance en général.

Je suis tout à fait d'accord avec ce que vous dites dans votre sommaire touchant les centres de croissance et ce qu'a dit le Conseil économique du Canada à ce sujet, mais je vous demanderais d'en prendre connaissance jusqu'à ce que ces centres soient définis dans la nouvelle loi.

A mon avis, il y a un point qui nous préoccupe tous en ce moment. M. Pickersgill avait indiqué l'autre jour qu'il ignorait tout d'une élimination éventuelle du service de voyageurs à Terre-Neuve. Si je comprends bien vous avez écrit récemment une lettre à la Commission canadienne des transports indiquant que votre compagnie, le National-Canadien, songeait à maintenir ce service pour quelque temps. La première question serait la suivante: Etes-vous au courant ou pas des mesures prises par ce Comité et du rapport qu'il a fait dès hier, à la Chambre à l'égard du maintien du service des voyageurs?

M. Vaughan: Non, monsieur, nous ne le sommes pas.

M. Skoberg: Nous avons recommandé que l'ordonnance de la Commission, et nous connaissons le numéro de l'ordonnance, autorisant le National-Canadien à suspendre son service de voyageurs à Terre-Neuve le 15 avril, ne soit pas appliquée et cela jusqu'à ce que notre Comité ait reçu un rapport complet. La question qui se pose à présent, c'est que, dans votre lettre à la Commission, vous avez laissé entendre que vous songiez à maintenir le service pendant un certain temps. Accepteriez-vous que cette période de temps soit au

[*Text*]

complete its report before any action is taken to curtail that service? The method that you have used now in communicating with the CTC is too vague.

Mr. Vaughan: Well, perhaps you refer to a letter which it might be beneficial to the Committee for us to table.

Perhaps the letter that Mr. Skoberg refers to should be read by Mr. Macdougall and tabled for the benefit of the other members of the Committee.

Mr. Skoberg: For the record, I have not seen the letter.

Mr. Vaughan: Oh, I see.

Mr. Skoberg: In verbal conversation I understand you have indicated this to the CTC. I have not seen the letter. I want to have that absolutely understood.

Mr. Vaughan: Well, I did not know how the CTC handles correspondence or anything but we did write them a letter and we will make it available to you, so I will have Mr. Macdougall refer to the letter. The letter is from our Commission Counsel. He is the man who carries on the constant liaison with the Railway Committee of the Canadian Transport Commission.

The Chairman: Is it agreed by the Committee that the letter be read?

Mr. Macdougall: The letter is addressed to Mr. D. H. Jones, Chairman, Railway Transport Committee, Canadian Transport Commission, Ottawa, Ontario. It is dated March 14, 1969.

Dear Mr. Jones: Re—Newfoundland Passenger Train Service.

I thought it appropriate that I write to you in connection with the current situation concerning Trains Nos. 101 and 102 and coach service on Mixed Trains Nos. 203 and 204 in the Province of Newfoundland. This will confirm also the recent and several informal conversations that we have had related to equipment to be retained for stand-by purposes after the particular train services are discon-

[*Interpretation*]

moins aussi longue que la période de temps nécessaire à ce comité pour compléter son rapport avant que des mesures soient prises pour réduire le service. La méthode dont vous vous êtes servi pour entrer en rapport avec la Commission canadienne des transports est trop vague.

M. Vaughan: Vous parlez peut-être d'une lettre? Ce serait peut-être avantageux pour le Comité que nous déposions la lettre. Peut-être que la lettre dont M. Skoberg fait allusion devrait être lue et déposée par M. Macdougall pour que les autres membres du Comité en prennent connaissance.

M. Skoberg: Je tiens à vous dire que je n'ai pas vu la lettre.

M. Vaughan: Je vois.

M. Skoberg: Lors d'une conversation j'ai cru comprendre que vous l'aviez indiqué à la Commission; je n'ai pas vu la lettre encore. Je veux que vous compreniez cela une fois pour de bon.

M. Vaughan: Je ne savais pas ce que faisait la Commission avec sa correspondance, mais nous leur avons écrit une lettre que nous allons mettre à votre disposition, ainsi je demanderai à M. MacDougall d'en faire état. La lettre provient de notre conseiller juridique, qui est chargé de la liaison continuelle avec le comité des chemins de fer auprès de la Commission canadienne des transports.

Le président: Le Comité est-il d'accord que la lettre soit lue?

M. Macdougall: La lettre est adressée à M. D. S. Jones, président du Comité des Chemins de fer auprès de la Commission canadienne des transports, Ottawa (Ontario). La lettre est datée du 14 mars 1969.

Monsieur,

Objet: Service ferroviaire de voyageurs Terre-Neuve

J'ai cru utile de vous écrire à propos de la situation actuelle, concernant les trains n° 101 et 102 ainsi que le service de voyageurs sur les trains mixtes n° 203 et 204 dans la province de Terre-Neuve. Ceci confirmera également les récentes et nombreuses conversations que nous avons eues concernant le matériel que l'on devra tenir en réserve après la suspension des services ferroviaires en cause,

[*Texte*]

tinued, and also discussions concerning actual train and bus carryings over the past winter.

I would specifically direct your attention to Clause 1, paragraph (2) of Order No. R-2673. The burden of this sub-clause is that until the Railway is notified by your Committee that the bus service is inaugurated and that passenger facilities are provided and installed to the satisfaction of the Committee, the passenger service shall continue to be operated in the same manner and as frequently as it was during the comparable period in 1967. Throughout the winter we have been keeping a close check on the situation and as the April 15th date approaches, which is the date on which the Commission must make its final disposition of the matter, we are in the process of re-assessing the situation. This, basically, was the intended import of the recent statements by Newfoundland Railway officers in response to inquiries. From the recent statistics that I have it will be apparent that there has been a very heavy response to the bus operation by the people of Newfoundland, and in light of this our operating people are examining the position regarding the number of buses that will be required during the coming months.

In view of this, we have in contemplation the possibility of having the train services extended for a short period beyond April 15th, but we would not expect that the train services would be required beyond June 15th. At this point in time it is not possible to say whether such services would be required until the June 15th date. For the sake of clarity, and so there will be no misunderstanding of our position, it is not our intention that the train services be continued indefinitely. As our current examination is completed, we will confirm what we regard as the requirements of the situation.

Canadian National has endeavoured to be flexible in its approach, particularly during the transitional period from train operation to bus operation, bearing in mind that the new service was inaugurated in the late fall of 1968 and has continued with good results throughout the current winter. The carryings are as follows:

[*Interprétation*]

ainsi que les discussions concernant le nombre de personnes qui ont réellement emprunté les autobus, l'hiver dernier.

Je voudrais surtout attirer votre attention sur l'article 1, alinéa (2) de l'Ordonnance nº R-2673. Le fardeau qu'impose ce paragraphe est que, jusqu'à ce que la compagnie de chemins de fer soit notifiée par votre comité que le service d'autobus est inauguré et que les installations pour le service de voyageurs sont assurées et mises en place à la satisfaction du comité, le service de voyageurs doit continuer de fonctionner de la même façon, en gardant la même fréquence que celle de la même période de l'année 1967. Durant tout l'hiver, nous avons surveillé la situation de très près, et comme le 15 avril est tout proche, date à laquelle la Commission doit prendre ses dispositions définitives à cet égard, nous sommes en train de réévaluer la situation. En principe, c'est ce que visaient les déclarations des hauts fonctionnaires des chemins de fer de Terre-Neuve à la suite des enquêtes effectuées. Les derniers renseignements dont je dispose indiquent une très forte réaction de la part des terreneuviens, en faveur d'un service d'autobus, et par conséquent, nos représentants étudient la situation pour ce qui est du nombre d'autobus qui seraient requis durant les prochains mois.

Cela nous mène à étudier la possibilité de prolonger la durée du service ferroviaire pour une courte période au-delà du 15 avril, mais nous ne croyons pas en avoir besoin au-delà du 15 juin. Nous ne pouvons dire en ce moment, si ces services seraient requis jusqu'à la date du 15 juin. Pour être plus clair et pour éviter tout malentendu concernant notre position, nous n'avons nullement l'intention de maintenir indéfiniment les services ferriaires. Dès que l'étude en cours aura pris fin, nous vous ferons part des besoins de la situation.

Le National-Canadien s'est efforcé d'avoir une attitude assez souple, en particulier pendant la période de transition entre l'exploitation du service ferroviaire et celle du service d'autobus, étant donné que ce dernier service a été inauguré à la fin de l'automne 1968 et a continué de façon satisfaisante pendant tout l'hiver. Voici le nombre des voyageurs qui ont emprunté ces services:

[*Text*]

1968—1969	*Bus*	*Train*
December	6299	3378
January	7779	2791
February	6068	1494

Comparative Train Handlings in 1967

December	6506
January	5389
February	3207

We shall advise you in due course as to the results of our current re-assessment.

Yours very truly,

H. J. G. PYE,
Commission Counsel.

Mr. Skoberg: Thank you, Mr. Macdougall. The date that you have in that letter, then, indicates that June 15 is the period that you now expect to keep this train in operation. Is this correct? Is this what you are reading, June 15?

Mr. Macdougall: It said:

> ...In view of this, we have in contemplation the possibility of having the train services extended for a short period beyond April 15th, but we would not expect that the train services would be required beyond June 15th. At this point in time it is not possible to say whether such services would be required until the June 15th date.

You can see from the carryings that the bus carryings are quite heavy and the total carryings are heavier than they were the year before, quite considerably, so we have had to make some judgment as to the number of buses that were needed before this service started and those buses are in service and are being used.

The question now arises, are they going to be sufficient, because the train service is to continue until the bus service is sufficient and suitable to the Commission. They told us that they would not decide this before April 15. They may not be sufficient until August 15 or June 15, I do not know, but we are not allowed to take that service out until the Commission is satisfied that the service is sufficient, so we have to assess the bus requirement.

This is the thing we are doing at the moment. Our intention is to continue to provide the train service until such time as the Commission is satisfied that they can execute

[*Interpretation*]

1968—1969	*Autobus*	*Train*
Décembre	6299	3378
Janvier	7779	2791
Février	6068	1494

A titre de comparaison, nombre de voyageurs par chemin de fer en 1967

Décembre	6506
Janvier	5389
Février	3207

Nous vous aviserons en temps voulu des résultats de notre réévaluation actuelle.

Veuillez agréer, monsieur, l'assurance de ma considération distinguée.

Le conseiller juridique
auprès de la Commission,
H. J. G. Pye.

M. Skoberg: Merci, monsieur Macdougall. D'après la date indiquée dans cette lettre, le 15 juin est la date jusqu'à laquelle vous comptez maintenir ce train en service. Est-ce bien cela? Est-ce bien ce que vous lisez? Le 15 juin?

M. Macdougall: On disait:

> . En conséquence, nous songeons à la possibilité de maintenir les services ferroviaires pendant quelque temps après le 15 avril, mais nous ne pensons pas que ces services soient nécessaires après le 15 juin. Pour le moment, il est impossible de dire si l'on aurait besoin de ces services jusqu'au 15 juin.

Vous pouvez voir, d'après le nombre des voyageurs, que le nombre des voyageurs par autobus est assez grand et que le nombre total des voyageurs est beaucoup plus élevé que l'année précédente. Il nous a donc fallu décider combien il faudrait d'autobus avant que ce service ne débute, et ces autobus sont maintenant au service et sont bien utilisés.

On se demande maintenant si le nombre d'autobus va être suffisant, car le service de train doit être maintenu jusqu'à ce que le service d'autobus soit suffisant et convienne à la Commission. On nous a dit que l'on ne pourrait en décider avant le 15 avril. Le service ne sera peut-être pas suffisant jusqu'au 15 août ou jusqu'au 15 juin, mais nous n'avons pas le droit de le supprimer tant que la Commission ne sera pas convaincue que le service est suffisant, et il nous faut donc évaluer les besoins du service d'autobus.

C'est ce que nous faisons en ce moment. Nous avons l'intention de continuer à assurer le service ferroviaire jusqu'à ce que la Commission soit convaincue qu'elle peut mettre à

[*Texte*]

their order in the form in which it has been made and we will continue to provide the train service. The point is, we do not really know. We do not think April 15 is going to be the date, but we do not know whether it is May 15 or June 15. Then, or course, you have the possibilities of weather conditions worsening in Newfoundland and April 15 may not be an appropriate date at all.

We are really just saying that we are intending to continue that service until such time as it is quite clear that the people of Newfoundland will have a good and sufficient service satisfactory to the Commission. When that day comes we expect that the train service will cease.

Mr. Skoberg: I think you will appreciate, Mr. Chairman, . . .

Mr. McGrath: On a point of order, Mr. Chairman. The letter that has been read and referred to constitutes a very important document so far as our examination is concerned, and I would therefore request that it be tabled and immediately distributed.

The Chairman: Is it agreeable to the Committee?

Some hon. Members: Agreed.

Mr. Skoberg: Mr. Chairman, I am sure that Mr. Macdougall can appreciate the position it puts this Committee in at this particular time and in particular when Mr. Pickersgill is before us. We had a press release from the C.N. management in Newfoundland indicating that the Newfoundland passenger service would remain. They knew nothing about it, of course, at the Canadian Transport Commission.

This is why we were concerned as to just what was involved and I believe your explanation now certainly indicates that it is a temporary measure. I will pose a direct question then, Mr. Chairman. Could you give the assurance to this Committee at this time that you will leave the passenger train service on in Newfoundland until this Committee has an opportunity to report to the House with its final report?

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Mr. Vaughan: There is a legal situation here. With due respect, we will endeavour to answer your questions as best we can and give you straightforward answers and opinions. There is a legal situation in that there was a hearing under the statute and under

[*Interprétation*]

exécution son ordonnance sous la forme sous laquelle elle a été rendue, et nous continuerons à assurer le service des trains. Le problème, c'est que nous ne savons pas vraiment. Nous ne pensons pas que la date sera le 15 avril, mais nous ne savons pas si ce sera le 15 mai ou le 15 juin. De plus, il y a, bien entendu, la possibilité que les conditions atmosphériques ne s'aggravent à Terre-Neuve, et le 15 avril ne soit absolument pas une date appropriée. En fait, nous voulons simplement dire que nous avons l'intention de maintenir ce service jusqu'à ce qu'il soit bien clair que la population de Terre-Neuve aura un service satisfaisant et suffisant, et qui convienne à la Commission. Alors le service de trains sera sans doute supprimé.

M. Skoberg: Je pense que vous vous rendez compte, monsieur le président . . .

M. McGrath: J'invoque le règlement; monsieur le président. La lettre que l'on nous a lue et que l'on a mentionnée est un document des plus importants pour ce qui est de notre étude, et je demande donc qu'on la dépose et qu'on nous la distribue immédiatement.

Le président: Est-ce que cela convient au Comité?

Des voix: D'accord.

M. Skoberg: Monsieur le président, je suis certain que M. Macdougall se rend compte de la situation dans laquelle cela met le Comité en ce moment, surtout en présence de M. Pickersgill. Il y a eu un communiqué de presse de la direction du National-Canadien à Terre-Neuve, dans lequel on dit que le service de trains sera maintenu. Bien entendu la Commission canadienne des transports n'était pas au courant.

C'est pourquoi nous tenions à savoir de quoi il s'agissait exactement, et l'explication que vous nous avez donnée indique, assurément, qu'il ne s'agit que d'une mesure provisoire. Je vais donc poser une question directe, monsieur le président. Pourriez-vous donner dès maintenant au Comité l'assurance que vous allez maintenir le service de trains à Terre-Neuve jusqu'à ce que le Comité ait eu l'occasion de faire son rapport final à la Chambre?

M. Vaughan: Il y a ici une situation qui relève du domaine juridique. En toute déférence, nous allons essayer de répondre à vos questions de notre mieux, et de vous donner des réponses et des avis francs. Il y une situation qui relève du domaine juridique en

[*Text*]

the regulaitons that Parliament has prescribed. The Company went before the Commission in accordance with the statute and in accordance with the regulations, and in due course a hearing was held and a judgment rendered and that judgment you are familiar with and we refer to part of it in this letter.

Simultaneously with that, your Committee has been dealing with Maritime transportation problems and you visited various points in the Atlantic Canada and had other people appearing before you. We do not know and we have not seen any evidence of what transpired here a week ago, but I would ask your indulgence that you do not ask us to endeavour at this point to vary or attempt to vary or to give new evidence that might vary a judgment that now exists.

As you just stated a moment ago your Committee, in a report tabled yesterday which you just read, Mr. Skoberg, now poses another matter in relation to it. We would really appreciate your indulgence that you do not ask us to endeavour to vary the situation as it exists. You have two points. We refer to Clause 2 of Order No. R-2673. That is the current situation now before the Commission and I think it would be improper to ask us to make a further statement in relation to that legal situation.

Mr. Skoberg: May I ask then, on a straight legal definition of R-2673 which says:

> subject to the following conditions, the Applicants shall, on April 15, 1969,...

Mr. McGrath: Mr. Chairman, I am going to raise a point of order before we proceed. A very important statement has been made and if it is allowed to go unchallenged we may as well dispense with this hearing now because according to what Mr. Vaughan has said he is not permitted to give any new evidence which would have any relationship to or alter in any way the judgment of the CTC, and he asks our indulgence not to ask questions which would shed any new light on it.

Mr. Vaughan: I did not say that I would not. I really tried to outline to you the legal situation.

Mr. McGrath: That is right. We appreciate that.

[*Interpretation*]

ce sens qu'il y a eu une audience en vertu de la loi et des règlements prescrits par le Parlement. La compagnie a comparu devant la Commission, conformément à la loi et aux règlements, et en temps et lieu, on a tenu une audience et rendu un jugement. Ce jugement, vous le connaissez, et nous en mentionnons une partie dans cette lettre.

En même temps, votre Comité a étudié les problèmes des transports dans les provinces Maritimes, et vous avez visité différentes parties de la région de l'Atlantique, où différents témoins ont comparu devant vous. Nous ne savons pas, et nous n'avons pas entendu parler de ce qui s'est produit ici il y a une semaine, mais je vous demande d'être assez indulgents pour ne pas nous demander d'essayer, pour le moment, de modifier un jugement déjà rendu, ou de donner de nouveaux témoignages qui puissent faire modifier ce jugement. Comme vous l'avez dit il y a un instant, votre Comité, dans un rapport déposé hier, et dont vous venez de nous donner lecture, monsieur Skoberg, met une autre question en cause. Nous aimerions que vous soyez indulgents, et que vous ne nous demandiez pas d'essayer de modifier la situation actuelle. Il y a deux questions en cause. Nous parlons de la clause 2 de l'ordonnance nº R-2673. Il s'agit de la situation actuelle que doit étudier la Commission, et je pense qu'il serait malvenu de nous demander de faire une autre déclaration relativement à cette situation d'ordre juridique.

M. Skoberg: Puis-je demander, alors, une définition juridique claire de l'ordonnance R-2673, où l'on dit:

> Sous réserve des conditions suivantes, les demandeurs supprimeront, le 15 avril 1969...

M. McGrath: Monsieur le président, avant que nous n'allions plus loin, je vais invoquer le Règlement. Une déclaration très importante a été faite, et si nous la laissons passer sans la relever, nous pouvons aussi bien ne pas tenir cette audience, car, d'après ce qu'a dit M. Vaughan, il n'a pas le droit de donner de nouveaux témoignages qui aient quelque rapport avec le jugement de la Commission canadienne des transports, ou qui le modifient en quoi que ce soit, et il vous demande de ne pas lui poser de questions qui puissent donner des éclaircissements à cet égard.

M. Vaughan: Je n'ai pas dit que je ne répondrais pas. J'ai réellement essayé de vous expliquer ce qu'il en était sur le plan juridique.

M. McGrath: C'est cela. Nous le voyons bien.

[*Texte*]

Mr. Vaughan: I asked your indulgence if you would not really put me in the position...

Mr. McGrath: We appreciate that, but I just want to say that it seems to me—and I am not a lawyer, Mr. Chairman—that under the National Transportation Act, Section 52 or 53, the Governor in Council has the right upon petition or of their own volition to change the judgment in any way, and it is in this connection and this regard that this Committee is pursuing the judgment that was rendered by the CTC with the view to having the Governor in Council change the judgment.

Mr. McCleave: On the legal point, may I just ask Mr. Vaughan one question? This is something that I raised the other day with Mr. Pickersgill. Is it not a fact, Mr. Vaughan, that the railway has until August 15 to carry out this particular order of the Canadian Transport Commission? Do you not have to carry it within the year? I thought this was a point made by Mr. Pickersgill the other day.

Mr. Vaughan: I thought the order read April 15.

Mr. McGrath: Yes, April 15.

Mr. Skoberg: I have just one last question. I want to leave this and I will not introduce a new subject because I am sure there are many other questions here. The order says:

> the applicants shall, on April 15,

Do I gather then, Mr. Vaughan, that the CNR can vary the order that we have before us?

• 1150

Mr. Vaughan: No, we cannot vary the order. I do not have the order in front of me but I remember reading it and if you look at Clause 1, paragraph 1, it says "shall", does it not? Clause 1, paragraph 2 also says "shall". "That we shall continue".

> The passenger train service shall continue to be operated in the same manner and as frequently as it was during the comparable period 1967, until the Commission is satisfied that such bus service has been inaugurated.

There are two "shalls" in paragraph 1 and paragraph 2.

Mr. Skoberg: I presume then that the Canadian National management has decided that

[*Interprétation*]

M. Vaughan: Je vous ai demandé d'être indulgents et de ne pas me mettre dans une situation...

M. McGrath: Nous nous en rendons compte, mais je voudrais simplement dire qu'il me semble—et je ne suis pas juriste, monsieur le président—qu'en vertu de l'article 52 ou 53 de la Loi sur les transports, le gouverneur en conseil a le droit, sur pétition ou de son propre chef, de modifier le jugement comme il le veut mais c'est pour cette raison et à cet égard que le Comité poursuit le jugement rendu par la Commission canadienne des transports, en vue de faire modifier le jugement par le gouverneur en conseil.

M. McCleave: Sur l'aspect juridique puis-je simplement poser une question à M. Vaughan? C'est un sujet que j'ai déjà mentionné l'autre jour, avec M. Pickersgill. N'est-il pas exact, monsieur Vaughan, que les chemins de fer ont jusqu'au 15 août pour mettre à exécution cette ordonnance particulière de la Commission canadienne des transports' N'a-t-on pas à le faire dans les douze mois? Je croyais que c'était là ce qu'avait dit M. Pickersgill l'autre jour.

M. Vaughan: Je croyais que ce décret disait le 15 avril.

M. McGrath: Oui, c'est cela, le 15 avril.

M. Skoberg: J'ai une dernière question. Je veux en finir, et je ne vais pas aborder un nouveau sujet, car je suis certain qu'il y a beaucoup d'autres questions à étudier. On dit dans l'ordonnance:

> ... les demandeurs supprimeront, le 15 avril 1969...

Dois-je en conclure, monsieur Vaughan, que le National-Canadien peut modifier l'ordonnance que nous étudions actuellement?

M. Vaughan: Non, nous ne pouvons la modifier. Je n'ai pas l'ordonnance sous les yeux, mais je me souviens de l'avoir lue, et, si vous regardez le paragraphe 1 de la clause 1, on y emploie des termes assez catégoriques, n'est-ce pas? Il en est de même du paragraphe 2 de la cause 1, où l'on dit «que le service de trains de voyageurs continuera à fonctionner de la même manière et aussi fréquemment que durant la période comparable de 1967, jusqu'à ce que le service d'autobus ait été inauguré et mis en service à la pleine satisfaction de la Commission». On emploie, dans les paragraphes 1 et 2, des termes assez catégoriques.

M. Skoberg: J'en conclus, alors, que l'administration du National-Canadien a décidé que

[*Text*]

right now the facilities you do have and the bus facilities are not sufficient to meet the demand. In regard to this service are you taking into consideration the weather conditions being very mild in Newfoundland?

Mr. Vaughan: We are really trying to be flexible in dealing with the situation and this is what the letter said and Mr. Macdougall will deal with this in a moment.

Mr. Macdougall: We have the winter weather conditions which have not been as severe in some parts this winter as they probably could be some other winters, although some of it has been as severe as you would ever want to find it. Basically the response that has been given to the bus service which was indicated raised the question in our minds as to whether we had sufficient bus capacity and we are not satisfied that we have not sufficient bus capacity now, and we are not satisfied that we have to get additional buses, but the question has been raised as to whether or not, if this growth goes on much longer which is more than we had expected before, we will have sufficient and how we are going to deal with it. So we are investigating that and trying to make an assessment of it because we know that sometime this spring the Commission is going to ask what the situation is and we have to be in a position where we can show that the service that we said we would provide will be provided in the quality that we said it would be.

Mr. Skoberg: You will leave the train on as is until that time arrives.

Mr. Macdougall: The train will be on until such time as everybody is satisfied, that is, the Commission is satisfied that the bus service is adequate. If they were to say to us, "Your bus service is not adequate because you need three more buses", we are looking at that to make sure we will know the answer to that eventuality should it arise.

Mr. Skoberg: The consist of the train that presently exists will remain until the decision is made?

Mr. Macdougall: It has not changed.

Mr. Lundrigan: May I ask a supplementary question, before we leave the topic, Mr. Chairman? Do I understand that the CNR officials recommended to the Railway Transport Committee of the Canadian Transport Commission that the deadline of April 15 not be enforced until you get the reassessment of your bus facilities, and so on and so forth? Is this my understanding from your letter?

[*Interpretation*]

pour le moment les installations et le service d'autobus dont vous disposez ne sont pas suffisants pour répondre aux besoins. Est-ce que vous tenez compte du fait que la température est très clémente à Terre-Neuve, à l'égard de ce service?

M. Vaughan: Nous essayons d'être très souples face à cette situation. C'est bien ce qui est dit dans la lettre et M. Macdougall vous en parlera dans un instant.

M. Macdougall: L'hiver a été plutôt clément dans certains ports, et cela peut se reproduire, bien qu'à certains moments il était aussi rigoureux que d'habitude. La réaction au service d'autobus qu'on a mentionnée fait qu'on se demande vraiment si nous avons suffisamment d'autobus, et nous ne sommes pas convaincus qu'on manque d'autobus à l'heure actuelle, et qu'il faudrait se procurer d'autres autobus. Mais on se demande, si cette expansion se poursuit à un rythme plus élevé qu'on ne le prévoyait, comment nous allons régler le problème. Nous étudions la situation pour en faire une évaluation parce que nous savons que ce printemps, la Commission nous demandera ce qu'il en est et il nous faudra être en mesure de démontrer que le service que nous avions promis sera bel et bien assuré comme nous l'avions promis.

M. Skoberg: Vous allez donc maintenir le service par train jusqu'à ce moment-là?

M. Macdougall: Jusqu'à ce que tout le monde soit satisfait, c'est-à-dire jusqu'à ce que la Commission soit convaincue que le service d'autobus est adéquat. Si on nous dit qu'il n'est pas adéquat parce qu'il nous faut trois autobus de plus, nous étudierons la situation de façon à savoir quoi répondre dans ce cas.

M. Skoberg: Le service des passagers par train sera maintenu jusqu'à ce que la décision soit prise.

M. Macdougall: Il n'a pas changé.

M. Lundrigan: Puis-je poser une question complémentaire avant qu'on ne quitte ce sujet, monsieur le président? Si je comprends bien, les fonctionnaires du National-Canadien ont recommandé au comité du Transport par chemin de fer de la Commission canadienne des transports que la date limite du 15 avril ne sera pas mise en vigueur jusqu'à ce que vous puissiez réévaluer votre service d'auto-

[*Texte*]

Mr. Vaughan: Well, that is what the letter says.

Mr. Lundrigan: Yes. Well, then, Mr. Chairman, there is a basic contradiction because Mr. Skoberg asked the question as to whether the railway officials would recommend that the rail passenger service status of abandonment be set aside until our Committee had a chance to make its final report and so on—

The Chairman: He has no right to do so.

Mr. Lundrigan: Well, in any event I think the question was that the CN officials stimulate some thinking along the lines of having the decision set aside until such and such a date. This was my understanding.

Mr. Macdougall: No, no that is not the point. The point is that the order specifies that the Commission must be satisfied that the alternate service is sufficient before the train service comes off, and they say it will not happen before April 15. We are simply pointing out to the Committee that we are re-examining the adequacy of the bus capacity and until we have had a chance to do that we are not suggesting to them that they come and ask us on April 15, "Are you ready to take it off?" We are telling them that we may have to go a little longer than that before we can assess this new factor.

Mr. Lundrigan: Well, then my supplementary is this. Regardless of what the order said, could you not recommend as a corporate body that this passenger service continue indefinitely? Could you not recommend this? You have already taken steps partly in that direction.

Mr. Vaughan: We tried to cover that a moment ago.

Mr. Lundrigan: I am sorry but my question was not answered.

Mr. Vaughan: My answer was that I had endeavoured a while back to cover that particular point in conversation with Mr. Skoberg when I outlined the legal position and I asked your indulgence really not to ask us that question.

• 1155

Mr. McGrath: I want to raise a point of order, Mr. Chairman. This is a very important point because unless we get your ruling

[*Interprétation*]

bus, et ainsi de suite? Est-ce que j'ai bien compris votre lettre?

M. Vaughan: C'est ce que dit la lettre.

M. Lundrigan: Alors, monsieur le président, il y a une contradiction fondamentale parce que monsieur Skoberg a demandé si les fonctionnaires du National-Canadien recommanderaient que l'abandon du service des passagers ferroviaire soit mis de côté jusqu'à ce que le Comité ait l'occasion de présenter son rapport final et ainsi de suite.

Le président: Il n'a pas le droit de le faire.

M. Lundrigan: De toute façon, je pense que la question posée était que les fonctionnaires du CN songent à remettre ces décisions à telle ou telle date. C'est ce que j'ai compris.

M. Macdougall: Non, le fait est que le décret précise qu'il faut convaincre la Commission que le nouveau service est adéquat avant que les services ferroviaires soient discontinués, ce qui, selon eux, ne se fera pas avant le 15 avril. On dit tout simplement au comité que nous sommes à réétudier notre service d'autobus pour savoir si le nombre d'autobus est suffisant et que, jusqu'à ce que nous l'ayons fait, nous ne leur disons pas qu'ils viennent nous demander le 15 avril si nous sommes prêts à le discontinuer. Nous disons que nous devrons peut-être le prolonger un peu avant de pouvoir évaluer ce nouveau facteur.

M. Lundrigan: Voici donc ma question complémentaire. Quoi que dise le décret, ne pourriez-vous pas recommander, en tant qu'organisme, que le service voyageurs soit maintenu indéfiniment? Ne pourriez-vous pas faire une recommandation en ce sens? Vous avez déjà pris certaines mesures dans cette voie.

M. Vaughan: Nous avons essayé de répondre à cela il y a un instant.

M. Lundrigan: Je m'excuse, mais on n'a pas répondu à ma question.

M. Vaughan: Ma réponse est que j'ai essayé, il y a un instant, de répondre à cette question au cours d'une conversation avec monsieur Skoberg, lorsque je vous ai exposé la situation juridique et j'ai fait appel à votre indulgence de ne pas nous poser cette question.

M. McGrath: J'en appelle au règlement, monsieur le président. C'est un point très important car à moins que nous ayons votre

[*Text*]

on this it will be a waste of time for us to pursue this matter, because Mr. Lundrigan has directed a question and the witness has referred to the legal position which I brought up a few moments ago on a point of order.

I submit we have every right to pursue questioning and ask for new evidence under Section 53 of the Act, and also under the terms of the interim recommendation we have made to the House. I am going to ask for a ruling on this, Mr. Chairman, so that we can pursue a line of questioning similar to the line Mr. Lundrigan is pursuing now.

Mr. Trudel: Mr. Chairman, on a point of order, I think it is not for this Committee, Mr. Chairman, to interpret the law. We will have to abide by the rulings. On this line of questioning that we have been conducting I see no evidence of the witnesses not co-operating. They have been co-operating, and to my mind we are getting the kind of answers that we want. I do not see any reluctance in the answers. I think they are just stating a fact, and this would apply not only in this particular instance, but with all rulings when it is a point of law that is being disputed, that the witness has no right to interfere. This would apply not only before this Committee but before any other committee. The evidence we are getting now is, in my interpretation of it, sufficient. There will many more questions. We need far more facts than we have had presented but if we keep on arguing as to the point of law we will not get what we are trying to achieve in this Committee.

As to Article 53 that has been mentioned, it is not for the witness to say what the Governor in Council will change after our final report. This will only come at that time and I do not think that we can invoke Article 53 as some members are doing at this time so as to be either for or against the witness's statements that they are giving right now.

Mr. Lundrigan: Mr. Chairman, perhaps in asking my question I did not take enough time to clarify what I was trying to do and perhaps it was a bit misleading. I am aware of the particular part of the act, Section 53, and I am aware of the fact that the Canadian Transport Commission said that the service shall continue until it was satisfied that the alternate service was adequate.

[*Interpretation*]

jugement à ce sujet, il sera inutile de poursuivre cette ligne de questions parce que monsieur Lundrigan a posé une question et le témoin a répondu en parlant de la situation juridique que j'ai soulevée il y a un instant dans un appel au règlement.

Je dis que nous avons le droit de poser des questions et de demander de nouvelles preuves en vertu de l'article 53 de la Loi et aussi aux termes des recommandations provisoires que nous avons formulées à la Chambre. Je demande donc que vous portiez un jugement là-dessus, monsieur le président, pour que nous puissions poursuivre l'interrogatoire dans le sens de M. Lundrigan.

M. Trudel: J'en appelle au Règlement, monsieur le président, ce n'est pas à ce comité, je pense, monsieur le président, de faire l'interprétation de la Loi. Il nous faudra nous en tenir aux jugements. Dans l'orientation que prend l'interrogatoire, je ne vois rien de la part des témoins qui nous permette de conclure qu'ils ne collabore pas. Ils ont collaboré jusqu'ici et je crois que nous avons les réponses que nous désirons obtenir. Les témoins ne refusent pas de répondre. Ils donnent les faits et je pense que cela ne s'applique pas simplement dans ce cas, mais à tous les jugements portés lorsqu'une question juridique est mise en cause, le témoin n'a pas le droit d'intervenir. Cela ne s'applique pas seulement à ce Comité mais à tous les comités. Les témoignages que nous obtenons sont suffisants d'après mon interprétation. Il y aura encore beaucoup de questions. Il nous faut beaucoup plus de faits que ceux dont on nous a fait part jusqu'ici, mais si on continue de se quereller sur une question juridique on ne parviendra pas à réaliser l'objectif de ce Comité.

Quant à l'article 53 dont on a parlé, ce n'est pas au témoin de dire quand le Gouverneur en conseil modifiera notre rapport définitif, cela ne se produira qu'à ce moment-là et je ne crois pas qu'on puisse invoquer l'article 53 comme d'autres députés le font en ce moment de façon à se prononcer pour ou contre les déclarations que les témoins font en ce moment.

M. Lundrigan: En posant la question, je n'ai peut-être pas précisé suffisamment ce à quoi je voulais en venir et qu'elle pouvait induire en erreur. Je connais l'article de la Loi en cause, l'article 53, et je sais aussi que la Commission canadienne des transports a dit que le service sera maintenu jusqu'à ce qu'elle soit convaincue que le nouveau service est adéquat.

[*Texte*]

My point was that the CTC did not say that the alternate service was inadequate and therefore that the rail passenger service should continue until the buses were brought up to an adequate state. This was not the situation. The situation, as I understand it, is that the CNR has approached the Railway Transport Committee of the CTC asking that it be allowed to continue the rail passenger service because they admitted the bus service was not adequate. My understanding of it is pretty well along those lines.

In other words, I do not understand from what was read here on the record that the Canadian Transport Commission has ordered that the passenger service continue. I understand that the railway has taken the initiative. Therefore, I thought my question was quite in order. If the railway has taken a certain initiative—I do not know how it is defined by the gentlemen here—why can it not take further initiative?

Mr. Trudel: May I speak to this, Mr. Chairman?

Mr. Vaughan: Is there another question?

The Chairman: Mr. Mahoney, on a point of order.

Mr. Mahoney: No, I think Mr. Lundrigan has asked a question—are we still talking on the point of order?

Mr. Lundrigan: Well, this is a question Mr. Chairman, to our . . .

Mr. Mahoney: Frankly, having heard the question restated, I think it is a hypothetical question. What is being asked here is what course of action the CNR is going to take when it meets again with the CTC, and I do not think it is proper for this Committee to compel that answer. They have told us that they are studying the situation. This is the reason for the deferral. They are obviously not ready to meet with the CTC or they would be doing so already. So what purpose is there in following this particular line of questioning?

The Chairman: The purpose of this Committee this morning is to hear from the CNR people and we can ask questions, but I do not think Mr. Vaughan has the authority to recommend such things to the CTC. So, I think the question, as I see it, is completely out of order.

[*Interprétation*]

Ce à quoi je voulais en arriver, c'est que la CCT n'a pas dit que le nouveau service est inadéquat et que, par conséquent, il faudra maintenir le service voyageurs du chemin de fer jusqu'à ce que le service d'autobus soit amélioré. Ce n'est pas le cas. Si je comprends bien, la situation est que le National-Canadien a demandé au comité du transport ferroviaire de la CCT la permission de maintenir le service voyageurs parce qu'il reconnaît que le service d'autobus n'est pas adéquat. C'est la façon dont je vois la situation.

Autrement dit, je ne comprends pas, à la suite de ce qui a été consigné au compte rendu, que la Commission canadienne des transports ait exigé qu'on maintienne le service voyageurs. Je crois comprendre que c'est le National-Canadien qui a pris l'initiative. Par conséquent, je crois que ma question est tout à fait recevable. Si le National-Canadien a pris une certaine initiative, je ne sais pas comment ces gens la désignerait, mais pourquoi ne peut-il pas en prendre d'autres?

M. Trudel: ESt-ce que je peux prendre la parole à ce sujet, monsieur le président?

M. Vaughan: Est-ce qu'il y a une autre question?

Le président: Monsieur Mahoney, en appel au Règlement.

M. Mahoney: Non, je crois que M. Lundrigan a posé une question—Est-ce qu'il s'agit toujours du même appel au Règlement?

M. Lundrigan: Ma question, monsieur le président s'adresse à . . .

M. Mahoney: Maintenant qu'on a répété la question, je crois franchement que c'est une question hypothétique. On désire simplement savoir quelle ligne de conduite le National-Canadien va adopter lorsqu'il rencontrera de nouveau les représentants de la CCT, et je ne crois pas qu'il soit approprié de les obliger de répondre. Ils nous ont dit qu'ils étudient la situation. C'est la raison pour laquelle ils veulent répondre plus tard. Ils ne sont évidemment pas prêts à rencontrer la CCT, sinon ils le feraient dès maintenant. A quoi bon poursuivre ce genre de questions?

Le président: Je pense que l'objet de la séance de ce matin est d'entendre le point de vue du National-Canadien et nous pouvons poser des questions, mais je ne crois pas que monsieur Vaughan a l'autorité voulue pour faire de telles recommandations à la CCT. Je pense donc que la question, de la façon dont je la vois, est tout à fait irrecevable.

[*Text*]

Mr. McGrath: What is out of order?

The Chairman: Because Mr. Vaughan does not have the authority to do so. He is trying

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to answer in the best he can all these questions but you have asked him about something he has not got the authority to do.

Mr. Lundrigan: Mr. Chairman, I am going to raise my question, even if I have to do it on a point of order. I have before me now the submission by the Canadian National Railways, their Commission Counsel Mr. Pye, and it states in here specifically "In view of this...", "this" meaning the heavy traffic experienced this year, and so on, on the buses and the rail line:

> ...we have in contemplation the possibility of having the train services extended for a short period...

of time. This was the CNR's initiative.

Mr. Vaughan: That is what we are saying; it is clear what it ways.

Mr. Lundrigan: Well, this is the reason for my question. If the CN can take this kind of initiative why cannot it take initiative beyond this and have the thing extended indefinitely?

Mr. Vaughan: If you read the rest of the letter I think it is clear.

Mr. Crossman: Mr. Chairman, I have one minor question. Are you bringing in a 20-minute period for each questioner instead of 10 minutes, or can one questioner go on indefinitely?

The Chairman: Ten minutes, but Mr. Crossman we have been on points of order all around the house here. Mr. Trudel?

Mr. Trudel: Mr. Chairman, I think following Mr. Lundrigan's line of questioning that the CNR has acted within the terms of reference in the ruling of the CTC if you will refer to it. I think it was deposited in our tabling to the House. In this they are not doing anything that is not provided for in the ruling of the CTC. It was their prerogative and I think there was a review indicated. I think if my memory serves me correctly it is referred to in Article 5. I do not have have the wording of the article before me.

Mr. McCleave: Do you want me to read it into the record? I have it here. Do you mean

[*Interpretation*]

M. McGrath: Qu'est-ce qui n'est pas recevable?

Le président: Monsieur Vaughan n'a pas l'autorité voulue pour le faire. Il essaie de répondre à toutes ces questions au meilleur de sa connaissance, vous vous lui avez posé une question à laquelle il n'a pas l'autorité voulue pour répondre.

M. Lundrigan: Monsieur le président, je vais poser ma question même si je dois faire un appel au règlement. J'ai ici le mémoire du National-Canadien préparé par M. Pye, leur conseiller juridique et on y dit de façon bien précise, «vu cet état de chose». c'est-à-dire vu le nombre élevé de personnes qui utilisent ces services d'autobus et de chemin de fer:

> nous songeons à la possibilité de prolonger ces services pour une brève période...

C'est l'initiative prise par le National-Canadien.

M. Vaughan: C'est ce que nous disons. C'est très clair ce qu'on y dit.

M. Lundrigan: C'est la raison pour laquelle j'ai posé la question. Si le National-Canadien peut prendre de telles initiatives, alors pourquoi ne pas prendre d'autres initiatives et les prolonger indéfiniment?

M. Vaughan: Si vous lisez le reste de la lettre, vous verrez que c'est très clair.

M. Crossman: Monsieur le président, j'ai une petite question à poser. Est-ce que vous prévoyez 20 minutes pour chaque député qui pose une question, ou 10 minutes? Ou peut-on prolonger la période indéfiniment?

Le président: Dix minutes, monsieur Crossman, mais nous avons des rappels au Règlement ici. Monsieur Trudel?

M. Trudel: Monsieur le président, à la suite des questions posées par M. Lundrigan, je pense que le National-Canadien a agi suivant le mandat apporté par la décision de la Commission. Je crois que cela a été déposé aussi à la Chambre. Ils ne font rien qui ne soit pas prévu dans la décision de la Commission. C'est leur prérogative et je crois qu'il y a eu une révision. Si je me souviens bien, on en parle à l'article 5.

Je n'ai pas le libellé de cet article, ici devant moi.

M. McCleave: Vous voulez que je le consigne au compte rendu? Je l'ai ici. Voulez-vous

[*Texte*]

subparagraph (5) of the order of the Committee?

Mr. Trudel: Yes and I think this letter is pursuant to this. I see no conflict of interest anywhere nor I do see any new initiative that has not been provided for under this article. And I think we have obtained what we were looking for, an extension of time until we were able to table our report.

Mr. Lundrigan: That is not in there...

Mr. McCleave: I think there is a point of order, actually, Mr. Chairman under this subparagraph (5) of the order of the Railway Transport Committee. It says in part:

> (5) If, prior to April 15, 1969, the Applicants fail or are unable to perform any of the conditions enumerated above, or if at any time before that date the Committee is not satisfied that the bus service is at least as good as the present passenger train service, it may upon notice to the Applicants and to all parties who appeared before it in December, 1967 reconvene the hearing to consider whether in the exercise of its general powers under the Railway Act, it should impose further conditions to be met prior to the discontinuance of the passenger train service or direct the adoption of such measures as may be necessary to ensure the adequacy of the bus service.

The Chairman: And what did you read it from Mr. McCleave?

Mr. McCleave: This was from the Order signed by Mr. Rump, paragraph 9 subparagraph (5). The odd thing is that it is very badly drafted because there are two options, one "if the applicants fail", and the second "the Committee is not satisfied". But just dealing with the part about the options to explain my point:

> If, prior to April 15, 1969, the Applicants fail or are unable to perform any of the conditions enumerated above,... it may upon notice to the Applicants...

As I say, it is a very badly drafted Order but I think still the Railway Committee can take that initiative to postpone its order before April 15, 1969.

[*Interprétation*]

parler du sous-alinéa (5) de l'ordonnance du Comité?

M. Trudel: Oui. Cette lettre vient à la suite de cela. Il n'y a pas de conflit d'intérêt ou quoi que ce soit et je ne vois pas de nouvelles initiatives qui n'ont pas été prévues en vertu de cet article. Je pense que nous avons obtenu ce à quoi nous voulions en arriver, soit un prolongement jusqu'à ce que nous soyons en mesure de déposer notre rapport.

M. Lundrigan: Ce n'est pas dans...

M. McCleave: Je pense qu'il y a un rappel au Règlement, monsieur le président, en vertu du sous-alinéa (5) de l'ordonnance du Comité du transport ferroviaire. On y dit que:

> (5) Si, avant le 15 avril 1969, les demandeurs n'exécutent pas, ou ne sont pas en mesure d'exécuter, l'une ou l'autre des conditions énumérées ci-dessus, ou si à un moment donné avant cette date, le Comité n'est pas convaincu que le service d'autobus est au moins aussi bon que le service de trains de voyageurs actuel, il pourra, après en avoir notifié les demandeurs et toutes les parties qui ont comparu à ses séances en décembre 1967, se réunir à nouveau en audience, afin d'examiner si, dans l'exercice de l'autorité générale que lui confère la loi sur les Chemins de fer, il devrait imposer de nouvelles conditions avant la suppression du service de trains de voyageurs, ou ordonner l'adoption des mesures éventuellement requises pour assurer le fonctionnement satisfaisant du service d'autobus.

Le président: D'où vient ce texte?

M. McCleave: C'est l'ordonnance signée par M. Rump, alinéa 9, sous-alinéa (5). Ce qui est étonnant, c'est que c'est très mal rédigé parce que, si vous lisez, il y a deux possibilités: (1) «les demandeurs n'exécutent pas», et (2) «le Comité n'est pas convaincu». Mais je voudrais expliquer mon point de vue:

> Si, avant le 15 avril 1969, les demandeurs n'exécutent pas, ou ne sont pas en mesure d'exécuter, l'une ou l'autre des conditions énumérées ci-dessus... il pourra, après en avoir notifié les demandeurs..

Comme je l'ai dit, cette ordonnance est très mal rédigée, mais le comité du transport ferroviaire peut toujours prendre l'initiative de retarder cette ordonnance avant le 15 avril 1969.

[*Text*]

The Chairman: Not the Company, Mr. McCleave.

Mr. McCleave: I am sorry; the Railway Transport Committee.

An hon. Member: Not this Committee.

Mr. McCleave: I am sorry if I mislead you. I meant to say the Railway Transport Committee.

The Chairman: Mr. Rose?

Mr. Rose: Mr. Chairman, I have been listening to all of this and I think the chief concern voiced on this side of the table is that Article 5 deals with the Canadian Transportation Commission initiative, making certain that the various options that were open and described in subparagraph (5) are adhered to. They obviously have not done this. The initiative has been up, at this point, with the CNR. Now, we do not know for what reason. We do not know whether they responded to a resolution in the Newfoundland legislature. We really have no idea and it seems to me that this is the basic concern being expressed here. I have no views to express other than that on the matter, but it appears to me that we might get on with this and carry our argument further with the CTC at this particular point.

Mr. Vaughan: Could I say that there is liaison going on all the time between the railway and the railway branch of the CTC. The first paragraph of that letter refers the Commission's counsel and counsels various discussions about stand-by equipment and these people are talking together all the time, so there is not any mystery about this at all. It is fairly straightforward. We are conscious of the April 15 date in the order and discussion has to go on. We have to try to satisfy them on the stand-by equipment or what we plan to do is adequate in their minds.

It just so happens this one letter and this one conversation seem to be important elements and that is why I brought it. I read in the paper about your deliberations of a week ago but I did not see the evidence and I really do not know what went on.

Mr. Rose: We have not either, sir.

Mr. Vaughan: Anyway, I really brought this letter to try to be helpful.

[*Interpretation*]

Le président: Pas la compagnie, monsieur McCleave.

M. McCleave: Je m'excuse; le comité du transport ferroviaire.

Une voix: Pas ce Comité-ci.

M. McCleave: Je regrette de vous avoir induit en erreur. Je voulais parler du comité du transport ferroviaire.

Le président: Monsieur Rose?

M. Rose: Monsieur le président, après avoir entendu tous ces échanges, je pense que la principale préoccupation de ce côté-ci, c'est que l'article 5 traite de l'initiative de la CCT pour s'assurer qu'il y a différentes options possibles et décrites au sous-alinéa (5) et qu'on s'en tienne à ces dispositions. On ne l'a pas fait, de toute évidence. Cette initiative, jusqu'ici, a été laissée au National-Canadien. Nous ne savons pas pour quel motif. Nous ne savons pas s'ils ont réagi à la suite d'une résolution adoptée à la législature de Terre-Neuve. Nous n'en savons rien, et je pense que c'est là la principale préoccupation formulée ici. Je n'ai pas de point de vue à formuler sur la question, mais il me semble que nous pourrions poursuivre cet argument auprès de la CCT maintenant.

M. Vaughan: Il y a toujours des rapports qui se maintiennent entre les chemins de fer et la commission ferroviaire de la CCT. Au premier alinéa de cette lettre, il est question des entretiens pour ce qui est de l'équipement, des réserves et ainsi de suite. Et ces gens se rencontrent et discutent de la chose fréquemment. Donc, il n'y a pas de mystère là-dedans. C'est très clair, c'est très précis. Nous sommes conscients de cette date du 15 avril dans l'ordonnance. Il faut donc avoir des discussions. Il faut répondre à leurs exigences avec cet équipement de réserve. Ce que nous essayons de faire doit être adéquat, à leur avis.

Il y a eu cette lettre, il y a eu cet entretien qui semble être un élément important. C'est la raison pour laquelle je vous le présente. Parce que j'ai lu ce qu'il en était dans les journaux quant à vos délibérations d'il y a une semaine. Je n'ai pas vu les témoignages. Je ne sais pas vraiment ce qui s'est passé, ce qui s'est produit.

M. Rose: Nous non plus, Monsieur.

M. Vaughan: De toute façon, j'ai apporté cette lettre pour essayer de vous rendre service, de vous être utile.

[*Texte*]

The Chairman: Mr. McCleave, you have the floor.

Mr. McCleave: Oh, I am sorry. I was going to raise the topic of the roadbeds and the paragraph seven in the document Mr. Macdougall has brought to us this morning. You suggest, Mr. Macdougall, general improvement in the roadway system to provide all-weather capabilities on arterial roads. Of course, you are dealing with the highway transportation, but I was wondering about the capability of the railway roadbeds especially, say, on something like the haul from Halifax through to Montreal because of the unit train which is to be developed out of Halifax. Is that roadbed as capable as any railway roadbed in the world to carry heavy traffic?

Mr. Macdougall: Well, that is a pretty broad question, Mr. McCleave, to compare it with any roadbed in the world, but it is perfectly adequate to carry the traffic that we have now and which we contemplate.

Mr. McCleave: So if you had unit trains with very heavy containers in them this roadbed would be adequate in your opinion.

Mr. Macdougall: Oh, yes. Actually the container type of unit train is not usually a very heavy tonnage type of train. It is not like carrying iron ore or things of that kind which is very heavy, dense material. Containers usually have packaged goods in them, furniture and things of that kind, and they are not really very heavy. The track structure that we have now between Halifax and Montreal is perfectly adequate to handle any of the unit trains that we can see at the moment developing.

To take an example, if we were to get very heavy tonnages of heavy material, such as iron ore, through Canso if that were opened up as a seaport, or Leonardville in New Brunswick if that were to be opened up, and we had to operate unit trains from there into Central Canada or the U.S. we might have to do some further examination of what we needed in order to get the optimum speed out of those trains to give us the services desired. However, as yet we have not been faced with that problem and we are handling very heavy tonnages as it is right now over our mainlines and they are perfectly adequate.

Mr. McCleave: May I ask, and I hope it is a fair question, whether you as Atlantic Vice-President find sympathy when you present your request for this maintenance, over-haul and up-building and capital expenditures on the roadbed of the over-all system?

[*Interprétation*]

Le président: Monsieur McCleave, vous avez la parole.

M. McCleave: Je m'excuse, je voulais parler de l'alinéa 7, dans le document que nous a présenté M. MacDougall ce matin. Monsieur MacDougall, vous proposez une amélioration du réseau routier et aussi des axes principaux et je me demandais ce qu'il en était quant à la possibilité de voir à l'amélioration de l'aménagement ferroviaire, particulièrement d'Halifax à Montréal, à cause du train homogène qui doit partir d'Halifax. Est-ce qu'on peut avoir un trafic très lourd?

M. Macdougall: C'est une question très difficile, monsieur McCleave. Il est aussi bon que n'importe quel autre au monde et il est adéquat pour le trafic que nous avons maintenant et auquel nous songeons.

M. McCleave: Donc, si vous aviez des trains homogènes avec des cadres très lourds ce serait suffisant, selon vous.

M. Macdougall: Oui, ce train homogène à cadres, habituellement, n'est pas très lourd. Ce n'est pas comme si on transportait, disons, du minerai de fer ou des choses de ce genre, ce qui est très lourd et très dense. Les cadres, habituellement, ont des meubles, des colis et ce n'est pas très lourd. Et, disons, le rail que nous avons de Halifax à Montréal est suffisant pour tout train homogène auquel nous puissions songer maintenant.

Simplement pour vous donner un exemple, si nous avions des matériaux très lourds, tel le minérai de fer, à transporter par Canso, si c'était inauguré comme port maritime, ou Leonardville, au Nouveau-Brunswick, et s'il nous fallait avoir un service de trains homogènes à partir de ce point jusqu'au Canada central ou aux États-Unis, il faudrait savoir quelles seraient les nouvelles exigences pour avoir une vitesse maximale pour ce train et assurer le service requis. Mais, nous n'avons pas encore à faire face à ce problème. Nous avons un tonnage très élevé déjà prévu maintenant pour cette ligne principale.

M. McCleave: J'espère que cette question est juste. Est-ce que je pourrais vous demander si, en tant que vice-président de la région Atlantique, on comprend très bien votre demande lorsque vous demandez l'amélioration ou encore les dépenses en immobilisations pour cet aménagement ferroviaire?

[*Text*]

Mr. Macdougall: From our system headquarters?

Mr. McCleave: Yes.

Mr. Macdougall: Oh, yes. On a system such as Canadian National, all the requirements all over the system have to be looked at and there is only a certain amount of money to go around. There is not any sort of open pot from where you take everything you want, but I think it is fair to say that our trackage is maintained to the quality of the transportation that has to operate over it, and that is the same rule that applies in Ontario or British Columbia or wherever it may be.

Mr. McCleave: Arising also out of paragraph 7, Mr. Macdougall, but dealing with the roadway side or the highway side, does the CNR in the Maritimes or Atlantic Canada have trucking systems?

Mr. Macdougall: Yes, we have trucking services throughout the whole of Atlantic Canada.

Mr. McCleave: Are these for long-range hauls?

Mr. Macdougall: The services that we perform ourselves for Canadian National are mainly of the intermodal type, short hauls handling containers or piggy back between major centers such as Moncton and Halifax, Halifax and Sydney, Campbellton and Moncton, and so on. We do have a subsidiary operation, Eastern Transport, which is a highway transport operation that handles things basically by highway transport.

Mr. McCleave: Does this go beyond the Atlantic region, say, into the next region or is it entirely intraregional?

Mr. Vaughan: Just intra.

The Chairman: Have you finished, Mr. McCleave?

Mr. Macdougall: From Nova Scotia into New Brunswick, basically.

Mr. Crossman: Mr. Macdougall, do the rates for carload lots differ quite a bit from the mixed cars, or the less-than-carload lots?

Mr. Macdougall: Yes, they do. Rate-making is a little complicated, as you know, Mr. Crossman, but basically I think that carload lots is the cheapest form per 100 pounds of traffic carried; and it is considerably cheaper than the L.C.L. rate because it is a different type of service.

[*Interpretation*]

M. Macdougall: Au siège social de la compagnie?

M. McCleave: Oui.

M. Macdougall: Oui. Dans un système comme celui du CN, toutes les exigences pour l'ensemble du réseau doivent être étudiées et il faut voir à ce qu'il y ait suffisamment d'argent pour les différents travaux à faire. Ce n'est pas une source inépuisable. Il faut maintenir le rail suivant la qualité, et pour le trafic qui se présente, et la même règle vaut pour l'Ontario ou la Colombie-Britannique, ou autres endroits.

M. McCleave: A la suite du paragraphe 7, monsieur MacDougall, mais pour en revenir à la ligne ferroviaire, à la route, est-ce que le CN, dans les Maritimes, a un système de camionnage?

M. Macdougall: Oui, nous en avons un dans l'ensemble des provinces atlantiques.

M. McCleave: Pour les parcours à longue distance?

M. Macdougall: Le service que nous assurons nous-mêmes pour le National-Canadien se fait surtout sur de brèves distances avec des cadres, ou les services rail-route entre les grands centres comme Moncton et Halifax, Halifax et Sydney, Campbellton et Moncton, et ainsi de suite. Nous avons une filiale, la *Eastern Transport,* qui est un service de transport routier.

M. McCleave: Est-ce que cela dépasse les cadres de la région Atlantique, ou si c'est simplement dans la région?

M. Vaughan: Simplement dans la région.

Le président: Vous avez terminé, monsieur McCleave?

M. Macdougall: De la Nouvelle-Écosse vers le Nouveau-Brunswick, essentiellement.

M. Crossman: Les taux pour les wagonnées complètes ou les chargements de moins d'une wagonnée sont-ils les mêmes ou varient-ils?

M. Macdougall: Ils varient. C'est assez complexe d'établir les taux. Vous savez, monsieur Crossman, que, essentiellement, le transport par wagonnée est la méthode la moins coûteuse d'expédition, aux 100 livres. C'est moins que pour moins d'une wagonnée, parce que c'est là un autre genre de service.

[*Texte*]

Mr. Crossman: Is it possible for an area such as the Atlantic region to get a blanket rate for carload lots and the same for less-than-carload lots? Do you think that would be an incentive to the growth of small industry?

Mr. Macdougall: Of course, the basic method of handling is that if you have a volume then you ship it by carload. If you have not got the volume to ship by carload you have to find a different method. It may be possible to ship it less-than-carload; or to ship it as a container load which is smaller than a boxcar; or to ship it as a piggyback load which is smaller than a boxcar; or via truck load, by truck, if the highway services are available.

It depends upon the commodity and the volume that is available. If the services are performed by a pool car operator, he may take some of your goods and some of Mr. Rose's goods and various others and put them together and make a carload and get a carload rate and ship it from A to B. There is a flexibility in the different types of the services, and we try to provide as much of that as we can.

Mr. Crossman: It would be a matter of efficiency on the part of the shipper, then, in trying to get as low a rate as possible.

Mr. Macdougall: I would not like to say it is up to his initiative because we are the people who are selling the service. In most cases it is really up to the shipper and our people to get together. Our people find out the difficulties of shippers and seek them out and try to provide the type of service that they need. If they cannot, well, they cannot. But we have a very active customer-research section and a very active sales group. From my point of view, it is our job to go out and tell people about our services, and go to places where we think there is traffic to be found, to see if we cannot provide a service that will attract them.

Mr. Crossman: I agree with you in your statement about the improvement in arterial roads in the Atlantic region and about an effective competition in the setting of freight rates, or transportation rates, but until such time as this is possible do you not think that the Maritime freight rates should be maintained—until we find the answers to our problems?

Mr. Macdougall: Mr. Crossman, as you know, I am not an expert on highways and I am not making recommendations on what they should do with them. What I am really saying is that the provinces and the premiers

[*Interprétation*]

M. Crossman: Est-ce qu'il est possible alors pour une région, telle celle de l'Atlantique, d'obtenir un taux d'ensemble, disons, pour les wagonnées complètes et pour moins d'une wagonnée? Croyez-vous que ce serait un encouragement pour les petites industries?

M. Macdougall: Bien entendu, la principale méthode de manutention réside dans l'expédition par wagonnées, si le volume est suffisant. Si vous n'avez pas une wagonnée complète, alors, il faut trouver une autre méthode. Il est peut-être possible d'expédier moins d'une wagonnée ou d'utiliser les cadres, qui contiennent moins qu'un wagon, ou de recourir au service rail-route ou aux services de camionnage s'ils sont disponibles. Tout dépend des denrées et du volume. Il est peut-être possible de grouper dans un même wagon certaines de vos denrées, une partie de celles de M. Rose, et ainsi de suite, et obtenir un prix d'ensemble pour l'expédition de A à B. Il y a diverses possibilités. Nous essayons d'en offrir le plus grand nombre possible.

M. Crossman: Il s'agit d'efficacité de la part de l'expéditeur qui tente d'obtenir le taux le moins élevé possible.

M. Macdougall: Je n'aime pas dire que l'initiative lui revient parce que nous vendons ce service. Dans la plupart des cas, il appartient à l'expéditeur et à nos emlpoyés de se réunir. Nos employés tentent d'examiner les difficultés de l'expéditeur afin de les régler et d'offrir le service voulu. Si c'est impossible, c'est impossible. Nous avons un service de recherches pour le consommateur et un service de ventes très actif. Il nous appartient de faire connaître nos services, d'aller là où nous pensons pouvoir trouver un marché et voir s'il nous est possible de leur offrir un service qui pourrait les intéresser.

M. Crossman: J'en conviens avec vous, pour ce qui est de l'amélioration du réseau routier et de l'établissement de taux vraiment concurrentiels, mais d'ici là, ne croyez-vous pas que les taux de transport de marchandises dans les Maritimes devraient être maintenus jusqu'à ce que nous ayions réglé nos problèmes?

M. Macdougall: Pour ce qui est des routes, monsieur Crossman, comme vous le savez, je ne suis pas un spécialiste et je n'entends pas faire de recommandations à ce sujet. Je dis tout simplement que les premiers ministres et

[*Text*]

have recommended that highway building programs be undertaken; and the Atlantic Development Board had representations made to them relative to a highway building program. I am just saying that we think that that is good, because it is going to be good for the Atlantic provinces. We think it will be good for not only the people who use the highways but will be good for railways, as well, because it will have a seeking effect on he improvement of our economy.

Mr. Crossman: If we have to spend lavishly on the highways necessary to establish competition in transportation and in so doing establish a rate that is acceptable to the growth of our economy, would it not be necessary for the Maritime freight rates to be maintained until that time?

Mr. Macdougall: I do not think there is any question of the Maritime freight rates not being maintained. The suggestion here really is that the whole impact of the Maritime Freight Rates Act system be changed so that the money be used in a better fashion.

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There is no suggestion that the money be just taken away or that they cease to have the Maritime Freight Rates Act. Our view is that industry in Atlantic Canada needs assistance in transportation but that we are putting it in the wrong places and are not getting our industries built up and our economy developed. We are really saying that we should be more selective on how we use it; that we should foster the industries that we think we can help to grow and develop, so that they will make a stronger Atlantic Canada—more jobs, more work, more traffic—which would be better for everyone; and not just maintain what we have today on a straight, across-the-board basis. You will develop the competitive forces better than they are today by putting money into improving the highways and assisting these industries to grow.

Mr. Crossman: I thought it would be helpful to clarify this point. Thank you.

Mr. Macdougall: Thank you, Mr. Crossman.

The Chairman: Mr. McGrath?

Mr. McGrath: Mr. Chairman, if I am to abide by the rule of relevancy I should pursue the subject raised by my friend, but it is not at all the subject I had in mind.

[*Interprétation*]

les provinces ont recommandé que soit entrepris un programe de construction de routes et que l'Office d'expansion économique de la région atlantique a fait des pressions en ce sens. Je dis simplement que nous croyons que c'est bon parce que ce sera bon pour les provinces de l'Atlantiques. Nous pensons que ce sera bon, non simplement pour les gens qui utilisent les routes, mais aussi pour les chemins de fer, parce que cela aura des effets bénéfiques sur l'économie.

M. Crossman: S'il nous faut dépenser largement pour la construction des routes nécessaires à l'établissement de cette concurrence dans les transports et en ce faisant établir un taux qui soit acceptable pour la croissance de notre économie, est-ce qu'il ne serait pas essentiel alors que le tarif-marchandises dans les Maritimes soit maintenu jusqu'à ce moment-là?

M. Macdougall: Je ne crois pas qu'il soit question d'éliminer ces taux. La suggestion qui a été faite veut que le système prévu par la loi soit modifié afin que l'argent soit mieux utilisé. Il n'est pas question de retirer cet argent ou d'éliminer la *Loi sur les taux de transport de marchandises dans les Maritimes*. A notre avis l'industrie, dans la région de l'Atlantique, a besoin d'aide dans le domaine du transport. Nous croyons que cette aide ne se fait pas, présentement, de la bonne façon et que les industries et l'économie n'en profitent pas comme elles le devraient. Nous disons, en fait, que notre choix devrait être plus méticuleux; que nous devrions aider ces industries que nous croyons capables de croître pour améliorer la situation dans cette partie du Canada, grâce à de plus nombreux emplois et à un trafic accrû; et non seulement maintenir l'ensemble de ce que nous avons aujourd'hui. Il y aura de la concurrence si l'argent nécessaire sert à l'amélioration des routes et à la croissance des industries.

M. Crossman: Je croyais qu'il serait utile de clarifier ce point. Merci.

M. Macdougall: Merci.

Le président: Monsieur McGrath?

M. McGrath: Monsieur le président, si je dois m'en tenir à la règle énoncée plus tôt, je devrai poursuivre sur le sujet abordé par mon ami, même si ce n'est pas du tout le

[*Texte*]

I would like to get back to the point of order I raised. I am not satisfied with Mr. Vaughan's answer, nor am I satisfied with what I think was the snap ruling you made. All I am saying, Mr. Chairman, before I pursue my line of questioning, is that, under the order of the House of Commons of January, instruction the Committee to study the transportation problems of the Atlantic provinces under Section 53 of the Railway Act, under the heading Review and Appeal, we have every right to pursue any line of questioning we feel is necessary to throw any new light on this subject, to give us the necessary information upon which to base a recommendation which would advise the Governor in Council so that they may be in a position either to uphold this judgment of the CTC or set it aside.

As I say, I am not a lawyer, but it would appear to me, on reflection that, I do not think Mr. Vaughan should have made that answer, nor do I think, with respect, you should have made that ruling.

Having said that, I am going to proceed with my line of questioning.

Mr. Peddle: Mr. Chairman, if the point order is to be opened up may I make a very brief observation? I think it is important and I would ask your indulgence.

The Chairman: Is it a new point of order?

Mr. Peddle: No, it is on...

The Chairman: The other one was ruled out. Mr. Lundrigan?

Mr. Peddle: May I raise a new point of order, Mr. Chairman? It might be related.

My point of order is this, Mr. Chairman, that I undertand this Committee to be an arm of Parliament and that we are here to search out facts. We have had Mr. Pickersgill before this Committee, and to every pertinent question that we asked him he came back with something like "It would be a gross impropriety for me to comment."

Mr. Trudel: Mr. Chairman, I object to this.

Mr. Peddle: Mr. Chairman, we now have the gentlemen from the CNR and they make a similar comment—"It would be improper". My question to the Committee on the point of order is: To whom do we go to gather the necessary facts, bearing in mind that my particular interest is having this ruling of CTC set aside? To whom do we go to gather the

[*Interprétation*]

sujet dont je voulais traiter. J'en ai appelé, plus tôt, au Règlement. J'aimerais soulever ce point une nouvelle fois. Je ne suis pas satisfait de la réponse de M. Vaughan ou de la décision rapide que vous avez prise. Tout ce que je dis, monsieur le président, c'est qu'en vertu de l'ordre que nous a transmis la Chambre, en janvier, d'étudier le problème des transports dans les provinces de l'Atlantique, en vertu de l'article 53 de la *Loi sur les chemins de fer* nous avons tous les droits voulus pour poser toute question qui, à notre avis, peut éclairer la situation et qui peut nous fournir les renseignements qui nous permettront de formuler des recommandations au gouverneur en conseil pour qu'il soit en mesure, soit de maintenir ce jugement de la CCT, soit de le mettre de côté.

Comme je vous le dis, je ne suis pas un avocat, je ne connais pas le droit, mais après mûre réflection, je ne crois pas que M. Vaughan aurait dû répondre comme il l'a fait et, après y avoir bien pensé, je ne crois pas que vous auriez dû rendre la décision que vous avez rendue. Ceci dit, j'en reviendrai maintenant aux questions que je désire poser.

M. Peddle: Puis-je me permettre une brève observation, monsieur le président? Je la crois importante.

Le président: Est-ce un nouvel appel au Règlement?

M. Peddle: Non.

Le président: L'autre a été rejeté. Monsieur Lundrigan?

M. Peddle: Alors, permettez-moi de soulever un nouvel appel au Règlement.

Si je comprends bien, ce Comité est issu du Parlement et nous sommes ici pour obtenir des faits. Nous avons entendu M. Pickersgill et à chaque question pertinente que nous lui avons posée il répondait «Il serait très inconvenant que je réponde.»

M. Trudel: Monsieur le président, je m'oppose à cette déclaration.

M. Peddle: Et maintenant, monsieur le président, les représentants du National-Canadien nous répondent de la même façon. Je me demande à qui nous devons nous adresser pour obtenir les faits requis, si l'on tient compte du fait que, personnellement, je désire que la décision de la CCT soit rejetée? A qui devons-nous nous adresser pour obtenir

[*Text*]

new facts that would be necessary to present to Parliament in order for them to make such a ruling?

An hon. Member: A good question, Mr. Chairman.

Mr. Mahoney: I think Mr. Peddle was perfectly correct when he defined this as seeking for facts, and as long as we stick to facts we are all right. But if we start to reach into the areas of asking these people to say what is going to happen if, as and when the CTC examines this case again, or what their line of argument is going to be on that occasion, and so on, we are out of the realm of fact.

The Chairman: That is what I think.

Mr. McGrath: Mr. Chairman, that is the argument on which the ruling was based. I agree with you—no witness should be obliged to answer a hypothetical question. I would be the first to agree with that, Mr. Chairman. But that is not the point at all.

The Chairman: Mr. Vaughan told you that he could not answer that question.

Mr. McGrath: Mr. Vaughan did not say he was not answering the question because it was hypothetical. That would have been a different argument entirely. Mr. Vaughan said that he was not answering the question because there was a point of law involved, and I made a submission and you made a ruling on it. Is that correct?

Mr. Mahoney: Legal interpretations are another thing.

Mr. McGrath: Did you make a ruling on it, Mr. Chairman?

The Chairman: Yes, I did.

Mr. McGrath: Mr. Chairman, I must say, with great respect and with great regret, that I have to appeal your ruling. I do not know what the machinery is under our new rules, but I am appealing your ruling because I cannot accept that.

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Mr. Vaughan: May I say something? I really probably should not say anything at this point, but if the Chairman . . .

The Chairman: One moment, please, Mr. Vaughan.

Mr. Vaughan: May I make a further comment?

[*Interpretation*]

ces faits dont nous avons besoin pour les présenter au Parlement afin qu'il puisse prendre une telle décision?

Une voix: Une excellente question.

M. Mahoney: Je crois que M. Peddle a raison lorsqu'il dit que nous cherchons des faits et qu'aussi longtemps qu'on s'en tient aux faits, nous avons raison. Mais si nous essayons de demander à ces gens qu'est-ce qui va se produire si la CCT étudie à nouveau la question et lorsqu'elle le fera, ou quels seront alors leurs arguments, alors nous nous éloignons des faits.

Le président: C'est ce que je pense.

M. McGrath: La décision a été basée sur cet argument. Je suis d'accord avec vous. Aucun témoin ne devrait avoir à répondre à des questions hypothétiques. Je serais le premier à en convenir, mais tel n'est pas le point.

Le président: Monsieur Vaughan vous a dit qu'il ne pouvait pas répondre à cette question.

M. McGrath: M. Vaughan n'a pas dit qu'il ne pouvait pas répondre parce qu'il s'agissait d'une question hypothétique. Il a dit qu'il ne pouvait répondre parce qu'il s'agissait d'une question de droit. J'ai fait des représentatioss et vous avez rendu une décision. Est-ce exact?

M. Mahoney: C'est différent, lorsqu'il s'agit d'une interprétation juridique.

M. McGrath: Vous avez rendu une décision à ce sujet, monsieur le président?

Le président: Oui.

M. McGrath: Je dois vous dire que je regrette d'avoir à en appeler de votre décision. Je ne sais pas ce que le nouveau Règlement prévoit, mais j'en appelle de votre décision parce que je ne puis l'accepter.

M. Vaughan: Puis-je dire quelque chose? Je ne devrais sans doute pas, mais, si le président. . .

Le président: Un moment, s'il vous plaît, monsieur Vaughan.

M. Vaughan: Puis-je dire quelque chose d'autre?

[*Texte*]

The Chairman: You might clear up the whole thing.

Mr. Vaughan: I do not know.

Mr. Givens: Mr. Chairman, on a point of order. The ruling of the Chair, with great respect, is appealed. There is no debate and no discussion. Legally I would think that the Chairman vacates the Chair, somebody else goes into the Chair and the question has to be, "Shall the ruling of the Chair be sustained or not?" before you proceed with anything else.

Mr. Mahoney: We may be proceeding to a more happy solution, if you will . . .

Mr. Givens: Then I suggest that the honourable member will have to withdraw his motion.

The Chairman: Order, order. Maybe we will let Mr. Vaughan give us his idea. Perhaps it will change the opinion of Mr. McGrath too.

Mr. Vaughan: Well, no. Perhaps I really should not speak on this point. I do not really want to complicate the matter for you, but I have listened to what you all have had to say and I tried before to outline what the legal position was. It seems to me that the Committee itself ought to examine what its terms of reference are, and then it ought to examine the terms of reference in relation to the specific problem Mr. McGrath has in mind, and then they ought to obtain a legal opinion on the manner and method, as he says, by which they will proceed to endeavour to utilize the avenue of appeal to the Governor in Council which he is referring to.

My respectful submission, just from my cursory examinatin and listening to this is that this is not the way to do it. You mention Section 53. I do not know that you have definitely before you a specific matter of appeal vis-à-vis Order No. R-2673 of the Canadian Transport Commission. That is another matter. If you do, and we are then before you to deal with the appeal of that Order, then we will make our case.

Mr. McGrath: If I may say with great respect . . .

Mr. Vaughan: I am sorry, I really do not want to get into an argument.

Mr. McGrath: Well you have, sir, whether you wanted to or not.

Mr. Vaughan: I was really trying to be helpful and . . .

[*Interprétation*]

Le président: Peut-être pourrions-nous alors tout régler?

M. Vaughan: Je n'en sais rien.

M. Givens: J'en appelle au Règlement. Le président a rendu sa décision. Il y a appel. Il n'y a pas de débat ni de discussion. Je pense qu'au point de vue juridique, il faudrait que le président quitte la fauteuil, que quelqu'un le remplace et qu'on pose la question ainsi: «Est-ce qu'on accepte la décision du président ou non», avant de faire autre chose.

M. Mahoney: Il y aurait peut-être une autre solution, si vous . . .

M. Givens: Je propose alors que l'honorable député devra retirer sa proposition.

Le président: A l'ordre, s'il vous plaît. Laissons M. Vaughan nous faire part de ses idées. Peut-être qu'il réussira à changer l'opinion de M. McGrath.

M. Vaughan: Non. Peut-être que je ne devrais pas prendre la parole à ce sujet. Je ne veux pas compliquer la question davantage, mais j'ai entendu ce que vous aviez à dire, et j'ai essayé déjà de vous exposer l'aspect juridique de la question. Il me semble que le Comité lui-même doit étudier ce qu'est son mandat, et ensuite étudier son mandat par rapport au problème auquel songe M. McGrath. Il devrait ensuite obtenir des conseils juridiques quant aux voies et moyens, comme il le dit, qu'ils doivent emprunter pour essayer d'utiliser la procédure d'appel auprès du gouverneur en conseil dont il a parlé.

J'ajouterai, très respectueusement après en avoir fait un examen rapide et entendu ce qui s'est dit ici, que ce n'est pas la façon de procéder. Vous parlez de l'article 53. Je ne vois pas que vous êtes vraiment saisis d'une question d'appel vis-à-vis de l'ordonnance R-2673 de la Commission canadienne des transports. C'est là une autre question. Si vous le faites, et que nous comparaissons devant vous à ce sujet, nous plaiderons notre cause.

M. McGrath: Si je dis très respectueusement . . .

M. Vaughan: Je m'excuse, mais je ne voudrais pas commencer une querelle.

M. McGrath: Vous l'avez fait déjà, que vous le vouliez ou non.

M. Vaughan: J'essayais simplement d'être utile et . . .

[*Text*]

Mr. McGrath: Yes, but I say with great respect that that is not the object of my line of questioning at all. I submit that under the reference of Parliament of January, instructing if that is the proper word, this Committee to study the transportation problems of the Atlantic Provinces, that this clearly falls within that category. Furthermore, the interim recommendation submitted to Parliament yesterday asking that this decision be set aside obligates this Committee to make a further recommendation on this specific subject.

It is in this area that we want to pursue a line of questioning and not in the area of an appeal, because the matter is now before Parliament. It is a different kettle of fish entirely if you will accept a "Newfie" colloquialism.

It was in that area, Mr. Chairman, that you made your ruling and I came back to it because I cannot accept it. If your ruling in this matter stands I must insist on my right to appeal your ruling.

The Chairman: Mr. Breau.

Mr. Breau: On a point of order. It relates to the point of order Mr. McGrath had a while ago, when he said we had an order of reference from the House of Commons to study all sorts of transportation problems in the Atlantic Provinces. I think he has a point there and if he wants to question, or if any member of this Committee wants to question the fact that the CNR or the CTC are supporting a change in passenger transportation from rail to bus, and if we wish to question that fact, I think we have jurisdiction to question it. But that is not what happend a while ago.

We got involved over the question of jurisdiction, the question of legal interpretation

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and in the question of, "Will the CNR do this? Will they go on with the discontinuance order or will they not?" We should not go into that. If you want to discuss whether or not rail passenger service should be maintained because it should be a better passenger service, that is a different story. You can discuss that point but you should leave aside the question of the Order. This is something that we have no jurisdiction to question.

Mr. McGrath: The Order? We just made a recommendation on it. We made a recommendation to have the order set aside. We made a recommendation to have the order "held in

[*Interpretation*]

M. McGrath: Je vous dis, avec tout le respect que je vous dois, que mes questions ne sont pas orientées dans ce sens. Je dis que, en vertu du mandat qui nous a été donné au mois de janvier, alors que le Parlement nous a demandé d'étudier les problèmes des transports dans les provinces de l'Atlantique, et que cette question tombe clairement dans ce domaine. En plus, à la suite des recommandations provisoires présentées au Parlement hier, dans lesquelles nous demandions que cette décision soit mise de côté, nous sommes tenus de formuler d'autres recommandations à ce sujet.

C'est donc dans ce secteur que nous voulons poser des questions et non pas pour ce qui est d'un appel, parce que le Parlement est saisi de cette question à l'heure actuelle. C'est une autre paire de manches. C'est donc dans ce secteur que vous avez rendu votre décision, monsieur le président, et j'y reviens parce que je ne puis l'accepter. Si votre décision est maintenue à cet égard, je dois insister sur mon droit d'en appeler de votre décision.

Le président: Monsieur Breau.

M. Breau: J'en appelle au règlement. Il s'agit de l'appel au Règlement fait par M. McGrath il y a un instant, lorsqu'il a dit que la Chambre des communes nous avait donné le mandat d'étudier les problèmes des transports dans les provinces de l'Atlantique. Je pense qu'il a raison et s'il veut mettre en question ou si les membres du Comité veulent mettre en question le fait que le National-Canadien ou la CCT sont en faveur d'abandonner le service-voyageurs par chemin de fer en faveur de l'autobus, et si on veut mettre en question ce fait, je pense que nous avons la compétence pour le faire. Mais ce n'est pas ce qui s'est produit il y a un instant.

Nous nous sommes enberlificotés de la Loi avec cette question de compétence et d'interprétation et sommes demandé «Est-ce que le National-Canadien fera ceci ou cela? Est-ce qu'il mettra en vigueur ce décret de fin de service?» Ce n'est pas le genre de choses qui devrait nous préoccuper. Si on veut discuter s'il faut maintenir le service voyageurs par train, parce que le service est meilleur, c'est une autre histoire. Vous pouvez en parler, mais vous devriez laisser de côté la question du décret. C'est une chose que nous n'avons pas la compétence voulue pour mettre en question.

M. McGrath: Le décret? Nous venons de faire une recommandation à son égard. Pour qu'il soit mis de côté, jusqu'à ce que nous formulions une recommandation.

[*Texte*]

abeyance", I think was the wording, until we can make a recommendation.

Mr. Breau: Why?

Mr. McGrath: How can we make a recommendation unless we are permitted to examine the Canadian National Railways in great detail on this matter.

Mr. Breau: On the question of changing rail passenger service to bus, but leave the question of this discontinuance alone.

Mr. McGrath: But more particularly on the abolition of the rail passenger service.

Mr. Breau: Right. That is the point we should pursue.

Mr. McGrath: I agree, no witness should be obliged to answer a hypothetical question, but I did not hear a hypothetical question put.

Mr. Breau: And he should not be obliged to give...

The Chairman: You put a question to Mr. Vaughan that he was not authorized to answer.

Mr. McGrath: Why is he not authorized? I maintain he is authorized to answer and I maintain he is obliged to answer.

Mr. Breau: He is not here to interpret the law.

Mr. McGrath: No, that is precisely why I appeal the ruling.

Mr. Rock: Mr. Chairman, I would just like to add a comment. I do not feel those members who are pursuing this are within their rights because they are leading to legal questions rather than asking questions on administration, cost of operations, and why the CNR want to abandon the passenger service. Instead of that they are arguing about the legality of the decisions that were made.

Mr. Lundrigan: We have not even started a line of questioning yet and the honourable member...

Mr. Rock: That is exactly what I am saying. This is exactly it; you did not start on this line of questioning at all.

Mr. Lundrigan: You are presuming exactly what we are going to do, and we have not even started. The honourable member has not started the question.

[*Interprétation*]

M. Breau: Pourquoi?

M. McGrath: Comment pouvons-nous faire une recommandation à moins qu'on nous autorise de vraiment poser des questions détaillées au National-Canadien à ce sujet.

M. Breau: Pour ce qui est de passer d'un service ferroviaire à un service d'autobus, d'accord, mais qu'on laisse de côté la question du décret de fin de service.

M. McGrath: Plus particulière pour ce qui est du service voyageurs du chemin de fer.

M. Breau: Oui. C'est l'aspect sur lequel on devrait s'arrêter.

M. McGrath: Je suis d'accord que les témoins ne soient pas tenus de répondre à une question hypothétique, mais je n'en ai pas entendu.

M. Breau: Et ils ne devraient pas être tenus de donner ...

Le président: Vous avez posé une question à M. Vaughan qu'il n'était pas autorisé à répondre.

M. McGrath: Pourquoi n'est-il pas autorisé? Je dit qu'il est bel et bien autorisé et il se doit d'y répondre.

M. Breau: Il n'est pas ici pour interpréter la Loi.

M. McGrath: C'est précisément la raison pour laquelle j'en appelle de la décision du président.

M. Rock: Je voudrais simplement faire une remarque. Je ne crois pas que les députés qui s'orientent dans cette voie soient dans leurs droits car ils nous entraînent dans des questions juridiques plutôt que de poser des questions sur l'administration, le coût des opérations, et les raisons pour lesquelles le National-Canadien veut abandonner son service voyageurs. Ils se querelle plutôt sur l'aspect juridique des décisions qui ont été prises.

M. Lundrigan: On n'a pas encore posé ce genre de questions et l'honorable député ...

M. Rock: C'est exactement ce que je dis. Vous n'avez pas encore orienté la discussion en ce sens.

M. Lundrigan: Vous supposez exactement ce que nous allons faire, et nous n'avons même pas commencé. L'honorable député n'a même pas commencé à poser ses questions.

[*Text*]

The Chairman: Order.

Mr. Lundrigan: I abide by the Chairman's ruling. I do not think we need a postmortem for half an hour on it though.

The Chairman: You put a question, Mr. McGrath, to appeal my ruling. My ruling is, as I said a minute ago, that Mr. Vaughan is not authorized to answer your question, and such a question should not be put to Mr. Vaughan. It was a hypothetical question. That is what I said.

Mr. McGrath: I do not remember precisely what the question was.

Mr. Skoberg: Mr. Chairman. We have to know what the question is. Can we go back on the record and have the question, please, precisely.

Mr. Breau: The question was about the CNR taking the initiative in continuing with the train service. That is the way I understood it.

Mr. Lundrigan: Mr. Chairman, I wonder if we could go on with Mr. McGrath's line of questioning. I am sure that it is in order. Let us forget about what happened half an hour ago.

Mr. Crossman: Perhaps Mr. McGrath will withdraw his appeal of the ruling of the Chairman.

Mr. McGrath: I will withdraw it if the Chairman withdraws his ruling.

Mr. Rose: Then you could bring it up later.

The Chairman: Let us withdraw the question and carry on with the line of questioning that we are here for this morning. I think that would be fair to everyone. Is it agreed? Agreed.

Mr. McGrath: Mr. Chairman, perhaps the best way to start would be to deal with the last submission we had on this matter which is the letter, which brings a whole new area into this matter.

My first question is this: on page 2 of the letter there is a comparison, in my view an

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unfair comparison, between the buses and the trains. For example, you state here that for the month of December 1968 the bus carried

[*Interpretation*]

Le président: A l'ordre.

M. Lundrigan: J'accepte la décision du président, mais je ne crois pas qu'il soit nécessaire d'en faire l'autopsie pendant une demi-heure, cependant.

Le président: Vous avez posé une question, monsieur McGrath, pour en appeler de ma décision. Ma décision est, comme je l'ai dit il y a un instant, M. Vaughan n'est pas autorisé à répondre à votre question et qu'on ne devrait pas poser une telle question à M. Vaughan puisqu'il s'agissait d'une question hypothétique. C'est ce que j'ai dit.

M. McGrath: Je ne me souviens pas exactement quelle était la question.

M. Skoberg: Monsieur le président, il faut savoir quelle était cette question. Est-ce qu'on ne pourrait pas voir le compte rendu afin de savoir quelle était cette question au juste?

M. Breau: La question était de savoir si le National-Canadien ne pourrait pas prendre l'initiative pour maintenir ce service ferroviaire? C'est ainsi que je l'ai comprise.

M. Lundrigan: Monsieur le président est-ce qu'on ne pourrait orienter la discussion dans le sens de M. McGrath? Je suis sûr que ces questions sont recevables. Oublions ce qui s'est produit il y a une demi-heure.

M. Crossman: Peut-être que M. McGrath veut retirer son appel de la décision du président.

M. McGrath: Je retire mon appel si le président retire sa décision.

M. Rose: Vous pourrez alors en reparler plus tard.

Le président: Laissons tomber toute la question et poursuivons la discussion pour laquelle nous sommes ici ce matin. Je pense que ce sera juste pour tous. Êtes-vous d'accord? Bon. Monsieur McGrath.

M. McGrath: Monsieur le président, la meilleure façon de commencer serait peut-être de revenir à la dernière instance que nous avons eue à ce sujet, soit la lettre, qui apporte un nouvel élément.

Voici donc ma première question. A la page 2 de cette lettre, vous faites une comparaison qui, à mon avis, est injuste, entre les autobus et les trains. Entre autres, vous dites ici qu'en décembre 1968 les autobus ont transporté 6,299 voyageurs et les trains, pendant le même mois, ont transporté 3,378 voyageurs.

[*Texte*]

6,299 pasengers and the train, in the same month, carried 3,378 passengers. I may be going right up the garden path on this question, but I am going to take a chance on it, anyway. How many passenger seats were available in December in the bus system as opposed to train seats. What I am getting at, sir, is that you had three passenger trains a week and I believe anywhere from 12 to 20 buses a week.

Mr. Vaughan: Twenty-eight.

Mr. McGrath: Twenty-eight buses a week.

Mr. Macdougall: I do not know the answer to that. I know the bus service is more frequent because we have a daily bus service.

Mr. McGrath: The point I am making, sir, is that we had six trains and 28 buses a week, and as a consequence of that my submission is that this is not a correct representation of the facts.

Mr. Vaughan: Let us say they are facts, anyway. There is certainly not...

Mr. McGrath: It is not fact, it is an argument, is it not?

Mr. Vaughan: No, I think they are...

Mr. Macdougall: These are facts. There is no editorial comment with respect to why they are there. Those are the numbers that went on the bus and the numbers that came off.

Mr. McGrath: Yes, but it implies that the buses...

Mr. Macdougall: It does not imply anything.

Mr. McGrath: Of course it does. It implies that the buses were much more popular than the trains, and I submit that until the other figures are available we cannot make a proper or a fair comparison.

Mr. Trudel: Mr. Chairman, a supplementary. I think this came out in the evidence—I do not know whether Mr. McGrath remembers—during the questioning that was pursued in the Maritimes. It was a matter of rather than using your figures on a train we would use a compartment. I will be furthering this line of questioning later on but I think what we want can be secured from the line of questioning we had in the Maritimes. You want seat occupancy and I think this was

[*interprétation*]

Enfin, je me trompe peut-être tout à fait, mais je pose ma question de toute façon. Combien de places pour voyageurs disposiez-vous en décembre, dans le système d'autobus, par rapport aux trains. Voilà ce à quoi je veux en venir: si vous avez 3 services voyageurs de trains par semaine et je pense qu'il y a de 12 à 20 autobus par semaine.

M. Vaughan: Vingt-huit.

M. McGrath: Vingt-huit autobus par semaine.

M. Macdougall: Je n'ai pas la réponse exacte. Je sais que le service des autobus est plus fréquent parce que nous avons un service quotidien par autobus.

M. McGrath: Nous avions 6 trains par semaine et 28 autobus par semaine. Donc, en conséquence, je dis que ce n'est pas une bonne représentation des faits.

M. Vaughan: Enfin, ce sont les faits!

M. McGrath: C'est un argument.

M. Vaughan: Non, Ce sont les faits!

M. Macdougall: Ce n'est pas un éditorial. Voici les chiffres des usagers de l'autobus...

M. McGrath: Mais cela laisse entendre que les autobus...

M. Macdougall: Cela ne veut rien dire du tout.

M. McGrath: Mais si; cela veut dire que les autobus sont beaucoup plus populaires que les trains. Je vous dis que jusqu'à ce que nous ayons les autres données on ne peut vraiment faire une comparaison valable.

M. Trudel: Question complémentaire, s'il-vous-plaît, monsieur le président? Cela se trouve dans les témoignages. Je ne sais pas si M. McGrath s'en souvient, mais pendant une des audiences au cours d'une série de questions posées dans les Maritimes ceci s'est présenté. Et plutôt que d'utiliser les données pour le train, si on prend disons, un wagon, un compartiment, j'y reviendrai plus tard avec d'autres questions, on peut obtenir à la suite des questions que nous avons posées

[*Text*]

determined from one of the questions I asked in the Maritimes.

Mr. McGrath: And this is one of the questions that was held in abeyance until these gentlemen were before us.

Mr. Trudel: Right. I will be pursuing this further because I am also interested in this. I think at the time 50 per cent occupancy was the maximum and then it came down to about 10 per cent for the train, and I think at that time we determined that on each train there were five compartments. I think if you bring it down to that it will be the only fair comparison that we can establish.

Mr. McGrath: That is correct. Can we have an undertaking that this information will be made available to us?

Mr. Macdougall: I think if you will ask a specific question, sir, we will be delighted to get the answer for you.

Mr. McGrath: We want to know how many seats were available on the buses for a given week in December and how many seats were available on the trains for a given week in December.

Mr. Mahoney: In 1968.

Mr. McGrath: It says here 1968-69.

Mr. Mahoney: It is December of 1968. They are waiting for 1969.

Mr. McGrath: Perhaps the same figures could be made available for the other statistical data that is given here—January and February—so that we will be in a position to make a true comparison.

Mr. Chairman, my other line of questioning has to do with accounting procedures. I recognize and respect the right of the CNR, which is their right by law, not to reveal these facts. Consequently I suggest that perhaps we could now pursue this line of questioning in camera.

Mr. Crossman: Just for clarification, Mr. Chairman, how long do you intend to sit?

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The Chairman: We might be able to complete it in 20 or 25 minutes. I will address the audience. If you do not mind, we are going to sit in camera for the next 25 minutes. What about the the recording of the proceedings?

Mr. McGrath: If we sit in camera we cannot record it.

[*Interpretation*]

dans les Maritimes. Vous voulez connaître le nombre de sièges occupés? C'est une des questions que j'ai posée dans les Maritimes.

M. McGrath: Et nous nous sommes entendus de réserver la question jusqu'à ce que nous ayons ces témoins.

M. Trudel: J'y reviendrai parce que je m'intéresse aussi à cet aspect de la question et je pense qu'alors nous avions 50 p. 100 au maximum de sièges occupés et 10 p. 100 du train, par unité, par compartiment comparativement à l'autobus parce que chaque train avait 5 compartiments. Donc, la seule comparaison juste et équitable que nous puissions établir, serait de nous donner ces chiffres.

M. McGrath: C'est juste. Alors, est-ce qu'on ne peut pas obtenir une étude et s'engager à nous fournir ces renseignements?

M. Macdougall: Posez une question bien précise et nous nous ferons un plaisir de vous procurer la réponse.

M. McGrath: Nous voulons savoir combien de sièges d'autobus étaient disponibles pour une semaine donnée au mois de décembre et la même chose pour le train.

M. Mahoney: En 1968.

M. McGrath: On parle de 1968-1969.

M. Mahoney: Pour décembre 1968.

M. McGrath: Les mêmes données pourraient être fournies pour les autres données statistiques fournies ici: janvier et février. Afin que nous soyons en mesure d'établir une constatation valable.

Voici donc, maintenant, une autre série de questions que je voudrais poser quant à la procédure comptable et je reconnais que le National-Canadien est dans son droit lorsqu'il ne veut pas révéler ces faits. Et par conséquence, je voudrais que nous reprenions ces questions à huis-clos, maintenant?

M. Crossman: Jusqu'à quelle heure voulez-vous siéger?

Le président: Il nous reste encore au moins 25 minutes. Donc, je demanderais au public de se retirer, nous siégerons à huis-clos pour les 25 prochaines minutes.

M. McGrath: Est-ce que l'on continue la transcription? Si l'on siège à huis-clos, on ne peut le faire.

[*Texte*]

An hon. Member: If it is recorded it will be published, and this will defeat the whole purpose.

Mr. McGrath: Under the Act they are not permitted to reveal these figures publicly. They gave them privately to the C.T.C. and now we want the same privilege, that is all.

Mr. Crossman: We were asking if a recording should be made of it.

Mr. McGrath: Obviously it cannot be recorded if it is in camera.

The Chairman: We will do it that way. The meeting is adjourned.

AFTERNOON SITTING

• 1530

The Chairman: I had a list before lunch of those who had asked to speak. Mr. Lundrigan, you are the next speaker.

Mr. Lundrigan: Mr. Chairman, is Mr. McGrath still on his round of questions? I am not sure whether he is finished.

Mr. McGrath: I reached a stalemate before lunch on my question.

The Chairman: I think I should answer to a question that was put by Mr. Skoberg too, at noon. I made a notice of motion, Mr. Skoberg, for our interim report to be concurred in on Monday. I had to make this motion before 5 o'clock tonight so it will come back on Monday. Is that all right?

Some hon. Members: Agreed.

The Chairman: Mr. McGrath, you want to know my decision. I think I am still on the same decision. I inquired at noon from some advisers and they told me as long as nobody appeals this judgment we cannot force anyone. Like these gentlemen here from the CNR, we have no authority whatsoever to ask the CTC to reverse their motions. As long as nobody has appealed to the CTC I think the question is still closed. If anybody appealed their decision or protested that would reopen the CTC negotiation; then perhaps the CNR would be allowed to put a question to them.

Mr. McGrath: Your ruling, Mr. Chairman, means that we cannot pursue questions regarding the judgment.

[*Interprétation*]

Une voix: Si on fait la transcription, ce sera publié, et alors on supprime le huis-clos.

M. McGrath: En vertu de la Loi, le CN ne peut pas rendre ces données publiques. Ils les ont donnés privément à la C.C.T., nous voulons le même privilège, c'est tout.

M. Crossman: On ne peut faire la transcription si c'est à huis-clos?

M. McGrath: Évidemment, c'est entendu.

Le président: Nous allons procéder ainsi. La séance est ajournée.

SÉANCE DE L'APRÈS-MIDI

Le président: J'ai la liste ici de ceux qui avaient demandé la parole. Il y a M. Lundrigan sur ma liste, vous êtes le suivant monsieur?

M. Lundrigan: Monsieur le président, est-ce que M. McGrath pose toujours ses questions? Aurais-je compris qu'il a fini?

M. McGrath: Je suis arrivé à une impasse avec mes questions.

Le président: J'ai fait un avis de motion pour M. Skoberg, au sujet de notre rapport intérimaire puis cela a été adopté lundi, j'ai dû présenter la motion avant 5 heures ce soir et alors nous l'aurons lundi prochain, d'accord?

Des voix: D'accord.

Le président: Monsieur McGrath vous voulez savoir ce qu'il en est? Je suis toujours rendu au même point quant à ma décision. Je me suis entêté auprès de certains conseillers, ils m'ont dit qu'aussi longtemps que personne n'en appelle de cette décision. Comme ces messieurs du CN, nous ne pouvons pas forcer qui que ce soit, ils n'ont aucune autorité pour demander à la Commission canadienne des transports d'abroger la motion. Et alors aussi longtemps que personne n'en a appelé auprès de la Commission canadienne des transports, je crois que la question est toujours close. Si quelqu'un voulait en appeler, on ré-ouvrirait les négociations à la Commission et alors le CN aurait le droit de poser des questions.

M. McGrath: Votre décision, monsieur le président, veut dire que nous ne pouvons pas continuer de poser des questions au sujet de la décision?

[*Text*]

The Chairman: I mean to say that you cannot ask the CNR people to ask the CTC to change their judgment.

Mr. McGrath: We are not trying to do that at all.

The Chairman: Yes, but when you ask the CNR people to ask the CTC to prolong the service, this is asking the CTC to change its judgment.

Mr. McGrath: No, that is not my understanding.

Mr. Peddle: Mr. Chairman, would it be in order for us to question the gentlemen who are witnesses regarding the support that they presented with their application to abandon the rail passenger service? Would it be in order for us to ask questions on that? We are not asking them to change anything, but just to get some information.

The Chairman: It comes to the same thing; it boils down to the same thing.

Mr. Lundrigan: Mr. Chairman, do I understand that we cannot ask any questions relating to the rail passenger service and the concomitant bus service in Newfoundland?

Mr. Breau: Mr. Chairman, we will have to be careful here. We can ask questions on the alternatives of passenger train service or bus service in the Atlantic provinces because this comes within the Order of Reference we have had from the House, to hear evidence on the transportation problem of the Atlantic provinces.

If it is a known fact that the CNR are attempting—because perhaps the people would rather have that—to change everything from passenger trains to bus, then we can question that, but I do not think we can question the order that was made on a certain date concerning the passenger train service in Newfoundland.

Mr. McGrath: It relates to that.

Mr. Breau: No, it does not. There is a passenger train or bus service perhaps some place else...

Mr. McGrath: Oh yes, I know.

Mr. Breau: It says in the presentation here that rail passenger service ought to be maintained only on high volume main lines.

[*Interpretation*]

Le président: Somme tout, ce que je veux dire, c'est que vous ne pouvez pas forcer le CN à demander à la CCT de changer sa décision.

M. McGrath: Ce n'est pas ce que nous voulons faire.

Le président: Mais quand vous demandez au CN d'en appeler auprès de la CCT pour prolonger le service, cela équivaut à une demande auprès de la Commission pour changer sa décision.

M. McGrath: Non, ce n'est pas ce que j'ai crû comprendre.

M. Peddle: Monsieur le président, est-ce que nous pouvons poser une question aux témoins, au sujet de l'argument qu'ils ont invoqué au sujet de l'abandon du service-passager? Est-ce qu'il serait dans l'ordre de poser des questions à ce sujet? On ne leur demande pas de changer quoique ce soit, mais juste de donner des renseignements.

Le président: Cela revient au même.

M. Lundrigan: Monsieur le président, dois-je comprendre qu'on ne peut pas poser des questions au sujet du service ferroviaire et au sujet du service de remplacement par des autobus à Terre-Neuve?

M. Breau: Oui, il faut faire attention, monsieur le président. Nous pouvons poser des questions sur le choix entre le train de voyageurs et le service d'autobus, car cela entre dans le mandat que nous avions de la Chambre, de faire enquête sur le problème du transport dans les provinces de l'Atlantique.

C'est un fait connu que le CN tente, peut-être parce que les gens le veulent ainsi, de changer tout le service-voyageur pour le service d'autobus. Nous pouvons poser des questions à ce sujet, mais nous ne pouvons pas poser des questions au sujet de la date à laquelle la substitution du service-voyageur se ferait à Terre-Neuve.

M. McGrath: Cela revient au même.

M. Breau: Non. Il y a un service voyageur ou un service d'autobus, peut-être ailleurs...

M. McGrath: Oh oui, je vois.

M. Breau: Il est dit dans la présentation que le service-voyageur doit être maintenu uniquement sur les lignes principales à haute fréquentation.

[*Texte*]

Mr. McGrath: In other words, what you are saying is that we can ask questions about it elsewhere but not in Newfoundland.

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Mr. Breau: No, I am not saying that.

The Chairman: You can ask questions on buses, Mr. McGrath, in Newfoundland. How they are operated; what is the cost of operation and all that sort of thing. There is nothing stopping you.

Mr. McGrath: Mr. Chairman, I do not understand your ruling. Anyway, was Canadian National able to get the figures I asked for before noon?

Mr. Vaughan: In answer to Mr. McGrath, we did make a phone call and we have some figures.

Mr. Macdougall: Mr. McGrath, I have some figures, not exactly in the form you asked, for a week. I was just able to get them by the months. They are kept by the month. You asked for the total number of seats that was available by bus and by train. In December, 1968 by bus there were 7,254 seats available and by train 7,488. There was some extra train capacity in December because of the Christmas rush, so you will notice a difference in January. In January, 1969 the seats available by bus were 9,672 and by train 6,460. In February, 1969 the total by bus was 8,736 and by train 5,075.

Mr. Mahoney: I have a supplementary on this point, Mr. Chairman. On page 2 of the letter of March 14 to the CTC you give certain figures regarding passengers on the train. May I verify that the train service in December, 1968 through February, 1969 and the train service December, 1967 through February, 1968 was the same type of service, that is three trains a week?

Mr. Macdougall: That is right, sir, yes.

Mr. Mahoney: Thank you.

Mr. Perrault: This question may have been asked earlier and if it has been, I apologize. What is the percentage of seat occupancy in these two modes of transportation? You say, 7,254 seats available.

[*Interprétation*]

M. McGrath: Oui, mais ce que vous dites c'est que nous pouvons poser des questions partout ailleurs, mais pas au sujet de Terre-Neuve.

M. Breau: Non, ce n'est pas ce que je dis.

Le président: Vous pouvez poser une question au sujet du service des autobus monsieur McGrath, sur l'exploitation, le coût, etc, il n'y a rien qui ne vous empêche de poser des questions à ce sujet là.

M. McGrath: Alors, monsieur le président, je ne comprends pas votre décision. Mais en tous les cas, est-ce que le CN a pu obtenir les chiffres que j'ai demandé avant le déjeuner?

M. Vaughan: Oui, monsieur. Nous avons certains chiffres, je m'excuse, oui, pour répondre à M. McGrath, nous avons, en fait, certains chiffres. M. Macdougall va vous les donner.

M. Macdougall: J'ai pu obtenir certains chiffres, monsieur McGrath, non pas dans la forme que vous avez demandé, non par semaine mais par mois. C'est ainsi qu'on les compile. Vous avez demandé le total des sièges disponibles par autobus et par train. En décembre 1968, par autobus, 7,254 places disponibles et par train 7,488. Il y a eu en décembre un surplus dans le train en raison de Noël, et en janvier 1968, le nombre de places disponibles en autobus était de 9,672, et par train, 6,460. En février 1969 le total pour l'autobus, 8,736 et par train 5,075.

M. Mahoney: J'aurais une question supplémentaire à poser sur ce point, monsieur le président. A la page 2 de la lettre partie 14 à la Commission canadienne des transports, concernant le nombre de voyageurs, la réponse nous indique que le service de trains entre décembre 1968 jusqu'à février 1969, et le service de trains en décembre 1967 jusqu'en février 1968, était le même genre de service, soit trois trains par semaine. Est-ce exact?

M. Macdougall: C'est exact.

M. Mahoney: Merci.

M. Perrault: Une question supplémentaire s'il vous plaît. La question aurait dû, peut-être, être posée plus tôt, et si c'est le cas, je m'excuse. Quel est le pourcentage de places, disons, prises dans les deux modes de transport? En d'autres termes, vous dites 7,254 places disponibles?

[*Text*]

Mr. Macdougall: If you take these figures down, Mr. Perrault...

Mr. Perrault: I have written all the figures down here.

Mr. Macdougall: These figures were given before, but I will give them to you again about the actual carryings.

Mr. Perrault: Do not repeat them; I missed part of this morning's hearing.

Mr. Macdougall: It is on page 2.

Mr. Perrault: Oh, it is here. That is fine. Thank you. Mr. Chairman, I apologize; I have just received it.

Mr. Turner (London East): Mr. Vaughan, is it true that all passes were cancelled on the train during the test period of the buses; that CNR passes were honoured on the buses, but not on the train?

Mr. Vaughan: I am sorry, I could not answer that. Does anybody know?

Mr. Macdougall: I have never heard of that.

Mr. Turner (London East): I heard that down in Newfoundland and I just want to know if these figures...

Mr. Macdougall: I know of no order that was issued cancelling the applicability of the passes on the trains.

Mr. Trudel: I have a supplementary. It such an order were issued, Mr. Chairman, would either Mr. Macdougall or Mr. Vaughan be advised? It would come to your attention if such an order had been issued?

Mr. Macdougall: I would think it would come to my attention.

Mr. Trudel: To your attention? Thank you.

Mr. Skoberg: I have a supplementary, Mr. Chairman. For those people working on the boat coming from Port-aux-Basques back to St. John's, was any instruction issued to them to ride the buses rather than the train?

Mr. Macdougall: I know of no instructions of that kind. They were certainly never issued by me and I have never heard of them.

Mr. McGrath: Was there any advertising for the train and the bus during this period?

[*Interpretation*]

M. Macdougall: Si vous avez écrit les chiffres...

M. Perrault: Oui, je les ai écrit.

M. Macdougall: Les chiffres que j'avais donnés précédemment au sujet du nombre de passagers transportés, sont les suivants:

M. Perrault: Ne les répétez pas, je n'étais pas là ce matin.

M. Macdougall: C'est à la page 2.

M. Perrault: Je m'excuse cela est ici. Merci monsieur le président, je viens de les recevoir.

M. Turner (London-Est): Monsieur Vaughan, est-ce vrai que tous les passagers soient acceptés dans les autobus, non pas dans les trains, pendant cette période d'essai?

M. Vaughan: Je m'excuse, je ne saurais vous donner la réponse. Est-ce que quelqu'un le sait?

M. Macdougall: Je n'ai rien entendu de semblable.

M. Turner (London-Est): La raison pour laquelle j'ai posé la question, c'est que j'en ai entendu parler à Terre-Neuve.

M. Macdougall: Je ne sais pas si on a annulé les passes dans les trains.

M. Trudel: Monsieur le président, est-ce que M. Macdougall ou M. Vaughan auraient été avertis d'une telle disposition? En d'autres termes une telle directive a-t-elle été portée à leur attention?

M. Macdougall: Je crois que cela aurait été porté à mon attention oui.

M. Trudel: A votre attention. Merci.

M. Skoberg: J'ai une question supplémentaire. Ceux qui travaillent sur le navire, venant de Port-aux-Basques et retournant à Saint-Jean, est-ce qu'il y a eu des directives à leur égard d'utiliser des autobus plutôt que le train?

M. Macdougall: J'ignore toutes ordonnances ou toutes directives de ce genre. Certainement je n'en ai jamais données et je n'en ai jamais entendu parler.

M. McGrath: Y a-t-il eu une tentative, y a-t-il eu des annonces ou de la publicité faites pour le train et les autobus?

[*Texte*]

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Mr. Vaughan: Are you speaking of the experimental period?

Mr. McGrath: Yes, the experimental period. We are talking about the first three months; the last month of 1968 and the first two months of 1969.

Mr. Vaughan: When you ask, was there any advertising, what do you mean, sir?

Mr. McGrath: Newspaper, television, radio advertising extolling the virtues of travelling by bus and extolling the virtues of travelling by train.

Mr. Vaughan: Probably.

Mr. Macdougall: I think we would do the normal advertising if we do, but I do not think we mounted any special campaign either in favour of the bus or the train.

The Chairman: Mr. Peddle.

Mr. Peddle: We saw lots advertisements on television advertising the buses but I have yet to see in Newfoundland any advertising on television advertising their train service.

Mr. Macdougall: You have more information on that than I have. I do not know about that.

Mr. Skoberg: Another supplementary question if I may, Mr. Chairman.

The Chairman: Mr. Skoberg.

Mr. Skoberg: Could you possibly indicate an amount that may be budgeted for the straightening of your trackage in Newfoundland.

Mr. Macdougall: I do not know that I really caught the import of your question, Mr. Skoberg.

Mr. Skoberg: I am referring to straightening some of the curves out. There were numerous curves in the short distance we travelled.

Mr. Macdougall: There are a lot of curves over there. Of course there are a lot of curves everywhere. But we are carrying out our normal maintenance program each year, depending upon the volume of traffic we have to carry, but I have no knowledge of any specific program designed just to straighten out curves in the track other than what is carried out in the normal maintenance program to see that the track is of sufficient quality to handle the traffic.

[*Interprétation*]

M. Vaughan: Quand vous parlez de la période d'essai ou quoi?

M. McGrath: Nous parlons des trois premiers mois. C'est-à-dire du mois de décembre 1968 et des deux premiers mois de 1969?

M. Vaughan: Quand vous parlez de la publicité, quelle sorte de publicité voulez-vous dire?

M. McGrath: Des gens qui auraient été incités à voyager par autobus, plutôt que par train.

M. Vaughan: C'est probable.

M. Macdougall: Je crois que nous ferons la publicité normale, mais je ne crois pas que nous ayons monté de campagne spéciale soit en faveur de l'autobus ou du train.

Le président: Monsieur Peddle.

M. Peddle: Nous avons vu à la télévision beaucoup de publicité en faveur de l'autobus, mais nous ne voyons pas de publicité télévisée en faveur du train à Terre-Neuve.

M. Macdougall: Vous avez plus de renseignements que moi à ce sujet-là.

M. Skoberg: Une autre question, vous permettez, monsieur le président.

Le président: Monsieur Skoberg.

M. Skoberg: Pourriez-vous indiquer la somme qu'on pourrait prévoir pour le redressement de la voie à Terre-Neuve.

M. Macdougall: Je ne sais pas si j'ai bien compris votre question.

M. Skoberg: Je parle du redressement de quelques courbes. Il y en avait plusieurs dans le bref parcours que nous avons fait.

M. Macdougall: Il y a beaucoup de courbes c'est vrai mais il y en a partout. Nous exécutons notre programme normal d'entretien chaque année selon le volume du trafic mais je ne connais aucun programme précis visant à éliminer les courbes dans la voie sauf le programme normal d'entretien visant à assurer que la voie soit de qualité suffisante pour supporter le trafic.

[*Text*]

Mr. Skoberg: In other words, you are just maintaining the present trackage under the minimum conditions necessary to handle the traffic that you have at this time. Is that correct?

Mr. Macdougall: No, I would not say that that is a fair summation. We are maintaining the trackage on the same standard basis that we maintain trackage everywhere—we maintain it to a quality which will enable us to operate safely with the volume of traffic we have to put over the line. You must remember that on the Newfoundland line the volume of traffic is not as heavy as on many other lines in Canada, therefore you do not spend money to obtain a standard of track on a line for 100,000 tons of traffic if you are only going to move 5,000 tons of traffic over it.

Mr. Skoberg: The point, of course, Mr. Macdougall, is that we do know that there is a trackage improvement program carried out on CN and all rail lines generally and it would appear that there is absolutely no attempt being made to straighten out the line in some of those areas that could well be straightened out. There are sharp curves in some of those areas and that is why I am wondering whether or not you do have any over-all program for improvement.

Mr. Macdougall: If you will excuse me, sir, I do not think that that is so. Our program for maintaining our track is to ensure that our tracks throughout the whole of Canada are of sufficient quality and condition to handle the traffic we know or anticipate is going to pass over it. It is not any different in Newfoundland than in any other part of Canada.

The Chairman: Mr. McCleave.

Mr. McCleave: Mr. Macdougall, is it not true that if there are curves in a line it cuts down the amount of tonnage that a locomotive can haul?

Mr. Macdougall: No, I do not think it necessarily follows that because you have curvature its cuts down the tonnage locomotives can haul. What they can haul depends upon their rated capacity to haul traffic. It may cut down your speed somewhat, depending upon the amount of curvature. But Newfoundland has a lot of curvature—there is no doubt about that. It was built by the Reid Newfoundland Company in the beginning that way.

There is a lot of curvature in the track on Prince Edward Island. It was built originally

[*Interpretation*]

M. Skoberg: En d'autres termes, vous maintenez tout simplement la voie actuelle dans les conditions minimum pour supporter le volume de trafic que nous avez à l'heure actuelle. Est-ce exact?

M. Macdougall: Je ne dirais pas que c'est juste. Nous maintenons la voie selon les mêmes normes que nous le faisons partout ailleurs. C'est-à-dire que nous maintenons une qualité qui nous permettra d'opérer en toute sécurité compte tenu du volume. Souvenez-vous qu'à Terre-Neuve le volume du trafic n'est pas aussi élevé que sur plusieurs autres lignes au Canada et que par conséquent vous ne dépensez pas de l'argent pour obtenir une ligne pouvant accepter 100,000 tonnes de volume, si vous n'en avez en fait que 5,000.

M. Skoberg: Le point est, monsieur Macdougall, que nous savons qu'il y a un programme d'amélioration de la voie au CN et de toutes les lignes ferroviaires en général. Il semble qu'on n'essaie aucunement de redresser la voie dans certaines régions qui en auraient vraiment besoin. Il y a des courbes raides dans certaines régions et je me demande si vous avez un programme d'ensemble à ce sujet.

M. Macdougall: Je ne crois pas qu'il en soit ainsi, si vous me le permettez monsieur, notre programme d'entretien de la voie est conçu en vue d'assurer que toutes les voies à travers le Canada soient de qualité suffisante pour pouvoir supporter le trafic qui doit y passer. Ce n'est pas différent à Terre-Neuve qu'ailleurs au Canada.

Le président: M. McCleave.

M. McCleave: Monsieur Macdougall, n'est-il pas vrai que les courbes d'une voie peuvent réduire la charge qu'une locomotive peut tirer?

M. Macdougall: Je ne crois pas que les courbes réduisent nécessairement la charge que peut tirer une locomotive. La charge que peut tirer une locomotive dépend de sa puissance. Les courbes peuvent réduire quelque peu la vitesse mais à Terre-Neuve, il y a beaucoup de courbes, il n'y a aucun doute à ce sujet. La voie a été construite de cette façon au début par la Reid Newfoundland Company.

Il y en a beaucoup aussi dans la voie de l'Île-du-Prince-Édouard. La voie a été cons-

[*Texte*]

by the Prince Edward Island Railway. There is curvature on other portions of track, CPR as well as CN.

Mr. McCleave: But is it not a fact that the more curvature and grade you have the more it drives up the cost of transportation?

Mr. Macdougall: To a certain extent it does drive up the cost of transportation, but it is not an element, from my knowledge of it, that drives the cost of transportation up in a violent manner at all. Once you get the train rolling or operating at the speed that the track will allow, I do not say it is not more expensive to operate with curves and grades than on a flat straight piece of track—I think that is rather axiomatic—but it does not escalate the costs of that materially.

I know I have heard this argument made, and I think it applies to this point, that somebody wants to spend $1 million, $2 million, $5 million doing just the type of thing you are talking about—cutting down grade and eliminating curvature. But there is always the question of just how much value you are

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going to get back for the dollars you spend on that—I just how much you can increase your speed and how much you can increase your tonnages if you do that. This is always an economic question and our engineering people have to figure out just what the optimum situation is for the expenditure of money involved. When you come to do this you get into fairly substantial expenditures—you have to really make a new roadbed if you are going to take out other than just the odd curve. We are taking out the odd curve here and there, railways do that continually, but when you start in a place such as Newfoundland to eliminate this, how far do you go, how big a program do you get into? You can eventually work your argument down to the point where you should build a whole new railroad.

The Chairman: Mr. McGrath.

Mr. McGrath: Does the company make money on their rail passenger service in the province of Nova Scotia?

Mr. Macdougall: I do not know that we separate out our passenger services by provinces. We separate them by passenger runs. For instance, our operation from Montreal to Halifax of the *Ocean Limited* is a train run; we look at that train run but we do not look at just the province of Nova Scotia as such.

[*Interprétation*]

truite de cette façon au début. Il y a des courbes aussi sur les voies non seulement du CN mais du CP.

M. McCleave: Mais n'est-il pas vrai que plus il y a de courbes et plus les pentes sont raides, plus cela augmente les frais de transport?

M. Macdougall: Oui, cela augmente les frais de transport, jusqu'à un certain point, mais ce n'est pas un élément qui, à ma connaissance, augmente les frais de transport de façon appréciable. Une fois que le train roule à la vitesse maximum permise par la voie, il n'en coûte pas plus d'opérer avec des courbes et des pentes qu'avec une voie très droite. Cela n'augmente pas les frais de façon appréciable.

On a déjà entendu dire, et je crois que cela s'applique ici, que quelqu'un veut dépenser 1, 2 ou 5 millions pour faire ce dont vous parlez, c'est-à-dire éliminer les courbes et les pentes. Mais il est toujours utile de se demander combien on va retirer de ses investissements, si la vitesse et la charge utile vont augmenter. C'est toujours une question économique et nos ingénieurs doivent calculer exactement quelle sera la meilleure situation pour la somme d'argent en cause. Dans un cas comme celui-ci, il s'agit de sommes plutôt élevées car il faut refaire les assises de la voie si l'on fait plus que supprimer une courbe ici où là. Nous supprimons des courbes ici et là; les compagnies de chemins de fer font cela continuellement. Mais si l'on commence à le faire dans un endroit comme Terre-Neuve, il faut décider où s'arrêter, quelle importance donner au programme? On peut discuter jusqu'à en conclure éventuellement qu'il faudra construire une nouvelle voie ferrée au complet.

Le président: Monsieur McGrath?

M. McGrath: Monsieur le président, est-ce que la compagnie fait de l'argent avec le service-voyageurs en Nouvelle-Écosse?

M. Macdougall: Je ne sais pas si nous faisons la répartition par province de nos services-voyageurs. Nous les répartissons selon le parcours. Par exemple, le trajet de Montréal à Halifax que fait l'*Océan Limitée* est un seul parcours; nous examinons ce parcours du trajet en Nouvelle-Écosse.

[*Text*]

Mr. McGrath: Let me take two runs. How about the run from North Sydney to Truro and the run from Yarmouth to Halifax.

Mr. Macdougall: I think I would have to answer that by saying that "making money" is not an economous phrase that you can use. Do you mean are we making our costs, are we making a contribution to our overhead, or are we making a profit?

Mr. McGrath: Mr. Macdougall, I want the same criteria applied to those two runs that you applied to Newfoundland. How much money are you losing or how much are you making?

Mr. Macdougall: We are not making any—let us put it that way.

Mr. McGrath: How much are you losing?

Mr. Macdougall: I do not know exactly how much we are losing on those runs, but I can tell you that I do not think that any of the services east of Montreal make any money...

Mr. McGrath: Can we find out...

Mr. Macdougall: —or the transcontinental trains make any money.

Mr. McGrath: ... how much money we lose on the run from Sydney to Truro and from Yarmouth to Halifax?

Mr. Macdougall: I do not think so, no. You probably could find out in respect of the Yarmouth to Halifax one because it is a mixed train operation that runs on that line. The Sydney to Truro one is part of the *Ocean Limited* that runs Sydney to Montreal.

Mr. McGrath: Yes, but it is a separate train. You have to change at Truro to get the *Ocean Limited,* do you not?

Mr. Macdougall: No, the *Ocean Limited* goes from Sydney to Montreal right through Truro.

Mr. McGrath: I thought the *Ocean Limited* originated in Halifax.

Mr. Macdougall: No, it does not. *The Chaleur* originates at Moncton, *The Scotian* originates at Halifax and the *Ocean Limited* originates at Sydney.

Mr. McGrath: But is it a fair statement to say that none of these runs are making any money?

[*Interpretation*]

M. McGrath: Permettez-moi de comparer deux lignes. Le parcours de North Sydney à Truro, par exemple, et ensuite celui de Yarmouth à Halifax.

M. Macdougall: Je crois qu'il faudrait dire que «faire de l'argent», n'est pas une expression juste au point de vue économique. Voulez-vous savoir si nous rencontrons nos frais, si nous contribuons à nos frais généraux ou si nous faisons un profit?

M. McGrath: Je voudrais qu'on applique à ces deux parcours les mêmes critères qu'on a appliqués à Terre-Neuve. Combien d'argent faites-vous, combien en perdez-vous?

M. Macdougall: Nous n'en faisons pas.

M. McGrath: Alors, combien en perdez-vous?

M. Macdougall: Je ne le sais pas, mais je pourrais vous dire que je ne crois pas que les services à l'est de Montréal fassent de l'argent.

M. McGrath: Pouvons-nous trouver...

M. Macdougall: Ou même les trains transcontinentaux.

M. McGrath: Est-il possible de savoir combien nous perdons sur les parcours de Sydney à Truro et de Yarmouth à Halifax?

M. Macdougall: Non, je ne le crois pas. De Yarmouth à Halifax, vous pourriez peut-être l'obtenir car il s'agit d'un train mixte sur ce parcours. Mais de Sydney à Truro, ça fait partie de l'*Océan Limitée* qui va de Sydney à Montréal.

M. McGrath: Oui, mais il s'agit d'un train séparé. Il faut tout de même faire la correspondance à Truro pour prendre l'*Océan Limitée*?

M. Macdougall: Non, l'*Océan Limitée* va de Sydney à Montréal en passant par Truro.

M. McGrath: Je croyais que l'*Océan Limitée* partait de Halifax.

M. Macdougall: Non. Le *Chaleur* part de Moncton, le *Scotian*, de Halifax et l'*Océan Limitée*, de Sydney.

M. McGrath: Et aucun de ces parcours ne montre de profit, c'est exact?

[*Texte*]

Mr. Macdougall: I think that is fair, yes. The passenger business is notorious for losing a lot of money both in Canada and in the United States.

Mr. McGrath: Why then is it not a general policy of the railway to abandon all of these lines?

Mr. Macdougall: Basically because the Parliament of Canada said differently.

Mr. McGrath: You have not asked for permission.

Mr. Vaughan: If you mean by that, are we going to make more applications, the answer is yes.

Mr. McGrath: May I ask where the axe will fall next?

Mr. Vaughan: There are some applications on file at the Commission now.

An hon. Member: For provincial abandonment?

The Chairman: Mr. Trudel.

Mr. Trudel: Along the same line of questioning, Mr. Chairman, is there a percentage of occupancy that the CNR uses to arrive at a date when they ask for a discontinuance of a service? Would you ask for discontinuance on a line, say, where there is only 20 or 30 per cent occupancy, or have you cut it down that fine?

Mr. Macdougall: No, I do not recognize that as a criteria that I have ever heard of. We examine our train runs. We watch what is happening on the train runs and a decision has to be made by management from time to time whether or not they should apply for abandonment of these operations.

As you know, in recent years there has been the passage of the National Transportation Act which deals with this whole question of passenger service and passenger operations, and we are proceeding to put before

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the Commission those lines and services on a priority basis which we feel they should deal with.

Unfortunately, since the passage of that Act nearly two years ago they have not dealt with any cases, except this because they got into other matters. We are now waiting patiently, perhaps even as patiently as Mr. McGrath is with some of his concerns, to have cases all across Canada that are now laying before the Commission dealt with.

[*Interprétation*]

M. Macdougall: Oui, c'est exact. Le service voyageurs perd toujours de l'argent, beaucoup d'argent, au Canada et aux États-Unis.

M. McGrath: Et alors, pourquoi les compagnies ferroviaires n'abandonnent-elles simplement pas ces parcours.

M. Macdougall: Au fond, parce que le Parlement du Canada en a décidé autrement.

M. McGrath: Vous n'avez pas demandé la permission en fait?

M. Vaughan: Si vous voulez savoir par la si nous allons faire d'autres demandes d'abandon, la réponse est oui.

M. McGrath: Je n'ai pas encore posé ma question.

M. Vaughan: Nous avons présenté quelques demandes que la Commission étudie à l'heure actuelle.

Une voix: Demandes d'abandon de services?

Le président: Monsieur Trudel.

M. Trudel: Dans la même ligne de pensée, monsieur le président, y a-t-il un pourcentage d'occupation qu'utilise le CN pour en arriver un jour à demander la permission d'abandonner un service? Allez-vous demander la permission d'abandonner un service si, par exemple, il n'y a que 20 ou 30 p. 100 des places disponibles qui sont occupées?

M. Macdougall: Je ne reconnais pas cela comme critère dont j'aurais déjà entendu parler. Nous surveillons ce qui se passe dans nos trains et la direction doit décider de temps si elle doit demander ou non l'abandon d'un service.

Comme vous le savez, la Loi nationale sur les transports a été adoptée il y a quelques années et elle traite de cette question des services voyageurs et nous allons soumettre à la Commission les questions prioritaires.

Depuis l'adoption de la loi il y a près de deux ans, nous n'avons pas eu beaucoup de cas de ce genre, comme vous le savez, parce qu'il y a eu d'autres questions à l'étude. Nous attendons patiemment, comme M. McGrath le fait lui-même, pour que les causes qui sont devant la commission soient réglées.

[*Text*]

Mr. McGrath: I took a train from Montreal last night. It was a Montreal to Winnipeg Train. Is that a line?

Mr. Macdougall: I do not think it is a line, sir. We do not operate a service from Ottawa to Winnipeg.

Mr. McGrath: Montreal to Winnipeg.

Mr. Macdougall: We operate a transcontinental service...

Mr. McGrath: From Montreal to Winnipeg.

Mr. Macdougall: ...from Montreal to Winnipeg and on to the Pacific Coast, the transcontinental, the supercontinental and the panarama trains.

An hon. Member: This train I took last night was just to Winnipeg.

An hon. Member: It stopped at Winnipeg.

An hon. Member: No, sir, it terminated at Winnipeg.

An hon. Member: That is what I mean—stopped, terminated at Winnipeg. That is a winter run.

An hon. Member: Yes, I think that is a winter operation. They do stop the train; they break it there and you have to make a connection to go on from there—a connection with another train.

Mr. Macdougall: I think, Mr. McGrath, in answer to your question, the fact is well known that railway passenger business loses money. It loses money practically any place that I am aware of, certainly in North America. All the railroads are in exactly the same position. We have tried for a number of years to reverse that tide by doing our best to attract passengers into our passenger services throughout the whole of Canada and we have had certain successes with that. But at the same time we have not stemmed the tide; we know that. We have made improvements and we have improved our loss position, but basically most of the passenger services do lose money.

Mr. McGrath: I have two final questions, Mr. Chairman. The first one. Would the railway consider it to be a reasonable proposition to accede to the requests of the Newfoundland legislature to the vast body of public opinion in Newfoundland, and the brief that has been presented to this Committee and the CTC to have a longer period of time in this experimentation between the buses and the train? We are not here to plead the "Bullet"

[*Interpretation*]

M. McGrath: J'ai pris à Montréal hier soir le train de Montréal à Winnipeg. Est-ce un parcours?

M. Macdougall: Non, il ne s'agit pas d'un parcours. Monsieur, nous n'avons pas de service d'Ottawa à Winnipeg.

M. McGrath: Montréal à Winnipeg.

M. Macdougall: Nous exploitons un service transcontinental.

M. McGrath: De Montréal à Winnipeg.

M. Macdougall: ... de Montréal à Winnipeg et jusqu'à la côte du Pacifique, le transcontinental, le super continental et panorama.

Une voix: Ce train que j'ai pris l'autre nuit allait seulement à Winnipeg.

Une voix: Il s'arrêtait à Winnipeg.

Une voix: Non, monsieur, il n'allait pas plus loin que Winnipeg.

Une voix: C'est ce que je voulais dire, il s'arrêtait à Winnipeg. C'est un service d'hiver.

Une voix: Oui je pense que c'est un service d'hiver. Il arrête le train, et vous devez prendre une correspondance avec un autre train pour continuer.

M. Macdougall: Je crois qu'en réponse à votre question, monsieur McGrath, tout le monde sait très bien que le service voyageur perd de l'argent. Il perd de l'argent partout où je connais, certainement en Amérique du Nord. Tous les chemins de fer sont dans la même situation. Nous avons essayé depuis plusieurs années de renverser cette tendance, en faisant de notre mieux pour attirer les voyageurs à notre service voyageur à travers le Canada et nous avons eu un certain succès à cet égard. Mais nous n'avons toujours pas pu renverser le flot, et nous le savons. Nous avons pu l'améliorer, diminuer nos pertes si vous le voulez, mais au fond, la plupart de nos services voyageurs perdent de l'argent.

M. McGrath: J'ai deux questions pour terminer, monsieur le président. La première: est-ce que le chemin de fer considérerait ceci comme une proposition raisonnable, d'accéder à la demande de la législature de Terre-Neuve, de la plupart des gens de Terre-Neuve, de l'opinion publique et du mémoire qui a été présenté devant notre Comité et la Commission canadienne des transports, d'avoir une période de temps plus longue pour

[*Texte*]

on the basis of sentiment or to keep the thing going in perpetuity. All we want to ensure is that we will have a reasonably efficient transportation service.

A number of problems have been raised that bother us very much. For example, there is no way to transport patients and invalid people from the west coast of Newfoundland to specialized treatment in St. Johns if the trains are taken off. The elderly, women with children, and so on. Would you consider it a fair proposition to keep the trains running until the fall of 1970, at which time the Commission would be asked to re-examine the whole picture?

Mr. Macdougall: Let me just deal first of all with your concern, quite properly, about women and children and sick people.

Mr. McGrath: We had a brief on this by the way, from the social workers.

Mr. Macdougall: I understand that. But this sort of problem arises all over Canada where there are no train services, and people are handled by ambulance. They go in an ambulance for 60 miles into Toronto to have something done to them.

Mr. McGrath: Do they go 450 to 600 miles by ambulance?

Mr. Macdougall: Let me tell you this. We do not carry very many people of that kind on the trains. I made some enquiries about Newfoundland, and I can find very few instances in the last few years where we have had any call or request for the type of thing you are speaking of. So if they are in that condition, they are going by some other means.

Mr. McGrath: But you would have no way of knowing...

Mr. Macdougall: We would know if they were on the train.

Mr. McGrath: ...whether you carry a litter patient in a sleeping car. You would have no way of getting this recorded.

Mr. Macdougall: Our people know about that. They have to put a crew in there, take out the windows, put the people in, and that sort of thing.

Mr. McGrath: I will not argue about it, Mr. Macdougall. I would like to have an answer to my other question.

[*Interprétation*]

cet essai entre les autobus et les trains. Nous ne sommes pas ici pour plaider en particulier pour le Bullet par sentimentalité ou pour le garder «ad infinitum». Tout ce que nous voulons c'est assurer un service de transport efficace.

Il y a un certain nombre de problèmes qui ont été soulevés et qui nous préoccupent beaucoup. Par exemple, il n'y a pas moyen de transporter les invalides, côte ouest, de Terre-Neuve à Saint-Jean si vous enlevez le train. De même, les vieillards, les mères avec leurs petits enfants etc. Est-ce que vous estimez que ce serait suffisant pour garder les trains jusqu'à l'automne de 1970, et à ce moment-là, on demandera à la Commission d'étudier la question de nouveau.

M. Macdougall: Permettez-moi, tout d'abord, de parler de votre préoccupation au sujet des femmes, des vieux et des malades.

M. McGrath: Nous avons eu un mémoire à ce sujet.

M. Macdougall: Le problème surgit partout au Canada où il n'y a pas de service de train, on a alors des services ambulanciers; vous prenez l'ambulance pour soixante milles jusqu'à Toronto.

M. McGrath: Est-ce qu'il faut qu'il fasse 450 milles à 600 milles par ambulance?

M. Macdougall: Permettez-moi de vous dire que nous ne transportons pas beaucoup de gens de ce genre dans nos trains. J'ai enquêté à Terre-Neuve; il y a eu très peu de cas à Terre-Neuve où nous avons eu des problèmes de ce genre. Et alors s'il se trouve dans cette situation, ils se rendent par d'autres moyens.

M. McGrath: Mais vous ne le sauriez pas...

M. Macdougall: Nous le saurions s'ils étaient sur le train.

M. McGrath: .. si vous transportiez une civière dans un compartiment-couchette, vous n'auriez pas de moyen de le savoir.

M. Macdougall: Nos employés le savent car il faut absolument une équipe pour enlever les fenêtres, faire entrer les gens, etc...

M. McGrath: Je ne discuterai pas cela M. Macdougall, mais je voudrais une réponse à mon autre question.

[*Text*]

Mr. Macdougall: I have no instructions to give any answer to your other question, sir. I can not answer that one.

Mr. McGrath: I put it to Mr. Vaughan.

Mr. Vaughan: Well, Mr. McGrath, I will have to really state the same answer as I did this morning. I told you what the order says, and I think I would like our position to remain there.

The Chairman: Do you have another question, Mr. McGrath?

Mr. McGrath: No, I have not got another question, because I cannot accept that answer. I mean, it is a straight forward question and...

Mr. Vaughan: I have given you a straightforward reply, and I am saying no, I will not and cannot give any such undertaking.

Mr. McGrath: May I ask why you cannot answer that question, Mr. Vaughan?

The Chairman: Mr. McGrath, I think we are coming back to the same point we were at this morning. Everything has been going fine, and then you come back exactly with the same point as this morning.

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Mr. McGrath: Well, how can we make a recommendation to the House if we cannot get the evidence?

The Chairman: They are not allowed to give that kind of information. They are not here for that purpose.

Mr. McGrath: What are they here for, Mr. Chairman?

The Chairman: Order, please.

Mr. Rock: I asked for the floor, Mr. Chairman. I think Mr. Vaughan answered you. He said he cannot give you that undertaking. That is the answer. We have made a recommendation to the House. Now whether Parliament and the cabinet are going to agree to that recommendation or not, that is another item.

An hon. Member: It is a recommendation.

Mr. Rock: A recommendation, yes, until we bring in our final report. I do not see what the argument is here at all, Mr. Chairman.

[*Interpretation*]

M. Macdougall: Je ne saurais vous répondre. Je n'ai aucune instruction à ce sujet.

M. McGrath: Alors je poserais la question à M. Vaughan.

M. Vaughan: Je devrai vous donner la même réponse que je vous ai donnée ce matin. Je vous ai cité l'ordonnance, et je crois que notre attitude demeurera la même.

Le président: Une autre question M. McGrath?

M. McGrath: Non, je n'ai pas d'autres questions; car je ne puis accepter cette réponse! Je veux dire c'est une question précise et...

M. Vaughan: Je vous ai donné une réponse précise, et j'ai dit que je ne puis pas m'engager, et je ne le peux pas!

M. McGrath: Est-ce que je pourrais demander pourquoi vous ne pouvez pas répondre à cette question, M. Vaughan!

Le président: M. McGrath, nous en revenons au même point où nous étions ce matin. Tout marchait très bien, et vous en revenez exactement au même point que ce matin.

M. McGrath: Mais, comment pouvons-nous formuler une recommandation à la Chambre, si nous sommes incapables d'obtenir des preuves?

Le président: Les témoins ne peuvent pas donner ces renseignements. Ils ne sont pas ici pour cela.

M. McGrath: Et alors dans quel but sont-ils ici?

Le président: A l'ordre, s'il vous plaît!

M. Rock: J'ai demandé la parole, M. le président. Je crois que M. Vaughan vous a déjà répondu; il a dit qu'il ne pouvait pas s'engager dans ce sens, voilà la réponse. Nous avons formulé une recommandation à la Chambre. Maintenant que le Parlement et le Cabinet soient d'accord, voilà une autre question.

Une voix: C'est une recommandation.

M. Rock: Oui, jusqu'à ce que nous fassions notre rapport définitif, je ne vois pas du tout le problème monsieur le président.

[*Texte*]

Mr. Lundrigan: May I ask a supplementary question?

The Chairman: Mr. Lundrigan.

Mr. Lundrigan: Can Mr. Macdougall or Mr. Vaughan comment on the normalcy or the abnormality of the weather in Newfoundland this year as it pertains to the bus service, and perhaps even comment as well on the number of accidents that the buses have had, if any, and with what results?

Mr. Macdougall: Generally speaking, I would say that from the point of view of the bus operations, they have had a very good trial this winter. They have had some very open weather; they have had some very difficult weather. Our technical people tell me there have been little problems. When you start up a new service of any kind you are bound to run into a few problems. But basically our people are very satisfied that it has performed very well.

The buses are good buses. They are the best we could provide and the best we could obtain. And within the bounds of the normal things that happen with your automobile, the bus, any mechanical piece of equipment, it has operated very well.

I followed this very closely with our own people over there. I am in touch with them by telephone regularly, and my general information is that there has been relative satisfaction with the buses. There have been a few minor accidents. After all, we had no drivers available for these buses. We were most insistent—I was, in any event—that we offer these jobs as bus drivers to men from Newfoundland. We endeavoured to get them from our own railway service where we could get them, but everyone of them had to be trained right from the very beginning. And I think that those men, most of them Newfoundlanders, have done a first-class job, sometimes under very difficult weather conditions.

Mr. Lundrigan: What were the weather conditions like generally? Were they abnormally good or bad?

Mr. Macdougall: You know them as well as I do, sir. They are normal weather conditions from my information. Some periods of time were very, very bad; some periods of time were very, very good. I am not enough of an expert on Newfoundland weather...

Mr. McGrath: Well you seem to be, Mr. Macdougall. You are presenting yourself as...

The Chairman: Mr. McGrath, just a minute.

[*Interprétation*]

M. Lundrigan: Est-ce que je pourrais poser une question supplémentaire?

Le président: M. Lundrigan.

M. Lundrigan: Est-ce que M. Macdougall ou M. Vaughan pourrait parler de l'aspect normal ou anormal des conditions climatiques cette année en ce qui concerne les services d'autobus, et parler aussi du nombre d'accidents que les autobus ont eus et leurs résultats?

M. Macdougall: En général, je dirais que du point de vue de l'exploitation des autobus, l'essai a été excellent cet hiver. On a eu de bonnes conditions et de très mauvaises. Le service technique m'a fait savoir qu'il y a très peu de problèmes. Quand on inaugure un nouveau service, il y a nécessairement des problèmes. Mais apparemment, les gens sont satisfaits que le service d'autobus ait été si bon.

Ce sont de bons autobus, les meilleurs que nous ayons pu obtenir. Et dans les limites des choses normales qui se produisent, quand il s'agit du matériel mécanique, tout cela a très bien marché.

J'ai suivi de très près avec nos gens là-bas. Je suis régulièrement en liaison téléphonique avec eux et mes renseignements indiquent que les gens ont été assez satisfaits des autobus. Il y a de petits accidents. Il n'y avait pas de chauffeurs d'autobus pour les conduire. On a insisté, moi-même dans ce cas, pour que ces postes de chauffeur d'autobus soient offerts à des gens qui étaient sur place; nous avons tenté de les prendre parmi nos cheminots, lorsque c'était possible, mais chacun a dû être formé en partant de la base. La plupart de ces gens, tous de Terre-Neuve, ont fait un excellent travail, et parfois dans des conditions climatiques très difficiles.

M. Lundrigan: Quelles étaient les conditions climatiques en général; normales, bonnes, mauvaises?

M. Macdougall: Vous les connaissez aussi bien que moi, monsieur. Ce sont des conditions normales. D'après ce que j'ai pu comprendre, parfois elles étaient affreuses, et parfois bonnes. Je ne connais pas suffisamment le climat de Terre-Neuve.

M. McGrath: Vous semblez l'être, M. Macdougall. Vous vous présentez comme...

Le président: Monsieur McGrath, un instant, s'il vous plaît!

[*Text*]

Mr. McGrath: Mr. Macdougall has just set himself up as an expert on weather conditions in Newfoundland.

The Chairman: No, no.

Mr. McGrath: Why does he not explain? What does he have to back it up with? I am trying to be rational.

The Chairman: Order, please.

Mr. McGrath: Let him back that up with statistical facts, Mr. Chairman.

The Chairman: Order please. Mr. Noel.

Mr. Noel: A supplementary question. In line with what has been discussed here by the members on the opposite side, can I ask the CNR people if there is in this country, outside of Newfoundland, a place where they run a train on love?

Mr. McGrath: If you have any more questions like that, I doubt...

The Chairman: Order. I would say he is not in order.

Mr. Trudel: Mr. Chairman, is this gentleman a member of the Committee?

The Chairman: Mr. Trudel? Yes, he is a member of the Committee.

Mr. Trudel: With that kind of a question?

The Chairman: Gentlemen, order please. Mr. Trudel has a supplementary.

Mr. Rock: Mr. Chairman, on a point of order. Could you tell me who is the questioner now? There have been so many supplementary questions that I do not know whose turn it was to ask the questions, and that person has never come back to ask...

The Chairman: Mr. Trudel is, for the moment.

Mr. Trudel: This is a supplementary question to Mr. Lundrigan's line of questioning, and I would like to direct this to Mr. Vaughan. There seems to be a lot of importance attached to weather conditions in Newfoundland Mr. Vaughan, in your position you must be aware of the weather conditions throughout the country, not only in Newfoundland. I would like to ask you this question. What is the most difficult area in Canada in which you have to operate trains with regard to the depth of the snowfall experienced?

[*Interpretation*]

M. McGrath: M. Macdougall vient de s'ériger en expert sur la climatologie de Terre-Neuve.

Le président: Non, non.

M. McGrath: Pourquoi n'explique-t-il pas? Sur quoi s'appuie-t-il? J'essaie d'être rationnel.

Le président: A l'ordre! S'il vous plaît!

M. McGrath: Laissez-le essayer de prouver par des statistiques ce qu'il avance, monsieur le président.

Le président: A l'ordre! S'il vous plaît! Monsieur Noël.

M. Noël: Une question supplémentaire. A la suite de ce qui a été discuté ici par les membres de l'opposition, est-ce que je pourrais demander aux employés du CN, s'il y a dans ce pays, à part Terre-Neuve, un endroit où on a un service exploité pour le plaisir?

M. McGrath: Si vous avez d'autres questions comme cela, je doute...

Le président: A l'ordre. Je devrais dire qu'il n'est pas à l'ordre.

M. Trudel: Monsieur le président, est-ce que ce monsieur appartient à ce Comité?

Le président: M. Trudel? Oui il est membre du Comité.

M. Trudel: Avec ce genre de question?

Le président: Messieurs, à l'ordre. M. Trudel a une question supplémentaire.

M. Rock: Monsieur le président, j'en appelle au Règlement. Pourriez-vous me dire qui questionne à l'heure actuelle. Il y a tellement de questions supplémentaires que j'ignore à qui est la parole.

Le président: A M. Trudel pour le moment!

M. Trudel: C'est une question supplémentaire posée à la suite de celles de M. Lundrigan; je voudrais la poser à M. Vaughan. Il semble qu'on attache beaucoup d'importance aux conditions climatiques à Terre-Neuve. M. Vaughan, dans votre situation vous devez être au courant des conditions climatiques partout au pays non seulement à Terre-Neuve. Alors je voudrais vous poser cette question-ci: quelle est la région la plus difficile pour l'exploitation des trains au Canada en ce qui concerne la quantité des neiges dans notre pays?

[*Texte*]

Mr. Vaughan: Well, without posing as an expert on that, and I am not, this winter Western Canada was the most difficult part of the country in which to operate.

Mr. Trudel: Was it a really severe winter?

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Mr. Vaughan: Yes. Severe cold that persisted through December and January, and that I would say was the most difficult time we had in operations this year.

Mr. Trudel: Would this be a condition that you find prevalent mostly year after year out West? What I am trying to establish here, Mr. Vaughan, is that I have been in Newfoundland, not as often possibly as I would have liked, but I come from an area where snowfall is a big problem and a big factor, but it has not been a deterrent to the rail service or the bus service.

I feel that we have areas other than Newfoundland, and I am not trying to plead a case here; I am just trying to establish a point of fact. This is not the main consideration when you are operating either bus or rail. What I am trying to obtain from you—and you do not have to answer the question if you do not wish—is that there are other areas that have a far heavier snowfall than the area that we are discussing at the present time?

Mr. Vaughan: Certainly.

The Chairman: Mr. Lundrigan?

Mr. Lundrigan: Mr. Chairman, I have a further supplementary. My question relates to a statement that was made by Mr. Macdougall about, first, the general loss of revenue of the passenger rail service in Canada, and, second, about the CN having been making a good deal of effort to attract passengers and thereby to cut its losses, if you want.

I am asking my question of an expert who knows the situation because it is right on target with his operations.

Could you tell us, generally, what efforts have been made to upgrade the roadbed of the Newfoundland system and also to upgrade the service generally in terms of the dining cars and the cleanliness and the over-all service provided? What effort has been made relative to other areas of Canada, and with what results? Why has it not attracted passengers, if it has not?

Mr. Macdougall: The efforts that we have made to attract passenger business throughout Canada have been a system...

[*Interprétation*]

M. Vaughan: Sans vouloir m'ériger en expert à ce sujet, je dirais que l'ouest du Canada, cet hiver, a été la région la plus difficile pour l'exploitation des trains.

M. Trudel: Ce fut un hiver très rigoureux?

M. Vaughan: Oui. Il y a eu un hiver vraiment sévère en décembre, en janvier et je dirais que ce fut la période la plus difficile pour l'exploitation des trains cette année.

M. Trudel: Est-ce que c'est une condition que vous trouvez, année après année, disons dans l'ouest? Ce que j'essaie de voir là, M. Vaughan, c'est que je me suis rendu à Terre-Neuve, peut-être pas aussi souvent que j'aurai voulu, mais je viens d'une région où ce facteur est très important, mais ce n'est pas un handicap pour le service ferroviaire ou par autobus.

Nous avons d'autres régions que Terre-Neuve et je n'essaie pas de plaider une cause ici, mais simplement d'établir des faits. Ce n'est pas la principale considération lorsque vous exploitez un service ferroviaire ou d'autobus. Ce que j'essaie d'obtenir, vous n'avez pas à répondre à cette question si vous ne désirez pas le faire, c'est qu'il y a d'autres endroits où il y a des chutes de neige plus importantes que dans la région qui nous intéresse actuellement.

M. Vaughan: Oui.

Le président: Monsieur Lundrigan.

M. Lundrigan: Une question complémentaire, monsieur le président. Cette question a trait à une déclaration faire par monsieur Macdougall, tout d'abord, au sujet des pertes générales de revenu du service voyageurs par chemins de fer au Canada, et deuxièmement, au sujet du CN qui a vraiment essayé d'attirer des passagers et, par le fait même, de réduire ses pertes.

Je vais poser la question à un spécialiste qui connaît la situation, parce que son travail y est rattaché. Pourriez-vous nous dire en général, quels efforts furent déployés pour améliorer leur service de rails à Terre-Neuve et aussi le service relativement aux wagons-restaurant, la propreté et l'ensemble des services offerts, et par rapport au reste du Canada, et avec quels résultats? Si cela a échoué, quelle en est la raison?

M. Macdougall: Les efforts que nous avons faits pour attirer les affaires à travers le Canada a été un système...

[*Text*]

Mr. Lundrigan: I am from Newfoundland.

Mr. Macdougall: I know you are. We have had a system approach to this all across the country, including Newfoundland.

Probably if you were to examine in detail things that have been done—and I do not know what detail you might be interested in—you would probably find more done in one place than in another. In other words, the attempt was to try to test the market to see whether people would come back to train travel. The red, white and blue fares were a particular example of that. It was felt that no matter how nice you make things, or what changes you may make, people really are interested in the money they pay.

We wanted to see if we could attract people to the service through fare action, and we established a new type of fare system to try to do this. Mainly, those fares were considerably lower than they were previously, because we wanted, first of all, to find out whether people were prepared to pay anything for this service. That was started in the Maritimes and was applied in Newfoundland before it was applied anywhere else in Canada. We started it down there to see what we could do with that change.

We also endeavoured to eliminate the situation of the person having to buy transportation and buy food, and we put it all together in one package so that a man could get his ticket reservation and his food. We started that, too, in the Maritimes and in Newfoundland, and it has been applied right across our whole system.

Relative to the detail of what we have done with dining cars and equipment and so on, I did look at the Newfoundland equipment register that we have there. We have looked at this in relation to this whole question of service there. You speak of dining cars. We have seven dining cars in Newfoundland; five of which were in service in Newfoundland when we took over there in 1949, a new one was converted in 1953, and we built another one in 1958. Fifteen of the coaches have been rebuilt or refurbished since 1949, and seven of the remaining, of the total of 22 we have there, were built in 1943, before Canadian National look over.

We put in new steam generator units to improve the heating, and so on, of the equipment, and five new ones were built in 1956 and put into service in Newfoundland.

The sleeping cars are mostly those that

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were built by the U.S. army and taken over and operated in service, although we have seven that were built after 1952.

[*Interpretation*]

M. Lundrigan: Je viens de Terre-Neuve.

M. Macdougall: Je le sais. Nous l'avons essayé à travers tout le pays, même à Terre-Neuve. Si vous étudiez en détail ce qui a été réalisé, et je ne connais pas tous les détails qui peuvent vous intéresser, vous trouverez peut-être qu'en un endroit on a fait plus qu'en un autre. Nous essayons donc d'étudier le marché pour voir si les gens reviendraient au voyage en train. Les billets bleu, blanc, rouge constituent un exemple de cet effort. Nous nous sommes aperçus que peu importe la beauté que vous donnez aux choses ou les changements que vous apportez, les gens s'intéressent surtout à l'argent qu'ils dépensent.

Nous avons voulu savoir si nous pourrons attirer le public en modifiant le tarif. Nous avons alors instauré un nouveau type de tarif. Les tarifs étaient beaucoup moins élevés dans bien des cas qu'ils ne l'étaient auparavant, parce que, tout d'abord, nous voulions voir si les gens étaient prêts à payer pour ce service. Il a été inauguré dans les Maritimes et a été mis en vigueur à Terre-Neuve avant tout le reste du pays. Nous avons commencé le service dans cet endroit pour voir ce qu'il en résulterait.

Nous avons aussi essayé de faire disparaître la question des personnes qui doivent payer pour le transport et la nourriture. Nous avons tout mis dans un même billet, de sorte qu'un homme peut acheter un billet où les repas sont compris. Ce système a aussi été inauguré dans les Maritimes et à Terre-Neuve et il a été appliqué sur tout notre réseau ferroviaire. Pour ce qui est du travail qui a été fait pour les wagons-restaurant, l'équipement et ainsi de suite, j'ai examiné notre équipement à Terre-Neuve. Nous avons examiné ces questions en rapport avec toute la question des services en cet endroit. Vous parlez des wagons-restaurants. Nous en avons 7 à Terre-Neuve, dont 5 étaient en service lorsque nous nous sommes installés là-bas en 1949, un nouveau a été converti en 1953 et nous en avons construit un autre en 1958. 15 wagons ont été réaménagés ou remis à neuf depuis 1949 et 7 voitures sur 22 ont été aménagées en 1943 avant que le CN s'implante sur place.

Nous avons aménagé des systèmes de chauffage à la vapeur, cinq nouveaux ont été construits en 1956 et mis en service à Terre-Neuve. Les wagons-lits étaient pour la plupart aménagés par l'armée américaine et mis en service même si sept d'entre eux furent construits après 1952.

[*Texte*]

Therefore, we have tried at least to hold the quality of the service there relative to the equipment from the point of view of safety and general comfort.

Mr. Lundrigan: Did you say, "Hold the quality?

Mr. Macdougall: Yes, hold the quality; I do not know how much it has actually been improved, but we have endeavoured to put some money into the Newfoundland operations of the passenger service.

Mr. Lundrigan: Mr. Chairman, I think what I am going to say should be on the record. I think all members, regardless of where they sit in the house, would like to hear what I have to say on this and then perhaps I could get a reaction. I am going to make a charge which has been levelled by quite a number of people involved with the CN in Canada, not only in Newfoundland.

I have had the distinct privilege, I suppose, of travelling from St. John's, Newfoundland, right across the whole continent with the CN. I am not going to say what my experiences were relative to other parts of Canada because I think that would colour the issue a little, but a charge has been made and I think if one were to investigate the Newfoundland railway system this would perhaps be substantiated: that the Canadian National has a policy in Canada—not only in Terreneuve—of deliberately downgrading services when they want to justify the abandonment of these services.

I have interviewed CN personnel on the trains; I have interviwed people who have been there for 20 years, people who have made their livelihood from it; and they have indicated—and I can speak from personal experience, but I will not give you my own background—that the service has been deliberately downgraded; that the roadbed is all but gone; that unless the system is upgraded immediately it is just as well not to retain it anyway because you will not be able to run on the road service; and that the meals and the cleanliness of the whole system have been deliberately downgraded in an effort to have people not use the service.

In spite of this, the service has continued to retain a fair level of support from the public.

I do not expect a positive answer, but I would like to have the reaction to this accusation that the CN does have a policy of deliberately downgrading services to justify their termination. I will give you evidence, if you wish me to bring it before the Committee,

[*Interprétation*]

Nous avons donc essayé, au moins, de maintenir la qualité des services et de l'équipement sur le plan de la sécurité et du confort en général.

M. Lundrigan: Vous avez dit: «Pour maintenir la qualité».

M. Macdougall: Oui, pour maintenir la qualité. Je ne sais pas dans quelle proportion il y a eu amélioration, mais nous avons essayé d'investir de l'argent dans le service-voyageurs de Terre-Neuve.

M. Lundrigan: Monsieur le président, je pense que cela devrait être inscrit au compte rendu. Je pense que tous les membres, quelles que soient leurs allégeances politiques, aimeraient entendre ce que j'ai à dire là-dessus, et peut-être pourrais-je alors voir quelle serait la réaction. Et, je vais faire une accusation qui fut énoncée par bon nombre de personnes qui empruntent les services du CN au Canada et non pas seulement à Terre-Neuve.

J'ai eu le privilège de voyager de Saint-Jean (Terre-Neuve) et de traverser tout le continent avec le CN. Je ne veux pas dire quelles furent mes expériences par rapport aux autres régions du Canada, parce que je pense que cela serait un peu trop imagé. Mais on a porté une accusation et je crois que si on faisait enquête sur le système ferroviaire de Terre-Neuve, on pourrait établir que le CN a une politique au Canada, et non pas simplement à Terre-Neuve visant à rabaisser délibérément les services lorsqu'ils veulent vraiment justifier l'abandon d'un tel service.

J'ai interrogé des membres du personnel à bord des trains du CN; j'ai interviewé des gens qui étaient là depuis vingt ans et qui y ont gagné leur vie. Ils ont indiqué et là, je peux vous parler à partir d'une expérience personnelle, mais je ne vous donnerai pas mon propre curriculum vitae, ils ont dit que ce service a été rabaissé de façon délibérée; que les lits étaient à peu près finis; à moins qu'on améliore le service immédiatement ce serait inutile de le maintenir parce que vous ne pourrez plus maintenir un tel service, et que les repas et la propreté de tout ont été négligés en vue de décourager les gens à avoir recours à ce service. Malgré tout, le service a été maintenu et a reçu tout de même un certain appui du public. Mais je ne m'attends pas à ce qu'on y réponde mais je voudrais voir la réaction à cette accusation, à savoir que le CN néglige délibérement son service afin de faciliter l'abandon de ces lignes. Je vous en donnerai des preuves si vous voulez que je le fasse devant le Comité,

[*Text*]

Mr. Chairman, that this is a fact in Newfoundland.

Mr. Macdougall: I can tell you very definitely that there is no such policy in Canadian National.

Mr. McGrath: We certainly would expect that from...

Mr. Macdougall: You would expeect me to be honest; and it is being honest.

Mr. McGrath: Well...

The Chairman: Order, please. Mr. Lundrigan?

Mr. Rock: On a point of order. We have been having supplementaries all the way through. I ask you again: Who was the original questioner?

The Chairman: I said a moment ago that I would allow no supplementaries for a while. Mr. Lundrigan is going to finish and then you will have the floor, Mr. Rock.

Mr. Lundrigan: Mr. Chairman, in view of what I have said and the fact that I am prepared to give evidence of what I am talking about, perhaps the gentleman in question would like to react a little more fully, because it is a serious accusation.

M. Macdougall: I think it is a very serious accusation. I do not think there is any foundation to it. And I tell you that there is no such policy in Canadian National. I do not see any point in my discussing it with you because there is no foundation to it at all.

Mr. Lundrigan: Mr. Chairman, may I give a little bit of information to the Committee in order to...

The Chairman: If it is about Newfoundland, all right; if it is not, you are out of order.

Mr. Perrault: Is it hearsay evidence, Mr. Chairman, or does he have papers and proof?

Mr. Lundrigan: No, I do not have papers to prove it, but I can quote from interviews I have had with CN personnel about the cleanliness of the carrying service, about the fact that they have been instructed not to do any cleaning for weeks and months and that in the dining cars the linen service has deteriorated to the point now that even...

[*Interpretation*]

monsieur le président, et c'est un fait à Terre-Neuve.

M. Macdougall: Il n'y a pas de politique de ce genre du CN.

M. McGrath: Nous nous attendrions à ce que...

M. Macdougall: Vous vous attendriez à ce que je sois honnête, et c'est être honnête.

M. McGrath: Eh bien!

Le président: A l'ordre, s'il vous plaît. Monsieur Lundrigan?

M. Rock: Un appel au règlement. Nous avons eu des questions complémentaires tout le temps. Je vous demande encore une fois qui avait la parole?

Le président: J'ai dit il y a un instant que je n'autoriserais plus de questions complémentaires. Monsieur Lundrigan va terminer et ensuite, vous aurez la parole, monsieur Rock.

M. Lundrigan: Monsieur le président, vu ce que j'ai déclaré, et vu le fait que je suis prêt à vous fournir des preuves de ce dont je vous ai parlé, le témoin aimerait peut-être réagir un peu plus parce que c'est tout de même une accusation assez grave.

M. Macdougall: Oui, mais elle n'est pas fondée à mon avis. Le CN ne suit pas une telle politique. Je ne vois donc pas pourquoi j'en parlerais parce que ce n'est pas fondé.

M. Lundrigan: Monsieur le président, est-ce que je peux donner plus de renseignements au Comité?

Le président: Si cela concerne Terre-Neuve, d'accord. Mais sinon, vous êtes hors d'ordre.

M. Perrault: Est-ce que ce sont de simples ouï-dire, monsieur le président, ou a-t-il des documents et des preuves à l'appui?

M. Lundrigan: Non, je n'ai pas des documents mais je peux vous citer des entrevues que j'ai eues avec des membres du personnel du CN au sujet de la propreté du service, au sujet du fait qu'ils aient reçu des directives demandant de ne pas faire de nettoyage ou de ménage pendant des semaines ou des mois mais que dans les wagons-restaurants, le service de linge de table s'est détérioré au point que même...

[*Texte*]

The Chairman: You could make your report to them.

Mr. Perrault: Mr. Chairman, this sounds remarkably like hearsay evidence. Do we have these alleged statements on the service in affidavit form?

Mr. McGrath: If he is making a statement as a member you must accept it, but...

Mr. Perrault: No, he said...
...I simply do not think there is any value in a member merely saying, "I have heard from 'X' that this situation exists."

The Chairman: You could put those matters before the Committee, but I doubt that it is relative to put them to these people here. You have asked a question of them and they have answered you, that no such order was given; and I think this is the truth.

Mr. Lundrigan: Mr. Chairman, may I suggest, then, that the Committee perhaps at some future and early date summon some of the people who have been connected with the railway service in order to determine the relative quality of the service offered now as compared with five or ten years ago, and the quality of the roadbed, and so on? Perhaps

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this might be in order, if the hon. member will not take my word for it.

The Chairman: Mr. Rock, you now have the floor.

Mr. Rose: Mr. Chairman, on a point of order, before you leave this subject.

Mr. Macdougall, I think you said there was no policy on downgrading, but that does not mean, sir, that you have no policy relative to the elimination of unproductive passenger runs. This is how the downgrading is done and I think this is what Mr. Lundrigan is saying. I will draw your attention, sir, to point 10 of your brief which indicates that you do have a policy towards the elimination of pasenger runs that you feel redundant.

Mr. Macdougall: Right, but we do not have any policy which is designed to take a good or a satisfactory service today and downgrade it into a category that we can get rid of.

[*Interprétation*]

Le président: Vous pourriez leur faire rapport de ces faits.

M. Perrault: Monsieur le président, cela semble vraiment des ouï-dire. Est-ce que ces déclarations à l'égard du service existent dans les formules d'affidavit?

M. McGrath: S'il fait une déclaration en tant que député, vous devez l'accepter, mais...

M. Perrault: Non, il a dit...Je ne crois pas que l'on doive attacher une quelconque valeur aux propos d'un député qui dit avoir entendu une certaine personne dire ceci ou cela.

Le président: Vous pourriez porter ces questions à l'attention du Comité mais je doute que cela intéresse les personnes ici présentes. Vous leur avez posé une question et ils vous ont répondu que de telles directives n'avaient jamais été données et je crois que c'est la vérité.

M. Lundrigan: Puis-je proposer que le Comité réunisse à l'avenir et sous peu des gens qui ont déjà été en rapport avec le service ferroviaire, de façon à comparer la qualité du service offert maintenant, à celui d'il y a cinq ans ou dix ans quant à la qualité des lits et de l'équipement, etc. Ce serait peut-être acceptable si l'honorable député ne voulait pas me croire.

Le président: Monsieur Rock, vous avez la parole.

M. Rose: Monsieur le président, en appel au règlement, avant que vous laissiez cette question. Monsieur Macdougall, je crois que vous avez dit qu'aucune politique de ce genre n'existait. Mais cela ne signifie pas que vous n'avez pas de ligne de conduite relative à l'élimination d'un service voyageur non productif parce que c'est là vraiment la façon dont la politique est appliquée. Je pense que c'est ce dont M. Lundrigan voulait parler. Je vous signalerai le point 10 de votre mémoire qui indique que vous avez vraiment une politique qui tend à faire disparaître les services passagers qui, à votre avis, font double emploi.

M. Macdougall: C'est vrai, mais nous n'avons pas de politique conçue pour prendre un service aujourd'hui, un service satisfaisant et en faire une catégorie que l'on puisse abandonner.

[*Text*]

Mr. Rose: If I could pursue this for one sentence more, it sounds a little bit to me as if you are ignoring certain social objectives that the railway was there for in the first place and it is a stark parallel to some insurance companies that want only the good risks.

The Chairman: Mr. Rock, you have the floor now.

Mr. Lundrigan: Mr. Chairman, on a point of order. I have asked a question and the question was along the lines of downgrading and I think the least that our witnesses can do is provide us with evidence. If they cannot provide it now, I will understand, because they are not able to recall all this, as to what moneys have been used to operate this service per mile relative to other passenger services in Canada, that is, the road bed, and what moneys have been usde to sustain the service which is there relative to personnel employed and the kind of persons who have been used to upgrade it and so on. There is a good bit of evidence there that we need. I have made a chart charge, if you want to call it that, and I think that our witnesses have the responsibility to make this knowledge available to us. Perhaps I am totally wrong.

Mr. Vaughan: Mr. Chairman, the responsibility that we have is what you referred to this morning: it is to Parliament and the statutes that Parliament has passed, and we are abiding by those statutes and following prescribed methods and procedures outlined therein, and this is what we have done.

Mr. Lundrigan: I am not arguing with you. I am asking for the information and you canot give it right now.

Mr. Vaughan: No, we cannot, and with all due deference, I think you are really arguing the case again. This is the impression I get from it.

Mr. Lundrigan: Mr. Chairman, this is getting to be a waste of time. I am not arguing. Mr. Chairman, my point of order is that if we cannot get the information I asked for, then the witnesses should be...

The Chairman: Order please, order. I do not see any point of order, it is just a point of argument that is all. Mr. Rock, you have the floor.

Mr. Rock: Mr. Chairman, I hope that in future members will note down questions, and when it comes to their turn...

[*Interpretation*]

M. Rose: Si on veut bien me permettre de poursuivre, il me semble que vous ne tenez pas compte de certains objectifs d'ordre social qui ont été au début la raison d'être du chemin de fer; vous agissez exactement comme certaines compagnies d'assurance qui ne prennent que des risques sûrs.

Le président: Monsieur Rock, vous avez la parole.

M. Lundrigan: Monsieur le président, j'invoque le Règlement. J'ai posé une question, au sujet de l'abandon du service, et je crois que les témoins pourraient au moins nous fournir des preuves. Je comprends qu'ils ne peuvent le faire maintenant, sans se rappeler quels argents ont été utilisés pour maintenir les services au mille comparativement aux autres services voyageurs au Canada, pour ce qui est du terre-plein, et quels sommes ont été utilisées pour maintenir le service pour ce qui est du personnel employé et du genre de personnes utilisées pour améliorer ces services. Nous avons besoin de ces preuves et témoignages. J'ai porté une accusation, si vous voulez l'appeler ainsi, et nos témoins se doivent de mettre ces données à notre disposition. Peut-être ai-je complètement tort.

M. Vaughan: Monsieur le président, la responsabilité que nous avons est celle dont vous avez parlé ce matin. Nous sommes responsables envers le Parlement et les lois adoptées par le Parlement; nous devons respecter ces lois, nous en tenir aux méthodes et aux procédures qui y sont prescrites. C'est ce que nous avons fait.

M. Lundrigan: Je n'argumente pas avec vous. Je vous demande des renseignements, mais vous ne pouvez me les donner maintenant.

M. Vaughan: Non, nous le pouvons pas, et vous argumentez toujours à ce sujet; c'est du moins l'impression que j'ai.

M. Lundrigan: Monsieur le président, c'est un gaspillage de temps. Je n'argumente pas. Monsieur le président, mon rappel au Règlement est celui-ci: si nous ne pouvons obtenir les renseignements que j'ai demandés, les témoins devraient...

Le président: A l'ordre, je ne vois pas du tout votre rappel au Règlement. Ce'st un simple argument que vous présentez. Monsieur Rock, vous avez la parole.

M. Rock: Monsieur le président, j'espère qu'à l'avenir les honorables membres noteront des questions et quand ça sera leur tour...

[*Texte*]

The Chairman: Put your question, Mr. Rock.

Mr. Rock: I have a number of them here. Mr. Vaughan, does CNR own any ships other than ferries?

Mr. Vaughan: What do you mean, other than ferries?

Mr. Rock: Directly or indirectly. I think you operate some ferries.

Mr. Vaughan: We operate the Cabot Strait ferries, and...

Mr. Rock: Yes, I see. By "other than ferries" I mean either directly or indirectly does the CNR own, say, shares in other shipping firms?

Mr. Vaughan: No, not in shipping firms. We have the Prince George on the west coast, and another one at Windsor-Detroit which just carries railway cars; but that is a ferry too. No, we have no other ships.

Mr. Rock: The Minister of Communications of the Province of Newfoundland, when he was questioned in Newfoundland, stated that the government is studying the possibility of a tunnel between Labrador and Newfoundland. Have you any intention of having your officials, let us say, study with them this possibility of a tunnel under that Strait, with the idea of continuing a train service or something like that?

Mr. Vaughan: If we are asked to participate in such a study we will cooperate, as we do with all these authorities in their examination of such things as this. Yes, we would.

Mr. Rock: In connection with the causeway to Prince Edward Island, I understand that there was a study with CNR also to have a track on that causeway. During that study was there any study also of the possibility of building a tunnel rather than a causeway at that time?

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Mr. Vaughan: Well, I am not sure, Mr. Rock.

Mr. Rock: Maybe Mr. Macdougall would know.

[*Interprétation*]

Le président: Posez vos questions, monsieur Rock.

M. Rock: J'en ai un certain nombre. Est-ce que le National-Canadien, monsieur Vaughan, est propriétaire de navires autres que des transbordeurs?

M. Vaughan: Qu'entendez-vous par «autres que des transbordeurs»?

M. Rock: Directement ou indictement? Je pense que vous avez un service de transbordeurs.

M. Vaughan: Nous avons des transbordeurs dans le détroit de Cabot et...

M. Rock: Je vois. Par «autres que des transbordeurs», je veux dire est-ce que le National-Canadien est propriétaire, directement ou indirectement, d'actions dans d'autres compagnies de navigation.

M. Vaughan: Non, pas dans des compagnies de navigation. Nous avons le Prince George sur le littoral du Pacifique et un autre transbordeur qui va de Windsor à Détroit simplement pour les wagons ferroviaires. Non, nous n'avons pas d'autres navires.

M. Rock: Le ministre des Communications de la province de Terre-Neuve, lorsqu'on l'a interrogé à Terre-Neuve, nous a dit que le gouvernement étudiait la possibilité d'avoir un tunnel entre le Labrador et Terre-Neuve. Est-ce que vous avez l'intention de voir vos hauts fonctionnaires, disons, étudier avec le gouvernement cette possibilité d'aménager un tunnel, soit pour un service de train ou quelque chose du genre?

M. Vaughan: Si on nous demande de participer à une telle étude, nous collaborerons comme nous le faisons toujours avec les autorités lorsqu'elles étudient de tels projets. Oui, nous le ferions.

M. Rock: Pour la chaussée de l'Île-du-Prince-Édouard, si je comprends bien, une étude a été faite aussi en collaboration avec le National-Canadien pour y aménager un rail. Au cours de cette étude, est-ce que l'on a étudié aussi la possibilité d'aménager un tunnel plutôt qu'une chaussée?

M. Vaughan: Je ne suis pas sûr, monsieur Rock.

M. Rock: M. Macdougall le saurait peut-être.

[*Text*]

Mr. Vaughan: Before Mr. Macdougall answers, there is a decision rendered on this situation is there not?

Mr. Rock: Yes. No, no it is just for information, Mr. Vaughan.

The Chairman: Why do you ask for this information when you know you are not allowed to?

Mr. Vaughan: These were government decisions and I really do not want to comment on a government decision.

Mr. Rock: Serious charges were made during the hearings that MFRA benefits have been received by CNR on shipments by trucks with railway bills of lading. I would like to know whether or not there is any truth to this?

Mr. Macdougall: I think I might make a comment on that. I have heard this same thing expressed principally by Day & Ross Ltd., a trucking operator in Atlantic Canada. The background of that might be interesting to you and it is this, that under the Maritime Freight Rates Act, as you know, this is paid only with respect to goods handled by rail today. There are proposals with which we agree that it should be paid no matter which method is used. But, in the past the railway operated off its main lines by using branch lines, what we call way freight services. A package from Montreal to Buctouche would go to Moncton and then on a local train out to Buctouche with a railway bill of lading billed at a railway station in Montreal.

As times changed, that line was discontinued. A truck service was put on to serve that community out there. This commodity would still be billed in Montreal with Canadian National to go to Buctouche. In many cases when we abandoned the lines, we were required by the Transport Commission to provide a substitute service, or we offered a substitute service by highway in order to get rid of the heavy deficit of operating a branch line. So we would have a package destined for Buctouche and it would go down to Moncton by train and then over to Buctouche by highway, either in one of our own trucks or by a contractor. So, we took the legal obligation to deliver it from Montreal to Buctouche, and it went on a rail bill of lading and the Maritime Freight Rates Act would apply. There are objections to this type of thing because part of the operation was by truck.

[*Interpretation*]

M. Vaughan: Avant que M. Macdougall ne vous réponde, la décision a été rendue là-dessus; n'est-ce pas?

M. Rock: Non, non. C'est simplement pour des renseignements, monsieur Vaughan.

Le président: Pourquoi demandez des renseignements quand vous savez que vous ne le pouvez pas?

M. Vaughan: Le gouvernement a pris une décision et je ne veux pas faire de commentaires sur une décision prise par le gouvernement.

M. Rock: On a porté des accusations assez graves pendant les audiences à l'effet que des subventions en vertu de Loi sur le transport des marchandises dans les Maritimes, ont été reçues par le National-Canadien pour des expéditions faites par camion avec connaissements ferroviaires. J'aimerais savoir si ces accusations sont fondées.

M. Macdougall: J'aimerais faire un commentaire là-dessus. J'ai entendu exactement la même observation, surtout de Day and Ross Ltd., compagnie de camionnage des provinces de l'Atlantique. Il serait intéressant pour vous de savoir tout ce qu'il en est. Comme vous le savez, en vertu de la *Loi sur le transport des marchandises dans les Maritimes*, ces subventions ne sont données que pour le transport des marchandises fait par rail. On a proposé, et nous sommes d'accord, qu'elles soient versées quel que soit le mode de transport. Par le passé, le chemin de fer utilisait, à partir de sa ligne principale, des lignes secondaires appelées services aux petites stations. Un paquet, de Montréal à Buctouche, allait à Moncton puis, par le train local, à Buctouche avec un connaissement de la station de Montréal.

Avec le temps, cette ligne a été abandonnée, nous y avons aménagé un service routier. Le connaissement est encore établi à Montréal pour une expédition du colis à Buctouche. La plupart du temps, lorsque nous avons abandonné des lignes, la Commission des Transports nous a obligés à fournir un service de remplacement ou nous avons donné un service substitut par route plutôt que d'avoir un déficit. Donc, un colis à destination de Buctouche se rend à Moncton par train et ensuite à Buctouche par route, soit par un de nos propres camions ou encore par camion d'un entrepreneur. Donc, nous avons assumé l'obligation légale de faire la livraison de Montréal à Buctouche, le connaissement est ferroviaire et la Loi sur le transport des marchandises dans les Maritimes s'applique. On s'objecte à cela parce qu'une partie des opérations se fait par camion. Là où nous avons une compagnie

[*Texte*]

Where we operate a trucking company like Eastern Transport Limited, which is solely a trucking company, and it handles a package billed in Truro and takes it to Moncton, they take it on an Eastern Transport Limited bill of lading and no subsidy is applicable.

Mr. Rock: Could you tell me, regarding the MFRA subsidies, the total amount received last year by the CNR? Maybe you also have the figures for the other railway?

Mr. Macdougall: Yes, we have these figures here somewhere if you will give us a minute to look for them. Yes, during 1967 the amount of subsidy paid to the Canadian National was $12,066,000.00. The total paid out under the MFRA in that year was $14,180,770.00. That is from the Department of Transport records.

Mr. Rock: Mr. Macdougall, I believe you stated, regarding MFRA, that there should be more selection as to where it should apply and also that benefits should be paid directly to shippers. Do you not feel that the administration then for MFRA would be very expensive in comparison to what it is now?

Mr. Macdougall: To pay it to the shippers, you mean?

Mr. Rock: Yes.

Mr. Macdougall: I do not know that it would be very expensive. I do not think that has been worked out in detail. I think it would be more expensive than it is now and perhaps that is the reason it is paid to the railway companies today. However, I think it would be worth the extra money. Certainly it should be looked at, and unless it is astronomical it will be worth the extra money to make the payments direct to the shippers and let them choose the method that they want.

This would do a lot of good: in the first place it would eliminate the wrong idea that this is a subsidy to the railway. We have always smarted a little bit under the suggestion that we were just getting a handout for

[*Interprétation*]

de camionnage, comme la Eastern Transport Limited qui s'occupe exclusivement de camionnage, si un colis avec un connaissement de Truro est transporté à Moncton, le connaissement est celui de la Eastern Transport Limited et aucune subvention n'est payée.

M. Rock: Pourriez-vous me dire, pour ce qui est des subventions payées au titre de la Loi sur le transport des marchandises dans les Maritimes, quelles furent les subventions totales obtenues l'année dernière par le National-Canadien? Peut-être avez-vous aussi les données pour l'autre chemin de fer.

M. Macdougall: Oui, nous avons ces données et si vous nous le permettez, nous allons les trouver. En 1967, les subventions payées au National-Canadien étaient de $12,066,000.00. Le total payé en vertu des dispositions de la Loi sur le transport des marchandises dans les Maritimes était de $14,180,770.00. Ces chiffres sont tirés des livres du ministère des Transports.

M. Rock: M. Macdougall, je pense que vous avez dit au sujet de la Loi sur le transport des marchandises dans les Maritimes, qu'on devrait avoir une meilleure sélection quant à son application et que les avantages devraient être payés directement aux expéditeurs. Ne croyez-vous pas que l'administration des dispositions de la Loi sur le transport des marchandises dans les Maritimes serait alors très coûteuse comparativement à ce qu'elle est maintenant?

M. Macdougall: Si on payait aux expéditeurs?

M. Rock: Oui.

M. Macdougall: Je ne crois pas que ce serait très coûteux et je ne crois pas qu'on l'a établi dans le détail. Ce serait selon moi, plus coûteux que ce l'est maintenant et c'est la raison pour laquelle on paie à la société ferroviaire actuellement. Mais cela en vaudrait la peine. On devrait étudier la possibilité et à moins que ce ne soit beaucoup plus coûteux, il en vaudrait les frais supplémentaires de faire les paiements directement à l'expéditeur et de le laisser choisir la méthode qu'il désire obtenir.

Cela serait excellent, je pense; tout d'abord, cela ferait disparaître cette idée fausse voulant qu'ils s'agisse là d'une subvention aux chemins de fer. Nous nous sommes toujours un peu offusqués à la suggestion qu'on nous

[*Text*]

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this. What we actually do is reduce our rates, charge a lower rate than we normally would and get the additional portion from the government in a payment. We are quite content to take our chances against the competition, let them choose the method that they want, charge our full rate and then the shippers can get back from some agency the additional assistance they consider they should have. That is our view.

Mr. Rock: What financial effect has the freeze on freight rates on the CNR in the Maritimes presently?

Mr. Macdougall: Obviously it has an adverse effect upon the Canadian National. We have made two advances in our rates since the passage of the National Transportation Act, one in 1967 and one in 1968, and neither of those—in the category of rates that are frozen—have been applied in the Maritime area. Consequently we have had to forgo the additional revenue that we would have received. I cannot tell you the exact figure but it is in the millions of dollars. I think it has had an unwanted, adverse effect on Atlantic Canada in that they have frozen all the rates on the commodities that come into the Atlantic area, many of which are competitive with goods produced in Atlantic Canada, and therefore they are subsidizing their competitors in Central Canada who are sending goods into Atlantic Canada, as against the production of similar goods in Atlantic Canada itself. I think that has an adverse effect on Atlantic Canada.

Mr. Rock: Referring to the "Bullet" in Newfoundland, I understand that most of the railway employees who are working on the passenger service will be transferred to the bus service or to other jobs within the railway company. Is this correct?

Mr. Macdougall: I do not know if I can give you just a flat yes or no answer to that. This is a matter which I am very intimately concerned with and I do not look at it in the sense of what we are going to do with these people just in a block. We have to try to fit these people into our railway family somewhere. Many of them have had a good number of years' service with us and some of them have had very little service. At the moment, until we know the exact details of how long the service is going to continue and various

[*Interpretation*]

faisait simplement la charité. Nous ne faisons que réduire nos taux, nous imposons un taux réduit, comparativement à ce que nous obtenons habituellement, et touchons la différence du gouvernement. Nous serions entièrement satisfaits de nous mesurer à la concurrence, de leur laisser choisir eux-mêmes la méthode qu'ils désirent, et d'exiger le plein tarif, quitte à laisser l'expéditeur obtenir d'un organisme quelconque l'aide additionnelle qui, selon lui, devrait lui être accordée. C'est là notre point de vue.

M. Rock: Quels sont actuellement les effets du gel du tarif des marchandises pour le National-Canadien dans les Maritimes?

M. Macdougall: Cela a évidemment des répercussions fâcheuses pour le National-Canadien. Nous avons augmenté deux fois nos taux depuis l'adoption de la Loi nationale sur les transports, une en 1967, une en 1968 et ni l'une ni l'autre, dans la catégorie de taux qui sont gelés, n'ont été appliqués dans les Maritimes. En conséquence, nous avons dû renoncer au revenu additionnel que nous aurions pu obtenir. Je ne peux vous dire au juste le chiffre mais c'est dans les millions de dollars. Je pense que cela a eu un effet contraire, non recherché, sur les provinces de l'Atlantique, dans ce sens qu'ils ont gelé tous les taux pour les denrées qui sont acheminées vers les provinces de l'Atlantique, dont bon nombre font concurrence aux denrées produites dans les provinces de l'Atlantique et ainsi, ils subventionnent leurs concurrents du Canada central qui envoient leurs produits dans le Canada de l'Atlantique, contre la production de ces mêmes denrées dans les provinces de l'Atlantique. Cela a, à mon avis, un effet néfaste sur le Canada de l'Atlantique.

M. Rock: A propos du *Bullet* de Terre-Neuve, je crois comprendre que la plupart des employés du chemin de fer qui travaillent au service-voyageurs, seront transférés au service d'autobus ou à d'autres postes au chemin de fer. Est-ce exact?

M. Macdougall: Je ne sais pas si je peux répondre tout simplement oui ou non à votre question. Il s'agit là d'une question qui me préoccupe de très près et je ne l'envisage pas sous le rapport de ce que nous ferons pour l'ensemble de ces gens. Il nous faut essayer de leur trouver une place au sein de notre grande famille ferroviaire. Bon nombre d'entre eux sont chez nous depuis de longues années et certains n'ont eu que très peu de service. Actuellement, jusqu'à ce que nous puissions savoir exactement combien de

[*Texte*]

other things, we are doing the best we can to work out a plan to look after as many of these employees as we can. If we were able to just chop off the train service and put on the bus service, then you would have a decrease of so many and an increase of so many and you could make it fit a lot better, but we have been required to operate the bus service and the train service together. We have had to take on additional employees to handle the bus service but we still have to maintain the train. We have moved some people from the train service into the bus service, and we have hired some new poeple both in the train and bus service to get the two going together, and when the train comes off naturally there are going to be problems because we just do not have have the jobs in the bus service and many of these jobs are already filled, some with our own people.

We have various provisions that help us with this. In our union agreements we have provision for such things as job security and assistance to employees who are affected by technological change. These are available to employees. We have the seniority districts under which these various employees work, some are larger and some are smaller than others, which will enable them to exercise seniority, so the people affected will be people with as low a number of years of service as possible. We are also searching in every way we can to provide work elsewhere—in or out of Newfoundland—for people who can go to other types of work.

One of the things which both management and the employees have to accept is that when you make changes some people have to change from the type of job they did before. A man may have to become a machinist in another plant, rather than working as a fireman in St. John's, Newfoundland. We are looking at all these factors.

In addition, we have had one experience already which has given us a good deal of comfort, and it should also comfort the employees, in connection with the handling of the changes that have been made in the last few years at Port aux Basques and North Sydney. We changed from the system that had been in use for many, many years of taking all our freight out of box cars in North Sydney, piling it on the dock, having it handled by stevedores into ships in the normal way that you would load a general cargo ship, offload it on the dock at Port aux Basques and then load it into freight cars and move it. We now have rail car ferries which

[*Interprétation*]

temps le service continuera et diverses autres choses, nous faisons tout ce que nous pouvons pour mettre au point un programme pour prendre soin du plus grand nombre possible de ces employés. Si nous pouvions simplement mettre fin au service ferroviaire et commencer le service d'autobus, il y aurait telle diminution et telle augmentation d'autre part et cela serait beaucoup plus facile, mais nous devons faire fonctionner le service des trains et le service d'autobus conjointement. Nous avons dû embaucher de nouveaux employés pour le service d'autobus, mais nous devons toujours maintenir le train. Nous avons transféré des gens du train à l'autobus, et nous avons engagé des nouveaux employés pour le train comme pour l'autobus pour assurer le fonctionnement des deux, et lorsque le train disparaîtra, il y aura des problèmes parce que nous n'avons pas les emplois dans le service d'autobus, et beaucoup ont déjà été remplis, certains par nos propres employés.

Il y a différentes dispositions qui nous aident. Dans nos conventions collectives, nous avons des dispositions prévoyant la sécurité de l'emploi et l'aide aux employés affectés par les modifications technologiques. Les employés peuvent s'en prévaloir. Nous avons des districts d'ancienneté, certains plus grands et certains moins importants que d'autres, ce qui permettra aux employés d'exercer leur ancienneté, si bien que les employés affectés seront ceux qui auront le moins d'années de service possible. Nous essayons aussi par tous les moyens de trouver du travail ailleurs, à Terre-Neuve ou à l'extérieur pour ceux qui peuvent occuper d'autres emplois.

Une des choses que l'administration et les employés doivent accepter est que lorsqu'on apporte des modifications, certaines personnes doivent changer de genre de travail. Un homme peut avoir à devenir machiniste, dans une autre usine, plutôt que d'être pompier à Saint-Jean de Terre-Neuve. Nous étudions tous ces facteurs.

En plus, nous avons déjà eu une expérience qui nous réconforte et elle devrait aussi rassurer les employés pour ce qui est des changements qui ont eu lieu au cours des dernières années, à Port-aux-Basques et à North Sydney. Nous avons abandonné le système qui avait été utilisé depuis de nombreuses années, celui de prendre toutes nos marchandises des fourgons, de les empiler sur le quai, de les faire charger par des débardeurs dans les navires comme on fait habituellement pour un cargo et ensuite, les décharger à Port-aur-Basques et les mettre à bord du train. Nous avons maintenant des transbordeurs pour les wagons qui transportent nos

[*Text*]

move our loaded cars across the strait to Port aux Basques, and we put the Newfoundland cars and the mainland cars side by side and just transfer the freight at a freight dock. So,

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we have really eliminated a major need for stevedoring at North Sydney and Port aux Basques.

We went into a very detailed educational program down there. Many of these men had a considerable number of years of service there. Many of them had very little education. Their ability and mobility to move into other work was limited. So, we not only set up a union-management consultative committee which dealt with the counselling of these men to endeavour to fit them into other types of work, but we actually ran schools and taught them trades and gave them high school education qualifications to enable them to take jobs in categories which required a Grade 11 leaving certificate or a Grade 10 education. I think that worked out fairly successfully.

There are always some things about it that I suppose are not as successful as you hope they will be, but I think this is a real first in management-labour relations in trying to deal with redundant employees, and it was a marked success. We are now thinking of the same type of thing here. If men require retraining, counselling and assistance in moving into other work, that type of thing is being set up and organized. We are approaching it from the point of view that we have a problem here in being able to get these men settled in some form of service and as few as possible being left without employment. It is a difficult problem but we are working at it, and we have had some experience and some success.

Mr. Rock: Is the CNR contemplating finding ways and means by technical change of having freight service made more rapid across Canada? Is any research being done in this respect?

Mr. Macdougall: Research is being done and experimentation is being carried on. One of the things we have been able to do in this so-called computer age is we have been able to put our train operations on the computer, we have been able to simulate train operations to see how quickly we can move goods and what the blockages in our track systems are that are holding us down to a certain length of time, and so on. Experimentation is going on on our railroad and on the Canadien Pacific

[*Interpretation*]

wagons chargés de l'autre côté du détroit à Port-aux-Basques et nous mettons les wagons du continent à côté de ceux de Terre-Neuve et nous transférons simplement les marchandises à un quai de marchandises. Ainsi, nous avons vraiment éliminé le besoin d'avoir recours au service des débardeurs à North Sydney et à Port-aux-Basques.

Nous avons établi un programme d'instruction très détaillé là-bas. Beaucoup de ces hommes avaient bon nombre d'années de service. Beaucoup n'avaient que très peu d'instruction. Leur possibilité de trouver un autre emploi était limitée. Donc, nous avons constitué un comité consultatif administration-syndicat pour conseiller ces hommes et leur trouver d'autres genres emplois mais nous leur avons donné des cours, enseigné un métier et nous leur avons donné une formation d'école secondaire afin de leur permettre d'occuper des emplois dans des catégories qui demandaient une 10e ou 11e année. Je pense que cela a donné d'assez bon résultats.

Il y a toujours quelque chose qui ne réussit pas aussi bien qu'on l'espérait, mais c'est un véritable précédent dans les rapports patrons-ouvriers pour essayer de s'occuper des employés excédentaires, et ce fut un véritable succès. Nous songeons maintenant aux mêmes dispositions ici. Si des gens ont besoin de recyclage, d'orientation et d'aide pour d'autres emplois, nous l'établissons et l'organisons. Nous étudions la question suivant un point de vue voulant que nous ayons un problème pour pouvoir assurer un emploi à ces hommes dans le service et en laisser le moins possible en chômage. C'est un problème difficile, mais nous y travaillons et nous avons déjà eu une certaine expérience et obtenu un certain succès.

M. Rock: Est-ce que le National Canadien songe à trouver des voies et moyens par l'évolution technologique pour avoir un service de messageries plus rapide à travers le Canada? Est-ce qu'on fait des recherches dans ce domaine?

M. Macdougall: On fait de la recherche et des expériences. Une des choses que nous avons pu faire en cet ère de l'ordinateur, c'est utiliser un ordinateur pour notre service ferroviaire, et nous avons pu stimuler ce dernier afin de voir avec quelle rapidité nous pouvons acheminer les marchandises et quels sont les obstacles dans nos systèmes de voies qui nous retardent un certain temps, etc. Les expériences se poursuivent chez nous et au Pacifique Canadien pour améliorer la situation, mais

[*Texte*]

all the time to improve this, but it is a major undertaking to get your average speed up. If you look at the statistics they will show that the average speed is going up a little bit, but this takes into account all the time they are stopped in the yards waiting and moving, the whole whole thing, but there is a distinct movement towards improving the speed. However, even more important than that is the matter of improving the quality and the reliability of the service. There are so many places where something can go wrong that we are working at this tooth and nail all the time to see if we cannot improve the quality and reliability, because that is really where our competitive problems lie vis-a-vis the trucker.

Mr. Rock: This is my last question. You spoke about the loss of passenger clientele across the country. I would like to have your comments on whether you feel this is due to the affluent society in North America. You said this happens not only in Canada but in the United States and the whole of North America as well because people now own cars and trailers and such things more than they did in the past for holidaying, and the like. Is this one of the reasons? Of course, there is also the fact that many highways have been built across the country in comparison to the past. Has this had an effect on the...

Mr. Macdougall: I think it is the fact of the greatly improved highways and the greater number of automobiles that are on the road.

Mr. Rock: Yes, and the air services as well.

Mr. Macdougall: Air and automobiles.

The Chairman: Mr. Breau.

Mr. Breau: Mr. Macdougall, some of the trucking people charged that they were paying considerably more for crossing on the ferries than your trucks or your cars were paying. Is this true?

Mr. Macdougall: I do not know that I would say it is true or it is not true, but they pay on a different basis. As you know, these charges for the ferries are set by the Department of Transport. We do not set the charges for the ferries.

Mr. Breau: You do not set the charges for the ferries?

Mr. Macdougall: No. The charges are not by the Department of Transport. As a matter

[*Interprétation*]

c'est une entreprise importante que d'essayer d'augmenter la vitesse moyenne. Si vous regardez les statistiques, vous verrez que la vitesse moyenne augmente un peu, mais cela comprend tous les arrêts dans les dépôts, l'attente etc., mais il y a vraiment un mouvement vers l'augmentation de la vitesse. Cependant, il est encore plus important d'améliorer la qualité et la fiabilité des services. Il y a tellement d'endroits où les choses peuvent ne pas fonctionner que nous travaillons d'arrache-pied pour voir si nous ne pouvons pas rendre le service plus fiable et plus sûr, car c'est vraiment là que résident nos problèmes de concurrence en face du camionnage.

M. Rock: Une dernière question. Vous parlez de diminution de votre clientèle à travers le pays. Je voudrais savoir si vous croyez que cela est dû à la société prospère de l'Amérique du Nord. Vous avez dit que cela se produit non seulement au Canada, mais aux États-Unis et dans toute l'Amérique du Nord car les gens ont maintenant des voitures, des roulottes etc., plus souvent qu'autrefois pour leurs vacances et choses du genre. Est-ce là une des raisons? Bien entendu, il y a aussi le fait que beaucoup d'autoroutes ont été construites à travers le pays comparativement à ce qu'il en était par le passé. Est-ce que cela a affecté le...

M. Macdougall: Je crois que c'est en raison de la grande amélioration du réseau routier et du plus grand nombre d'automobiles sur la route.

M. Rock: Oui, et aussi le service aérien.

M. Macdougall: Le service aérien et les automobiles.

Le président: Monsieur Breau.

M. Breau: Monsieur Macdougall, certains camionneurs ont avancé qu'ils payaient beaucoup plus pour traverser par les bacs que vos camions ou wagons payaient. Est-ce vrai?

M. Macdougall: Je ne dirais pas si c'est vrai ou non, mais le principe du tarif est différent. Comme vous le savez, les frais de traversier sont fixés par le ministère des transports. Nous n'établissons pas ces frais.

M. Breau: Ce n'est pas vous qui fixez les frais?

M. Macdougall: Non. C'est le ministère des Transports. De fait, tous les services de tra-

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of fact, all the ferry services in Atlantic Canada are under very active review at the moment and presumably a new establishment of charges will be published before too long.

port. So, we operate the service that the

The Department of Transport and the Government of Canada owns the ferries. We operate the ferries for them and the deficits that occur on them are paid by the Government of Canada to the Department of Trans-

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owner asks us to provide. The method that we have of paying for the carriage of our freight by the ferry is a little different than the trucker, and this is basically because of our constitution. For instance, we are required to provide and Canada is required to provide, a link between North Sydney and Port aux Basques and to provide it on the basis that in so far as the shipper is concerned he only pays for moving it across there as if it were 98 miles of rail, just as if the railroad went right over to Newfoundland. Our policy in Canada, as set out by the government, is that the shipper is not required to pay the costs of going across to Newfoundland. He is just required to pay as if it were 98 miles of rail. The rates are calculated on that basis. When we give a portion of our revenue to the Department of Transport for that portion of the haul from Montreal to St. John's, Newfoundland, we give them the proportion of the 98 miles of rail that is represented by that ferry service.

The trucker going across there pays a flat rate of whatever it might be, $2 or $3 a ton, and that is set by the Department of Transport with respect to carriage of the truck across. It depends upon the weight of the truck and the length, and so on. Prince Edward Island is basically the same. It is a charge that we rebate back to the government on the freight charges we obtain for the haul across there, related to the haul across the water of about nine miles to Prince Edward Island as if it were rail.

Mr. Breau: Could you tell me what exactly is the relationship between Canadian National and Canadian National Transportation Limited? Is CNTL considered as another transportation company?

Mr. Vaughan: It is a wholly-owned subsidiary of Canadian National Railways.

Mr. Breau: Do they transport for CN on a contract basis, or on an *ad hoc* basis? Are there contracts involved? Do they operate the express trucks?

[*Interpretation*]

versier dans les provinces de l'Atlantique font l'objet d'une revue très sérieuse à l'heure actuelle, et un nouveau tarif sera vraisemblablement établi avant longtemps.

Le ministère des Transports et le gouvernement du Canada sont propriétaires des traversiers. Nous les exploitons pour eux et les déficits sont payés par le gouvernement du Canada au ministère des Transports. Par conséquent, nous exploitons le service qui nous est demandé par le propriétaire. Notre méthode de payer le transport de nos propres marchandises par traversier est un peu différent de celui du camionneur et c'est fondamentalement en raison de notre constitution. Par exemple, nous sommes tenus, et le Canada aussi, d'assurer un lien entre North Sydney et Port-aux-Basques et de le fournir suivant le principe que, en ce qui concerne l'expéditeur, il ne paie que le coût de transport, comme s'il s'agissait de 98 miles de rails, tout comme si le chemin de fer se rendait jusqu'à Terre-Neuve.

Notre politique au Canada, établie par le gouvernement, est la suivante: l'expéditeur n'est pas tenu de payer les frais de transport jusqu'à Terre-Neuve. Il ne doit payer que comme s'il s'agissait de 98 miles de rails. Le tarif est fixé d'après ce principe. Quand nous donnons une partie de nos recettes au ministère des Transports pour cette partie du transport jusqu'à Saint Jean (Terre-Neuve) nous leur donnons une proportion des 98 milles de rails, représentés par le service des traversiers.

Quand le camionneur traverse, il paie un plein tarif, que ce soit $2. ou $3. la tonne, qui est fixé par le ministère des Transports à l'égard du transport du camion. Évidemment, cela dépend du poids du camion, de sa longueur, et ainsi de suite. A l'Île-du-Prince-Édouard, c'est toujours la même chose. Ce sont des frais que nous remboursons au gouvernement pour les frais de transport que nous avons reçus pour la traversée, par rapport à la traversée du détroit qui est de neuf milles, à l'Île-du-Prince-Édouard comme si c'était une voie ferrée.

M. Breau: Pourriez-vous me dire le rapport qu'il y a entre le National-Canadien et la *CN Transportation Limited*? Est-ce qu'on considère la *CN Transportation Limited* comme une autre entreprise de transport?

M. Vaughan: C'est tout simplement une filiale du National-Canadien.

M. Breau: Est-ce qu'ils font le transport pour le CN, sur base de contrat, ou au jour le jour? Est-ce qu'il y a des contrats en cause? Est-ce qu'ils exploitent les messageries?

[*Texte*]

Mr. Vaughan: They operate our express trucks and our pick-up and delivery trucks—all those trucks that you see running around with the "CN" symbol on them. They are the CNTL. They are operated by the sort of highway department of the railway company.

Mr. Breau: Suppose you had to make a haul of 200 or 400 miles by truck. Would you put that out to tender or would you automatically give it to CNTL?

Mr. Vaughan: It depends on where the movement is.

Mr. Breau: Does it happen that you have to give out contracts before you can have a regular...

Mr. Vaughan: Yes; if that is your question, we not only use our own trucks—the CNTL trucks you speak about—but we have many hundreds of contracts with independent truckers to take the goods from us and continue them on their way.

Mr. Breau: When you replace rail freight with trucks what do you do? Do you automatically publicly ask for a tender so that a private trucker can bid on it?

Mr. Macdougall: Sometimes when a rail line is abandoned no service is provided by us. I think the normal would be that where the service situation on a branch line has deteriorated to the point that there is just a dribble and there is no requirement for carload movements we apply to abandon the line, authority to do that, and that is the end of it. If there is traffic there to be handled then a local trucker would come along and pick it up and take it.

If it turned out that we had goods to be delivered there off-line we could arrange to deliver them by our own truck, or by an independent trucker, but we do not normally just set up a new service every time a line is abandoned.

Mr. Breau: But could it not happen that the CTC would say to you, "We want to be assured that there will still be a transport service there" where perhaps for some reason or another there is no local trucker?

Mr. Macdougall: Yes.

[*Interprétation*]

M. Vaughan: Ils exploitent nos messageries, nos services de cueillette et de livraison, tous les camions que vous voyez avec le «CN». Ce sont les camions, justement, de cette compagnie. Ils sont exploités par le genre de département des routes d'une compagnie de chemins de fer.

M. Breau: Mettons, par exemple, que vous ayez un certain transport à faire, sur une distance de 200 milles ou 400 milles par camion. Est-ce que vous en feriez l'attribution par soumissions ou est-ce que vous le donneriez automatiquement à la CNTL?

M. Vaughan: Tout dépend de la direction de ce transport.

M. Breau: Est-ce qu'il vous faut donner des contrats avant d'avoir un...

M. Vaughan: Si c'est là votre question, non seulement, employons-nous nos propres camions et ceux de la CNTL, mais nous avons, des centaines de contrats avec des camionneurs indépendants pour transporter les denrées et les acheminer à destination.

M. Breau: Quand vous remplacez une ligne de marchandises de chemin de fer par les camions, qu'est-ce que vous faites? Est-ce que vous demandez automatiquement des soumissions publiques pour qu'un camionneur indépendant puisse présenter sa soumission?

M. Macdougall: Parfois quand nous abandonnons une ligne de chemin de fer, nous fournissons les services. Mais la façon normale serait que, lorsqu'il y a une détérioration des services sur une ligne secondaire à tel point qu'il n'y a plus de besoin de mouvements de wagons, nous demanderions l'abandon de la ligne, aurions la permission de le faire et c'est tout. S'il y a un volume de trafic qui doit être servi, alors un camionneur local viendrait, le ramasserait et le livrerait.

S'il arrivait ensuite que nous ayons des denrées à livrer d'après une ligne secondaire, nous nous arrangerions pour les faire livrer par un de nos camions ou par un camionneur indépendant, mais normalement nous n'établissons pas un nouveau service, chaque fois qu'il y a abandon d'une ligne.

M. Breau: Est-ce que la Commission canadienne des transports pourrait vous dire: «Nous voulons être assurés qu'il y aura toujours un service de transport,» s'il n'y avait pas, pour une raison ou une autre de camionneur local?

M. Macdougall: Oui.

[*Text*]

Mr. Breau: When that happens do you automatically give that to the CNTL, or do you ask for tenders...

Mr. Vaughan: It depeends on the circumstances.

Mr. Breau: So it is not always the same procedure?

Mr. Vaughan: No.

Mr. Lundrigan: Mr. Chairman, can you give me the reason for my being ruled out of order a few minutes ago by Mr. Vaughan and yourself...

Some hon. Members: No, no.

Mr. Lundrigan: . .on the questions I posed about the relative cost to the CN of maintaining and upgrading its roadbeds and to operate its dining room, sleeper and coach service in Newfoundland, relative to other provinces? I suggested that even though they could not provide the information for us right now—and undoubtedly they could not—they might make this information available to the Committee very shortly? Why was I rulled out of order on these questions?

The Chairman: Had you put your questions that way perhaps I would not have ruled you out of order.

Mr. Lundrigan: Mr. Chairman, may I put my questions now, in that event? Perhaps I have them a little more refined. I will grant you that.

The Chairman: You will have a chance to ask them later. I have your name on my list. Others have been seeking to speak since this morning and have been delayed and delayed. You will have an opportunity to put those questions.

Mr. Lundrigan: That is fine, Mr. Chairman. I was ruled out of order on basically the same questions, and I could not understand why.

Mr. Skoberg: The Nova Scotia Fish Packers Asosciation indicated that you now have an embargo on the large hopper cars in that area, effective February 15, 1969. Their great concern, of course, was that they must have these large hopper cars to handle their produce. Do you still have that embargo on, and what good reason is there for it?

[*Interpretation*]

M. Breau: Quand cela arrive, est-ce que vous donnez cela automatiquement à la CNTL, ou est-ce que vous demandez des soumissions?

M. Vaughan: Tout dépend des circonstances.

M. Breau: Alors la façon de procéder n'est pas toujours la même?

M. Vaughan: Non.

M. Lundrigan: Est-ce que je pourrais demander au président de me donner la raison pour laquelle il y a quelques minutes, M. Vaughan et vous m'avez dit que mes questions n'étaient pas recevables...

Des voix: Non, non.

M. Lundrigan: ...au sujet des frais pour le CN de maintenir, d'améliorer l'assiette de ses lignes de chemin de fer et d'exploiter son service de wagons-lits, wagons-restaurants, wagons-salons, à Terre-Neuve, par rapport aux autres provinces? J'ai proposé que même s'ils n'avaient pas les renseignements à l'heure actuelle, et sans doute ils ne le pouvaient pas, ils pourraient les donner au Comité très prochainement? Je me demande pourquoi on m'a dit que mes questions étaient irrecevables?

Le président: Si vous aviez posé la question de cette façon-là, je ne vous aurais peut-être pas dit que vos questions étaient irrecevables.

M. Lundrigan: Alors, est-ce que je pourrais poser mes questions, maintenant? Elles sont un peu plus raffinées, je dois l'avouer.

Le président: Vous aurez la chance d'y revenir. J'ai votre nom sur la liste. Il y en a d'autres qui ont demandé la parole depuis ce matin, mais il y a eu des retards et des retards. Vous aurez l'occasion un peu plus tard de poser vos questions.

M. Lundrigan: Très bien, monsieur le président. Au fond, les mêmes questions ont été jugées recevables et je ne pouvais comprendre pourquoi.

M. Skoberg: La *Nova Scotia Fish Packers Association* avait indiqué que vous avez maintenant un embargo sur les wagons-trémie dans cette région, à compter du 15 février 1969. Évidemment, la principale préoccupation c'est qu'il faut absolument avoir ces wagons-trémie pour leurs produits. Est-ce que l'embargo est toujours en vigueur, et quelle bonne raison avez-vous pour le justifier?

[*Texte*]

Mr. Macdougall: Yes; this company is mainly interested in the handling of fish meal, and they move fish meal out on that line. They would like to have the largest car available. They would like to have one bigger than the largest we have available, if they could get it, because there are economies in moving a product such as fish meal in bulk if you can do it in the largest possible quantities.

The largest cars that we have, that they would like to use, seem to have a characteristic that causes them to oscillate at a certain speed. We have had some trouble on that track with derailments in that area when these cars are travelling at speeds of 20 to 25 miles an hour. The oscillation takes place at a very low speed. Something happens and it starts to roll.

This is not happening just there. It happens on your line and on CP, and it happens on Canadian National all over Canada. To give them service and to avoid the possibilities, that we can foresee from our experience, of additional derailments, we have gone to a little smaller type of the same covered hopper type of car, the design of which does not set up this rolling characteristic. That is why we have put the embargo on the big cars.

Mr. Skoberg: And the problem, of course, is that their freight rates increase and what they are asking for is some type on compensatory adjustment of their freight rates on less than 100,000 pounds.

Mr. MacDougall: Yes, I think our people have had some detailed discussions with them about that. I cannot tell you whether or not they have concluded them, but they are very aware of the problem. These people have made it known to us and our sales people have been in contact with them trying to work something out.

Mr. Skoberg: To be consistent with your recommendations, of course, it is most important that these people down there be looked after for the economic growth of that area?

Mr. MacDougall: If we can look after them we certainly will. We do not want them dissatisfied.

Mr. Skoberg: When Mr. Irving was before us, as he was, for quite some time, he suggested that the railways of Canada should give greater consideration to incentive rates

[*Interprétation*]

M. Macdougall: La compagnie s'intéresse surtout à la manutention de farine de poissons, et elle le transporte sur cette ligne-là. Elle voudrait le plus gros wagon disponible. Elle en voudrait un qui soit plus grand que ce que nous avons à l'heure actuelle, si nous pouvions l'obtenir, car il y a des économies à transporter en vrac un produit comme la farine de poissons, si vous pouvez le faire en plus grande quantité.

Les wagons les plus grands que nous avons à l'heure actuelle, et qu'ils voudraient employer, semblent avoir une caractéristique qui les fait osciller rendu à une certaine vitesse.

Nous avons certains déraillements sur cette ligne dans la région, alors que la vitesse était de 20 à 25 milles à l'heure. L'oscillation se produit à des vitesses très basses. Quelque chose se produit et le wagon commence à basculer.

La chose ne se produit pas seulement sur notre ligne et sur celle du CP, et sur celles du National-Canadien partout au Canada. Alors, pour leur donner un service et pour éviter la possibilité d'autres déraillements, que nous pouvons prévoir d'après notre expérience, nous avons eu recours à des wagons un peu plus petits du même genre de wagons-trémie couverts, dont la conception n'a pas ce roulement caractéristique. C'est la raison pour laquelle nous avons mis l'embargo sur les plus grands.

M. Skoberg: Et alors, leurs frais de transport augmentent et ce qu'on demande dans ce cas-là, c'est une compensation pour le tarif marchandises pour moins de 100,000 livres.

M. Macdougall: Oui, je crois que notre personnel a eu des entretiens avec eux à ce sujet. Je ne sais pas si les discussions sont finies, mais ils sont au courant du problème. Ils nous ont avisés de la chose et notre propre personnel des ventes essaie d'en arriver à un arrangement.

M. Skoberg: Si nous nous en tenons à vos recommandations, évidemment, il importerait beaucoup de prendre soin de ces gens pour la croissance économique de la région.

M. Macdougall: Si nous le pouvons, nous le ferons. Nous ne voulons pas qu'ils soient mécontents.

M. Skoberg: M. K. C. Irving a comparu devant nous pendant assez longtemps. Il a suggéré que les chemins de fer du Canada devraient vraiment étudier la possibilité de donner des tarifs qui stimuleraient le déve-

[*Text*]

to encourage industrial development. Is your company now providing any incentive rates in any area of the Atlantic Provinces?

Mr. MacDougall: I would have to give you a very general answer on that question. We have lots of incentive rates, as such, in effect in the Atlantic Provinces, and elsewhere. An incentive rate really means just saying to a man, "The normal rate is a dollar for 50,000 pounds, but if you load 60,000 pounds we will make the rate 95 cents; if you load 70,000 pounds we will make it 90 cents; and if you load 100,000 pounds we will make it 55 cents". In other words, we give a lower rate for a larger volume. Because we make some economies by handling the larger volume we share with the shipper the economies we have by taking the larger volume. That is the incentive rate principle, and we have many of those all over the Atlantic Canada, the rest of Canada, and in Newfoundland.

Mr. Skoberg: Mr. Irving also complained about the lack of proper cars to move wood chips and lumber in New Brunswick. He said that he had used all the avenues that he knew of to try to obtain sufficient cars for the movement of this type produce. Have you had complaints about this registered with your office?

Mr. MacDougall: We have had some, yes, From him, I do not know that I have been aware of any major difficulty. We serve Mr. Irving's plants in the Maritimes and we provide cars for wood chips moving to his paper plants. There may have been some cases where he has complained about this. He has not spoken to me personally about it; although I have sat down and talked with him for an hour or so a couple of times he has not raised that point. I do not know of any serious condition of that kind.

But, unfortunately, you do get into situations from time to time where you do have a shortage of cars of one type or another—sometimes many types at one time. I do not know whether he is just talking about our inability to supply all the cars that he would like. Lots of people like to have ten or fifteen just sitting there at their back door all the time so that when they want to move them in they have them. This does not help us with our car supply, nor the one who needs a car and we cannot supply it. I am not suggesting that is what Mr. Irving's complaint was.

Mr. Skoberg: It was also suggested that when faced with competition from coastal

[*Interpretation*]

loppement industriel. Avez-vous à l'heure actuelle de tels genres de tarifs d'encouragement dans les provinces de l'Atlantique?

M. Macdougall: Il faudrait que ma réponse soit très générale. Le tarif d'encouragement comme tel, il y en a beaucoup en vigueur dans les provinces de l'Atlantique et ailleurs. Il s'agit simplement de dire: «Normalement, le tarif est $1.00 pour 50,000 livres et si vous avez 60,000 livres, nous vous donnerons un tarif de 95 cents et si vous avez 70,000 ce sera 85 cents et s'il y a 100,000 livres, le tarif sera de 55 cents.» En d'autres termes, nous demandons un tarif moins élevé si le volume est plus grand. Parce que nous réalisons des économies en ayant un volume plus grand, nous partageons—cette économie avec l'expéditeur. C'est le principe du tarif d'encouragement. Nous en avons partout dans l'Atlantique et ailleurs au Canada, et à Terre-Neuve aussi.

M. Skoberg: Une autre question. M. Irving s'est plaint aussi du manque de wagons pour le transport du bois et des copeaux au Nouveau-Brunswick. Il a dit qu'il avait essayé tous les recours possibles pour obtenir les wagons suffisants pour le transport de ce genre de produits. Avez-vous eu des plaintes à votre bureau à ce sujet?

M. Macdougall: Nous en avons eues quelques-unes. De sa part, je n'ai pas connaissance de difficultés importantes. Nous desservons les usines de M. Irving dans les Maritimes et nous fournissons des wagons pour le transport des sciures vers ses usines de papier. Il y a peut-être eu certains cas où il s'est plaint. Il ne m'en a pas parlé personnellement; quoique je lui ai parlé pendant une heure ou deux à quelques reprises, il ne l'a pas mentionné. Je ne connais pas de situations difficiles de ce genre.

Malheureusement, il arrive de temps à autre qu'il y ait une lacune de wagons d'un genre ou d'un autre et parfois de plusieurs genres de wagons en même temps même. Mais je ne sais pas s'il parle simplement de notre incapacité à lui fournir tous les wagons qu'il désire. Il y a beaucoup de gens qui voudraient en avoir 10 ou 15 dans leur cour tout le temps de façon à les avoir à portée de la main si le besoin s'en fait sentir. Cela ne nous aide pas du tout à assurer le nombre de wagons voulus, ni ceux qui ont besoin d'un wagon dont nous ne disposons pas. Je ne dis pas que c'est de cela que M. Irving se plaint.

M. Skoberg: On a aussi laissé entendre que lorsqu'il y a une concurrence de la part du

[*Texte*]

shipping or river shipping CNR rates have been reduced to undercut and to eliminate the competition. Do you know of any case where you cut your rates to eliminate competition in the Atlantic provinces?

Mr. Macdougall: No, it is not our policy to eliminate competition. Our policy is to meet competition and to get the traffic on the railway and if we can lower our rates to get that traffic on the railway and still have a compensatory rate to make some contribution to our variable costs, that is what we do. And we compete just as hard as Mr. Irving does in that regard. He is a prime example perhaps of a successful businessman who has competed hard with other companies, has obtained the business for his company, and done very well.

We would like to be as successful as he is, although I know that we are not. However, that is what we do—we compete hard for the traffic but we do not go below the compensatory level thereby making some contribution to our costs. If that puts him out of business, then that is not the intention.

Mr. Skoberg: Do you consider that any special rate should be established for rail movements west to east to cover materials and supplies to the manufacturers who are in the Atlantic provinces?

Mr. Macdougall: We suggested in the outline we gave you that in respect of certain commodities, some raw materials and some unfinished products moving from west to east—that is, coming into Atlantic Canada—it would be helpful if Atlantic manufacturers received some transportation assistance. I do agree that that is so. I think the provincial premiers in their brief said the same thing, but I am not just sure of the detail at the moment.

Mr. Skoberg: We run into one other problem down there. Of course, freight rates are increased on a percentage basis, but it has been suggested that it should be done on a cents per 100 pound basis. Have you any jurisdiction over setting freight rates in this regard? Could you change the method of setting freight rates?

Mr. Macdougall: I do not know if we have the jurisdiction over that but our rate officers advise management and they decide how the increases are going to be made. But I would

[*Interprétation*]

service de cabotage ou du service de transport fluvial, le CNR réduit ses tarifs de façon à pouvoir éliminer la concurrence. Connaissez-vous un cas où vous avez réduit vos tarifs pour éliminer la concurrence dans les provinces de l'Atlantique?

M. Macdougall: Non, ce n'est pas notre politique d'éliminer la concurrence. Elle est plutôt de faire face à la concurrence et nous essayons d'attirer le trafic aux chemins de fer et, si possible, de réduire nos tarifs pour le faire tout en ayant toujours un taux compensateur qui contribue à nos frais réels. Nous faisons autant de concurrence que M. Irving à cet égard. Il est peut-être le meilleur exemple d'un homme d'affaires qui a réussi après avoir fait une dure lutte à d'autres sociétés, à s'assurer des contrats, et il a très bien réussi.

Nous aimerions réussir autant que lui mais je sais que nous ne le sommes pas. C'est pourtant ce que nous faisons. Nous concurrençons de toutes nos forces pour obtenir les contrats, mais nous n'allons pas en deçà du niveau compensatoire contribuant ainsi à défrayer nos coûts. Si on lui enlève ainsi des clients, ce n'est pas notre intention.

M. Skoberg: Estimez-vous qu'il devrait y avoir un tarif spécial pour les mouvements de l'ouest et l'est pour les matériaux et les fournitures destinés aux fabricants qui se trouvent dans les provinces de l'Atlantique?

M. Macdougall: Nous avons suggéré, dans l'exposé que nous vous avons fait à l'égard de certains produits non œuvrés et des matières premières qui vont de l'ouest à l'est, c'est-à-dire vers les provinces de l'Atlantique, qu'il serait utile pour les fabricants des provinces de l'Atlantique d'obtenir une subvention pour le transport. Je suis de cet avis. Je crois que les premiers ministres des provinces de l'Atlantique ont dit essentiellement la même chose dans leur mémoire, mais je n'en suis pas tout à fait sûr des détails à l'heure actuelle.

M. Skoberg: Nous devons faire face à un autre problème là-bas. Même si le tarif-marchandises est haussé selon un calcul de pourcentage. On a proposé qu'on devrait le faire sur une base d'un cent par cent livres. Est-ce que vous avez juridiction sur les tarifs-marchandises à cet égard? Est-ce que vous pourriez changer la procédure suivie pour établir le tarif-marchandises?

M. Macdougall: Je ne sais pas si nous avons la compétence pour le faire, mais nos fonctionnaires avisent la direction à cet égard et décident de quelle façon les hausses sont cal-

[*Text*]

point out to you that that is a pretty big question and one that has been argued many times by western and eastern lawyers and freight rate councils back and forth over the years. They have argued which is the better way to do it. Sometimes they have done it both ways. An example is the bridge subsidy legislation applied by the Board of Transport Commissioners, as it then was. They made the reductions in the rates partly in cents per 100 pounds and partly on a percentage basis to meet the two different circumstances that occur.

Mr. Skoberg: I have one further question and it is on the water service of St. John's, Newfoundland. Has the CNR removed any water or ferry service at St. John's, Newfoundland? Have CNR boats been removed?

Mr. Macdougall: You may be referring to the two ships, Baccalieu and Burgeo, that were in the coastal service but since have been taken out of service in Newfoundland.

Mr. Skoberg: What was the reason for that?

Mr. Macdougall: These are old vessels and the Canadian Steamship Inspection Service would not allow us to operate them further in the condition which they were in. This has to do with saving life at sea and proper standards for life-saving. Now they did at one time have proper standards but the standards have changed. As I said, these are old vessels.

Some of the other vessels in the coastal fleet are also deficient but they have sufficient life and quality left in them—I am thinking of the Cabot Strait—to warrant spending

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maybe $500,000 on them to bring them up to the standards demanded by the Canadian Steamship Inspection Service today. But these two vessels are about the oldest in the Newfoundland fleet and they do not have, in the consideration of both the owners and the operators—the owners being the Dominion of Canada and the operators being the Canadian National Railways—enough life in them.

Mr. Skoberg: Then is the CNR now chartering any ships for coastal service, such as the Sarah.

Mr. Macdougall: Yes, the Sarah is chartered. I think we have presently in Newfoundland four or five ships on charter. Until the new rail car Ferries went in, at this time of year we would probably have 30 ships on charter. There are about five today.

[*Interpretation*]

culées. Mais permettez-moi de vous signaler que c'est une question très vaste et qui a fait l'objet de nombreuses discussions entre les juristes de l'est et de l'ouest, et dans les conseils de tarifs-marchandises au cours des années, quant à savoir quelle est la meilleure procédure à suivre. Ils utilisent parfois les deux méthodes. Prenez, par exemple, la mesure législative touchant la subvention accordée pour les ponts appliquée par la Commission des transports du Canada. Ils établissent les baisses de tarifs partiellement en pourcentages et partiellement en cents pour cent livres pour tenir compte des deux situations qui se présentent.

M. Skoberg: Une dernière question en ce qui concerne le service de transport maritime de St-Jean, Terre-Neuve. Est-ce que le CN a abandonné un service de transport maritime ou de transbordeur à St-Jean, Terre-Neuve. Est-ce qu'on a retiré certains navires du CN?

M. Macdougall: Vous parlez peut-être des deux navires, le *Burgeo* et le *Baccalieu*, qui faisaient partie du service de cabotage et qui ont été retirés du service à Terre-Neuve?

M. Skoberg: Pour quelle raison?

M. Macdougall: Parce qu'il s'agissait de vieux navires et que le service d'inspection des navires du Canada ne nous permettait pas de les exploiter plus longtemps dans l'état où ils se trouvaient à cause des normes de sauvetage en haute mer. A un moment donné, ils satisfaisaient aux normes, mais les normes ont changé. Comme je l'ai dit, ces navires sont plutôt vieux.

Certains autres navires du service de cabotage sont déficients, mais ils ont encore une vie utile suffisamment longue, comme le *Cabot Strait*, pour qu'on dépense jusqu'à $500,000 pour les réaménager au point de satisfaire aux normes établies par le Service d'inspection des navires du Canada. Mais le *Baccalieu* et le *Burgeo* sont peut-être les deux plus vieux navires de la flotte, et, d'après les propriétaires, soit le gouvernement du Canada, et les exploitants, le CN, n'avait pas une vie utile assez longue pour que ce soit rentable.

M. Skoberg: Alors, est-ce que le CN nolise des navires pour le service de cabotage, comme le *Sarah*?

M. Macdougall: Oui, le Sarah est nolisé. A l'heure actuelle, je crois que nous avons quatre ou cinq navires nolisés. Avant d'introduire les nouveaux traversiers de chemins de fer, il y en avait peut-être trente.

[*Texte*]

Mr. Skoberg: Under whose jurisdiction do these come?

Mr. Macdougall: Well if you charter a vessel with a crew, I presume they are under the captain. They are to do the work that we give them to do.

Mr. Skoberg: There are no CNR employees on these chartered boats?

Mr. Macdougall: No.

Mr. Skoberg: Have you a list of companies that you have these boats chartered from?

Mr. Macdougall: As I recall, there was a question on this and we supplied quite a bit of detail. Is that not included in what you have there? Perhaps I might explain a bit more in respect of these two boats, the Baccalieu and Burgeo.

There have been many queries raised why we did not build new vessels and put them into service, but I think the answer really is that the coastal services in Newfoundland are very important in the looking after of the people in the outports, particularly in areas where there is a paucity of highways, and it is not known at this time how long those coastal services are going to be required and in which areas they will be required. However, they are constantly being adjusted in an attempt to try to give the best service we can over there in the circumstances.

We are now in the process of making some adjustments in coastal services on the south coast. It was felt, and I think quite properly, that until such time as you could envisage more clearly the type of vessel really needed to replace those two, it would be better to take on a chartered vessel for the interim period. I would expect—and this is just my own understanding of it—that when the type of vessel that should be put on these runs permanently to replace these, is decided, there will be a couple of vessels built and put in the service. These will be owned by Canada and operated in the same way. I look upon chartering in this case as an interim feature.

Mr. McGrath: I have a supplementary question. Was not the Sarah built to CNR specifications by the charterer?

Mr. Macdougall: I do not know but I do not think so. We look for charter vessels and we try to find the best one to do the job that has to be done. The Sarah apparently was available to do that

[*Interprétation*]

M. Skoberg: De qui les navires nolisés relèvent-ils?

M. Macdougall: Si vous nolisez un navire avec son équipage, j'imagine qu'elle relève du capitaine. Ils doivent faire le travail que nous leur demandons de faire.

M. Skoberg: Il n'y a pas d'employés du CN sur ces navires nolisés?

M. Macdougall: Non.

M. Skoberg: Avez-vous une liste des compagnies desquelles vous avez nolisé ces navires?

M. Macdougall: Si je me souviens bien, il y a eu une question de posée à ce sujet, et nous avons donné beaucoup de détails. Est-ce que cela ne paraît pas dans le document? J'aimerais vous expliquer un peu plus, au sujet des deux navires, le *Baccalieu* et le *Burgeo*.

On a posé plusieurs questions quant aux raisons pour lesquelles nous n'avons pas construit de nouveaux navires pour les mettre en service. Et je crois que la réponse est vraiment que le service de cabotage de Terre-Neuve est très important pour desservir les gens éloignés, surtout lorsqu'il n'y a pas ou très peu de routes. On ne sait pas à l'heure actuelle, jusqu'à quel moment ces services de cabotage seront nécessaires et dans quelles régions. De toute façon, on les transforme constamment afin de pouvoir rendre les meilleurs services possibles dans les circonstances.

Nous modifions présentement notre service de cabotage de la côte sud. Il nous a semblé, et avec raison, je crois, que jusqu'au moment où nous verrons un peu plus clairement le genre de navire qu'il faudra pour remplacer les deux navires abandonnés, il vaut mieux avoir des navires nolisés pour la période intérimaire. J'imagine, et ce n'est que mon opinion, que lorsqu'on aura décidé du genre de navire qu'on devra mettre en service de façon permanente pour les remplacer, on construira deux navires et on les mettra en service. Ils seront la propriété du Canada et exploités de la même façon. De toute façon, il s'agit d'une mesure intérimaire.

M. McGrath: Une question complémentaire. Est-ce que le *Sarah* n'a pas été construit selon le cahier des charges du CN?

M. Macdougall: Je ne le sais pas mais je ne le crois pas. Nous cherchons des navires à noliser, et nous essayons toujours de trouver le meilleur qui réponde à nos exigences. Il semble que le *Sarah* remplissait toutes les exigences.

[*Text*]

Mr. McGrath: One further supplementary, Mr. Chairman. Is it not also a fact that the captain and crews operating on these vessels work considerably longer hours at considerably less pay than crews on CNR vessels?

Mr. Vaughan: I do not think so. I think they are subject to whatever statutory requirements there are—the Canada Labour (Standards) Code. In any event, our position would not be to do that for that purpose.

Mr. Skoberg: I have one last question. I am not going to belabour this because this morning we went into it at some length, Mr. Chairman. I think it is still important, and maybe after contemplation over the lunch hour you are now able to advise on the possibility of having the Newfoundland passenger service extended for short periods of time, as indicated in your letter. Could you not give this Committee some commitment now as to what you were saying in this particular paragraph? The two words "contemplation" and "possiblity" in the language we have before us utterly amaze us. I believe the gentlemen could answer this. They must have some idea how much longer they must keep the train on.

• 1650

The Chairman: They said it about three or four times.

Mr. Portelance: Again, referring to that train in Newfoundland, at what time of year were more people travelling, during the summer or winter?

Mr. Macdougall: It was during the summer.

Mr. Portelance: Do you think that by next summer you will have enough buses to give them as good a service as they had in the past?

Mr. Macdougall: Yes. That is the idea of the commission's ruling. The bus service has to be suitable and adequate to them before they will release us from the train service, so that is the idea.

Mr. Portelance: Travelling in Newfoundland from one end to the other, I think it is about 500 miles. What was the percentage of the travellers going from one end to the other by train?

Mr. Macdougall: Perhaps we could take a note of that question. To give you an indica-

[*Interpretation*]

M. McGrath: Une dernière question supplémentaire, monsieur le président. N'est-il pas exact que le capitaine et les équipages de ces navires ont des heures de travail beaucoup plus longues et un salaire inférieur aux équipages des navires du CN?

M. Vaughan: Je ne le crois pas. Je crois qu'ils sont sujets aux exigences statutaires du codes (normes) du travail du Canada. De toute façon, notre attitude ne serait pas de le faire à cette fin.

M. Skoberg: Une dernière question supplémentaire. Je ne vais pas m'en prendre à cette question car nous en avons discuté en détail ce matin. Je crois qu'elle est toujours importante, et peut-être qu'après y avoir repensé durant le déjeuner, vous pourrez nous renseigner sur la possibilité de prolonger le service-voyageurs de Terre-Neuve pour une courte période de temps comme vous l'avez indiqué dans votre lettre. Ne pourriez-vous pas vous engager, auprès du Comité, au sujet de ce que vous disiez dans ce paragraphe en particulier?

Les deux mots «songer» et «possibilité» dans ce document me surprennent énormément. J'imagine que les messieurs pourraient nous répondre. Ils doivent certainement avoir une idée durant combien de temps ils devront maintenir le service ferroviaire.

Le président: Ils l'ont dit trois ou quatre fois.

M. Portelance: Pour parler encore une fois du train de Terre-Neuve, j'aimerais bien savoir à quel moment de l'année les gens voyagent le plus. Quelle était la période de pointe, pendant l'été ou pendant l'hiver?

M. Macdougall: Pendant l'été.

M. Portelance: Alors, croyez-vous que, d'ici l'été prochaine, vous aurez suffisamment d'autobus pour leur assurer un excellent service, tout comme vous avez fait par le passé?

M. Macdougall: Oui. C'est le sens de la décision de la Commission. Il faut que le service d'autobus soit au point avant que nous puissions abolir le service ferroviaire, voilà.

M. Portelance: D'un bout de Terre-Neuve à l'autre, il y a à peu près 500 milles. Quel est le pourcentage de voyageurs qui traversent toute l'île?

M. Macdougall: Nous pourrions peut-être prendre avis de cette question. Pour vous en

[*Texte*]

tion of this, there are three basic bus services operated. One is the through service from St. John's to Port aux Basques. There is a second service which is from Corner Brook to Port aux Basques. And a third service is from St. John's to Gander. Those are the three elements of the bus service.

In the figure I gave you for December 1968 of 7,254 total travelling on the bus, there were 4,680—no, it was the seats I gave you. I told you the number of seats available for December was 7,254. Of those, 4,680 seats were available in the St. John's-Port aux Basques through service, 2,340 in the Corner Brook-Port aux Basques service and 234 in the St. John's-Gander service. In that time the figure that we gave was that the total that went by bus was 6,299. That might give you a little bit of feel for it.

Mr. Portelance: But these 6,299 did not travel from one end to the other; they only went a short distance. We do not know how many went from one end to the other. They are really the ones who would have a long trip by bus.

Mr. Macdougall: If you take that we had 7,254 seats available in December 1968 and we carried 6,299 passengers, a good many of them must have been in those 4,680 seats that went from St. John's to Port aux Basques. It is obvious that there are many long-haul passengers in there.

Mr. Portelance: So you would say there is a substantial number of passengers going for longer distances in Newfoundland, according to these figures?

Mr. Macdougall: I think, generally speaking, that the actual number that go right from St. John's to Port-aux-Basques is probably on the smaller end rather than the larger end. The service, I think, really does more for people going from Corner Brook to St. John's and people going part-way across the Island. Certainly not by any imagination does the larger number of the total group go the full distance across. Mr. McGrath, you would know that.

Mr. McGrath: By far the larger percentage would be taking short hauls.

Mr. Macdougall: Yes, I think so.

The Chairman: Have you finished, Mr. Portelance? Mr. Marshall.

Mr. Marshall: Mr. Chairman, Mr. Vaughan, I say with respect that there is a conflict of opinion within your own Department and if I may, I would like to read an article that

[*interprétation*]

donner une idée, il y a trois principaux services d'autobus dans l'île. Le premier assure un service direct de Saint-Jean à Port-aux-Basques, le deuxième fait la navette entre Corner Brook et Port-aux-Basques, le troisième va de Saint-Jean à Gander, voilà les trois éléments du service d'autobus.

Quant au chiffre que je vous ai donné pour décembre 1968, des 7,254 passagers d'autobus, 4,680.. Non, il s'agit du nombre de places. Donc, des 7,254 places retenues en décembre, 4,680 se rendaient de Saint-Jean à Port-aux-Basques, 2,340 de Corner Brook à Port-aux-Basques et 2,340 de Saint-Jean à Gander pour servir les gens à cet endroit. En réalité, le chiffre total des passagers d'autobus dans ce mois-là s'est établi à 6,299. Cela vous en donnera peut-être une idée.

M. Portelance: Mais ces 6,299 passagers n'ont pas traversé toute l'île: certains ne faisaient qu'un court trajet. Nous ignorons combien d'entre eux ont traversé l'île. Ce sont eux qui auraient un long trajet à faire en autobus.

M. Macdougall: S'il y avait, 7,254 places de disponibles en décembre et que nous avons transporté 6,299 passagers, il est sûr qu'un bon pourcentage des 4,680 passagers se rendaient de Saint-Jean à Port-aux-Basques. Il est évident que beaucoup de gens entreprennent de tels longs trajets.

M. Portelance: Alors, vous diriez, d'après ces chiffres, qu'un bon nombre des passagers effectuent de longs trajets à Terre-Neuve?

M. Macdougall: En général, on peut dire, je pense, que le nombre réel de passagers à bord de l'autobus Saint-Jean-Port-aux-Basques est probablement assez faible. La plupart des gens prennent plutôt l'autobus Corner Brook-Saint-Jean, car ils ne traversent qu'une partie de l'Île. Il est difficile de s'imaginer que la majorité des passagers font tout le parcours d'un bout à l'autre.

M. McGrath: Donc, la plupart n'effectueraient que de courts trajets.

M. Macdougall: Je le crois, oui.

Le président: Vous avez terminé, monsieur Portelance? Monsieur Marshall.

M. Marshall: Monsieur le président, monsieur Vaughan, sauf votre respect, il semble y avoir des divergences d'opinions au sein de votre propre ministère. Si vous me le permet-

[*Text*]

appeared in one of the Newfoundland papers where a senior official of the Canadian National Railways firmly believes the best way to travel over intermediate distances—125 miles to 750 miles—is by train despite the versatility of the automobile and the speed of the airplane. On road transportation he further went on to say:

> Anyone who has experienced the miseries of peak congestion on even the most modern 12-lane super highway will recognize that road transportation is incapable of providing adequately for all the needs of the travelling public.

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An hon. Member: Mr. Chairman, on a point of order may we ask Mr. Marshall to identify the document he is reading from?

Mr. Marshall: The senior official is Mr. J. A. McDonald, Vice-President, Production. He told this last fall to a meeting of the Atlantic Professional Engineers in St. Andrews, New Brunswick.

The Chairman: From what paper is it?

An hon. Member: It actually came from the CN Topics.

Mr. Vaughan: It is possible too that Mr. McDonald made a speech.

Mr. Marshall: It just makes me wonder, in spite of the number of people that are travelling by bus there still must be a need for trains because there are a certain number of people who are not using the bus and they must have to use the train. It is the same in every province, so why should the discrimination be in the Province of Newfoundland?

Mr. Macdougall: I do not think of this in terms of discrimination. I recognize the fact that people say that this is the elimination of the whole passenger train service in the province and that is true, but it was not designed to eliminate the passenger train service in the province. It was just designed to eliminate one passenger run which it was decided at that time should be put before the Canadian Transport Commission.

I would think that probably others will be put before the Canadian Transport Commission that will eliminate the passenger service in other provinces at some particular time. I do not know when and cannot give you the details but I do not think it is ever a thought in our minds that we are eliminating a service in a province or that there is any particular

[*Interpretation*]

tez, j'aimerais vous lire un article qui a paru dans un journal de Terre-Neuve. Selon un fonctionnaire supérieur du National-Canadien, le meilleur moyen de transport pour des trajets de moyenne durée, soit entre 125 et 750 milles, c'est le train, malgré le confort de l'automobile et la vitesse de l'avion. Il pousuit en disant:

> Tous ceux qui ont dû subir l'encombrement des grandes routes, même celles qui comptent douze voies, admettent volontiers que le transport routier ne suffit pas à tous les besoins du public voyageur.

Une voix: Le Règlement, Monsieur le président. Monsieur Marshall pourrait-il identifier le document qu'il cite?

M. Marshall: Il s'agit du vice-président de la production. M. J. G. McDonald qui a tenu ces propos, l'automne dernier, lors d'une réunion des ingénieurs professionnels des provinces de l'Atlantique, tenue à St. Andrews (N.-B.).

Le président: Dans quel journal?

Une voix: Du «CN Topics».

M. Vaughan: Il se peut aussi que monsieur McDonald n'ait prononcé qu'un discours, tout simplement.

M. Marshall: Ce qui me rend perplexe, malgré le nombre de personnes qui voyagent en autobus, il doit toujours y avoir un besoin de trains, car il y en a tout de même un certain nombre qui ne prennent pas l'autobus, donc, qui doivent prendre le train. C'est la même chose dans toutes les provinces. Alors, pourquoi faire une distinction injuste dans le cas de Terre-Neuve?

M. Macdougall: Je ne crois pas qu'il s'agisse vraiment d'une distinction injuste. Bien sûr, d'aucuns prétendent qu'on abolit entièrement le service-voyageurs dans la province; c'est vrai, mais on ne l'a pas fait à dessein. Il s'agissait simplement d'abolir le service sur un seul parcours, mais auparavant de saisir la Commission canadienne des transports de la question.

J'imagine qu'on soumettra d'autres propositions du genre à la Commission, avec le résultat que le service-voyageurs disparaîtra dans d'autres provinces. Je ne sais pas quand et ne saurais vous donner les détails, mais je ne crois pas que nous ayions jamais songé à éliminer pareil service dans une province, ni que nous ayions le mérite d'avoir maintenu

[*Texte*]

merit in considering that you must maintain it because it is in a province. Our view is that we could give what we consider to be an improved service, better service to the people who are using this service in Newfoundland and that we can do it and save $1 million a year—$900,000.

Mr. Marshall: Mr. Macdougall, you do not agree with this confrere of yours?

Mr. Macdougall: I did not quite get the whole thing as you were reading it there so I am not going to say whether I agree or do not agree but I know Mr. McDonald and he makes very thoughtful and reasonable suggestions. I do not have any reason to think that he would say something that is improper or untrue if he is quoted properly.

Mr. Marshall: I was interested in your disclosures on the movement of traffic from North Sydney to Port aux Basques. You must be as well aware as I of the very many complaints from chambers of commerce right across the west coast about the tie-ups of traffic in Port aux Basques, the losses, the thefts. Is this eliminated now by the disclosure you made with the...

Mr. Macdougall: I would not want to have you come back in two years and face me with the fact that I say now that it is eliminated. But I can tell you that right at this moment, when this is usually one of the most difficult times in getting traffic across the Gulf and there is a big backlog of hundreds of cars at North Sydney of traffic going to Newfoundland, today there is no such backlog. Everything is current between North Sydney and Newfoundland today and this is basically due to the advent of the car ferries and the fact that we have had, as yet, no serious complications of ice in the Gulf.

In former years when we have had serious problems with ice, we have had to get into this breaking bulk business of taking the stuff out, putting it in chartered vessels, taking it across and so on, and doing it perhaps at Mulgrave or some other port —Halifax. But so far this year we have not been faced with that. The car ferries have operated well and we have a current situation.

I do not think there are those complaints today. There were a couple of years ago but I do not think there are today. It is much better. It will be better again because we have not reached a point where I could say it is perfect. I know it is not but we are working on management problems, we are working on physical handling of commodity problems and there is more to be done yet by far but it is

[*Interprétation*]

un service parce qu'il se trouvait déjà dans une province. Ce que nous voulions, c'est de fournir un meilleur service aux habitants de Terre-Neuve, et si nous pouvions le faire tout en épargnant un million de dollars par année, plus précisément $900,000...

M. Marshall: Monsieur Macdougall, vous n'êtes pas d'accord avec votre collègue?

M. Macdougall: Je n'ai pas tout à fait saisi ce que vous avez lu, alors je ne puis pas dire si je suis d'accord ou non, mais je sais que monsieur McDonald et lui expriment toujours des opinions raisonnables, réfléchies. Alors, je n'ai aucune raison de croire qu'il dirait quelque chose qui est faux ou inconvenable, s'il a été cité correctement.

M. Marshall: J'ai écouté avec attention vos propos au sujet de la circulation entre North Sydney et Port-aux-Basques. Vous devez savoir autant que moi que les chambres de commerce sur la côte ouest ont formulé de nombreuses plaintes au sujet des embouteillages, des pertes, des vols à Port-aux-Basques. Les a-t-on éliminés, depuis que...

M. Macdougall: Je ne voudrais pas que vous me rappeliez dans deux ans que j'ai dit cela. Toutefois, je peux vous affirmer qu'à ce moment, l'une des périodes les plus difficiles pour la circulation de part et d'autre du golfe, il y avait jadis des centaines de voitures qui faisaient la queue à North Sydney pour se rendre à Terre-Neuve, mais aujourd'hui, il n'y en a pas. Tout va bien, à l'heure actuelle, entre North Sydney et Terre-Neuve, grâce surtout aux nouveaux transbordeurs de véhicules et à l'absence de conditions de glace défavorables dans le golfe.

Dans le passé, quand les glaces ont posé de graves difficultés, il a fallu faire le tri des marchandises en vrac, les charger à bord de bâtiments nolisés et les faire traverser le golfe soit à Mulgrave, soit à Halifax. Jusqu'ici, cette année, nous n'avons pas éprouvé de telles difficultés. Les transbordeurs de véhicules fonctionnent bien, sans aucun retard.

On n'entend plus de plaintes aujourd'hui. On en a formulé, il y a quelques années, mais ce n'est plus le cas aujourd'hui, je pense. Tout va beaucoup mieux. Il y a encore moyen d'améliorer la situation, car nous ne pouvons pas dire encore que tout est parfait. Je sais que ce ne l'est pas, mais nous essayons de résoudre certains problèmes administratifs, d'améliorer les conditions de manipulation des

[*Text*]

much, much better than it used to be and right at the moment, principally of weather, we are in a good position.

Mr. Marshall: I just have one other question, Mr. Chairman, about the newsprint movement and logging from Bowaters Newfoundland Limited and Price (Newfoundland) Pulp and Paper Limited.

Mr. Macdougall: Yes.

Mr. Marshall: They have their own ships, naturally, but it appears that they would use CNR a lot more if the rates were right.

Mr. Macdougall: We are presently handling newsprint from Bowaters and Prince Brothers to the mainland by rail now.

Mr. Marshall: A good portion of their production?

Mr. Macdougall: A fairly good proportion, yes. They are quite interested in it because what happens is that they avoid the storage of paper in Newfoundland and then the storage in the United States somewhere if they can get a flow going on a current basis. They can be producing it at their customer's plant as it is produced from mainland mills on a current basis. We are very much interested in this because it is good traffic and also because the preponderance of movement to Newfoundland is into Newfoundland and this is traffic coming out of Newfoundland. We are working very closely with them to develop this and I hope it will become a really substantial movement.

Mr. Marshall: But they seem to have a problem when they are shipping out of Canada and into the United States. Are you able to handle that?

Mr. Macdougall: I do not know of any problems we are having with it at the moment other than just the normal ones of getting a new service set up. The test cars we moved down went through beautifully. There is no problem.

Mr. Marshall: Thank you, Mr. Chairman.

The Chairman: Mr. Rose.

Mr. Rose: Mr. Chairman. A number of the things I was going to bring up have already been answered. Nevertheless, I have a couple of comments and a few questions. Perhaps I could ask long questions and receive short

[*Interpretation*]

denrées. Il y a encore beaucoup de progrès à faire, c'est vrai, mais c'est beaucoup mieux que jadis; à l'heure actuelle, d'ailleurs, nous sommes favorisés, surtout par le climat.

M. Marshall: Monsieur le président, une dernière question au sujet du transport du bois d'œuvre et du papier journal à partir des usines de la Bowaters Newfoundland Limited et de la Price (Newfoundland) Pulp and Paper Limited.

M. Macdougall: Oui.

M. Marshall: Ces sociétés sont leurs propres navires, évidemment, mais il me semble qu'ils auraient recours aux équipements du National-Canadien si les taux étaient meilleurs.

M. Macdougall: A l'heure actuelle, nous transportons à la terre ferme, par voie ferrée, le papier journal de la Bowaters et de la Price Brothers.

M. Marshall: Dans une grande mesure?

M. Macdougall: Dans une assez grande mesure, oui. Ce qui les intéresse, c'est de ne pas avoir à entreposer le papier à Terre-Neuve, puis aux États-Unis, si elles peuvent en assurer la distribution constante. Ainsi, elles peuvent maintenir la production aussi bien dans ces usines qu'à leurs établissements sur la terre ferme. Nous nous intéressons beaucoup à cette question, car ce sont d'excellents clients pour nous, d'autant plus que, contrairement à la plupart des cas, il s'agit de marchandises en provenance de Terre-Neuve. Nous collaborons étroitement avec ces sociétés, afin d'intensifier ce trafic.

M. Marshall: Elles semblent aussi éprouver des problèmes en ce qui concerne les expéditions vers les États-Unis. Pourriez-vous y voir?

M. Macdougall: Je ne suis pas au courant de tels problèmes, sauf ceux qui accompagnent généralement la mise en place d'un nouveau service. Le transport des wagons d'essai s'est déroulé sans heurts.

M. Marshall: Merci, monsieur le président.

Le président: Monsieur Rose.

M. Rose: Monsieur le président, on a déjà répondu à une partie de mes questions, mais j'aurais quelques commentaires à faire et quelques questions à poser. Peut-être pourrai-je poser des longues questions et obtenir

[*Texte*]

answers, and then we could get on with this a little faster because I believe there are some other members from the area we are considering who want to ask questions as well. We were treated to the genial company of Mr. Duncan and Mr. Mitchell all during our trip through the Maritimes, and when you presented what I think is in the main expert and philosophical brief here this morning, I expected some kind of refutation of a number of charges that had been made, specific ones, and these two gentlemen took notes the whole trip.

Rather than having to go through all this material that we have done today, which I think is in a sense repetitive, I would like your comments on that and also I would like your comments on the fact that earlier, I believe, Mr. MacDougall said he had some background notes and things to present to this Committee. As far as I know we have not heard any of them. Are they here?

Mr. Vaughan: Yes, they are here, and we were going to table these. I guess as the morning wore on I forgot to do this. We were going to pass these around. It really is an amplification of that summary.

Mr. Rose: I wonder if you would perhaps comment on the question that I asked previously to that one.

Mr. Vaughan: You mean about the general...

Mr. Rose: These gentlemen were with us the whole trip. There were certain charges made in these briefs and we have heard about them. These gentlemen made considerable notes. I would have liked to have had a table reflecting these charges and the CN's position on each of them, rather than having to drag it out of you gentlemen now.

Mr. Macdougall: Well, I can make a comment on that. I did not think very much of that idea. I thought of it, and I thought this Committee would be more interested in hearing our views as to what we think should happen with the future of transportation in Atlantic Canada, how we could improve it, how we could make it better, how our industry could prosper and grow, rather than listening to a catalogue of refuting claims, many of which—and I have read them—I did not think were even worth looking at.

It is very easy to make charges. Some of them I thought had some substance, but I must confess that many of them, I thought,

[*Interprétation*]

de très brèves réponses. Ensuite, nous pourrions procéder un peu plus rapidement parce que je pense qu'il y a d'autres députés de la région qui songeaient aussi à poser des questions. Nous avons eu la compagnie géniale de M. Duncan et de M. Mitchell tout au long du voyage dans les Maritimes et lorsque vous avez présenté ce que je crois être un exposé expert et philosophique ce matin, je m'attendais à ce qu'on refute un certain nombre d'accusations qui avaient été portées d'une façon bien précise et ces deux messieurs ont pris des notes au long du voyage.

Plutôt que de parcourir toute cette documentation que nous avons faite aujourd'hui, qui en ce sens se trouvent à faire répétition, je voudrais avoir vos commentaires sur cela et aussi sur le fait que, plutôt, je crois, M. Macdougall a dit qu'il avait des notes fondamentales et des documents qu'il pourrait présenter à ce Comité. A ma connaissance, nous n'avons encore rien entendu. Est-ce qu'ils sont ici?

M. Vaughan: Oui, ils y sont, et nous allons les déposer. J'ai oublié de le faire ce matin. Nous devions les distribuer. Il s'agit vraiment d'une amplification du sommaire.

M. Rose: Pourriez-vous faire un commentaire sur la question que j'ai posée plus tôt sur ce sommaire?

M. Vaughan: Au sujet de l'ensemble...

M. Rose: Ces deux messieurs nous ont accompagnés tout au long du voyage. Ces mémoires portaient des accusations et nous avons entendus parlé d'eux. Ces deux messieurs ont pris beaucoup de notes. J'aurais bien aimé avoir un tableau reflétant ces accusations et la ligne de conduite du National-Canadien en face de chacune de ces accusations plutôt que d'avoir à vous tirer les vers du nez maintenant, messieurs.

M. Macdougall: Je peux faire un commentaire là-dessus. Je n'ai pas beaucoup songé à cette idée. J'y ai pensé et j'ai pensé que ce Comité serait plus intéressé à entendre notre point de vue sur ce qui devrait arriver à l'avenir du transport dans le Canada atlantique, sur la façon de l'améliorer, sur la façon dont notre industrie pourrait prospérer et croître plutôt qu'entendre un catalogue de réfutations, dont une bonne partie, je les ai lues, ne valaient même pas la peine d'être examinées.

C'est très facile de porter des accusations. Certaines étaient assez substantielles, mais je dois avouer qu'un bon nombre d'entre elles

[*Text*]

had no substance at all. And I did not really think that you wanted me to come here and to deal in that way. I thought you wanted to hear our views on a positive and constructive way as to what we think should happen in Atlantic Canada.

Mr. Rose: Sir, I did not want to listen to them either. I wanted to read them. This was the reason that I raised it.

Mr. Macdougall: There are many of them, I think, on which I would just say I have no comment to make. I do not think there is any substance there.

Mr. Rose: All right. I do not know who to direct this to, Mr. Chairman, but I would like to know if the CNR has any interprovincial truck lines operating in the Maritimes, in other words, coming from central Canada into the Maritimes.

Mr. Macdougall: Yes. Eastern Transport Limited.

Mr. Vaughan: Not from central Canada.

Mr. Rose: That is intraprovincial. I am speaking of interprovincial.

Mr. Vaughan: No, we do not have any interprovincial truck lines from central Canada into Atlantic Canada.

Mr. Rose: May I be permitted to ask why?

Mr. Macdougall: Well, the basic reason is that we want to get the best value we can out of our mainline rail service, and our basic policy is that we handle traffic to and from central Canada by rail, and then we handle it on the short hauls from railheads by truck.

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Mr. Rose: We heard that competition would do a great deal to lower the rates, and you said yourself, sir, or one of you gentlemen did, that you did your best to meet various competitive rates. The Nova Scotia public utilities commission refused to grant central Canadian truck lines into the Maritimes. Would this decision also apply to your firm?

Mr. Macdougall: I am afraid I missed something there. You said the Nova Scotia...

[*Interpretation*]

n'étaient pas du tout motivées. Je ne croyais pas vraiment que vous vouliez procéder de cette façon. Je croyais que vous vouliez connaître notre point de vue que nous voulons présenter de façon positive et constructive sur ce qui devrait arriver dans le Canada atlantique.

M. Rose: Monsieur, je ne voulais pas les entendre non plus Je voulais les lire. C'est la raison pour laquelle j'ai posé la question.

M. Macdougall: Sur beaucoup parmi elles, je pense, je dirais simplement que je n'ai aucun commentaires à faire. Je ne crois pas qu'elles soient du tout motivées.

M. Rose: D'accord. Je ne sais pas à qui je dois poser ma question monsieur le président, mais je voudrais savoir. Est-ce que le Canadien-National a une ligne interprovinciale de camions opérant dans les Maritimes en d'autres termes, venant du Canada central vers les Maritimes?

M. Macdougall: Oui, c'est la Eastern Transport Limited.

M. Vaughan: Non pas du Canada central.

M. Rose: C'est interprovincial, je parle d'interprovincial.

M. Vaughan: Non, nous n'avons pas de ligne de camionnage interprovinciale du Canada central vers les provinces atlantiques.

M. Rose: Alors, est-ce que je peux vous demander pourquoi?

M. Macdougall: Essentiellement, c'est que nous voulons avoir la meilleure valeur possible de notre service ferroviaire de la ligne principale et notre principe fondamental est d'assurer un service ferroviaire pour le trafic entrant et sortant du Canada central, et alors, pour les courtes distances nous le faisons par camion.

M. Rose: Nous avons entendus dire que la concurrence ferait beaucoup pour baisser les taux et vous avez dit vous-mêmes monsieur, ou un autre le fait que vous aviez fait de votre mieux pour avoir divers tarifs concurrentiels. La Commission des services publics de la Nouvelle-Écosse refuse d'accorder un permis aux entreprises de camionnage du Canada central pour venir dans les Maritimes. Cette décision s'applique également à votre entreprise.

M. Macdougall: Je n'ai pas compris tout à fait. Vous avez dit ..

[*Texte*]

Mr. Rose: It was my information that the Nova Scotia public utilities commission refused a request by two central Canadian truck lines to operate from central Canada into the Maritimes. We are a Committee dealing with transportation problems. If internally this sort of thing is going on within the Atlantic Provinces, then apparently, I think, we are stuck with the position we hold at the moment.

Mr. Macdougall: I am not aware of that information. Maybe Mr. Duncan is.

Mr. Rose: Well, the position is that there is no competition as far as trucking firms to the railways from central Canada into the Maritimes.

Mr. J. M. Duncan (Assistant General Counsel, Montreal, Canadian National Railways): There are trucking companies into the Maritimes from central Canada. I think all that Mr. Vaughan intended to set out to the Committee was that Canadian National Railways does not operate one. I know of one that does operate from central Canada into the Atlantic Provinces. Day and Ross Ltd. is another classic example. There are, I think, probably four or five interprovincial carriers from central Canada to the Maritimes.

Mr. Rose: I just wonder if the Atlantic Provinces are in a position of wanting competition but really not wanting it.

Mr. Duncan: You are perfectly right. I can think of at least one interprovincial carrier which was denied the right to operate from central Canada into Nova Scotia. I am not sure what the result of the application which was made to New Brunswick was, but certainly it was turned down in Nova Scotia.

Mr. Rose: I would like to go on to something else. I am attracted to the concept of selective subsidies because we heard representations before the one we heard from you this morning, and I am really only paraphasing, or what I felt you implied, that selective subsidies are the answer and a blanket across-the-board subsidy is often wasted. In your view it is a waste of money. I am interested in how this might apply, the method of it, if you as the Vice President of the CNR in that region has anything to offer in this regard.

[*Interprétation*]

M. Rose: J'ai dit que la Commission des services de la Nouvelle-Écosse refuse d'accéder à la demande formulée par deux entreprises de camionnage du Canada central, de faire le transport du Canada central vers les Maritimes. Nous sommes un Comité qui étudie la question de transport et ses problèmes. Si cela se produit dans les provinces atlantiques, alors c'est évident, je pense que nous sommes pris avec la situation dans laquelle nous nous trouvons maintenant.

M. Macdougall: Je ne suis pas au courant de ce renseignement. M. Duncan l'est peut-être?

M. Rose: C'est qu'il n'y a pas de concurrence pour ce qui est des camions, pour les chemins de fer à partir du Canada central vers les Maritimes.

M. J. M. Duncan (Conseiller général adjoint, Montréal, Chemins de fer Nationaux du Canada): Il y a des entreprises de transport qui viennent du Canada central vers les Maritimes. Je pense que tout ce que M. Vaughan avait l'intention de dire, c'est que le National Canadien n'en exploite pas une. J'en connais une qui assure un tel transport du Canada central vers les Maritimes. *Day and Ross Ltd* est un autre exemple classique. Il y a quatre ou cinq transporteurs interprovinciaux du Canada central vers les Maritimes.

M. Rose: Je me demande si les provinces atlantiques sont en mesure de vouloir la concurrence sans la vouloir vraiment.

M. Duncan: Vous avez parfaitement raison. Oui, je peux songer au moins à un transporteur interprovincial qui s'est vu refuser le droit d'exploiter un tel service à partir du Canada central vers la Nouvelle-Écosse. Je ne sais pas quels furent les résultats de cette demande formulée au Nouveau-Brunswick, mais ce fut rejeté en Nouvelle-Écosse.

M. Rose: Je voudrais passer à un autre sujet. Je suis attiré par le principe des subventions choisies, nous avons entendu des instances avant celle que vous nous avez présentée ce matin, mais, je ne fais que paraphraser, ou du moins, sur ce que je croyais que vous laissiez entendre, que les subventions choisies sont la réponse et une subvention dans l'ensemble est souvent gaspillée. A votre avis, c'est un gaspillage. Maintenant, alors, je voudrais savoir comment cela pourrait s'appliquer, en connaître la méthode, si vous, qui êtes le vice-président du National-Canadien dans cette région, avez une observation à faire à cet égard?

[*Text*]

Mr. MacDougall: Yes. As I said, when you give a blanket subsidy you give everybody a percentage of the reduction in their freight rate. You are lumping together the man who in order to get into his market has to absorb transportation charges varying anywhere from one-quarter of one per cent of his delivered price up to maybe 30 or 40 per cent of his delivered price. So our view is, you have the two extremities here and possibly at neither end of the extremity is there really a good valid reason for giving a subsidy.

In the case of the man for whom, say, half of one per cent or one per cent or perhaps even up to five per cent of his delivered price is transportation, giving him a 30 per cent reduction in his transportation is not going to decide the question of whether he is going to be able to market or not market.

Mr. Rose: Thirty per cent of five per cent.

Mr. Macdougall: Yes. Thirty per cent of five per cent of his price. One case that I know of, we had a series of questions asked about an increase that we made in the rates for luggage, for suitcases. We made a substantial increase in our piggyback rates to this company and we had representations that this was going to put them out of business. But when you looked at what actually happened to the suitcase, a suitcase that would sell for $20, we were increasing the freight charges from 50c to 65c on the suitcase. Now it seemed a little incongrous to think that this action of ours, putting perhaps 20c or 25c on the cost of a suitcase for transportation, was going to be the straw that would break the camel's back.

There always is the case, I suppose, where you have a person who is balanced on such a fine edge that anything would put him over the top, but this was again in the low category of a small percentage of the delivery price of the goods being the transportation charge. If you took away the subsidy from those people and used that money to give more to some people who are in a more critical position, with whom perhaps 20 per cent of their delivered price is transportation charge—he has got a good flourishing industry but he really is not getting into his market. And if you gave him some real help, perhaps he would expand or tripple the size of his industry. He would really get into the market and really get a volume going that would give him reduced cost due to volume production

[*Interpretation*]

M. Macdougall: Oui. Comme je l'ai dit, lorsque vous donnez une subvention d'ensemble, vous donnez à tout le monde un pourcentage de la diminution dans leurs taux de transport marchandises. Vous considérez en bloc l'homme qui, pour en arriver à son marché, doit observer les frais de transport, disons, variant partant d'un quart pour cent de son prix de livraison à 30 ou 40 pour cent de son prix de livraison. Donc, de notre avis, c'est que vous couvrez les deux extrémités ici, et peut-être ni à une extrémité, ni à l'autre, y a-t-il une raison valable pour donner une subvention.

Dans le cas de l'homme pour qui un demi pour cent ou un pour cent ou même jusqu'à 5 pour cent de son prix de livraison, vient du transport alors, lui donnent 30 pour cent de diminution pour ses transports, cela ne va pas décider s'il sera en mesure ou non de commercialiser.

M. Rose: Trente pour cent de cinq pour cent.

M. Macdougall: Oui. Trente pour cent de cinq pour cent de son prix. Ainsi il y a eu un exemple où on se demandait ce qu'il en était quant à une augmentation que nous avons faite dans les taux, pour les valises. Nous avons augmenté sensiblement nos tarifs railroute à cette société, mais on nous a présenté des observations portant que nous les ferions se retirer des affaires. Mais lorsque vous voyez ce qui s'est produit, pour le cas de la valise, cette valise se vendait pour vingt dollars. Nous augmentions les frais de transport de 50 cents à 65 cents, pour la valise. Cela semble un peu incongru que de telles dispositions de notre part, soit d'exiger 20 ou 25 cents de plus pour le transport de ces valises, pourrait détruire cette société.

C'est toujours le cas, j'imagine, de la personne en équilibre sur un bord très fragile qu'un rien pourrait faire tomber. Mais il s'agit d'une proportion inférieure d'un petit pourcentage du prix de livraison des marchandises qui sont les frais de transport. Mais, si nous enlèvions ces subventions à ces personnes et que nous utilisions cet argent pour donner plus à des personnes qui se trouvent dans des situations plus critiques, et pour lesquelles 20 p. 100 de leur prix de livraison est le coût du transport, et il a une excellente industrie, mais il ne parvient pas vraiment dans son marché. Alors, si vous lui donnez une aide positive, il pourrait peut-àtre doubler ou tripler son entreprise. Il entrerait vraiment sur le marché et obtiendrait un volume d'affaires qui lui donnerait un coût ré-

[*Texte*]

and volume shipment and various other things. If you can be selective that way, that is the idea.

Mr. Rose: There was a suggestion I believe of one man who happens to be employed by Hawker Siddeley Canada Ltd. He suggested that firms that are contemplating applying for such selective subsidies should have on their payrolls or staffs a transportation consultant. I believe you made a similar point, saying that there is really not very much known about transportation and the various problems. We also learned that there was not one university course in Canada dealing with this particular specialty, which it is now.

Mr. Macdougall: I think it is probably basically true that as a science or an art, which ever it is, we do not have anything like the number of people available in Canada to advise companies or shippers that we would like to have. We do not have the quantities that we have of accountants, lawyers, doctors and people like that. But what I was suggesting was that this new committee that the premiers of the Atlantic Provinces have suggested, this new group, that they should have a capability of providing this type of assistance to industries such as Hawker Siddeley or anybody else. Perhaps Hawker Siddeley could provide their own; they are a fairly substantial group, but smaller industries perhaps cannot. This organization might be able to provide this type of assistance for them.

On the selectivity point, if this Commission is going to do the selecting it is going to be a selective process by Atlantic Provinces' people for their own industry. It is not going to be somebody in Ottawa who is going to do it or somebody in the United States or somebody off somewhere else, it is going to be the people of the Atlantic Provinces, their own organization, that is going to do the selecting and deciding which industries that they want to support, very much in the same way that they do now, deciding whether they want Volvo to go into Nova Scotia and support them, or some other company to come in and put in a plant in New Brunswick and support them with assistance. They would support their own industries where they think the support will do the most good; put the money where it will do the best work.

Mr. Rose: In other words, sir, you would avoid the connotations of the word "subsidy" and perhaps choose a more acceptable one such as "incentives".

[*Interprétation*]

duit en raison de la production et de l'expédition en volume, et beaucoup d'autres choses. Si vous pouvez être sélectifs de cette façon, c'est ce qu'il faut.

M. Rose: Je pense qu'un homme à l'emploi de *Hawker Siddeley,* a suggéré que les entreprises qui songeraient à demander ces subventions sélectives, devraient avoir à leur service un expert-consil en transport. Je crois que vous avez fait une remarque semblable, disant qu'on ne savait pas vraiment ce qu'il en était des transports et des problèmes qui s'y rapportent. Nous avons aussi appris qu'il y avait un cours donné dans une des universités au Canada pour former les gens dans ces spécialités car c'est une spécialité.

M. Macdougall: Je pense qu'il est essentiellement vrai que, à titre de science ou d'art, ou enfin, quoiqu'il en soit, nous n'avons pas vraiment le nombre de spécialistes disponibles au Canada, pour conseiller les sociétés ou les expéditeurs, que nous aimerions avoir. Nous n'avons pas le nombre que nous avons en comptables, avocats, médecins, et autres. Ce que je dirais, c'est que ce nouveau comité, que les premiers ministres des provinces atlantiques ont proposé, ce nouveau groupe devrait pouvoir avoir la possibilité de fournir une telle aide aux industries telles que *Hawker Siddeley* ou autres. Peut-être que *Hawker Siddeley* pourrait fournir ses propres services; c'est un groupe assez important, mais de plus petites entreprises ne le peuvent peut-être pas. Ce comité pourrait leur fournir cette aide.

Du point de vue de la sélectivité, si la Commission fait le choix, il y aura un processus de sélection qui se fera par les provinces de l'Atlantique pour leurs propres industries. Ce ne sera pas quelqu'un à Ottawa ou aux États-Unis ou quelqu'un de très éloigné, mais ce seront des gens des provinces de l'Atlantique, leur propre organisation, qui décidera quelles seront les industries qu'ils désirent appuyer, tout comme ils le font maintenant. Ils décident s'ils veulent que *Volvo* s'établisse en Nouvelle-Écosse ou qu'une autre société puisse s'établir au Nouveau-Brunswick et s'ils peuvent les appuyer, leur fournir de l'aide. Ils appuient leurs propres industries là où cela fera le plus de bien; investissent l'argent où il donnera un rendement plus efficace.

M. Rose: En d'autres mots, donc, vous éviteriez les connotations du mot «subside» et vous choisiriez, un terme plus acceptable, tel «encouragement».

[*Text*]

Mr. Macdougall: Or "assistance", or something else.

Mr. Rose: Would you clear up something for me because you confuse me—I know I confuse a lot of people too. You mentioned something about the subsidy adversely affecting Maritime manufacturers on those things which they imported.

Mr. Macdougall: Yes; this is the freeze that we talked about, not the subsidy. This is the freight rate freeze which has frozen the rates at a certain level. That has meant that normally we would have increased the rates on certain products going into the Maritimes which are competitive with some things produced in the Maritimes, but we have not been able to increase those. Therefore, the upper Canadian manufacturer has been able to get into the Maritime market at a frozen rate.

Mr. Rose: When we were in Newfoundland we were confronted with the problem of the rates charged on the return of cars coming from Corner Brook to St. John's. Are you also studying this one? An industry was represented at the hearings by a Mr. Lundrigan—no relation to my colleague behind the cigar at the end of the table there—and he made the point that they shipped some products such as gypsum or something of that nature to St. John's. The cars went back empty. They could use them for other return products except that they had negotiated an agreed rate for west-east but the rates were so unfavourable on the return run that they were not doing this. Are you looking into this matter, or has it been raised?

Mr. Macdougall: I do not have any knowledge of that specific problem.

Mr. Rose: All right. I have one or two questions, Mr. Chairman, and I suggested earlier today how we might avoid the time we spent on some of the other matters today, but nevertheless I will not talk about that. I saw a TV program recently dealing with the container concept and there was a good deal of discussion of the single rate as it applied to distance rather than weight or type of cargo or anything else. What is the CN's position on this matter? It seems to me that this rate business is a patchwork thing. We are always having to juggle around with it. It is very complicated. Nobody can understand it and it employs a lot of lawyers.

• 1715

Mr. Macdougall: You may not think you have confused, me but I think you have!

[*Interpretation*]

M. Macdougall: Ou «aide», ou autre chose.

M. Rose: Voulez-vous préciser parce que je suis un peu confus, je sais que je confonds aussi bien des gens. Mais vous avez parlé de subventions affectant de façon contraire les fabriquants des Maritimes ou ces choses qu'ils importaient.

M. Macdougall: Oui, nous parlions du gel, non pas de subventions. C'est le gel qui a maintenu les taux à un certain niveau. Habituellement, nous aurions augmenté les taux pour certains produits acheminés vers les Maritimes qui sont en concurrence avec des produits fabriqués dans les Maritimes, mais nous n'avons pu le faire. Le fabricant du haut Canada a donc pu pénétrer dans les Maritimes à un taux gelé.

M. Rose: Lorsque nous étions à Terre-Neuve, nous avons été saisis du problème du taux prélevé pour le retour des wagons revenant de Corner Brook à Saint-Jean. Est-ce que vous étudiez aussi ce problème? Une industrie était représentée par un M. Lundrigan. Aucun lien de parenté avec mon collègue qui se cache derrière son cigare à l'autre bout de la table, mais enfin voici ce qu'il a dit. Ils expédient certains produits, tels le gypse ou autre produit du genre, à Saint-Jean. Les wagons reviennent vides. Ils pourraient les utiliser pour d'autres produits, mais ils avaient convenu d'un taux pour le transport ouest-est, mais les taux étaient si peu favorables pour le retour qu'ils ne faisaient pas. Est-ce que vous étudiez la question?

M. Macdougall: Nous ne sommes pas au courant de ce problème particulier.

M. Rose: J'aurais une ou deux questions à poser encore, et j'ai dit plus tôt aujourd'hui comment nous pouvions éviter tout ce temps que nous avons passé sur certaines des autres questions, mais je n'en parlerai pas, monsieur le président. J'ai vu tout récemment un programme de télévision sur le principe des cadres et on a beaucoup parlé du taux simple, tel qu'il s'applique à la distance plutôt qu'au cargo ou au poids. Quelle est la ligne de conduite du National-Canadien? C'est une affaire de rapiéçage. Nous devons toujours jouer autour. C'est très compliqué. Personne n'y comprend rien, il faut avoir recours aux avocats.

M. Macdougall: Vous ne pensez peut-être pas m'avoir embrouillé, mais vous l'avez fait.

[*Texte*]

Mr. Rose: A member of some rail line, neither CP or CN, suggested that what containers would lead us to would be a single rate, regardless of weight or type of cargo, based only on distance.

Mr. Macdougall: Perhaps he was talking about the single rate between some point in England and some point in Canada or United States, that is, the water and the rail and transportation charges through the terminals, and so on.

Mr. Vaughan: No; what he is talking about I think is that for the container, regardless of the commodity, whether it is diamonds or sawdust, the rate is the same.

Mr. Rose: Right.

Mr. Vaughan: In other words, a single rate concept per container rather than a commodity.

Mr. Macdougall: Oh, yes; we do not take account of what the commodity is in the container particularly, or each individual item that may be in there. If we get a container load of traffic we have a tariff that is a "container-all types of commodities," so they can put wire hoops or chairs of whatever they like in it and we take it.

Mr. Rose: I have two more questions. Do you foresee the concept of a traffic co-ordinator for the Maritimes under the premiers? You touched on this a little earlier.

Mr. Macdougall: Yes, they proposed this. They propose a committee or a commission, an organization which would be set up to co-ordinate the use to be made of the Maritime Freight Rates Act money. I do not envisage seeing some sort of a czar for the Maritimes who is going to say how you will do things; I do not think that would be good.

Mr. Rose: We have one there anyway. I believe that people here from Western Canada would have appreciated a czar of some kind in the grain situation. Anyway, thank you for your indulgence and I will yield to someone else.

The Chairman: Gentlemen, I still have five more speakers. Mr. Trudel?

Mr. Trudel: I will try to be as brief as I possibly can. The first question is related to a submission which was made to us in St. John's. It was a very touching presentation. I would like to ask Mr. Macdougall: When is

[*Interprétation*]

M. Rose: Un membre d'une ligne ferroviaire, soit CN ou CP, a suggéré que les cadres peu à peu nous amèneraient à un taux simple, quel que soit le poids ou le genre de cargo, fondé simplement sur la distance à parcourir.

M. Macdougall: Peut-être parle-t-il du taux simple entre un point en Angleterre et un point au Canada et aux États-Unis, c'est-à-dire les frais de transport par eau et rail par les terminus, et ainsi de suite.

M. Vaughan: Ce dont il parle, je pense, c'est que pour un cadre que ce soit des diamants ou de la sciure de bois, il n'y a qu'un taux.

M. Rose: C'est juste.

M. Vaughan: En d'autres mots, un seul taux par cadre plutôt que suivant les denrées qu'il contient.

M. Macdougall: On ne tient pas compte de ce qu'est la denrée ou de l'article dans le cadre. Si nous avon des cadres, nous avons un tarif, c'est-à-dire «cadre-toutes denrées», de sorte qu'on peut y mettre quoi que ce soit, des chaises, des cerceaux ou autre chose, et nous le prendrons.

M. Rose: J'ai deux autres questions. Concevez-vous un coordonateur du traffic dans les Maritimes, sous l'autorité des premiers ministres? Vous en avez parlé un peu plus tôt.

M. Macdougall: Oui. Ils proposent un comité ou une commission, un organisme qui serait constitué en vue de coordonner l'utilisation à faire de l'argent prévue en vertu des dispositions de la Loi sur le taux de transport des marchandises dans les Maritimes. Enfin, ce ne sera pas tout à fait un tsar des Maritimes qui vous dira comment faire les choses; je ne pense pas que cela serait bien.

M. Rose: Il y en a un déjà de toute façon. Mais enfin je pense que les gens de l'Ouest du Canada aimeraient bien avoir un tsar pour les céréales. Je vous remercie de votre patience et je cède à quelqu'un d'autre.

Le président: Messieurs, j'ai toujours cinq autres orateurs sur ma liste. Donc, monsieur Trudel?

M. Trudel: Monsieur le président, je serai le plus bref possible. La première question a trait à un mémoire qui nous fut présenté à Saint-Jean. C'était une question délicate qui nous fut présentée. Je voudrais demander à

[*Text*]

the last time you have had a special request to transport a disabled person?

Mr. Macdougall: Mr. Trudel, as I said earlier, I do not have any specific information on that. I asked the general question of our people in Newfoundland and they say that this happens very, very seldom.

Mr. Trudel: You have had no complaints that you can recall within the last six months?

Mr. Macdougall: No.

Mr. Trudel: My next question was touched on by another gentleman—and I do not want to open a full discussion on this—regarding the type of service that you secure in the Maritimes and some of the work that you have done to the rolling stock. You mentioned particularly, I believe, a dining car. Would it be a fair assessment, Mr. Macdougall, to say that to refurbish a dining car would be in the order of $200,000?

Mr. Macdougall: I am not an expert on this. A new dining car, I think, would cost you that amount of money.

Mr. Trudel: Then would I be safe in assuming that $75,000 would be a fair estimate for updating the car?

Mr. Macdougall: It might well be, depending upon what you did to it. It depends on the work done and the cost of the work, but if you had to do a major overhaul of the car it would cost you that easily.

Mr. Trudel: Thank you. I am just trying to relate the value in my mind to the answer you have given regarding the upgrading of your rolling stock, particularly in Newfoundland and in the Atlantic Provinces. That is the reason why I ask these questions.

Another point was raised concerning a roadbed. Do you have different specifications for roadbeds for freight, passenger or mixed trains? Would they require different roadbeds?

• 1720

Mr. Macdougall: Basically our roadbeds are used for all types of traffic, passenger, freight and express. I do not know of any that we have specifically that are used only for passenger. We may have some trackage that is used only for freight because we do not operate passenger services.

[*Interpretation*]

M. Macdougall: Quand, pour la dernière fois, avez-vous été saisi d'une demande spéciale pour faire le transport d'une personne invalide?

M. Macdougall: Monsieur Trudel, comme je l'ai dit plus tôt je n'ai pas de renseignements précis là-dessus. J'ai posé la question générale de nos gens à Terre-Neuve et ils m'ont dit que cela se présente rarement.

M. Trudel: Il n'y a pas eu de griefs qui ont été formulés au cours des six derniers mois?

M. Macdougall: Non.

M. Trudel: Un autre député a déjà parlé de ma prochaine question. Je ne veux pas engager toute une discussion là-dessus, mais enfin pour ce qui est du genre de service que vous assurez dans les Maritimes, et du travail que vous aviez fait au matériel roulant. Vous parliez tout particulièrement, je pense, d'un wagon-restaurant. Est-ce que ce serait une bonne évaluation de la situation, monsieur Macdougall, que pour renouveler un wagon-restaurant, il en coûte $200,000?

M. Macdougall: Je ne suis pas un spécialiste. Un nouveau wagon-restaurant vous coûterait cette somme, je pense.

M. Trudel: Alors, est-ce que j'ai raison d'en conclure que $75,000 serait à peu près la somme requise pour remodeler ce wagon-restaurant?

M. Macdougall: Tout dépend du genre de travail, et du coût du travail, mais un renouvellement complet du wagon peut facilement vous coûter aussi cher que cela.

M. Trudel: J'essaie simplement de faire le lien entre le montant que j'ai en tête et la réponse que vous avez fournie pour la remise à jour de votre matériel roulant, surtout à Terre-Neuve et dans les provinces de l'Atlantique. C'est la raison pour laquelle je vous pose ces questions.

Un autre point a été soulevé quant à l'assiette des rails. Est-ce que vous avez des spécifications différentes d'assiettes, pour le transport des marchandises, des passagers ou pour les trains mixtes?

M. Macdougall: Essentiellement, les assiettes servent à tout genre de traffic, passager, express, message. Je ne crois pas que nous en ayons simplement pour les passagers. Il se peut que nous ayons des voies qui soient utilisées simplement pour le transport des marchandises parce que nous n'avons pas là de service passager.

[*Texte*]

Mr. Trudel: The reason I ask this question, Mr. Macdougall, is because the point was made that there was downgrading. I am reluctant to use this term, but it was used, and I could see no reason why the rail would be adding a special roadbed for a special type of service. That is the reason I raised the point.

During our visit to the Maritimes, on several occasions in the briefs that were presented witnesses mentioned 10 pounds per cubic foot in the weight structure and the LCL rates, and they were not too happy about this. I would like to ask the question, what was the previous arrangement? What were you working from previously?

Mr. Macdougall: The previous arrangement, the 10 pounds per cubic foot, came in when the new less carload or the small package tariff called ETA-100 came into effect at the end of 1967. Prior to that there was no simple cube rule expressed in that same way, but the cube was described in the description of the goods that is contained in the freight classification. If you endeavour to make a comparison, which I have done, the cube rule if it were stated in figures in the old classification would be about 12 as opposed to the 10.

Mr. Trudel: Have you had many complaints in this respect since you instituted this new ruling?

Mr. Macdougall: First of all, I should say that we have had no complaints that I am aware of in the last six to eight months.

Mr. Trudel: My next question, Mr. Chairman, is: Is there any other area in Canada where you service a a narrow gauge rail?

Mr. Vaughan: No, sir.

Mr. Trudel: Is there any being operated by your competitors in any other areas in Canada?

Mr. Vaughan: I do not know of any. There are other railways but whether they are our competitors or not, I am not sure. The White Pass and Yukon is a narrow gauge line; Mr. Turner would know. It is a different gauge even than in Newfoundland.

Mr. Trudel: I have before me, Mr. Chairman, a report that was commissioned in St. John's, Newfoundland, in 1961—Newfoundland Board of Trade—and it had several recommendations regarding the transportation in the Maritimes. Are you aware, Mr. Vaughan, or have you taken cognizance of this report?

[*Interprétation*]

M. Trudel: J'ai posé cette question, monsieur Macdougall, parce qu'on a parlé de négligence quant au service. J'hésite à utiliser cette expression, mais on l'a dit. Je ne vois pourquoi on aurait une assiette spéciale pour un genre spécial de service. C'est la raison pour laquelle je pose la question.

Pendant notre tournée dans les Maritimes, plus d'une fois dans les mémoires présentés des témoins ont parlé de dix livres au pied cube pour ce qui est du poids et des chargements incomplets et ils ne semblaient pas trop heureux. Je voudrais donc savoir quelles étaient les dispositions que vous aviez auparavant.

M. Macdougall: L'arrangement précédent, le 10 livres au pied cube a été introduit lorsque le tarif ETA-100 est entré en vigueur à la fin de 1967. Avant cela, il n'y avait pas de règle précise formulée de cette façon pour le cubage. Le cubage était décrit dans la description des marchandises contenue dans la classification des marchandises. Si vous essayez d'établir une comparaison, ce que j'ai fait, la règle du cubage, si elle était donnée en chiffres, selon l'ancienne classification, serait d'environ 12, comparativement au 10 actuel.

M. Trudel: Est-ce que l'on a formulé de nombreuses plaintes à cet égard depuis que vous avez établi cette nouvelle règle?

M. Macdougall: Tout d'abord, permettez-moi de dire que nous n'avons pas eu de plainte au cours des 6 ou 8 derniers mois.

M. Trudel: Une autre question, monsieur le président. Est-ce qu'il y a d'autres régions du Canada où il y a des voies à faible écartement?

M. Vaughan: Non, monsieur.

M. Trudel: Est-ce que vos concurrents en ont dans d'autres régions du Canada?

M. Vaughan: Pas que je sache. Il y a d'autres compagnies ferroviaires, mais je me demande si ce sont des concurrents. Au Yukon, disons, il y a une voie à faible écartement. Monsieur Turner le saurait sans doute. C'est un écartement différent de celui qu'il y a à Terre-Neuve.

M. Trudel: J'ai ici un rapport qui a été présenté à Saint-Jean (Terre-Neuve), en 1961, par la Chambre de Commerce de Terre-Neuve. On y formule certaines recommandations au sujet du transport dans les Maritimes. Êtes-vous au courant, monsieur Vaughan, ou est-ce que vous avez déjà lu ce rapport?

[*Text*]

Mr. Vaughan: Well, I just can not identify it, but I assure you that we have every report and every brief that has been presented on this subject—economic survey—in the Maritimes, but I do not recognize it at the moment.

Mr. Trudel: It is St. John's and Newfoundland Economic Survey commissioned in 1961 by the Newfoundland Board of Trade. You are not familiar with this report?

Mr. Vaughan: No sir, I am not. That does not mean that nobody in the company is not.

Mr. Trudel: The point was raised regarding empty box cars returning to Port-aux-Basques by the paper companies, but I think this has been answered. I have other questions, Mr. Chairman, but I think I will forego them to give a chance to the other members of the Committee.

Mr. Perrault: Mr. Chairman, I will try to be very brief. Would it be a fair summation to say that an effort was made to maintain the rail passenger service in Newfoundland during the past number of years comparable to the effort made in the other parts of Canada? Would that be a fair statement?

Mr. Macdougall: I think generally that is a fair statement, Mr. Perrault, yes.

Mr. Perrault: I accept Mr. Macdougall's statement of a few minutes ago that there was no deliberate program of down-grading. I accept that, but there is another way of looking at this. I accept that there is no deliberate down-grading. A number of little things that come to mind. Why were the linens removed from the tables in the diners in Newfoundland for the past number of years and replaced by paper place mats, and the same thing not done anywhere else in Canada?

I will just give a list of little things that come to mind. Why, for instance, the stupid little thing on the diner in Newfoundland where you get one little piece of butter and everywhere else in Canada you get four or five or half a dozen. Those are little things, now.

Why do you get a fresh flower in the diner anywhere in Canada that I have been—every time there is a fresh flower on the linen—and you do not get it in Newfoundland? Why did they institute to attract passengers such things as bingo games—a very popular game and I played it on the mainland on the train here and I have won prizes—and why were such things not done in Newfoundland? There are any number of things like that.

[*Interpretation*]

M. Vaughan: Je ne puis ainsi l'identifier. Je puis vous assurer que nous avons tous les rapports et tous les mémoires qui ont été présentés sur le sujet—les enquêtes économiques—dans les provinces Maritimes, mais je ne le reconnais pas en ce moment.

M. Trudel: C'est le relevé économique de St-Jean et de Terre-Neuve, effectué en 1961 par la Chambre de commerce de Terre-Neuve. Vous ne reconnaissez pas ce rapport?

M. Vaughan: Non. Cela ne veut pas dire qu'il n'y a personne au CN qui ne le connaisse.

M. Trudel: On a soulevé une question au sujet des wagons vides qui sont retournés à Port-aux-Basques par les compagnies de papier, mais on a déjà répondu à cette question. J'ai d'autres questions mais je vais maintenant céder la parole aux autres.

M. Perrault: J'essaierai d'être très bref, monsieur le président. Est-ce qu'il serait juste d'en conclure que des efforts qui ont été déployés pour maintenir le service passager à Terre-Neuve au cours des dernières années peuvent ne comparer aux efforts déployés dans les autres régions du Canada? Est-ce juste de faire une telle déclaration?

M. Macdougall: Je dirais que oui, monsieur Perrault.

M. Perrault: J'accepte la déclaration qu'a faite, il y a quelques instants, M. Macdougall lorsqu'il a dit qu'il n'y avait pas de programmes délibérés de dégradation des services. Mais il y a une autre façon d'envisager le problème. Je reconnais qu'il n'y a pas détérioration des services. Il y a certaines petites choses qui nous viennent à l'esprit. Pourquoi a-t-on enlevé le linge de table dans les wagons-restaurants à Terre-Neuve pour le remplacer par des napperons de papier? Cela n'a pas été fait ailleurs au Canada. Pourquoi, par exemple, dans le wagon restaurant à Terre Neuve, a-t-on un simple petit morceau de beurre alors qu'ailleurs vous en avez près d'une demi-douzaine?

Pourquoi a-t-on une fleur fraîche au wagon-restaurant n'importe où au Canada—chaque fois que j'y vais, il y a toujours une fleur fraîche—mais jamais à Terre-Neuve? Pourquoi a-t-on des parties de bingo—jeu très populaire—pour attirer les passagers et j'ai joué et j'ai même gagné des prix? Pourquoi n'avez-vous pas fait cela à Terre-Neuve et des choses du genre?

[*Texte*]

Why, for instance, have the linens in the berths been allowed to become threadbare over the past number of years? I slept in a berth no more than six or eight months ago in Newfoundland and when I woke up I was wearing the sheet around my neck where my head had gone through it. I am not kidding the Committee—I made it my business to check the others and they were littered with patches in the other berths.

An hon. Member: Did you pay for the sheet?

Mr. Perrault: This is not a joke. While there was no deliberate down-grading, there was certainly no comparative up-grading and efforts to encourage passenger business. Now, would you comment on that, Mr. Macdougall? I speak from personal knowledge.

Mr. Macdougall: I accept what you say as your fair comment based on personal knowledge. I cannot give you any refutation of that. I will not attempt to do it; you are making a statement and I am not too sure whether it is right or it is wrong, but I accept that you make it.

Mr. Perrault: Well, I wanted to set the records straight so that the Committee would not get the impression that the Newfoundland passenger service of the CNR is part of this great national service and equally as good. I just wanted to set the record straight lest the Committee be mislead.

Mr. Macdougall: Unfortunately, you know, we have equipment in other parts of Canada that is not as good as we would like to it be. As a manager I tell you quite frankly I would like to have every piece just spotless and in the best condition it could possibly be, with a nice, straight road bed and everything, but you just cannot have these things everywhere within the limitations that are imposed. Unfortunately some circumstances may arise such as you described, and I am sorry to hear it.

Mr. Perrault: The price in the diner is just as expensive, or more expensive, in Newfoundland. Every time I have been aboard the diners have been filled. There were times I could not get served, and yet this little service of a linen tablecloth, as only one example, had been removed and replaced by paper.

Mr. Vaughan: Is this just a recent...

Mr. Perrault: No; this has been for any number of years.

[*Interprétation*]

Pourquoi, par exemple, a-t-on laissé les draps des couchettes s'user à la corde au cours des dernières années? J'ai pris un lit il n'y a pas plus de six ou huit mois à Terre-Neuve et lorsque je me suis éveillé, j'avais latête passée à travers un trou. Je n'essaie pas de leurrer le Comité. J'ai regardé les autres draps et ils étaient tous rapiécés.

Une voix: Vous avez payé pour le drap?

M. Perrault: Je ne rigole pas. S'il n'y a pas eu de négligence délibérée, on n'a quand même pas vraiment essayé d'améliorer le service voyageurs. Auriez-vous des commentaires à faire monsieur Macdougall? Je vous parle d'après mon expérience personnelle.

M. Macdougall: J'accepte ce que vous dites, parce que vous parlez d'après votre expérience personnelle. Je n'ai rien à rejeter, et je n'essaierai pas de le faire. Je ne suis pas tout à fait sûr si votre déclaration est juste ou non, mais je l'accepte.

M. Perrault: Je voulais établir les choses comme elles sont parce que je ne voulais pas que le Comité ait l'impression que le service voyageurs du National-Canadien à Terre-Neuve fait partie de ces grands services nationaux et est tout aussi bon. Je veux simplement dire les choses comme elles sont afin que le Comité ne soit pas induit en erreur.

M. Macdougall: Malheureusement, vous savez, vous avez dans d'autres régions du Canada du matériel qui n'est pas aussi bon que nous le souhaiterions. En temps qu'administrateur, j'aimerais bien que tout soit impeccable, immaculé, dans les meilleures conditions possibles, des assises de voie droites, mais on ne peut avoir tout cela partout à même les restrictions qui nous sont imposées. Malheureusement, il peut représenter certaines circonstances comme celles dont vous parlez, et je regrette que cela se produise.

M. Perrault: Et les prix dans le wagon restaurant aussi élevés, sinon plus, à Terre-Neuve. Les places sont toujours toutes occupées et il y a même eu des fois où je n'ai pu être servi. Le service de lingerie de table a été remplacé par de petits napperons de papier. Cela n'est qu'un exemple.

M. Vaughan: C'est récent.

M. Perrault: Non, cela se fait depuis plusieurs années.

[*Text*]

Mr. Macdougall: I have been on all kinds of dining cars on the rest of our system that have not got linen. We have got lots of cars operating with paper napkins and paper serviettes and things of that kind.

Mr. Perrault: In the coffee shop, yes. All right; I will carry on with my next question if you do not mind, sir. I am not going to question the judgment of CTC, but in their order to the CNR—I am not going to question it, I am just going to ask how the Canadian National Railway regards this part of the order that the bus service must be as good as, if not better than, the train service? What is CNR's interpretation of those words?

Mr. Macdougall: We are trying to provide an excellent bus service. The Committee has made that requirement; we are trying to provide an excellent bus service. We bought the best buses we could buy, we are trying to staff them with people who have understanding and competence and we expect that the bus service will be as good as there is anywhere in this country. We think that will be comparable with the rail at least. We are not proposing to put on a poor bus service; we do not want a poor bus service—we want an excellent bus service.

Mr. Perrault: Bearing in mind passenger comfort, accommodation.

Mr. Macdougall: Of course.

Mr. Perrault: Eat, sleep.

Mr. McGrath: One john for everybody.

An hon. Member: Oh please!

Mr. Macdougall: Some houses have got along for years with none.

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Mr. Perrault: Is there any deterioration at this present moment in the CNR passenger service in Newfoundland as compared to, say, a year ago?

Mr. Macdougall: Compared with what, sir?

Mr. Perrault: Compared with one year ago, is the service as good today—the trains are still running, mind you—as it was a year ago?

Mr. Macdougall: Well, now, I must say that I do not travel it every week myself to test it out, naturally, but the frequency of the service and the general quality of the service is the same today as it was a year ago.

[*Interpretation*]

M. Macdougall: Je suis allé un peu partout ailleurs, dans les voitures restaurant qui n'ont jamais de nappes. Nous avons beaucoup de wagons ou il n'y a que des serviettes de papier, etc.

M. Perrault: Dans le cafétéria oui. Mais je vais poursuivre maintenant avec ma question suivante, je n'ai pas l'intention de mettre en doute le jugement de la CCT, je ne veux pas mettre en question l'ordonnance de la Commission au CN, mais comment le CN envisage-t-il cette partie de l'ordonnance selon laquelle le service d'autobus doit être aussi bon sinon meilleur que le service des trains? Comment le CN interprète-t-il cela?

M. Macdougall: Nous essayons de fournir un excellent service d'autobus. Nous avons acheté les meilleurs autobus possibles. Nous essayons d'y mettre un personnel compétent et compréhensif et nous nous attendons que le service d'autobus sera aussi bon que n'importe quel autre service d'autobus au pays. Nous croyons qu'il pourra se comparer facilement au service des trains. Nous ne voulons pas introduire un service médiocre d'autobus, ce n'est pas cela que nous voulons; nous voulons un excellent service d'autobus.

M. Perrault: Tenant compte du service, du comfort des passagers.

M. Macdougall: Naturellement.

M. Perrault: Des repas, du coucher.

M. McGrath: Une toilette pour chacun.

Une voix: S'il vous plaît!

M. Macdougall: Il y a plusieurs maisons qui ont dû en passer pendant des années.

M. Perrault: Y a-t-il détérioration, à l'heure actuelle, du service voyageurs à Terre-Neuve comparativement à, mettons à il y a un an.

M. Macdougall: Pardon?

M. Perrault: Comparativement à il y a un an, est-ce que le service est aussi bon aujourd'hui et il y a toujours des trains qui roulent?

M. Macdougall: Je dois dire que je ne voyage naturellement pas toutes les semaines personnellement pour le vérifier. Mais la fréquence du service et la qualité générale du service sont certainement les mêmes qu'il y a un an.

[*Texte*]

Mr. McGrath: I have a supplementary question. When was the last time you travelled from Port-aux-Basques to St. John's on the Newfoundland train, Mr. Macdougall?

Mr. Macdougall: Well, this is March 20. I guess it was probably in November, 1968.

Mr. Perrault: I have one further question, Mr. Chairman. I would just like a comment from either of those gentlemen from the CNR giving his opinion as to the capability of the highways in Newfoundland. As you know, it is just a two-lane highway; the traffic is increasing every day; we see those big CNR trailer trucks and what have you. Everyday there are more of them. We are adding a fairly large fleet of buses. Do they have any opinion to express as to the capabilities during the coming summer and the years to come of this highway in its present two-lane state of handling the traffic that will be operating?

Mr. Macdougall: The Trans-Canada Highway is built to Trans-Canada specifications and in other parts of Canada they are taking the full complement of highway vehicles, trucks, buses and so on. I do not have any feeling of inadequacy of the highway.

Mr. Perrault: One very short question, Mr. Chairman. I understand there are a number of applications for abandonment of various pieces and bits of rail lines before the Transport Commission?

Mr. Macdougall: All across Canada.

Mr. Perrault: All across Canada. A number of those were put before the Commission at the same time as the application to abandon the service in Newfoundland. Was there any particular urgency attached to the application to abandon the service in Newfoundland?

Mr. Macdougall: Well, I do not know that I would offer you a complete answer on that, because I have not thought of that. But one particular reason would be the savings that could be made by eliminating that service, I suppose. They are substantial.

Mr. Perrault: Could you offer any comparative figures? You already said this afternoon that almost every line experiences deficits. Could you offer any comparative figures of the deficits for instance between North Sydney and Truro?

Mr. Macdougall: No, I cannot.

Mr. Perrault: That is all, Mr. Chairman.

[*Interprétation*]

M. McGrath: Une question supplémentaire. Quand, pour la dernière fois, avez-vous fait le voyage entre Port-aux-Basques et Saint Jean dans ce train, Monsieur Macdougall.

M. Macdougall: C'est aujourd'hui le 20 mars. Je crois que c'était en novembre 1968.

M. Perrault: Une dernière question, monsieur le président. J'aimerais avoir l'opinion de l'un des deux fonctionnaires du CN, sur la capacité des routes à Terre-Neuve. Comme vous le savez les grandes routes de Terre-Neuve ne sont que des routes à deux voies; la circulation augmente tous les jours; nous voyons ces gros camions remorque du CN, il y en a de plus en plus. Nous ajoutons présentement une assez grande flotte d'autobus. Ont-ils une opinion à exprimer sur les possibilités au cours de l'été qui vient et des années à venir de cette route à deux voies en matière de la circulation.

M. Macdougall: La route transcanadienne construite d'après les exigences de l'administration de la route transcanadienne et dans les autres parties du Canada, elle supporte tous les véhicules à moteur, autobus, camions, autos, etc. et je n'ai pas l'impression que la grande route soit inadéquate.

M. Perrault: Une dernière question brève monsieur le président. Je comprends qu'il y a un certain nombre de demandes d'abandon de divers bouts de lignes de chemins de fer qui ont déjà été présentées à la Commission canadienne des transports.

M. Macdougall: A travers tout le Canada.

M. Perrault: A travers tout le Canada. Un certain nombre a été présenté à la Commission en même temps que la demande en vue d'abandonner le service à Terre-Neuve. Y avait-il une urgence particulière attachée à la demande d'abandon du service à Terre-Neuve?

M. Macdougall: Je ne sais pas si je pourrais donner une réponse complète à ce sujet car je n'y ai pas pensé. Mais une des raisons, serait l'épargne que nous pourrions faire en supprimant ce service, je suppose. Cette épargne est assez importante.

M. Perrault: Alors, pouvez-vous nous donner des chiffres de comparaison? Vous avez déjà dit cet après-midi que presque toutes les lignes accusent des déficits. Pourriez-vous nous fournir les chiffres comparatifs des déficits, par exemple, entre Sydney-Nord et Truro?

M. Macdougall: Non, je ne le peux pas.

M. Perrault: C'est tout, monsieur le président.

[*Text*]

Mr. Turner (London East): Mr. Chairman, Mr. Vaughan and Mr. Macdougall, when we were down East we heard there were constant complaints of a shortage of box cars in the Maritimes, all over. When they want box cars, the shippers cannot get them. Some of them waited as long as ten days. It this normal practice?

Mr. Macdougall: No, there were spot shortages of cars all over Canada this spring. We had a grain problem. I referred a while ago to the severe winter weather conditions in Western Canada. We could not use 100-car trains. Trains had to be broken down to 20 or 30 cars in order to move grain. There were shortages in different parts of the country. The CPR would have suffered the same kind of shortage.

We are working our way out of that situation now, and the grain is moving, and I think that your situation in the Atlantic region has improved quite a bit. But we are going to have shortages. You would know that, sir.

Mr. Turner (London East): Well, up my way, it just depends who you are, whether you get cars or not. If you are a big shipper you get the cars, while a little fellow is just passed by. Under area management do you make the final decision regarding the Maritime area operations? Or do you have to go to Montreal?

Mr. Macdougall: I do not know that I understand your question. My responsibility is for the Atlantic region.

Mr. Turner (London East): That is right.

Mr. Macdougall: From Rivière du Loup to St. John's, Newfoundland.

Mr. Turner (London East): Do you make the final decision in that region?

Mr. Macdougall: I do, yes.

Mr. Turner (London East): Did the CNR apply for truck line licences on P.E.I., and were these applications opposed, and by whom?

Mr. Macdougall: Perhaps Mr. Duncan, our general counsel, could answer that question.

[*Interpretation*]

M. Turner (London-Est): Monsieur le président, monsieur Vaughan et monsieur Macdougall, quand nous étions dans l'Est, on nous a dit qu'il y avait des plaintes incessantes au sujet du manque de wagons de marchandises, partout dans les Maritimes. Quand ils veulent des wagons de marchandises, les expéditeurs ne peuvent se les procurer. Certaines personnes ont dû attendre jusqu'à dix jours pour les obtenir. Est-ce normal?

M. Macdougall: Non, on n'a manqué de wagons de marchandises qu'en certains endroits du Canada au cours du printemps. Nous avons eu de la difficulté au sujet des céréales. J'ai parlé il y a quelques instants des conditions climatiques de l'hiver dans l'Ouest du Canada. Nous ne pouvions pas employer des trains de 100 wagons. On devait diviser les trains et ne mettre que 20 ou 30 wagons pour transporter les céréales. On a souffert de ces manques un peu partout dans le pays. Le Pacifique-Canadien aurait eu les mêmes difficultés.

Toutefois, nous sommes en train d'en sortir. Le blé est transporté et je crois que votre situation dans la région de l'Atlantique s'améliore beaucoup. Nous aurons certainement les mêmes difficultés. Vous devriez le savoir.

M. Turner (London-Est): Tout dépend qui vous êtes pour obtenir des wagons. Si vous êtes un expéditeur important, vous les obtenez pendant qu'une personne ordinaire est laissée de côté. En vertu de l'administration de la région de l'Atlantique, rendez-vous une décision définitive au sujet de l'exploitation dans les Maritimes?

M. Macdougall: Je ne sais pas si j'ai bien compris votre question. Je suis chargé de la région de l'Atlantique.

M. Turner (London-Est): C'est juste.

M. Macdougall: De Rivière-du-Loup à Saint-Jean (Terre-Neuve).

M. Turner (London-Est): Est-ce vous qui prenez la décision finale dans cette région?

M. Macdougall: Oui.

M. Turner (London-Est): Le CN a-t-il demandé des permis d'exploitation de parcours de camions dans l'Île-du-Prince-Édouard ou est-ce que les demandes ont reçu des oppositions, et de la part de qui?

M. Macdougall: Notre avocat-général, monsieur J. M. Duncan de la région de l'Atlantique pourrait peut-être répondre à cette question.

[*Texte*]

Mr. Duncan: Yes, Mr. Turner, we did on several occasions make applications to the Public Utilities Commission of Prince Edward Island.

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On the first occasion we were granted the right to carry express in one tractor trailer unit to Summerside and one to Charlottetown. Of course, this is not in anywhere near the number which would be required in order to give an adequate service. But that was all we were given, so we did put that on. And we went back again. And we applied again for the removal of this restriction on the number of vehicles. We were allowed one more truck to serve Summerside and Charlottetown, and quite frankly we did not put that on because there were no savings to be made; we could not take any rail equipment off.

Mr. Turner (London East): Well, the general idea of these truck licences was to give better service in that area, right?

Mr. Duncan: Precisely.

Mr. Turner (London East): Do you believe that subsidies should apply both ways? And how can we be sure that they are channelled down to the consumer?

Mr. Duncan: This should be applied both ways.

Mr. Turner (London East): Both ways. We heard that down in the Maritimes. They should be applied both ways. East-west and west-east.

Mr. Macdougall: On the first part of your question as to its applicability both ways, I do not think that I am in favour of it being applied entirely both ways, because of this point I mentioned before. If you subsidize the inbound traffic, you are going to inhibit many cases in the Atlantic Provinces, because the competitors they have to compete with are going to be able to put goods cheaper into Atlantic Canada. And I think it would be in our own interest to endeavour to build up our industry rather than making it cheaper for outsiders to come in and do business there. That is one point.

But I do think at the same time that there are certain commodities such as some raw materials, some unfinished goods that it would be helpful to Maritime manufacturers

[*Interprétation*]

M. Duncan: Oui monsieur Turner, nous avons présenté des demandes à plusieurs reprises à la *Public Utilities Commission* de l'Île-du-Prince-Édouard.

La première fois, on nous a donné l'autorisation de transporter les messageries dans un camion-remorque jusqu'à Summerside, et un autre jusqu'à Charlottetown. Évidemment, cela est loin d'approcher le nombre qui serait nécessaire pour assurer un service adéquat. C'est tout ce qu'on a donné toutefois. Alors, nous l'avons inauguré et nous sommes revenus. Nous avons encore demandé la suppression de la restriction relative au nombre des véhicules. On nous a alors permis l'usage d'un autre camion pour desservir Summerside et Charlottetown. Et pour dire franchement, nous ne l'avons pas mis en service, car on ne pouvait pas faire d'économies. On ne pouvait éliminer le service ferroviaire.

M. Turner (London-Est): Alors, l'idée générale des permis de camions était de donner un meilleur service dans la région, n'est-ce pas?

M. Duncan: Précisément.

M. Turner (London-Est): Croyez-vous que les subventions devraient s'appliquer dans les deux sens? Et comment pouvons-nous nous assurer qu'elles passent au consommateur?

M. Duncan: Cela devrait s'appliquer dans les deux sens.

M. Turner (London-Est): Dans les deux sens. Nous en avons entendu parler dans les Maritimes. Elles devrait être appliquées dans les deux sens, est-ouest et ouest-est.

M. Macdougall: Pour répondre à la première partie de votre question, relative à l'application dans les deux sens, je ne crois pas que je sois en faveur complètement, en raison de ce que j'ai déjà mentionné. Car, si vous subventionnez le transport venant vers les provinces Maritimes, vous allez empêcher dans plusieurs cas, la croissance économique des provinces de l'Atlantique parce que leurs concurrents pourront mettre des denrées sur le marché des Maritimes où un meilleur coût que s'ils les produisaient dans les provinces Maritimes. Je crois qu'il serait de votre intérêt d'essayer de former notre industrie plutôt que d'encourager les étrangers à venir dans nos provinces avec leurs propres produits.

Je crois aussi qu'il y aurait certaines installations, comme les matières premières, quelques produits semi-ouvrés qu'il serait utile pour les fabricants des Maritimes d'avoir une

[*Text*]

to have coming in with some transportation assistance. And I think this commission that we have talked about would be the body that would be able to cast an eye over the scene to find out where they could do that.

I have forgotten the other point you had, Mr. Turner.

Mr. Turner (London East): To make sure that these subsidies are channelled down to the consumer.

Mr. Macdougall: Yes, I think they should be.

Mr. Turner (London East): Thank you. Now, did the CNR get any appeals or complaints from any group regarding the decision of taking off the "Bullet" prior to April 15th or later? We heard in the Maritimes that nobody appealed the CTC decision. Did the CNR get any complaints or appeals?

Mr. Vaughan: No, I have not received any, as far as Montreal is concerned.

Mr. Macdougall: We have seen most of the things that have been in the papers and so on, but we have not had representations that I am aware of.

Mr. Turner (London East): This is what I mean. Now, is it not true that the train schedule has not been changed for 25 years?

Mr. Macdougall: No, I do not think that is right. The train schedule in Newfoundland?

Mr. Turner (London East): That is right.

Mr. Macdougall: No, I do not think so. For instance, we operated our trains up until October, 1961, on a 7-day-per-week basis all year round. At that time we changed in the winter time from a 7-day to a 6-day basis. Then in 1962 we went in the winter time to a 3-day-per-week basis. There have been changes made.

Mr. Turner (London East): Could you cut the running time down by 4½ hours, instead of having this 22½ hours now? Could you cut it down by 4½ hours?

Mr. Macdougall: I do not think there is any simple yes or no answer to that question. You can always do things if you have enough money to do them.

Mr. Turner (London East): Well, if the government gave you a million dollars a year, would you still keep the "Bullet" train on?

[*Interpretation*]

certaine aide pour le transport. Je pense que la commission dont nous avons parlé pourrait peut-être jeter un coup d'œil pour savoir dans quel domaine ils pourraient le faire.

J'ai oublié l'autre point, monsieur Turner.

M. Turner (London-Est): Pour s'assurer que la subvention soit acheminée vers le consommateur.

M. Macdougall: Oui, je le crois.

M. Turner (London-Est): Est-ce que le CN a reçu des plaintes ou des appels de la part d'un groupe au sujet de la décision d'enlever le *Neufie Bullet* avant le 15 avril ou même plus tard? On nous a dit dans les Maritimes que personne n'avait appelé de la décision de la CCT. Est-ce que le CN a reçu des plaintes ou des appels?

M. Vaughan: Je n'en ai pas reçu, en ce qui concerne Montréal.

M. Macdougall: Nous avons vu la plupart des choses qui ont paru dans les journaux, et ainsi de suite, mais à ma connaissance, nous n'avons pas eu de représentations.

M. Turner (London-Est): C'est ce que je veux dire. N'est-il pas vrai que l'horaire des chemins de fer n'a pas changé depuis 25 ans?

M. Macdougall: Je ne crois pas que ce soit exact. Vous voulez dire l'horaire des trains à Terre-Neuve?

M. Turner (London-Est): Oui.

M. Macdougall: Non, je ne crois pas. Par exemple, nos trains étaient exploités jusqu'en octobre 1961, sept jours par semaine, à l'année longue. A ce moment-là, nous avons changé à l'hiver, et au lieu de sept jours, il a été exploité six jours par semaine et en 1962, pendant l'hiver, nous avons réduit à trois jours par semaine. Il y a donc eu des changements.

M. Turner (London-Est): Est-ce que vous pourriez réduire maintenant le temps du parcours de quatre heures et demie au lieu de 22 heures et demie? Est-ce que vous pourriez le réduire de quatre heures et demie?

M. Macdougall: Je ne crois pas que l'on puisse répondre à cette question par un oui ou par un non. Il est toujours possible de le faire à condition d'avoir suffisamment d'argent.

M. Turner (London-Est): Si le gouvernement vous donnait un million de dollars, par année, garderiez-vous le *Bullet*?

[*Texte*]

Mr. Macdougall: I do not know the answer to that question.

Mr. Turner(London East): It is a matter of economics?

Mr. Macdougall: Yes.

Mr. Turner (London East): The boss has got to make money.

Mr. Macdougall: Basically, if somebody wants us to operate a service and wants to pay for it, and give us a small profit, we are anxious to do that kind of business.

Mr. Turner (London East): How many employees will be affected when this train is taken off? We have heard 150 up to 400.

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Mr. Macdougall: I have not got the figures here to give you a complete breakdown on this, but our calculations indicate that we can see certain of these employees fitting into other work and other jobs and so on. But we will get down to a hard core number at some time that we will not be able to fit in. This is the problem we have.

As I explained in some detail in an earlier answer, we have various training programs, counselling programs, researching out areas and places for people to go. And then of course, you run into the resistance that comes from human beings themselves to be changed and to go somewhere else. Some of them do not want to go and live in Moncton or work in the shop. They want to stay in St. John's, and I do not blame them at all. But you get into that type of problem. So it is very difficult for me to give you figures. But I can tell you this, that I do not think the figures will be large and that maximum effort is being expended to endeavour to make it as minimum a number as possible, and people with very short service.

Mr. Turner (London East): Can employees who will eventually be affected go to the mainland with their seniority regardless of their service?

Mr. MacDougall: Some of them can, Mr. Turner, yes.

Mr. Turner (London East): What department?

[*Interprétation*]

M. Macdougall: Je ne connais pas la réponse à cette question.

M. Turner (London-Est): C'est une question financière n'est-ce pas?

M. Macdougall: Oui.

M. Turner (London-Est): Le patron doit faire de l'argent.

M. Macdougall: Au fond, si quelqu'un veut que nous exploitions un service et s'il veut payer pour le faire, en nous assurant un petit bénéfice, nous serions très heureux de le faire.

M. Turner (London-Est): Combien d'employés seront touchés quand le train sera enlevé? On a entendu parler de 150 à 400.

M. Macdougall: Je n'ai pas les chiffres devant moi pour vous en donner une illustration complète, mais nos calculs indiquent que certains des employés pourront être mutés à d'autres emplois. A un autre travail, et ainsi de suite. Mais, nous en arriverons à un moment donné à un certain nombre que nous ne pourrons pas employer. C'est le problème que nous avons.

Comme je l'ai expliqué en détail plus tôt, nous avons établi divers programmes de formation, d'orientation, et nous essayons de trouver des endroits et des domaines pour ces employés. Et ensuite, vous entrez dans le domaine de la résistance des hommes qui veulent changer et aller ailleurs. Certains ne veulent pas se déplacer pour aller vivre à Moncton ou travailler dans un atelier. Ils préfèrent rester à Saint-Jean et je ne les en blâme pas. C'est le genre de problèmes qui surviennent. Alors, c'est très difficile pour moi de vous donner des chiffres exacts. Je puis vous dire toutefois que je ne crois pas que le chiffre soit très élastiques et qu'on fait l'effort maximum pour essayer de réduire le nombre au strict minimum et les gens qui comptent peu d'années de service.

M. Turner (London-Est): Pour les employés qui seraient éventuellement touchés, pourront-ils se rendre sur le continent et faire valoir leur ancienneté sans tenir compte de leurs services?

M. Macdougall: Certains le pourront, oui.

M. Turner (London-Est): Dans quel service?

[*Text*]

Mr. MacDougall: I think the fellows who cannot go to the mainland are the people in the sleeping and dining car service.

Mr. Turner (London East): What about the running crews?

Mr. MacDougall: There are about 30 of those.

Mr. Turner (London East): The running crews have got no seniority district over in the mainland.

Mr. MacDougall: The running trades may be confined to Newfoundland, I am not sure. Of course, we are retaining our freight services, and it is my hope that we will see expansion of our freight services. We talked about such things as the paper coming out of Corner Brook and out of Grand Falls, which is a big potential movement and I would hope we would see a time there when we get whole trains of paper coming out of those places. I can see an interim period where there are going to have to be some adjustments but I would hope the train crews would not be adversely affected in the long term at all.

Mr. Turner (London East): We heard quite a bit of comment that on the L.C.L. rates being 10 pounds per cubic foot and everybody suggests that it should be five pounds per cubic foot. Could you make money at five pounds per cubic foot?

Mr. Macdougall: I do not know that I can just answer the question, can we make money at five pounds. It would depend upon the rate you applied to the goods. But let me just give you a little bit of information about this 10 pounds. I, naturally, get a little bit impatient with this argument. In the first instance, the only place we are getting any complaint about it is in Atlantic Canada. It applies throughout the whole of the rest of Canada and we are not getting any complaints at all. As I said before, it is at least two pounds per cubic foot less than it was under the old rates. The truck comparable cube rule is 12 to 18 cubic feet. In air, for domestic traffic, it is 7 and for international traffic 8.9. These rates were set in 1948 and they are regarded by the airlines today as most unsatisfactory and they are trying to get them up. They are looking for something in the order of what we are using.

It is 56 pounds per cubic foot for water traffic. There is no other surface carrier any-

[*Interpretation*]

M. Macdougall: Je crois que ceux qui ne peuvent pas le faire travaillent dans le service des voitures-restaurants et des voitures-lits.

M. Turner (London-Est): Et qu'en est-il du service des itinérants?

M. Macdougall: Ils sont environ trente.

M. Turner (London-Est): Ils n'ont pas de district d'ancienneté sur le continent?

M. Macdougall: Il se peut que les employés itinérants restent à Terre-Neuve. Mais nous maintenons notre service des marchandises et j'espère que le service des marchandises augmentera. On a mentionné le papier journal de Corner Brook et de Grand Falls. C'est un mouvement possible considérable et j'espère que nous verrons un jour des trains entiers de papier journal partir de ces endroits. Il y aura certainement une période intérimaire où l'on devra faire des ajustements, mais j'espère qu'il n'y en aura pas trop d'employés de chemin de fer qui seront affectés par ces mesures.

M. Turner (London-Est): Au sujet du tarif de moins d'une wagonnée on nous a dit, que le volume autorisé était de 10 livres par pied cube. Il devait être de 5 livres plutôt que de 10 livres. Est-ce que vous pourriez faire de l'argent avec un poids de 5 livres par pied cube?

M. Macdougall: Je ne sais pas. Tout dépend évidemment du tarif appliqué. Mais permettez-moi de vous dire quelque chose au sujet des 10 livres par pied cube. Je deviens un peu irrité par cet argument. Tout d'abord, le seul endroit où l'on se plaint de ce taux c'est dans les provinces de l'Atlantique. Ailleurs au Canada, on ne se plaint pas du tout. Et comme je l'ai dit auparavant, c'est au moins 2 livres par pied cube de moins que ce l'était en vertu de l'ancien tarif. Maintenant, le camionnage prévoit de 12 à 18 livres par pied cube; pour le service aérien c'est 7 et pour le transport international, c'est 8.9. Ces taux avaient été fixés en 1948 et les lignes aériennes les estiment injustes aujourd'hui et cherchent à les hausser.

Par conséquent, pour le transport maritime c'est 56 livres par pied cube. Et il n'y a pas

[*Texte*]

where that has a lesser rate than 10 pounds per cubic foot. It is the lowest rate that exsts for surface transportation.

I am afraid that of the complaints that have occurred with respect to this, many occurred when this was first put in at the end of 1967 or early 1968. We may be quite responsible for not doing a good enough job or not assessing the market well enough to do a good enough job of explaining this. Since that time, however, we have sent our people throughout the Atlantic to talk to hundreds of shippers to show them how they can use this cube rule to their own advantage. Many customers of ours, who were formerly dissatisfied and complained, are now quite satisfied.

The Chairman: Could I interrupt for one moment? While we have a quorum here I would like to have a motion from the Committee. Mr. Mahoney?

Mr. Mahoney: I move that the Chairman be authorized to seek concurrence of the fifth report of this Committee which was tabled in the House on March 19, 1969.

Motion agreed to.

The Chairman: There is another question. Time is running out on us as we only have 15 minutes left this afternoon and we still have two more speakers. Would the Committee agree to sit tonight or do you feel that we can finish this afternoon?

Mr. McCleave: I am one of the two; I will just take seven and a half minutes if the other member will take the other seven and a half.

Mr. McGrath: Mr. Chairman, the Regional Development debate is on in the House tonight and we are sitting on limited time.

Mr. McCleave: Do not take our 15 minutes.

Mr. McGrath: We have limited capacities as to how long we can remain in this position.

The Chairman: I recognise Mr. McCleave.

Mr. McGrath: No, no, I am not finished Mr. Chairman. I am not finished making my point. You asked about this problem of sitting tonight. I say we cannot sit tonight and, in my view, I cannot see how we can finish by six o'clock.

Mr. McCleave: My first question arises out of the submission of the Atlantic Premiers which I think was mailed to all members yesterday from Moncton and probably will be

[*Interprétation*]

d'autre transporteur de surface où que ce soit qui a un taux de moins de 10 livres par p. cube. C'est le plus bas existant dans les transports.

Je crains donc que nous soyons un peu responsables des plaintes qui ont été formulées à ce sujet, plusieurs d'entre elles ont été formulées au début quand on a inauguré ce tarif à la fin de 1967 ou au tout début de 1968, dans le sens que nous n'avons peut-être pas suffisamment évalué le marché ou nous n'avons pas suffisamment expliqué le barème. Mais, depuis ce temps-là, notre personnel dans les Maritimes a expliqué à ces centaines de personnes comment employer ce barême à leur avantage. Plusieurs de nos clients qui étaient alors mécontents, sont maintenant satisfaits de nos services.

Le président: Monsieur Turner, est-ce que je pourrais requérir un instant votre indulgence, pendant que nous avons le quorum. J'aimerais avoir une motion de la part du Comité.

M. Mahoney: Que le président soit autorisé à demander l'adoption du cinquième rapport du Comité qui a été déposé à la Chambre, le 19 mars 1969.

La motion est acceptée.

Le président: Il y a aussi une autre question. Je sais que le temps avance et il nous reste 15 minutes. Cet après-midi. Il nous reste encore deux orateurs. Est-ce que vous êtes d'accord pour siéger ce soir ou estimez-vous que nous pouvons finir cet après-midi?

M. McCleave: Je suis l'un des deux orateurs; je vais prendre sept minutes et demie et si l'autre membre du comité fait la même chose, nous pourrons finir à temps.

M. McGrath: Monsieur le président, il y a le débat sur l'expansion régionale économique, ce soir et notre temps est limité.

M. McCleave: Ne prenez pas nos 15 minutes.

M. McGrath: Nos capacités sont limitées pour pouvoir demeurer dans cette situation.

Le président: M. McCleave.

M. McGrath: Non, non, je n'ai pas terminé, monsieur le président. Je n'ai pas terminé. Vous nous avez demandé si nous pouvions siéger ce soir. Je prétends que nous ne pouvons pas siéger ce soir, et d'ailleurs, nous ne pouvons pas terminer avant 6 heures.

M. McCleave: La première question qui me vient à l'esprit au sujet de ce mémoire des premiers ministres des provinces de l'Atlantique, qui nous a été envoyé hier, c'est que l'on

[*Text*]

in our boxes tomorrow. One of the suggestions was that there might be savings in the re-alignment and diversions of track in Atlantic Canada, and I want to ask Mr. Macdougall if the CN is carrying out cost-benefit analyses of such a program?

Mr. Macdougall: Can you point to the specific item, Mr. McCleave.

Mr. McCleave: It is on page 18 under the heading "Rail", in the Atlantic Premiers' submission. The second paragraph reads:

> Indications are that certain track realignment and diversions will reduce the cost of rail transportation. If a more detailed cost-benefit analysis of such a program confirms a net saving, such improvements should be undertaken immediately by the railways.

Have there been studies along that line?

Mr. Macdougall: No, this is a major sort of thing. There have been no representations made directly to me on that point. I think that generally the point is a valid one. Just what the study would show, or how detailed a study would be required to do it, I am not too sure, Mr. McCleave. We have not begun anything on that.

Mr. McCleave: I take it, then, the answer is that the CN would make decisions on the briefs when they are before you?

Mr. Macdougall: We would certainly be delighted to discuss this with the provinces and to indicate places where we think such action might be taken, but I cannot be any more definite than that at the moment.

Mr. McCleave: All right. My other question involves the operation by the CN of the ferries between North Sydney and Port-aux-Basques and also between Cape Tormentine and Borden.

Mr. Macdougall: Yes?

Mr. McCleave: And it involves the charge for carrying a ton of freight under four different circumstances, and I would like to know if the rate is the same in all circumstances. First, a ton of freight in a CN boxcar; second, in a Canadian National Transportation Limited truck; third, in a railway-owned truck line, for example, Eastern Transport, and fourth, a non-railway owned truck line that is going over on the ferry. Are the rates per ton of freight the same in each of those four cases?

[*Interpretation*]

pourrait faire des économies avec les détournements et les corrections de voies ferrées dans les provinces de l'Atlantique. Je voulais demander à M. Macdougall si le CN fait l'analyse du coût d'un tel programme.

M. Macdougall: Est-ce que vous pourriez me dire quel est le point particulier, monsieur McCleave?

M. McCleave: A la page 18 sous la rubrique «Transport par rail» du mémoire des premiers ministres des provinces de l'Atlantique. Au deuxième paragraphe on lit:

> Il y a des indications que des détournements et corrections de lignes réduiront les frais si l'analyse des frais d'un tel programme confirme l'économie. Dans ce cas une amélioration devrait être entreprise immédiatement par les chemins de fer.

Y-a-il eu des analyses ou des études de ce genre?

M. Macdougall: Non. Il semble que ce soit une question d'ordre majeur. Il n'y a pas eu de représentations directement sur ce point qui m'ont été adressées. Je crois qu'en général, le point est valable, ce donnerait l'étude ou jusqu'à quel point cette étude serait détaillée, je ne le sais pas. Nous ne l'avons pas fait, monsieur McCleave.

M. McCleave: Et alors, d'après la réponse, je crois comprendre que le CN, prendra ces décisions au moment où il aura le mémoire.

M. Macdougall: Nous serons certainement heureux de discuter la question avec les provinces et de démontrer les endroits où de telles mesures doivent être prises. Mais je ne puis être plus précis en ce moment.

M. McCleave: Très bien. Ma prochaine question, est au sujet de l'exploitation par le CN des bacs entre North-Sydney et Port-aux-Basques et aussi entre Cape Tormentine et Borden.

M. Macdougall: Oui?

M. McCleave: Et elle touche les frais de transport d'une tonne de marchandises dans quatre conditions différentes; tout d'abord, une tonne de marchandises dans un wagon de marchandises du CN; deuxièmement, dans un camion du CNTL; troisièmement, sur la ligne de camionnage qui est la propriété du CN et du gouvernement; et quatrièmement, d'un service de camionnage qui n'est pas la propriété du service ferroviaire. Est-ce que le tarif par tonne de marchandises est le même dans les quatre cas?

[*Texte*]

Mr. Macdougall: I think the answer to that, Mr. McCleave, is in the answer I gave a little while ago dealing with this question. If the goods go across by truck there is a tariff that is established by the Department of Transport for each of those ferries for different types of trucks, such as trailer trucks, smaller trucks, and so on. Each of the trucks would pay the same whether owned by Canadian National or by an independent trucker. With respect to goods that go across in railway cars, we make an apportionment of the revenue that we receive from that traffic to the Department of Transport in relationship to the distance it goes across the strait.

Mr. McCleave: In other words, the CN gives no special advantage to itself by reason of the fact that it is carrying a captive competitor on those particular runs?

Mr. Macdougall: No.

Mr. McCleave: Thank you, Mr. Chairman.

Mr. Lundrigan: Mr. Chairman, my question is really only a refinement of one I asked earlier. I think that our Committee is in the process of making a final report, and undoubtedly this final report will reflect on the visit of the Committee to the Atlantic region. This is the first time that the CN has been before our Committee, and I think it is imperative that before the Committee makes a report, and perhaps a recommendation, hopefully, on the service that we have talked so much about today and in the last several weeks, that the Canadian National take it upon itself to make information available to us as to the Canadian National Railways' cost or what it has spent per mile on maintaining and upgrading its railbeds in Newfoundland in each of the years from 1963 to 1968 inclusive, as a period of time, and to provide the same information for the other Canadian provinces.

My second question is in relationship to the carrying facilities, and my question is: What has the Canadian National spent on the maintenance and service of its passenger rail service dining cars, sleepers, coaches and so on in Newfoundland, again in each of the years in question, 1963-1968, in relation to the cost of keeping these services going in the Atlantic region except Newfoundland, the central region, the Prairie region and the British Columbia region? I think this is important information. And perhaps some other members may want to supplement these questions with others which have relevance to our knowledge of what we are talking about.

[*Interprétation*]

M. Macdougall: Je crois que la réponse à cela, monsieur McCleave, se trouve dans la réponse que j'ai donnée tout à l'heure sur cette question. Si les marchandises sont transportées par camion, il y a un tarif établi par le ministère des Transports pour chacun de ces bacs dans chacune des catégories de véhicules, les camions-remorques, les plus petits camions, etc., que ces derniers soient propriété du CN ou du camionneur indépendant, ils paieront le même tarif. En ce qui concerne les marchandises transportées par wagons de chemin de fer, nous faisons la répartition du revenu que nous recevons au ministère des Transports, par rapport à la distance du détroit.

M. McCleave: En d'autres mots, le CN ne se donne aucun avantage spécial par le fait qu'il transporte un véhicule appartenant à un concurrent captif.

M. Macdougall: Non.

M. McCleave: Merci, monsieur le président.

M. Lundrigan: Monsieur le président, ma question est peut-être un rafinement de la question que j'ai posée auparavant. Notre Comité est en train de préparer son dernier rapport et, évidemment, il reflètera la situation dans les provinces de l'Atlantique. Je crois que notre Comité doit faire son rapport, et peut-être aussi, formuler des recommandations sur le service dont nous avons tellement entendu parler aujourd'hui et au cours des dernières semaines. C'est la première fois que le CN se présente devant notre comité et je crois qu'il est essentiel qu'il prenne sur lui de nous fournir les renseignements de ses coûts et de ses dépenses par mille pour l'entretien et l'amélioration des voies ferrées à Terre-Neuve, dans chacune des années de 1963 à 1968 inclusivement et de donner les mêmes renseignements pour les autres provinces du Canada.

Et ensuite, ma deuxième question a trait aux moyens de transport et voici ma question: combien le National-Canadien a-t-il dépensé pour l'entretien des wagons-restaurants, des wagons-lits, des wagons de voyageurs, etc., de sous service de trains de voyageurs à Terre-Neuve, une fois encore, pour chacune des années en cause, de 1963 à 1968, par rapport au coût du maintien de ces services dans la région de l'Atlantique, à l'exception de Terre-Neuve, dans la région centrale, dans les Prairies et en Colombie-Britannique? Je crois qu'il s'agit là de renseignements importants. Peut-être d'autres membres du Comité voudraient-ils poser des questions qui aient trait à notre connaissance de ce dont nous parlons.

[*Text*]

We cannot expect our friends here, who have been very co-operative, to give us this information. They just do not have it. Perhaps we could have this information from Canadian National and have it submitted to our Committee so that we can consider it in making our final report.

Mr. Vaughan: Sir, I will undertake to look at the questions and endeavour to supply the information to the best of our ability.

Mr. Lundrigan: Thank you. The questions are now on the record, and perhaps I can pass along these rough copies to you, if the Chairman will permit.

Mr. Vaughan: I will undertake to write a letter to the Chairman of the Committee.

Mr. McGrath: Mr. Chairman, I have a number of questions and a couple of them are supplementary to the very interesting and important matters raised by Mr. Turner.

I was rather intrigued with one of Mr. Macdougall's answers. Mr. Turner put a direct question to Mr. Macdougall. He wanted to know: If the railway were supplied with a subsidy to make up for their deficit, which is about $1 million, would they continue to operate? Mr. Macdougall's reply, to the best of my recollection, was "I cannot answer that question".

Mr. Vaughan: Perhaps you had better tell them why you cannot answer it.

All I think he was saying was that the judgment is there and the ruling was made. And the Act also contains other provisions meeting this very point that Mr. Turner raised. That is why Mr. Macdougall said he could not answer. Is that right, Mr. Macdougall?

Mr. Macdougall: Yes, sir; I think that is right; and I made the point with Mr. Turner that if someone wants to have a passenger service such has been suggested in Newfoundland and that the train be kept as a tourist attraction, or wants to operate a special train or special service for some particular reason, and that someone is willing to pay for the service and says "We will pay for it", then of course we will provide a service.

Mr. McGrath: With great respect, in my submission, I do not think that has anything at all to do with the order of the CTC. I think

[*Interpretation*]

Nous ne pouvons nous attendre à ce que nos amis ici, qui nous ont donné leur précieuse collaboration, puissent nous fournir ces renseignements. Ils ne les ont pas. Peut-être nous faudrait-il les obtenir du National-Canadien, et les faire soumettre à notre Comité, de sorte que nous puissions en tenir compte lors de la rédaction de notre rapport définitif.

M. Vaughan: Monsieur, je vais examiner les questions et m'efforcer de fournir les renseignements voulus de mon mieux.

M. Lundrigan: Merci. Les questions sont maintenant dans le compte rendu, et je pourrais peut-être vous en donner ces brouillons, si monsieur le président le permet.

M. Vaughan: Je m'engage à écrire au président du Comité.

M. McGrath: Monsieur le président, j'ai un certain nombre de questions à poser, et deux d'entre elles sont complémentaires des questions très intéressantes et importantes qu'a soulevées M. Turner.

J'étais plutôt intrigué par l'une des réponses de M. Macdougall. M. Turner a posé une question directe à M. Macdougall. Voici ce qu'il voulait savoir: si les chemins de fer recevaient une subvention pour compenser leur déficit qui est d'un million de dollars environ, est-ce qu'ils maintiendraient l'exploitation de leurs services? M. Macdougall, si je me souviens bien, a répondu: «Je ne peux répondre à cette question».

M. Vaughan: Peut-être devriez-vous leur dire pourquoi vous ne pouvez y répondre. Tout ce qu'il voulait dire, c'était que, à mon avis, le jugement était là et que la décision avait été prise. La Loi contient aussi d'autres dispositions qui répondent précisément à la question soulevée par M. Turner. C'est pourquoi M. Macdougall a dit qu'il ne pouvait y répondre. Est-ce bien cela, monsieur Macdougall?

M. Macdougall: Oui, monsieur, je pense que c'est exact; et j'ai aussi dit à M. Turner que si quelqu'un voulait avoir un service de voyageurs comme on l'a proposé à Terre-Neuve, et que l'on veuille garder le train comme attraction touristique, ou si quelqu'un voulait assurer un train spécial ou un service spécial pour une raison particulière, et que quelqu'un soit prêt à payer le service et dise qu'il le paiera, évidemment nous serons heureux de fournir le service.

M. McGrath: En toute déférence, je ne crois pas que cela ait quoi que ce soit à avoir avec l'ordonnance de la Commission cana-

[*Texte*]

it was just a straight question seeking information. I think it was a very useful question, and my next question follows it up. What was the total...

Mr. Macdougall: He did not say he had the million dollars there, or who was going to pay for it.

Mr. McGrath: Wait for my next question, Mr. Macdougall. What was the total deficit of the CNR in your last fiscal year?

Mr. Macdougall: It is all given in our annual report.

Mr. McGrath: Yes, I know.

Mr. Vaughan: Last year the over-all deficit was $25 million.

Mr. McGrath: What proportion of that was accounted for by losses on passenger rail service across the country?

Mr. Vaughan: I do not mind talking about the financial affairs of the CN, but I think that is another broad complicated subject. The gross revenues of the CNR are about $1 billion. The debt of the CNR is close to $2 billion. The fixed charges we have amount to $70 million—that is the interest on the debt.

This $25 million figure that I used means that when you take all of the operating revenues and expenses we have a net operating position of perhaps $30 million or $40 million dollars before interest. Therefore, when you ask how much of the deficit is attributable to that I cannot answer right off-hand at this moment.

Mr. McGrath: Will you undertake to provide the Committee with the information on what percentage of your deficit for the last fiscal year resulted from losses on passenger rail service across the country?

Mr. Vaughan: Yes. We gave a great deal of evidence on this point to this committee not too many years ago—one or two years ago—when the Committee was dealing with the Bill which is now the National Transportation Act. The deficit that we dealt with at that time on passenger service was $43 million, as I remember. Is that about right?

Mr. Macdougall: Something like that.

[*Interprétation*]

dienne des transports. Je pense qu'il s'agissait tout simplement d'une question directe en vue de chercher à obtenir des renseignements. A mon avis, c'était une question très utile, et ma question suivante y fait suite. Quel était le total...

M. Macdougall: Il n'a pas dit qu'il avait ce million de dollars, ni qui allait le payer.

M. McGrath: Attendez ma prochaine question, monsieur Macdougall. Quel était le déficit total du National-Canadien pour la dernière année financière?

M. Macdougall: Tout cela figure dans notre rapport annuel.

M. McGrath: Oui, je le sais.

M. Vaughan: L'an dernier, le déficit total s'est élevé à 25 millions de dollars.

M. McGrath: Quelle proportion de ce déficit était-elle due aux pertes sur les services de trains de voyageurs à travers le pays?

M. Vaughan: Je n'ai pas d'objections à parler des finances du National-Canadien, mais je pense que c'est un autre sujet très vaste et compliqué. Les revenus bruts du National-Canadien sont d'environ un milliard de dollars. Ses dettes s'élèvent à près de deux milliards. Nos frais fixes—soit l'intérêt sur nos dettes—se chiffrent à 70 millions de dollars.

Le chiffre de 25 millions de dollars que j'ai cité signifie que lorsque vous prenez tous les revenus et tous les frais d'exploitation, il reste peut-être trente ou quarante millions de dollars avant les intérêts. C'est pourquoi, lorsque vous demandez quelle serait la proportion du déficit attribuable à cela, je ne peux vous répondre au pied levé, pour le moment.

M. McGrath: Est-ce que vous fournirez au Comité des renseignements afin que nous puissions savoir quel pourcentage de votre déficit de la dernière année financière était dû aux pertes pour le service de trains de voyageurs à travers le pays?

M. Vaughan: Oui. Nous avons donné au Comité beaucoup de témoignages à ce sujet, il n'y a pas tellement d'années de cela—un ou deux ans, je pense, lorsqu'il étudiait le bill qui est maintenant la Loi nationale sur les transports. Le déficit pour les services de voyageurs était, à l'époque, pour autant que je me souvienne, de 43 millions de dollars. Est-ce bien cela?

M. Macdougall: Oui, quelque chose dans ce genre.

[*Text*]

Mr. Vaughan: Forty-three million dollars, let us say. That passenger deficit, because of higher costs and wage agreements being renegotiated, and so on, would probably have increased.

Mr. McGrath: Yes; but, with great respect, I want the figures for the last fiscal year to relate them to the new factors that have come into play, the increase in road transportation and air transportation.

Mr. Vaughan: I have just finished telling you what the figure was a year ago. And I told you I did not have these figures for the last fiscal year with me. But this Committee is going to deal with our annual report when it is published, and as soon as it gets out of the printer the Chairman and the President will be here. I am sure you will have a great many questions on the whole aspect of the CNR affairs.

Mr. McGrath: That is fair; and I hope you will be here, and Mr. Macdougall, too.

Mr. Vaughan: We will be here. I hope you do not mean by that that...

Mr. McGrath: I did not mean that facetiously. I just hope you will be here. You, sir, have taken it upon yourself a number of times today to make comments the propriety of which I would question. I merely suggest that to you, and I do not think you should impute to me motives for what I say. I merely suggest that you should be here so that we can perhaps get some qualification of, and enlightenment on, some of the very vague and ambiguous answers we have been getting here all day. That is the only reason I raise it.

However, I have another question, Mr. Chairman, and I would like to...

The Chairman: Order. Mr. McGrath hoped that Mr. Vaughan would be here, and Mr. Vaughan said he would.

Mr. McGrath: Then Mr. Vaughan tried to impute motives to me for saying that, and I took exception to it.

Mr. Vaughan: Mr. McGrath, may I just say this...

The Chairman: Order.

Mr. Vaughan: May I say something, please? I have been appearing before this committee for the last 16 years, I think. I know many of

[*Interpretation*]

M. Vaughan: Disons 43 millions de dollars. Ce déficit pour les services de voyageurs doit certainement avoir augmenté, du fait de l'augmentation des coûts, des nouvelles négociations sur les salaires, etc.

M. McGrath: Oui, mais, en toute déférence, je voudrais avoir les chiffres de la dernière année financière, pour pouvoir les mettre en rapport avec les nouveaux facteurs qui sont intervenus, l'expansion qu'ont prise le transport routier et le transport aérien.

M. Vaughan: Je viens de vous dire ce qu'était le chiffre il y a un an. Et je vous ai dit que je n'avais pas ici les chiffres de la dernière année financière. Mais le Comité va étudier notre rapport annuel lorsqu'il sera publié, et, dès que ce rapport sortira de l'impression, le président va venir ici. Je suis sûr que vous aurez beaucoup de questions à poser sur toute l'exploitation du National-Canadien.

M. McGrath: Entendu; et j'espère que vous-même et M. Macdougall serez aussi présents ici.

M. Vaughan: Oui, nous viendrons. J'espère que vous ne voulez pas dire par là que...

M. McGrath: Je ne disais pas cela ironiquement. J'espère simplement que vous serez ici. Aujourd'hui, monsieur, vous avez pris sur vous, à plusieurs reprises, de faire des observations que je mets en doute. Ce n'est qu'une réflexion au passage, et je ne pense pas qu'il vous faille imaginer des motifs pour mes paroles. Je dis tout simplement que vous devriez être présent afin que nous puissions obtenir quelques explications, et quelques éclaircissements sur certaines des réponses très vagues et ambiguës que vous n'avez cessé de nous donner aujourd'hui. C'est la seule raison pour laquelle j'ai fait cette réflexion.

Toutefois j'ai une autre question à poser, monsieur le président, et j'aimerais...

Le président: A l'ordre! M. McGrath a dit qu'il espérait que M. Vaughan serait présent, et M. Vaughan a répondu que oui, il viendrait.

M. McGrath: Puis M. Vaughan a essayé d'imputer des motifs à mes paroles, et je m'y suis opposé.

M. Vaughan: Monsieur McGrath, laissez-moi simplement dire que...

Le président: A l'ordre!

M. Vaughan: Permettez-moi de dire quelque chose, s'il vous plaît. Je comparais devant ce Comité depuis 16 ans, je crois. Je connais

[*Texte*]

the members and they know me. We always come here and endeavour to co-operate as much as possible, and we will continue to do that. Mr. McGrath, if you thought anything like that I withdraw it. I want to be co-operative with you, and we will continue to do that. I will be back whenever the railways appear before this Committee relative to any of its affairs; and I agree with you, for the sake of continuity, that when we do come back on the other things, I should be here so that we can follow the trend of the conversation.

Mr. McGrath: That is fine, sir. I was not being facetious when I asked that, and...

Mr. Vaughan: I hope we can leave it on a pleasant vein.

Mr. McGrath: That is fine. I think my next question is more appropriate to the subject under discussion. You state in your submission—and this figure was challenged in the course of our hearings in Newfoundland—that it would cost you $140 million to take the curves off the Newfoundland line. One of the senior officials of the railway unions in Newfoundland has made the charge that you pulled this figure out of the air and that you could not substantiate it.

Mr. Vaughan: I do not know when we have used the figure of $140 million recently, but I think it was used some years ago before one of these committees. You can correct me if I am wrong...

Mr. McGrath: Yes, sir; it is in your submission to the CTC—it is in the judgment.

Mr. Vaughan: All right; I am sorry. Then I stand corrected. It is in our submission...

Mr. McGrath: It is in the judgment that we have before us.

Mr. Vaughan: I think that figure related to a reconstruction of the railway from narrow gauge to...

Mr. McGrath: No, sir.

Mr. Vaughan: It could be the other...

Mr. Trudel: Mr. Chairman, when he mentioned this figure of $140 million I think he was using part of the statement, if my memory serves me correctly.

[*Interprétation*]

plusieurs de ses membres, et ils me connaissent aussi. Nous venons toujours ici pour essayer de collaborer le plus possible avec le Comité, et nous continuerons à le faire. Monsieur McGrath, si vous avez pensé que c'était là ce que je voulais dire, je retire mes paroles. Je veux collaborer avec vous, et nous continuerons à le faire. Je reviendrai lorsque les chemins de fer comparaîtront devant le Comité à n'importe quel égard. Je suis bien d'accord avec vous: pour les besoins de la continuité, je devrais être présent lorsque nous reviendrons ici pour d'autres questions, afin que nous puissions maintenir une certaine harmonie d'une audience à l'autre.

M. McGrath: Très bien, monsieur. Je ne faisais pas d'ironie, lorsque j'ai demandé cela, et...

M. Vaughan: J'espère que nous allons pouvoir finir sur une note agréable.

M. McGrath: Très bien. Ma question suivante se rattache plus directement, je crois, au sujet à l'étude. Vous dites dans votre mémoire—et l'on a mis ce chiffre en doute, lorsque des audiences qui ont eu lieu à Terre-Neuve—que cela vous coûterait 140 millions de dollars pour enlever les courbes le long de la voie de chemin de fer de Terre-Neuve. L'un des hauts représentants des syndicats des chemins de fer de Terre-Neuve vous a accusé d'avoir inventé ce chiffre, et de n'avoir aucune preuve à l'appui de vos allégations.

M. Vaughan: Je ne sais pas quant nous avons utilisé ce chiffre de 140 millions récemment, mais je pense qu'on l'a cité il y a quelques années devant l'un des comités. Corrigez-moi si je me trompe...

M. McGrath: Oui, monsieur, ce chiffre figure dans le mémoire que vous avez présenté à la Commission canadienne des transports; il est cité dans le jugement.

M. Vaughan: Entendu, excusez-moi. Je reconnais mon erreur. Le chiffre figure dans notre mémoire...

M. McGrath: Il figure dans le jugement que nous étudions.

M. Vaughan: Je pense qu'il s'agissait d'une reconstruction des voies de chemin de fer pour les faire passer d'un faible écartement à...

M. McGrath: Non, monsieur.

M. Vaughan: C'est peut-être l'autre...

M. Trudel: Monsieur le président, si je me souviens bien, lorsqu'il a mentionné ce chiffre de 140 millions de dollars, il citait une partie de la déclaration.

[*Text*]

Mr. McGrath: No, I am not Mr. Trudel. Do you have the submission to the CTC? It is $140 million to straighten out the line, and $225 million to convert it to wide gauge.

Mr. Vaughan: I might say, in fairness to the people to whom that statement would have application, that they would not pull the figure out of the air; that it was based on a calculation—was based on some engineering knowledge.

Mr. McGrath: Is there any way by which we can have this figure?

Mr. Vaughan: I will undertake to look at that, too.

Mr. McGrath: We would like to have the engineering submission, if we could, on which you base that figure because it is a serious charge. The charge has been made that you were somewhat less than honest in your submission. I am not making that charge. It was made to us at our hearings in St. John's.

Mr. Vaughan: The union made the charge.

Mr. McGrath: It is a very serious charge and it should not be allowed to go unanswered.

Mr. Macdougall: It surprises me that a union man of our company would make a charge of that kind against management. That really shocks me, if it is a real charge. Perhaps he just brought the point up, I do not know, but to think that one of the responsible union people in our company would make charge against the management...

Mr. Trudel: May I just say something, Mr. Chairman. I think this was an opinion expressed by one individual. If he was speaking for the union it was not included in the submission, it was not in the brief. It was a verbal comment that was made by one individual who was away off the track on several other submissions that he made to the Committee.

Mr. McGrath: I do not know. It seems to me, Mr. Chairman, that this Committee has reached a sorry pass when we seem to bog down into argument on every single point that is made. Mr. Trudel is the last person I expected would challenge the validity of what I say because he knows my reputation in this Committee for being accurate and for being fair in my assessment, and he is too, and he

[*Interpretation*]

M. McGrath: Non. Avez-vous le mémoire présenté à la Commission canadienne des transports? Il s'agit de 140 millions de dollars pour redresser la voie, et de 225 millions pour la transformer en voie à large écartement.

M. Vaughan: Je dirais, en toute justice à l'égard des personnes auxquelles cette déclaration s'appliquerait, qu'elles n'ont certainement pas inventé ce chiffre, qu'il doit se fonder sur des calculs, sur des connaissances en matière de génie.

M. McGrath: Est-ce qu'il serait possible d'avoir ce chiffre?

M. Vaughan: Je verrai ce qu'il en est, là aussi, monsieur.

M. McGrath: Nous aimerions savoir sur quelles connaissances techniques vous avez basé cette évaluation, car c'est une accusation grave. On vous a accusé de ne pas être tout à fait honnête dans votre mémoire. Je ne vous accuse pas. Mais c'est ce qu'on nous a dit à Saint-Jean.

M. Vaughan: C'est le syndicat qui a porté cette accusation.

M. McGrath: Oui, c'est une accusation grave qu'on ne devrait pas laisser passer sans y répondre.

M. MacDougall: Cela m'étonne qu'un employé syndiqué de notre société porte une telle accusation contre la direction. J'en suis choqué s'il y a un fond de vérité. Peut-être a-t-il simplement fait une observation, je ne le sais pas, mais je ne crois pas qu'un employé syndiqué responsable de notre société porterait une telle accusation contre la direction.

M. Trudel: Puis-je dire quelque chose, monsieur le président? Je pense que c'est une opinion formulée par une personne. S'il parlait au nom du syndicat, on ne le mentionnait pas dans le mémoire. C'est une simple observation faite par une personne dont un bon nombre d'observations qu'il a faites au Comité n'étaient pas toujours à prendre au sérieux.

M. McGrath: Je ne le sais pas. Il me semble, monsieur le président, que ce Comité en est rendu à un niveau assez bas lorsqu'on semble s'en prendre à tout ce qui est soulevé. M. Trudel m'étonne parce que je ne m'attendais pas du tout à ce qu'il mette en doute la validité de ce que je dis car il connaît très bien ma réputation dans ce comité d'être précis et juste lorsque je fais une évaluation, il

[*Texte*]

knows that this figure was raised by the union leader in making his submission and it is also mentioned in his brief.

Mr. Trudel: The point you have made, Mr. McGrath, if I may, Mr. Chairman, is that this man was accusing the CNR of using fictitious figures—and he quoted them—and he did not believe them, and I think that is what we are discussing now. I am not disputing the fact that you used the figure of 100 million or so, he said that these figures were not true and they were using wrong assumptions, and if you remember during the course of the briefing this man also made several other assertions.

Mr. McGrath: The record, of course, will bear this out and we will have the record in a few days I hope, Mr. Chairman. However, just to conclude on that particular topic, I hope that the railway will provide us with data to substantiate this figure so that we can deal with this once and for all, because I think it is very important.

Mr. Lundrigan: Mr. Chairman, may I ask one short supplementary which I think is related to this. I asked two questions about ten minutes ago and I think Mr. Vaughan and Mr. Macdougall undertook to try to provide some information to the Chairman and through him to the Committee members. I wonder if he could also follow up the representation made by several of the members of our Committee today and provide us with some details. You will not get this from your annual report because it is quite general.

Could you provide us with some detail of the deficits incurred by various other lines in Canada, including the Newfoundland line, which we understand is approximately $1 million. Could this be done, Mr. Vaughan, from 1966 until now, or at least back a few years?

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Mr. Vaughan: Yes. I shall undertake to. .

Mr. Lundrigan: I would like it in a fair amount of detail so we will know what it is costing us as taxpayers to run the various systems.

Mr. Vaughan: Yes. This is also what you will hear when the annual report comes along. In any event, I am not trying to evade your question, or anything like that. I will undertake to do as much as I can for the Committee within the limits of our capabilities.

[*Interprétation*]

l'est également, et il sait très bien que le chef syndical a cité ce chiffre durant son exposé et qu'il est mentionné aussi dans le mémoire.

M. Trudel: Ce que vous dites, monsieur McGrath, si monsieur le président me le permet, c'est que cette homme accusait le National-Canadien d'utiliser des données fictives qu'il a citées, et qu'il ne les croyait pas; je pense que c'est ce que nous sommes à discuter. Je ne m'en prend pas au fait que vous avez parlé de 100 millions ou plus, il a dit que ces chiffres sont erronés, qu'ils partaient d'hypothèses fausses, et, si vous vous souvenez, au cours de l'exposé, cet homme a aussi fait d'autres déclarations.

M. McGrath: Le compte rendu démontrera qu'il en est bien ainsi. Nous l'aurons d'ici quelques jours, monsieur le président, du moins, je l'espère. Mais, simplement, pour terminer sur cette question, j'ose espérer que les chemins de fer nous fourniront des données pour appuyer ce chiffre afin de régler la question une fois pour toutes, car je sais qu'elle est très importante.

M. Lundrigan: J'aimerais poser une question supplémentaire assez brève que je crois pertinente. J'ai posé deux questions il y a environ dix minutes et je pense que M. Vaughan et M. Macdougall se sont engagés à essayer de fournir des renseignements au président et au Comité. Pourrait-il de même à la suite des instances faites par un bon nombre de membres de ce Comité nous fournir des détails. Vous ne les trouverez pas dans votre rapport annuel parce qu'il est assez général.

Pourriez-vous nous donner des détails sur les déficits encourus par diverses autres lignes au Canada, y compris la ligne de Terre-Neuve, qui, si je comprends bien, est d'environ un million de dollars. Est-ce qu'on pourrait le faire, M. Vaughan? De 1966 jusqu'à maintenant ou du moins pour quelques années passées?

M. Vaughan: Oui, je m'engage à le faire.

M. Lundrigan: J'aimerais avoir assez de détails afin de savoir combien il en coûte aux contribuables pour exploiter ces différentes lignes.

M. Vaughan: Oui, c'est ce que vous aurez lors de la présentation du rapport annuel. Enfin, je n'essaie pas d'éviter votre question. Je m'engage à faire mon possible.

[*Text*]

Mr. McGrath: Mr. Chairman, there is another subject that was raised during the course of our hearings in St. John's. Believe me, gentlemen, I thought the whole purpose of this exercise was to have the CNR appear before us today to answer the questions and the doubts that were raised as a consequence of our tour of the Maritimes in connection with the reference that we now have from Parliament.

There are a number of questions we have not had an opportunity to put to the witnesses and, as I say, I thought this was the whole purpose of the exercise. For example—if I may proceed, Mr. Chairman, or perhaps you want to adjourn—the question was raised about the facilities at Port aux Basques which were designed to take a 70,000 pound mainland freight car and place it on a Newfoundland truck, I think that is the proper term, because a Newfoundland car only has a 40,000 pound capacity. How much did that installation cost?

Mr. Macdougall: In the first place, Mr. McGrath, as yet there has not been a facility built that is specifically designed to do this. We are doing some transfers of mainland cars to Newfoundland trucks in the transit shed which was built a year or two ago. To get this type of a service going and to meet the demands of shippers who want this type of service, and it is a good type of service, we have in the planning and implementation stage, and hope to have built by this fall, a facility which will more readily be able to transfer a limited number—perhaps 15 to 20 a day—of mainland cars to Newfoundland trucks so we will be able to carry the car straight through to destination. It is not a very expensive facility. I think it will cost something on the order of $400,000. It is mainly just to put some hydraulic jacks in the floor that will push the car body up and you then move the trucks out manually. After that you slip the other trucks in and drop it down again.

Mr. McGrath: My reason for asking that question is that evidence was given in St. John's which indicated that this system was not working. The reason it was not working was that a Newfoundland truck could not carry a 70,000 pound car.

Mr. Macdougall: I am not sure whether the actual figures that you have given express the problem or not, but this scheme is working and it is working very well. Some of our biggest cars have gone over the Newfoundland trackage very successfully, without any difficulty at all.

[*Interpretation*]

M. McGrath: Monsieur le président, il y a un autre sujet qui fut soulevé pendant nos audiences à Terre-Neuve. Messieurs, je pensais que tout cet exercice avait pour but de faire comparaître le National Canadien ici aujourd'hui pour répondre aux questions et aux doutes qui furent soulevés durant notre tournée dans les provinces Maritimes et aussi en vertu du mandat que nous avons du Parlement.

Il y a un certain nombre de questions que nous n'avons pas eu l'occasion de poser aux témoins et, comme je l'ai dit, je pensais que c'était le but de cet exercice. Par exemple, si on me permet de poursuivre, monsieur le président, ou vous désirez peut-être lever la séance, on s'est posé la question au sujet des aménagements de Port-aux-Basques qui sont conçus pour prendre un wagon de 70,000 livres provenant du continent et le placer sur des boghies de Terre-Neuve, je crois que c'est le terme propre, parce que les boghies de Terre-Neuve n'ont qu'une capacité de 40,000 livres. Quel fut le coût de cet aménagement?

M. Macdougall: Précisons d'abord qu'on n'a pas encore aménagé une installation conçue uniquement à cette fin. On fait toujours le transfert des wagons provenant du continent aux boghies de Terre-Neuve dans le hangar de transit aménagé il y a un an ou deux. Pour mettre sur pied un tel service et pour répondre aux demandes des expéditeurs qui réclament un tel service, qui est excellent d'ailleurs, nous sommes à préparer et à mettre en œuvre un plan, et nous espérons, d'ici l'automne, avoir un service qui nous permettra de faire le transfert beaucoup plus facilement un certain nombre, peut-être de 15 ou 20 par jour, de wagons en provenance du continent sur les boghies pour qu'on puisse les acheminer directement à destination. Ce n'est pas un aménagement très coûteux. Je pense qu'il en coûte quelque chose comme $400,000. Il s'agit simplement de placer des crics hydrauliques pour lever le wagon, de retirer le boghie à la main, et le remplacer par le boghie de Terre-Neuve avant de laisser descendre le wagon.

M. McGrath: La raison pour laquelle j'ai posé la question, c'est qu'à Terre-Neuve, nous avons eu des témoignages selon lesquels ce système ne fonctionnait pas parce que les boghies de Terre-Neuve ne pouvaient pas prendre une charge de 70,000 livres.

M. Macdougall: Je ne sais pas si les chiffres que vous avez cités donnent une bonne idée du problème, mais ce programme donne d'excellents résultats. Certains de nos plus gros wagons ont été utilisés sur les voies de Terre-Neuve sans aucune difficulté.

[*Texte*]

Mr. McGrath: Without being filled to capacity. This is the evidence we had.

Mr. Macdougall: That may be. I do not know whether they are filled to capacity. We have limitations that are not based upon the car.

Mr. McGrath: I take it that these limitations are placed on the car by virtue of the road bed.

Mr. Macdougall: Right, by virtue of the bridges.

Mr. McGrath: That is right. Apparently when this facility was put in this is something that was not taken into account.

Mr. Macdougall: Oh yes, it was taken into account. We know the capacity of the bridges and we are not going to put something in there that is going to fall through a bridge.

Mr. McGrath: But the point is that you can only carry an extra 10,000 pounds as a consequence of this. Is that right?

Mr. Macdougall: We can carry up to 142,000 pounds.

Mr. McGrath: I am at a bit of a disadvantage, Mr. Chairman, because we do not have the evidence in front of us that we heard on our trip, and I submit to you, sir, that this places the Committee under a very serious handicap in trying to examine the Canadian National Railways in connection with our study of the transportation problems of the Atlantic provinces.

• 1810

Mr. Macdougall: Mr. McGrath, may I ask you a question, sir. I am not sure why you raised this question. This is a new type of service which was asked for by the people of Newfoundland. They want an improved service and they want mainland quality. This is one way in which you can get mainland quality on the Newfoundland rails, by enabling the commodity car to go right through from Vancouver to St. John's. We are spending money in order to do this. We are working hard to provide a better service for the people in Newfoundland. Why is somebody objecting to it? We are not going to do things that are going to affect safety. We are bound by the regulations of the Canadian Transport Commission. We are not going to break the bridges. I do not understand why anybody would raise this. This is something that is

[*Interprétation*]

M. McGrath: Sans être remplis à pleine capacité. C'est ce qu'on nous a dit.

M. Macdougall: Peut-être je ne sais pas s'ils sont remplis à pleine capacité ou pas. Il y a des restrictions qui ne sont pas établies à cause du wagon.

M. McGrath: Je suppose que ces limitations sont établies en fonction de la voie.

M. Macdougall: C'est juste, en fonction des ponts.

M. McGrath: C'est exact. Apparemment, lorsque vous avez institué ce service, on n'en a pas tenu compte.

M. Macdougall: Oui, nous en avons tenu compte. Nous savons que la capacité d'un pont est de tant, et on ne mettrait tout de même pas quelque chose qui défoncerait le pont.

M. McGrath: Ce à quoi je veux en venir, c'est que vous ne pouvez transporter que 10,000 livres de plus à cause de cela. N'est-ce pas?

M. Macdougall: Nous pouvons transporter jusqu'à 142,000 livres.

M. McGrath: Je suis un peu désavantagé, monsieur le président, parce que nous n'avons pas ici devant nous les témoignages entendus au cours de notre tournée, et je vous dirai que le comité se trouve, de ce fait, dans une situation vraiment désavantageuse lorsqu'il s'agit d'interroger le National Canadien par rapport à notre étude des problèmes des transports dans les provinces de l'Atlantique.

M. Macdougall: Monsieur McGrath, je voudrais vous poser une question. Je ne vois pas pourquoi vous posez cette question. Il s'agit de services nouveaux offerts à la demande de la population de Terre-Neuve. Ils veulent un meilleur service de la même qualité que celui offert sur le continent. C'est une façon d'assurer un service de la même qualité que sur le continent sur les chemins de fer de Terre-Neuve, en permettant le convoyage des wagons marchandises de Vancouver à St-Jean. On a dépensé de l'argent pour le faire, nous nous efforçons vraiment d'améliorer le service pour les gens de Terre-Neuve. Pourquoi s'y oppose-t-on? Nous ne ferons rien qui affectera la sécurité. Nous sommes liés par les règlements de la CCT. On ne va pas défoncer les ponts. Je ne vois pas pourquoi on soulève la question. C'est une chose que l'on

[*Text*]

being done and it is a very thoughtful, useful and effective means of helping traffic in Newfoundland. What is the problem?

Mr. McGrath: Mr. Macdougall, I say with great respect that I am not objecting to it, nor is anyone else objecting to it. All I am saying is that this question was raised in the course of our hearings and it was raised in a critical sense and the impression was left with the Committee, rightly or wrongly, that Canadian National spent a substantial amount of funds on this process in Port aux Basques only to find that it was not working.

Mr. Macdougall: I tell you that that is absolutely wrong. Do you not accept my view as the president of the Canadian National Railways who is responsible for this, as opposed to somebody who knows nothing about it and is making a wild claim?

Mr. McGrath: Yes, sir, I am accepting your view. That is why I am asking you the question.

Mr. Macdougall: Well, I have answered it.

Mr. McGrath: Again, do not impute motives to me. I am not objecting to it.

Mr. Vaughan: I think we are all getting a little weary.

Mr. Macdougall: I wondered why you raised it, that is all.

Mr. McGrath: I told you why I raised it. The reason all the questions have been raised today is to try to set the record straight because you people have been under fire ever since this Committee started and in all fairness to the Canadian National and to you, in order to complete the picture we must get answers to questions and answers to doubts which are still in our minds before we can sit down and write a report.

Mr. Macdougall: Unfortunately you have not heard the many people who have come to us and congratulated us upon doing these things and insisting that these things are worthwhile, useful and helpful and where they are looking for a better service and exhorting us to do these things.

Mr. McGrath: Mr. Macdougall, you do so little we can congratulate you on in Newfoundland that I am glad we found something.

[*Interpretation*]

fait à bon escient, c'est un moyen utile et efficace pour aider au trafic de Terre-Neuve où est le problème?

M. McGrath: Monsieur Macdougall, je dis avec tout le respect que je vous dois, que je ne m'y oppose pas, ni personne d'autre. Je dis simplement que cette question fut posée au cours de nos audiences et elle fut posée dans un esprit critique, de sorte qu'elle a laissé au Comité l'impression, à tort ou à raison, que le National Canadien dépensait beaucoup d'argent pour cet aménagement à Port-aux-Basques avant de se rendre compte qu'il ne donnait pas de résultats.

M. Macdougall: Je peux vous dire que c'est absolument faux. Vous n'acceptez pas mon opinion en tant que président du National Canadien, et responsable de ce domaine, alors que vous acceptez celle de quelqu'un qui ne s'y connaît pas du tout et qui porte une telle accusation?

M. McGrath: Oui, j'accepte votre opinion. C'est pourquoi je pose la question.

M. Macdougall: Bien, j'y ai répondu.

M. McGrath: Mais, ne m'imputez pas des motifs. Je ne m'y oppose pas.

M. Vaughan: Je crois que nous sommes tous un peu fatigué.

M. Macdougall: Je me demandais tout simplement pourquoi vous avez posé la question, c'est tout.

M. McGrath: Je vous ai dit pourquoi je l'ai posé. La raison pour laquelle on pose toutes ces questions aujourd'hui c'est tout simplement pour rectifier le compte rendu parce que vous avez fait l'objet de critiques depuis le début de nos audienses et en toute justice à votre égard et à l'égard du CN, afin d'avoir une vue d'ensemble de la situation, il nous faut une réponse aux questions et aux doutes qui subsistent toujours dans notre esprit avant que nous puissions rédiger notre rapport.

M. Macdougall: Malheureusement, vous n'avez pas entendu le grand nombre de gens qui sont venus nous féliciter de le faire et dire que c'est utile, et pour avoir un meilleur service, ils nous prient de le faire.

M. McGrath: Vous faites si peu de choses à Terre-Neuve qui méritent nos félicitations que je suis heureux de pouvoir enfin vous féliciter.

[*Texte*]

Mr. Macdougall: I cannot accept that statement, Mr. McGrath. I think there have been a lot of improvements in Newfoundland since 1949.

Mr. McGrath: With great respect, sir, not improvements in the rail passenger service.

Mr. Vaughan: I thought you meant over-all improvements.

Mr. McGrath: There have been tremendous improvements in freight in Newfoundland. There is no question about that. There is no doubt about that at all.

Mr. Vaughan: We have tried very hard to improve the general level of the railway situation in Newfoundland.

Mr. McGrath: Before we conclude, Mr. Chairman, again, for the record, because we have to follow these things up and we are not here to make mischief as some hon. members may think, Mr. Marshall quoted from a document today and he left some doubt as to what he was quoting from. This is a statement which I would like to read into the record; it is not very long.

> J. A. McDonald, vice-president, production, told a recent meeting of the Atlantic Professional Engineers, in St. Andrews, N.B., that trains "will continue to be a vital and dynamic force in the economic life of this country."

Then he went on to refer to the fact that trains were still the best way to travel. This report can be found in the September 5 issue of *Management News,* which is a publication of CNR to keep its management personnel abreast of happenings in the CNR.

Mr. Lundrigan: Mr. Chairman, may I ask a procedural question before we leave?

Mr. Macdougall: I do not see anything wrong with that. What is wrong with it?

Mr. McGrath: I want to correct the record, Mr. Macdougall, to give the source.

Mr. Lundrigan: The reason for my procedural question is this. There are still a number of questions that members would like to raise and we would like to know whether our friends from CNR will be back next week so that we can proceed a little further and set the record straight?

[*Interprétation*]

M. Macdougall: Je ne puis accepter cette phrase monsieur McGrath. Je crois qu'il y a eu une foule d'améliorations à Terre-Neuve depuis 1949.

M. McGrath: Avec tout votre respect, monsieur, il n'y en a pas eu pour le service voyageurs des chemins de fer.

M. Vaughan: Je croyais que vous parliez d'améliorations d'ensemble.

M. McGrath: Il y a eu des améliorations incroyables dans le domaine du transport des marchandises. Il n'y a aucun doute à ce sujet.

M. Vaughan: Nous avons essayé d'améliorer la situation des chemins de fer à Terre-Neuve.

M. McGrath: Avant de terminer, monsieur le président, simplement pour le compte rendu, nous devons relancer ces choses, et nous ne sommes pas ici pour nous disputer, comme certains peuvent le croire. Monsieur Marshall a cité un extrait d'un document, aujourd'hui, et il a laissé un certain doute au sujet de la source de cette citation. C'est une déclaration que je voudrais consigner au compte-rendu. Elle n'est pas tellement longue.

> J. A. McDonald, vice-président, Production, a dit au cours d'une récent réunion des ingénieurs professionnels des provinces de l'Atlantique à St. Andrews, N.-B., que les trains seront toujours un élément vital et dynamique de la vie économique de ce pays.

Ensuite, il a souligné que le chemin de fer représentait encore la meilleure manière de voyager. J'ajoute pour le compte rendu, monsieur le président qu'on peut trouver ce rapport dans le numéro du 5 septembre du *Management New,* publication du CN destinée à tenir les cadres au courant de ce qui se passe au CN.

M. Lundrigan: Monsieur le président, puis-je poser une question de procédure avant de terminer?

M. Macdougall: Je n'y vois rien de mal. Qu'y a-t-il de mal?

M. McGrath: J'aimerais restifier le compte-rendu pour donner la source, monsieur Macdougall.

M. Lundrigan: La question de procédure que je pose vient du fait qu'il y a toujours un certain nombre de questions que les députés aimerainent soulever et nous voudrions savoir si nos amis du CN reviendront la semaine prochaine pour reprendre les débats et rectifier le compte rendu.

[*Text*]

The Chairman: Not next week.

Mr. Lundrigan: When will the CNR be back?

Mr. McGrath: Will it be before we complete our study?

The Chairman: I think we will have a chance to study the Proceedings first.

Mr. Lundrigan: I would like to look at the evidence, too. Will it be coming out soon?

The Chairman: Yes.

Mr. Vaughan: I would just ask for your indulgence again. Next week I have a board meeting on Monday and a board meeting on Tuesday. I have to go away on Wednesday and return to Ottawa on Thursday to deal with another committee. However, we will try to do your bidding as best we can. Could I just add one more thing?

The Chairman: Yes.

• 1815

Mr. Vaughan: I referred this morning to some notes and we do have copies here. Perhaps we could leave them with the Clerk and he will see that you get these notes to amplify the summary.

The Chairman: Mr. Trudel, do you have a final word?

Mr. Trudel: I have just one remark, Mr. Chairman. This is not a question, it is an observation. I would like to set this straight, Mr. Chairman. The witnesses appearing before us today have been co-operative and I would like to thank them, contrary to what has been said by other members.

Some hon. Members: Hear, hear.

Mr. McGrath: Mr. Chairman, I want to raise a question of privilege and I do so with great respect for Mr. Vaughan and Mr. Macdougall. I am sorry they had to be dragged into this but I am going to raise this question of privilege. The witnesses have not been co-operative in my view and they probably have good and sufficient reasons for not being so. Mr. Trudel has raised this matter and I am sorry that he did, because we sat today for over half an hour in camera and we got no where. We are still in doubt as to how the Canadian National arrived at this deficit of $1 million in 1966 for rail passenger service.

[*Interpretation*]

Le président: Pas la semaine prochaine.

M. Lundrigan: Quand?

M. McGrath: Avant de terminer notre étude?

Le président: Je crois que nous aurons d'abord l'occasion d'étudier le compte-rendu.

M. Lundrigan: Je voudrais aussi entendre les témoignages. Est-ce que cela sera fait bientôt?

Le président: Oui.

M. Vaughan: Je vous demande une fois de plus votre indulgence. La semaine prochaine, j'ai une réunion du Conseil de l'administration lundi et une autre mardi. Mercredi, je dois m'absenter, et revenir à Ottawa jeudi pour m'occuper d'un autre comité. Nous essaierons toutefois de satisfaire vos désirs le mieux possible. Pourrais-je ajouter autre chose?

Le président: Oui.

M. Vaughan: Ce matin, je vous ai parlé de certaines notes dont nous avons les copies. Peut-être pourrions-nous en donner des copies au greffier qui verra à les distribuer.

Le président: Monsieur Trudel, avez-vous quelque chose à ajouter?

M. Trudel: J'aimerais faire une simple observation. Il ne s'agit pas d'une question. Monsieur le président, je désirerais remercier les témoins qu'on a entendu aujourdh'ui pour leur collaboration, malgré tout ce que d'autres députés ont déjà dit.

Des voix: Bravo.

M. McGrath: Monsieur le président, je désire soulever une question de privilège et je le fais avec tout le respect que je dois à l'égard de monsieur Vaughan et de monsieur Macdougall. Je regrette qu'ils aient été entraînés dans ce remous, mais je dois poser cette question de privilège. A mon avis, les témoins n'ont pas vraiment collaboré et ils avaient certainement d'excellents motifs pour le faire. Monsieur Trudel a soulevé la question et je regrette qu'il l'ait fait, parce qu'aujourd'hui, nous avons siégé pendant plus d'une demi-heure à huis clos et nous n'en savons pas plus. Nous ignorons encore comment le CN a accumulé le déficit de 1 million de dollars en 1966 pour le service voyageurs.

[*Texte*]

Mr. Rock: I remember, Mr. Chairman, in the Montreal area between Valleyfield and Montreal there was a passenger service which was discontinued. I think it was CPR, but I am just trying to bring up the point that at the time they discontinued because of the strong competition from the provincial bus service and, of course, many people owning cars.

What I want to to know, Mr. Macdougall, is this. Suppose you did not go into the bus service but just continued as you are in many other areas with a train service, and a bus service came into effect by some other company. Would you then suffer from competition as in many other places and have to discontinue the passenger service anyway because of the loss of passengers to the bus service and, of course, even have to lay off a lot of men?

Mr. Macdougall: I am not sure that I understand your question completely, Mr. Rock. However, the usual thing, when a passenger service or a general rail service has reached the point where it is no longer patronized by the public, is that we apply to discontinue it. We leave the traffic that is available there to be taken by some other means, some other trucker or some other bus service, or something. In the case that we have been talking about here, the Newfoundland case, it was considered there might be hardships involved in doing just that with people. We did not know who would provide the bus service so we offered to provide an alternative service. This is a special type of case because of the conditions there.

Mr. Rock: Yes, what I am getting at, Mr. Macdougall, is this. Suppose that you did not go into the bus service and another firm received permission to go into a bus service on the Trans-Canada Highway, would this not have had an effect on your service through a heavy loss of passengers? Possibly then you would have had to discontinue with no alternative because there would not be another alternative?

Mr. Macdougall: Yes, that could be so.

Mr. Rock: Therefore, you had the foresight to go into the bus service before someone else did.

The Chairman: Mr. Lundrigan, just one last word.

[*Interprétation*]

M. Rock: Je me souviens, monsieur le président, que dans la région de Montréal, entre Valleyfield et Montréal, il y avait un service voyageurs qui a été discontinué. Je pense que c'est le Pacifique-Canadien, mais j'essaie simplement de dire qu'à ce moment-là, ils ont discontinué le service en raison d'une très forte concurrence exercée par le service d'autobus provincial et par plusieurs personnes qui possédaient des voitures.

Voici, monsieur Macdougall, ce que j'aimerais savoir. Disons que vous n'inaugurez pas de service d'autobus, mais que vous continuez simplement le service de train comme vous le faites dans d'autres secteurs, et qu'un service d'autobus est mis en vigueur par une autre société. Est-ce que vous serez touchés par cette concurrence et seriez-vous obligés de mettre fin au service voyageurs de toute façon, vu la perte de voyageurs qui empruntent maintenant l'autobus, et de mettre bon nombre d'hommes à pied?

M. Macdougall: Je ne suis pas sûr d'avoir bien compris votre question, monsieur Rock. De toute façon ce qui arrive habituellement, quand certains services voyageurs ou des services ferroviaires d'ordre général ne sont plus empruntés par le public, nous demandons l'autorisation de l'abandonner, et nous essayons de céder ces services à une autre société de transport, soit par camions, par autobus, pour le cas qui nous intéresse, celui de Terre-Neuve, nous étions certains de rencontrer des difficultés. Nous ne savions pas qui assurerait les services et nous avons donc offert le nôtre. C'est un cas spécial en raison des conditions du moment.

M. Rock: Oui, voici ce à quoi je veux en venir, monsieur Macdougall. Supposons que vous n'ayez pas offert de service d'autobus et qu'une autre société ait alors obtenu l'autorisation d'assurer un service d'autobus sur la route transcanadienne. Est-ce que cela n'aurait pas vraiment eu des répercussions sur votre service, entraînant la perte d'un bon nombre de passagers? Vous auriez peut-être été obligé de mettre fin à votre service, sans aucun autre service parce qu'il n'y aurait pas eu d'autre solution.

M. Macdougall: Cela aurait pu arriver.

M. Rock: Vous aviez donc prévu d'aménager ce service d'autobus avant que quelqu'un d'autre ne le fasse.

Le président: Monsieur Lundrigan, une dernière question.

[*Text*]

Mr. Lundrigan: Mr. Chairman, we, all members of the Committee, would like to express our appreciation to the gentlemen from Canadian National Railways; they have been very helpful. It is a matter of having the time, but hopefully we will have another meeting in the not too distant future. At that time we can get some other answers, perhaps more fully than we have had today. We are grateful, but it is a matter of time. We have had a long sitting, we have been sitting six hours. We are hopeful we will see these gentlemen again, to be able to probe a little more fully, perhaps with a little more information available at that time.

Mr. McGrath: Mr. Chairman, I would like to say that Mr. Vaughan and Mr. MacDougall have shown great restraint today, and personally Mr. Chairman, I think we have shown great restraint today also.

The Chairman: We always try.

Mr. McGrath: I do hope we will have a chance after we read the proceedings to perhaps get some answers to our questions.

Mr. Vaughan: For our side, may I say that all of you have shown great restraint. This is a very difficult thing and I understand your point of view and hope you understand ours. Thank you, sir.

• 1820

The Chairman: I want to thank you too, gentlemen.

[*Interpretation*]

M. Lundrigan: Monsieur le président, tous les membres du Comité désirent faire part de notre appréciation aux représentants de la compagnie des chemins de fer Nationaux du Canada qui nous ont été très utiles. Tout n'est qu'une question de temps. Nous espérons tenir une autre réunion d'ici peu. Nous pourrons alors obtenir des réponses plus complètes que celles que nous avons eues aujourd'hui. Nous vous remercions. La longue séance a déjà duré 6 heures. Nous espérons vous revoir pour approfondir un peu plus la question et peut-être y obtenir plus de renseignements.

M. McGrath: Monsieur le président, j'aimerais dire que messieurs Vaughan et Macdougall ont fait preuve de beaucoup de réserve et nous, à mon avis, de beaucoup de discipline.

Le président: Nous essayons aussi.

M. McGrath: Nous espérons que nous pourrons obtenir des réponses à nos questions après la lecture du compte-rendu.

M. Vaughan: En ce qui nous concerne, permettez-moi de vous dire que vous avez fait preuve de beaucoup de discipline. Ce n'est pas très facile. Je comprends très bien votre point de vue et j'espère que vous comprenez aussi le nôtre. Merci.

Le président: Je désire vous remercier, messieurs.

APPENDIX A-2

BRIEF SUBMITTED TO THE COMMONS STANDING COMMITTEE ON TRANSPORTATION BY THE CHAMBER OF COMMERCE OF THE MAGDALEN ISLANDS

LEOPOLD DELANEY, President
CONRAD MIOUSSE, Vice-President
GILBERT CARBONNEAU, Secretary-Treasurer
ISAAC BOURGEOIS, Director
RAYMOND HEBERT, Director
LEO L. BOURQUE, Director
JEAN ARSENEU, Director
GUY O. LANGFORD, Director
LAURIE DELANEY, Director
REDGIE POIRIER, Director
ROLAND CHEVRIER, Director

As a result of steps and pressures by the Chamber of Commerce of the Magdalen Islands, the Commons Standing Committee requested that a delegation of our members visit Ottawa to voice their opinions.

Efforts begun in 1964 to obtain a modern ferryboat for our area have continued. Petitions for the Chamber of Commerce of the Islands, approved and recommended by various public bodies such as the Island County Council, the Magdalen Islands Development Board and the Board of Trade of Charlottetown, have been sent to various federal transportation or harbour development bodies.

We shall not attempt a detailed description of the geographic, economic and social position of the Magdalen Islands, but shall try to outline our own position here.

We are 14,000 Canadians of whom 90% are French-speaking and 10% English-speaking. As we are the only true maritime area of Quebec, our exports and the major portion of our commercial ties are directed towards the Maritime Provinces whereas our social contacts are mainly with Quebec.

We are often wrongly identified with Gaspé. We are in no way complementary to this area which is almost totally unknown to us.

Our sole resource at the present time is fishing, the yield from which is sent to the United States via the Maritimes. We import foodstuffs chiefly from the Maritimes.

APPENDICE A-2

MÉMOIRE PRÉSENTÉ AU COMITÉ PERMANENT DES COMMUNES SUR LE TRANSPORT PAR LA CHAMBRE DE COMMERCE DES ÎLES-DE-LA-MADELEINE

Léopold Delaney, Président
Conrad Miousse, Vice-Président
Gilbert Carbonneau, Secrétaire-trésorier

Isaac Bourgeois, Directeur
Raymond Hebert, Directeur
Leo L. Bourque, Directeur
Jean Arseneu, Directeur
Guy O. Langford, Directeur
Laurie Delaney, Directeur
Redgie Poirier, Directeur
Roland Chevrier, Directeur

A la suite de démarches et de pressions de la Chambre de Commerce des Îles-de-la-Madeleine, le comité permanent des Communes a demandé qu'une délégation de nos membres se rendre à Ottawa pour y être entendue.

Le travail amorcé en 1964 pour nous doter d'un traversier moderne n'a pas cessé depuis. Des pétitions de la Chambre de Commerce des Îles, approuvées et recommandées par différents corps publics comme le Conseil de Comté des Îles, le Conseil de Développement du Territoire des Îles-de-la-Madeleine et le Board of Trade de Charlottetown ont été envoyées aux différents organismes Fédéraux de Transport ou d'Aménagement portuaire.

Nous ne décrirons pas en détail la situation géographique, économique et sociale des Îles-de-la-Madeleine, mais nous essayerons de nous y situer.

Disons que nous sommes 14,000 Canadiens dont 90% sont francophones et 10% anglophones. Étant le seul territoire vraiment maritime du Québec, nos exportations et la majeure partie de nos relations d'affaires se font avec les Provinces Maritimes, alors que les virements sociaux viennent du Québec.

L'on nous identifie souvent à la Gaspésie, à tord, car nous ne sommes aucunement complémentaire de cette région qui nous est presque totalement inconnue.

Notre unique ressource est présentement la pêche et le produit est expédié aux États-Unis via les Maritimes, tandis que l'importation de denrés alimentaires se fait en grande partie avec les Maritimes.

We are closer to the Maritime Provinces and the islands of St. Pierre and Miquelon than to the Province of Quebec.

Our standard of living is comparable to that of the Maritimes. However, the Maritime Provinces can count on industries other than fishing whereas in the Magdalen Islands our only other possible resource is the establishment of a new activity: *tourism.*

The present ferryboat which carries freight from the Maritimes and provides the automobile and passenger transportation service is no longer fitted to modern traffic needs.

The North Gasp is still sutiable for cargo but new water transportation demands (more serious than the age of the vessel) for cars and passengers make it no longer adequate for this type of service. Because the North Gaspé operates the service from the Maritimes to the Islands, the navigation season is limited as is the capacity for passengers and cars, and the loading and unloading methods are obsolete. The rates frighten the few rare tourists. The schedules are indecipherable and not respected. The ports visited are too numerous and the departure and landing points vary. Service and comfort are almost non existent.

Because of the problems created by the isolation of the Islands, Magdaleners consider inadequate transportation facilities a serious drawback to the development of the Islands.

A vicious circle has been created. In Ottawa we are told: study—study. In Quebec, a letter dated December 23, 1968 from the Department of Tourism, Fish and Game states: "The Minister has asked me to assure you that once we have received, from the competent authorities, all the details of this transportation system[1], including the date upon which it will be in operation, we shall undertake to develop the necessary facilities to accommodate tourists to the Islands and to promote all the tourist potential of the Islands."

We no longer know what to reply to the numerous requests for travel information emanating from Canada, the United States and even from Europe.

On May 26, 1964, the Honourable Maurice Sauvé, then Member of Parliament for the Magdalen Islands, advised the Minister of Transport that the federal Treasury had accepted the offer of the Maritime and Air Transportation Co-operative to provide transportation between the Magdalen Islands and Prince Edward Island for the years 1965-66

[1] Ferryboat, Roll-on, Roll-off.

Nous sommes plus près des Provinces Maritimes et des Îles St-Pierre et Miquelon que de la Province de Québec.

Notre niveau de vie se compare à celui des Provinces Maritimes. Cependant les provinces maritimes pouvant compter sur d'autres industries que la pêche, aux Îles-de-la-Madeleine notre seule autre ressource possible est l'établissement d'une activité nouvelle: *le tourisme.*

Le Traversier actuel, responsable du fret des Maritimes et du service de Transport automobile et passager n'est plus adapté aux besoins modernes de trafic.

Le North Gaspe demeure convenable pour le cargo mais les nouvelles exigences du transport maritime (*plus sérieuses que son âge*) pour automobile et passager ne le rendent plus apte à opérer ce service. Du fait que le North Gaspe opère le service des Maritimes aux Îles, la saison de navigation est limitée ainsi que la capacité des passagers et d'automobiles et les méthodes de chargements et de déchargements sont désuètes. Les tarifs effraient les quelques rares touristes. Les cédules ne sont pas déchiffrables et ne sont pas respectées. Les ports visités sont trop nombreux et les points de départs et d'arrivées varient. Le service et le confort est quasi inexistant.

Par suite des problèmes créés par l'insularité des Îles, le transport est considéré par les Madelinots comme l'élément constituant une contrainte au développement des Îles.

Un cercle vicieux s'est créé. A Ottawa l'on nous dit: Étude—Étude. A Québec une Lettre du 23 décembre 1968 du Ministère du Tourisme, de la Chasse et de la Pêche—dès que nous aurons reçu des autorités compétentes tous les détails de ce système de Transport[1], y compris la date qu'il sera en opération, le Ministre me prie de vous assurer que nous commencerons le développement d'infrastructure nécessaire afin d'héberger les touristes aux Îles ainsi que de promouvoir tout le potentiel que possède les Îles pour attirer les *Touristes.*

Nous ne savons plus quoi répondre aux nombreuses demandes de renseignements de touristes venant du Canada, des États-Unis et même de l'Europe.

Le 26 mai 1964, L'Honorable Maurice Sauvé, alors député des Îles de la Madeleine avisait le ministre des Transports que la Trésorerie Fédérale avait accepté l'offre de la Coopérative de Transport Maritime et Aérien d'assurer le transport entre les Îles de la Madeleine et l'Île du Prince Édouard pour les années 1965-1966 et 1967 à une subvention

[1] Traversier Roll-on Roll-off.

and 67 for an annual subsidy of $225,000 as compared to a subsidy of $294,000 then given to the Magdalen Islands Transportation.

Subsequently, a report was prepared during the summer of 1964 by members of the Department of Transport but the report failed to take into account the aspirations of the Magdaleners. No request for a subsidy has been made by the Transport Commission since. Is the reason for the poor service the lack of interest of the Magdalen Island Transportation in providing Magdaleners with the best service possible? We dare not say.

In the beginning of 1967, in the face of the immobility of federal authorities, the Chamber of Commerce of the Islands sent a resolution requesting a daily service between Souris, P.E.I. and the Magdalen Islands. Apparently the request was too late for any changes to be made in the 1967 season.

On November 15, 1967 a new resolution of the Chamber of Commerce of the Islands read as follows:

For the 1968 season exclusively a regular trip, seven (7) days per week, from the port of Havre-Aubert, M.I., with priority for docking upon arrival at the first wharf, to Sourir, P.E.I. Departure from Souris at 12:00 hours and from Havre-Aubert at 24:00. Cargo and shipment service established to serve the Islands' area. Maximum price for a one-way trip for car—$10.00; for a passenger—$5.00.

These resolutions were also passed by the County Council of the Magdalen Islands and by the Magdalen Islands Development Board. In addition, the Board of Trade of Charlottetown approved the resolution on January 15, 1968.

Mr. H. J. Darling, Chairman of the Water Transport Committee of the Canadian Transport Commission, received the documentation and assured us that "The Water Transport Committee is as interested as possible in improvement to this service and will give special attention to the representations of your Chamber of Commerce."

On January 26, a delegation of Magdaleners visited Ottawa to meet the President of the Canadian Transport Commission as well as Messrs. Balfrey, Director of Shipping Services, and Blanchet, Director of Administrative and Financial Services, in the presence of the Honourable Maurice Sauvé. The report of the meeting as given to the Chamber of Commerce of the Islands appears as an annex to the present brief.

Pursuant to the recommendations of the report of the delegates, on February 7 the following telegram was sent to Mr. Darling with a copy to Mr. Sauvé: "Pursuant to steps

annuelle de $225,000 contre une subvention de $294,000 alors donnée à Magdalen Islands Transportation.

Par la suite, un rapport fut préparé durant l'été 1964, par des membres du Ministère des Transports mais ce rapport ne tenait pas tellement compte des aspirations des Madelinots. Toujours est-il qu'aucune demande de subvention ne fut faite par la Commission des Transports depuis. Est-ce la cause de la pauvreté du service, du manque d'intérêt de Magdalen Island Transportation à doter les Madelinots du meilleur service possible? Nous n'osons répondre.

Au début de 1967 devant l'immobilité des autorités Fédérales, la Chambre de Commerce des Îles envoya une résolution demandant un service journalier entre Souris, Î.P.É. et les Îles de la Madeleine. Apparemment la demande était trop en retard pour changement de la saison 1967.

Le 15 novembre 1967 nouvelle résolution de la Chambre de Commerce des Îles rédigé comme suit: Pour la saison 1968 exclusivement un voyage régulier sept (7) jours par semaine, du port de Havre-Aubert, I.M., avec priorité d'attache à l'arrivée à ce premier quai, à Souris, I.P.E. Départ de Souris à 12.00 hrs. et de Havre-Aubert à 24.00. Service de cueillette et de livraison instauré pour desservir le territoire des Îles. Prix maximum pour automobile $10.00 et par passager $5.00 pour voyage simple.

Ces résolutions ont été passées aussi par le Conseil de Comté des Îles de la Madeleine et par le Conseil de Développement du Territoire des Îles de la Madeleine. De plus le Board of Trade de Charlottetown acceptait cette résolution le 15 janvier 1968.

M. H. J. Darling, président de la Commission Canadienne des Transports reçut toute cette documentation et nous assurait que «Le Comité des Transports par Eau est aussi intéressé que possible à l'amélioration à apporter à ce service et va accorder une attention toute particulière aux représentations de Votre Chambre de Commerce.»

Le 26 janvier une délégation de Madelinots se rend à Ottawa rencontrer le président de la Commission Canadienne des Transports ainsi que Messrs. Balfrey, Directeur des Services d'Expédition, et Blanchet, Directeur des Services Administratif et Financier en présence de l'Hon. Maurice Sauvé. Le rapport de la rencontre tel que donné à la Chambre de Commerce des Îles apparaît en annexe du présent mémoire.

Pour faire suite aux recommandations du rapport des délégués, le 7 février, le télégramme suivant fut envoyé à M. Darling avec copie à M. Sauvé. (Suite aux démarches faites

taken to improve water transportation services—Magdalen Islands—Prince Edward Island. By a resolution of a joint meeting of the Chamber of Commerce and the County Council, you are invited to visit the Magdalen Islands with the other members of your Commission and the Honourable Maurice Sauvé before you reach any decision which does not correspond exactly to the requests already submitted in writing, supported by the Board of Trade of Charlottetown and discussed with our delegates. Kindly reply immediately by telegram." The reply reached us on February 9: "Re: Telegram regarding the subject under study, shall advise of decisions in due course."

On February 25, 1968, instead of the Maritime Commission, Mr. Blanchet came to the Islands to deliver a flat NO. Mr. Blanchet admitted that the major part of our claims were well-founded but could give us nothing more than a NO. He even admitted that... 150 passengers and merchandise. The ferryboat is to be a "Roll-on Roll-off" weighing some 1600 tons, It is to be provided with reception areas and rest rooms, bar, cafeteria and some cabins. It must be able to do 20 knots an hour and therefore, when necessary, make two trips daily.

We sincerely hope that the period of study is over and that finally a solution will be found for a problem which retards the growth of an already under-developed area.

We refer you to the studies undertaken by the *Bureau d'Aménagement de l'Est du Québec* (Eastern Quebec Development Bureau) particularly No. 10 of the Development Plan.

We also refer you to the general co-operation agreement signed on May 26, 1968 between Canada and the Province of Quebec relative to the above plan. Finally, we refer you to the Regional Development Board which has an office in Montjoli.

The present lamentable state of the transportation service is beyond question. We have dared to suggest a formula for change because we believe that being CANADIAN we are also entitled to the JUST SOCIETY.

Chamber of Commerce of the
Magdalen Islands.

pour amélioration des services transports par eau—Îles de la Madeleine—Île du Prince-Édouard stop. Par résolution d'une réunion conjointe Chambre de Commerce et Conseil de Comté vous êtes prié de vous rendre aux Îles de la Madeleine avec les autres membres de votre commission et l'Hon. Maurice Sauvé avant de prendre toute décision qui ne correspondrait pas exactement aux demandes déjà transmises par écrit, appuyées par le Board of Trade de Charlottetown et discutées avec nos délégués. Prière de répondre immédiatement par télégramme.) La réponse nous parvient le 9 février: Re: Tel. au sujet en étude, aviserons décisions en temps et lieu.

Le 25 février 1968 au lieu de la Commission Maritime, M. Blanchet vient aux Îles nous dire NON. Monsieur Blanchet admit une grande partie le bien fondé de nos réclamations, mais ne put en dire plus que son mandat, NON. Il admit même que 150 passagers et de la marchandise. Ce traversier doit être un «Roll-on Roll-off» jaugeant quelques 1600 tonnes brutes. Il devra être muni de salons et salles de repos, bar, cafétéria et avoir quelques cabines de disponible. Il devra faire environ 20 nœuds à l'heure et de ce fait pourra, lorsque nécessaire, faire deux voyages journaliers.

Nous espérons sincèrement que le temps des études est révolu et qu'enfin on arrivera à une solution au problème qui retarde le développement d'une région qui est déjà sous-développée.

Nous Vous référons aux études que le Bureau d'Aménagement de l'Est du Québec a faites plus particulièrement au cahier No. 10 du Plan de Développement.

Nous vous référons aussi à l'entente générale de coopération signée le 26 mai 1968 entre le Canada et la province de Québec relativement au susdit plan. Enfin nous vous référons au Conseil Régional de Développement qui a bureau à Mont-Joli.

Il ne fait aucun doute de l'état lamentable actuel du service de transport et si nous avons osé vous suggérer une formule de rechange. C'est que nous croyons qu'en étant Canadiens nous avons droit nous aussi à la Société juste.

La Chambre de Commerce des
Îles de la Madeleine.

REPORT OF THE MEETING BETWEEN THE DELEGATES OF THE MAGDALEN ISLANDS AND THE MARITIME COMMISSION

Having to delay our departure to Thursday, January 25, we met the Honourable Maurice Sauvé, Member of Parliament for the Magdalen Islands and Minister of Forestry and Rural Development, in his office on Thursday evening. We briefly outlined the purposes of our visit and the petition we had been called upon to present. The Minister was favourable to our request and promised us his every assistance. The following day, we met Mr. H. J. Darling, Chairman of the Water Transport Commission, Mr. G. R. Blanchet, Director of the Administrative and Financial Services of the Commission and Captain C. P. Balfry, Director of Shipping Services of the above Commission. The meeting took place in the office of the Honourable Sauvé, in his presence. Mr. Turbide, as spokesman, presented our request and discussion ensued on the subject. The members of the Maritime Commission appeared somewhat surprised over our request even though the resolutions of the Chamber of Commerce of the Islands, the Islands County Council and the Magdalen Islands Development Board had been sent to them. Apparently no consideration whatever had been given to these resolutions. Mr. Balfry gave us to understand that the Maritime Commission was already prepared to sign a new contract for the year 1968, without tender, with the Magdalen Islands Transportation Ltd., and the reason for delay was that the transport company had requested an increase of $111,000.00 over the 1967 subsidy which amounted to $278,000.00 in order to make up the operating deficit for 1967 which rose to close to $90,000.00. We were somewhat surprised to learn of such a deficit. In a report prepared by a special government commission in 1965, the profit was estimated at close to $60,000.00 for the same transport company and profits from the transportation of goods and passengers increased from $120,000 in 1963 to approximately $240,000.00; in addition, loading and unloading expenses had not increased to this point. We were not there to analyze the figures cited by Mr. Blanchet, but just the same we remarked that even if the figures had been checked and verified, they were the figures from a company which operated without competition of any kind and which had six offices in various places in the Maritimes and Magdalen Islands. Some members of the Maritime Commission raised the objection that we could not stop trade with Charlottetown. Our reply was that, first of all, we were the customers and

RAPPORT DE LA RENCONTRE ENTRE LES DÉLÉGUÉS DES ILES DE LA MADELEINE ET LA COMMISSION MARITIME

Ayant dû retarder notre départ à jeudi, le 25 janvier, nous avons rencontré l'Honorable Maurice Sauvé, député des Iles de la Madeleine et ministre des Forêts et du Développement rural à son bureau jeudi soir. Nous avons exposé assez brièvement les buts de notre visite et la demande dont on était mandatés de faire. Le ministre a été favorable à notre demande et nous a promis toute l'aide qu'il pourrait y apporter. Le lendemain, nous avons rencontré M. H. J. Darling, président de la Commission Maritime, M. G. R. Blanchet, directeur du Service Administratif et Financier de la Commission ainsi que le capitaine C.P. Balfry, directeur des Services d'Expédition de ladite Commission. La rencontre eut lieu au bureau de l'Honorable Sauvé et en sa présence. M. Turbide, en tant que porte-parole, a exposé notre demande et la discussion s'est ouverte sur le sujet. Les membres de la Commission Maritime ont paru quelque peu surpris de notre demande, même si les résolutions de la Chambre de Commerce des Iles, du Conseil de Comté des Iles et du Conseil de Développement du territoire des Iles de la Madeleine leur avaient été envoyées. Il semble qu'on n'ait pas tenu compte aucunement de ces résolutions. M. Balfry nous a laissé entendre que la Commission Maritime était déjà prête à signer un nouveau contrat pour l'année 1968 sans demander de soumission avec la Magdalens Islands Transportation Ltée, et que le retard dû à signer ce contrat était que cette dernière compagnie de transport avait demandé une augmentation de $111,000.00 sur la subvention de l'année 1967 qui se chiffrait à $278,000.00, et ce, en vue de combler le déficit d'opération de l'année 1967 qui se chiffrerait à près de $90,000.00. Nous sommes restés un peu surpris d'apprendre un tel déficit vu que dans un rapport préparé par une commission spéciale du gouvernement en 1965 ce rapport montrait un profit de près de $60,000.00 pour la même compagnie de transport et que les profits réalisés à même le transport des marchandises et des passagers a passé de $120,000 en 1963 à près de $240,000.00, et que les dépenses d'embarquement et de débarquement n'ont pu augmenter à ce point. Nous n'étions pas là pour analyser les chiffres fournis par M. Blanchet, mais tout de même nous avons fait remarquer à ce dernier que même s'ils étaient contrôlés et vérifiés, ces chiffres étaient les figures d'une compagnie qui opère sans aucune concurrence, et que cette compagnie entretient tout de même six bureaux sur

therefore it was the duty of our suppliers to provide us with the desired service and that, secondly, these same suppliers had given their approval through the Board of Trade of Charlottetown. The Honourable Maurice Sauvé then put forward a counter-proposal for a daily service between Souris, Prince Edward Island and Havre-Aubert to the Magdalen Islands commencing June 15 to September 15. Neither the Maritime Commission nor the delegates present approved nor disapproved the proposal. The members of the Maritime commission present requested 15 days to study our request. Having no other choice, we had to agree.

CONCLUSIONS:

(1) It is regrettable that a Canadian Commission, appointed by Parliament and representing the Canadian people, had not taken into consideration the copies of resolutions of various public organizations of the Magdalen Islands, submitted to them;

(2) It is infinitely regrettable that the Maritime Commission had not communicated with the various public bodies of the Magdalen Islands before returning to the 1966 transportation schedule;

(3) It is regrettable that the Commission was again prepared to sign a contract with the same transportation company, with an increased subsidy, without having first invited tenders for transportation.

It is not within our jurisdiction to make recommendations, but we feel it would be desirable to invite members of the Maritime Commission to the Magdalen Islands around February 15, to be accompanied, if possible, by the Honourable Maurice Sauvé, Minister of Forestry and Rural Development and Member of Parliament of the Magdalen Islands, the Member of Parliament for Bonaventure, Mr. Béchard, and the Honourable P. T. Hellyer.

LAURIE DELANEY
OCTAVE TURBIDE
GILBERT CARBONNEAU

différents points des Maritimes et des Iles de la Madeleine. Certains membres de la Commission Maritime ont soulevé l'objection que nous ne pouvions pas arrêter le commerce avec Charlottetown. Notre réponse était que premièrement, nous étions les clients et donc il incombait à nos fournisseurs de nous donner le service désiré, et que deuxièmement ces mêmes fournisseurs avaient donné leur accord par l'entremise du Board of Trade de Charlottetown. L'Honorable Maurice Sauvé fit alors une contre-proposition, soit un service journalier entre Souris, Iles du Prince-Edouard et Havre-Aubert aux Iles de la Madeleine, et ce, à partir du 15 juin au 15 septembre. Ni la Commission Maritime, ni les délégués présents n'ont, soit approuvé ou désapprouvé cette proposition. Les membres de la Commission Maritime présents ont demandé 15 jours afin de pouvoir étudier notre demande. N'ayant pas le choix, nous avons dû accepter.

CONCLUSIONS: 1) Il est regretable qu'une Commission Canadienne nommée par le Parlement et représentant le peuple canadien n'ait pas pris en considération les copies de résolutions des différents corps publics des Iles de la Madeleine qui leur avaient été envoyées;

2) Il est infiniment regrettable que la Commission Maritime n'ait pas entré en communication avec les différents corps publics des Iles de la Madeleine avant de vouloir revenir à la cédule de transport 1966;

3) Il est regrettable que cette Commission s'apprêtait de nouveau à signer un contrat avec la même compagnie de transport et ce, avec une augmentation de subvention sans avoir au préalable demandé des soumissions pour ledit transport.

Il n'est pas de notre compétence de faire des recommandations, mais nous pensons qu'il serait souhaitable d'inviter les membres de la Commission Maritime aux Iles de la Madeleine vers le 15 février, et que ces membres pourraient être accompagnés de l'Honorable Maurice Sauvé, ministre des Forêts et du Développement Rural et député des Iles de la Madeleine, par le député du Comité de Bonaventure, M. Béchard, ainsi que par l'Honorable P.T. Hellyer.

LAURIE DELANEY
OCTAVE TURBIDE
GILBERT CARBONNEAU

MAGDALEN ISLANDS TRANSPORTATION CO. LTD.

Weekly Schedule – 1968 – Cédule Hebdomadaire

2 Trips per Week — 2 Voyages par Semaine

10th April to 28th April and 7th Oct. to 14th Dec.
10 avril au 28 avril et 7 octobre au 14 décembre

Mon.—lun.			
Dep.	Pictou		1700
Dep.	Souris		2300
Tues.—mar.			
Dep.	Havre Aubert (Amherst)		1000
Dep.	Cap aux Meules (Grindstone)		2000
Wed.—merc.			
Dep.	Souris		*0400
Arr.	Charlottetown		0800
Dep.	Charlottetown		2300
Thurs.—jeu.			
Arr.	Havre Aubert (Amherst)		1200
Dep.	Havre Aubert (Amherst)		1500
Arr.	Cap aux Meules (Grindstone)		1800
Fri.—vend.			
Arr. & Dep.	Grande Entrée (Grand Entry)	A.M.	(Depending on Tide)**
Dep.	Cap aux Meules (Grindstone)		2000
Sat.—Sam.			
Dep.	Souris		0400
Arr.	Pictou		0800

3 Trips per Week — 3 Voyages par Semaine

29th April to 22nd June and 26th Aug. to 5th Oct.
29 avril au 22 juin et 26 août au 5 octobre

Mon.—lun.			
Dep.	Pictou		1700
Dep.	Souris		2300
Tues.—mar.			
Dep.	Havre Aubert (Amherst)		0900
Dep.	Cap aux Meules (Grindstone)		1800
Wed.—mer.			
Arr.	Charlottetown		0600
Dep.	Charlottetown		2000
Thur.—jeu.			
Dep.	Havre Aubert (Amherst)		1000
Arr.	Cap aux Meules (Grindstone)		1100
Arr. & Dep.	Grande Entrée (Grand Entry) late Thurs. night or early A.M. Fri. Depending on Tide**		
Fri.—vend.			
Dep.	Cap aux Meules (Grindstone)		1200
Dep.	Souris		2200
Sat.—Sam.			
Dep.	Havre Aubert (Amherst)		0700
Dep.	Cap aux Meules (Grindstone)		1100
Dep.	Souris		1900
Arr.	Pictou		2300

5 Trips per Week — 5 Voyages par Semaine

24th June to 25th Aug. — 24 juin au 25 août

Mon.—lun.		
Dep.	Pictou	
Dep.	Souris	
Tues.—mar.		
Dep.	Havre Aubert (Amherst)	
Dep.	Cap aux Meules (Grindstone)	
Wed.—mer.		
Arr.	Charlottetown	
Dep.	Charlottetown	
Thur.—jeu.		
Dep.	Havre Aubert (Amherst)	
Dep.	Cap aux Meules (Grindstone)	
Fri.—vend.		
Dep.	Souris	
Dep.	Cap aux Meules (Grindstone)	
Sat.—sam.		
Dep.	Souris	
Dep.	Cap aux Meules (Grindstone)	
Sun.—dim.		
Dep.	Souris	
Dep.	Cap aux Meules (Grindstone)	
Mon.—lun.		
Dep.	Souris	
Arr.	Pictou	

NOTE: All vehicles should be present on the wharf at least 2 hours before Departure times shown.
Tous les véhicules devront être sur le quai au moins 2 heures avant les heures de départ indiquées.

After 14th December, sailings will be as follows, governed by weather and the ice conditions:

From Pictou	16th December
From Charlottetown	18th December
From Souris	18th December

NOTE: The last sailing for Grand Entry will be from Pictou (freight only) 2nd December, and from Charlottetown 4th December.

NOTE: If no berth available at Cap aux Meules (Grindstone) vessel will use alternate port and berth at Havre Aubert (Amherst) and vice versa.

*—Will call when needed.
**—Contact Agent.

BINDING SEC.. APR 13 1970